

**2023-24 SOLICITATION OF PROPOSALS
FOR
AFFORDABLE HOUSING DEVELOPMENT
IN OKLAHOMA CITY**

Section I, General information

Please read the entire solicitation before submitting questions or an application. Questions or requests for additional information may be submitted to Lené Le Roux, at lene.leroux@okc.gov or by calling (405) 297-1482 OR Chris Varga, at chris.varga@okc.gov.

The solicitation package for this Affordable Housing Development (AHD) HOME program application is available online at:

<https://www.okc.gov/departments/planning/financial-assistance>

The CITY reserves the right to award or to reject any or all proposals in whole or in part; and waive technical defects, irregularities and/or omissions.

1. FUNDING OPPORTUNITY

The City of Oklahoma City (CITY) Planning Department's Housing & Community Development Division is soliciting proposals from developers that wish to provide affordable housing to low-moderate income households in select areas of Oklahoma City. Funds from the CITY's HOME Investment Partnerships (HOME) Program are dedicated for this purpose.

The CITY annually receives an allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD) under Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA).

Approximately \$3,000,000 in funds from the CITY's HOME program have been allocated for this purpose. It is anticipated that approximately six (6) projects will be assisted with this funding, depending on the types of applications received and their viability.

In general, the HOME program supports the development of affordable housing, expands the capacity of affordable housing developers, and leverages private sector investment. The HOME funding for this solicitation is available for new construction, and/or rehabilitation of existing housing by non-profit and for-profit developers. Funds are available to support both large and

small-scale housing development activities to assist in meeting local housing demand for low to moderate income households. We encourage infill development as it contributes to the livability, cost efficiency and sustainability of Oklahoma City. Applications meeting this need will be prioritized.

Project proposals that include some or all the attributes below will be prioritized.

- ✓ Projects that are in urban medium intensity areas (see [planokc](#)).
- ✓ Projects in transit-oriented development (TOD) areas or in proximity to public transport routes (see [bikewalkokc](#)) and employment nodes ([ACOG STBG UZA](#)).
- ✓ Projects in SNI ([Strong Neighborhoods Initiative](#)) neighborhoods.
- ✓ Projects utilizing energy efficient building techniques to reduce household living costs over the long-term (see [adaptokc](#)).

2. APPLICATION DEADLINE

Applicants may submit only one proposal for a single project under this solicitation. Submittals may be made during the period starting Friday, June 16th, 2023, at 4 pm. On Monday, July 10th, 2023, the first review period will start, and applications submitted thereafter will be reviewed monthly for as long as funds remain available. Proposals recommended for funding will be presented to the Citizen’s Committee for Community Development (CCCD) at the next regularly scheduled meeting and to the City Council on a quarterly basis.

Applications must be submitted electronically to the following email address, HOME2023@okc.gov.

The CITY will review each proposal received to evaluate conformance with this solicitation and HOME program requirements. Applicants must be familiar with current HOME regulations and cross-cutting federal requirements (specifically, applicants should understand that the HOME program has statutory and regulatory requirements that govern HOME-assisted activities including but not limited to Income Qualifying Standards for persons who live (or will live) in the units; Affordability Requirements; Fair Housing; Labor Standards; Equal Opportunity; Accessibility; Environmental Requirements; Affirmative Marketing, etc.). Long term compliance reporting and compliance inspections are mandatory throughout the affordability period.

Section II, Eligibility

A. ELIGIBLE APPLICANTS:

Developers of proposed housing may be large or small-scale property owners, CITY-approved Community Housing Development Organizations (CHDO's), for-profit developers or nonprofit housing providers. Applicants must demonstrate experience for the proposed project or partner with experienced entities who have developed and managed affordable housing.

Applicants must be project ready in terms of:

- ✓ Site control has been secured for the proposed project.
- ✓ The property/ies must be zoned correctly for the proposed project and adhere to the subsequent land use regulations.
- ✓ Projects are expected to provide at least 25% non-federal (match) financing. This may be partially waived for NPOs and will be assessed on a case-by-case basis.
- ✓ An Environmental Assessment has been completed in accordance with HUD's Environmental Review (24 CFR Part 58) and may require a Phase 1 Environmental Study.
- ✓ Funding for the entire project budget must be identified prior to presenting to the CCCD, with firm financing commitments obtained prior to submission to City Council.

NOTE: Applicants are advised per federal requirements, once a submittal is made to the City for HOME funds, there can be NO work on the project site until a City- approved environmental review clearance is received (See Section III of this document). This includes ANY clearance, ground disturbance or construction work- even if the work is funded with private dollars.

B. ELIGIBLE ACTIVITIES

Activities are limited to new construction, acquisition, and/or rehabilitation of housing. All HOME-assisted units must be sold or rented to families/households having low to moderate income as defined by HUD.

Affordable housing: Rental

This solicitation of HOME funding assistance for affordable rental housing may be used for acquisition, new construction or rehabilitation of existing units that are not tenant-occupied (i.e., vacant buildings or units in a multi-family residential building/complex).

Under the HOME program:

- ✓ Upon project completion and readiness to house families, tenants must be certified as income eligible. Area Median Income (AMI) for the Oklahoma City area is determined by HUD and published each year on the [HUD Exchange HOME Income Limits](#) webpage. Developers/property managers must be able to properly determine income limits per approved methods and must keep records of tenant income and back up documentation.

- ✓ For rental housing projects, at least 90% of benefiting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median income.
- ✓ HOME-assisted rental units will be rent restricted and have occupancy restrictions for varying lengths of time, depending on the amount of HOME funds invested per unit. Compliance with these provisions will need to be demonstrated annually.
- ✓ Rents for HOME-assisted units cannot exceed HUD-published rents, which are updated annually on the [HUD Exchange HOME Rent Limits](#) webpage (see Appendix C).

When developing affordable rental housing under the HOME program, there are federal regulations that must be adhered to, such as lease terms, subsidy layering, calculating rents and ongoing compliance for the duration of the affordability period. Detailed information on these requirements can be found on the [HUD Exchange HOME Rental Housing](#) webpage. Applicants are expected to use the program guidelines and regulations to develop their rental housing model. Once the final projects are selected and approved by City Council, City Housing and Community Development staff will work with the awarded agency to ensure federal requirements under the HOME program are met.

Affordable housing: Ownership

- ✓ This HOME funding opportunity related to for-sale housing is for the acquisition, rehabilitation and/or new construction of homes to be sold to low- to moderate income families. (NOTE: **Rehabilitation of owner-occupied homes is not allowed** under this solicitation; rehabilitation is limited to acquisition and rehabilitation of unoccupied single-family homes.)

Under the HOME program:

- ✓ Homebuyers must not have a household income exceeding 80% of the Area Medium Income (AMI).
- ✓ The initial purchase price or after-rehabilitation value of homeownership units for single family housing that is assisted with HOME funds, cannot exceed 95% of the area median purchase price as determined by HUD.
- ✓ Applicants intending to sell housing developed under this program must ensure that buyers receive Down Payment Assistance (DPA) through a CITY-approved provider which can document the income eligibility requirements.
- ✓ Properties of between 1 and 4 units that are acquired/rehabilitated or newly constructed are eligible to be sold to new owner occupants who agree to maintain the affordability requirements on all CITY-source HOME-funded units. Applicants must understand the special rules {see [24 CFR 92.254\(a\)\(6\)](#)} that apply to the sale of single-family properties having one or more dwelling units. These rules will be discussed individually with developers proposing the use of HOME funds for such projects.

- ✓ Mixed-income or mixed-use projects are eligible, but only the HOME residential units can be funded; and only HOME-eligible tenants may occupy the funded units. All activities for which HOME funds are used must result in fully completed residences suitable for immediate occupancy.

Applicants can obtain detailed information and guidelines for the specs on developing HOME-funded housing projects on the [HUD Exchange HOME Investment Partnerships Program](#) webpage for both rental and homeownership options. Each affordable housing program is subject to federal regulations that must be adhered to. The Code of Federal Regulations (CFR) for Homeownership is [24 CFR 92.254](#) and for Rental Housing is [24 CFR 92.252](#).

C. FUNDING MECHANISMS

Each proposal will be reviewed and negotiated individually to ensure no undue enrichment to the developer using public dollars. In general, for-profit organizations may be provided loans at favorable rates and terms approximating federal affordability requirements. Funded non-profit housing organizations may be offered a Forgivable Loan with forgiveness based on project compliance. Developers of for-sale projects may be required to return a portion of sale proceeds to the CITY, and/or to reinvest a portion of the proceeds to additional affordable housing development.

All proposals must contain sufficient detail for City staff to assess project feasibility. Applicants must include information on the project's gross income, operating expenses, cash flow, debt service requirements and net operating income or net proceeds. For rental projects, the proforma period is to extend out through the affordability period.

The obligation to repay a loan may be subject to certain deferral and forgiveness provisions based on special project conditions including high-cost factors for lead-based paint remediation costs for rehabilitation projects, low and low-moderate income targeting of proposed residents, or units set aside and accommodations for special needs populations as identified by **The City's Consolidated Plan** and [ACOG's Environmental Justice Plan](#). This includes but is not limited to disabled, elderly, single mothers with children and racial minorities.

The term and final interest rate for loan-funded projects will be established following negotiations with City staff and will be based on individual project needs. Interest on unpaid balances will accrue but not compound.

D. ELIGIBLE COSTS

CITY-source HOME funds under this opportunity are limited to development costs, which include but are not limited to:

- ✓ Hard Costs (examples)
 - Acquisition of land (for a specific project with a defined development timeline) and existing structures
 - Site preparations or improvement, including on-site infrastructure.
 - Materials and labor

- ✓ Soft Costs (examples)
 - Appraisals
 - Architectural/engineering fees, including specifications and job progress inspections.
 - Phase 1 Environmental Assessment (performed by owner/developer)
 - Builder or developer fees*

*There are no administrative funds available under this solicitation for developer/builder fees. Instead, developer fees are calculated on hard construction costs only (not *total* development costs) and cannot exceed 12%.

Section III, Requirements

A. ENVIRONMENTAL REVIEW

All projects are subject to a [Part 58 Environmental Review \(24 CFR Part 58\)](#) performed by the CITY. Applicants must comply with CITY requests pertaining to the Part 58 Environmental Review and provide all necessary information and property access to allow the CITY to timely complete its environmental review requirements. A Phase I environmental study may be required as part of site evaluation; applicants who already have a Phase I on the project site, should submit it with the proposal.

B. PROPERTY STANDARDS AND CODES

All CITY-assisted units must obtain necessary permits and must meet minimum property standards in the CITY's Building Code, as applicable to the project. These standards must be met at project completion and maintained throughout the period of affordability. Residential permits include 1 and 2 Family Dwellings and their accessory structures, while Commercial permits include all other residential structures as well as commercial and industrial structures. Below is a list of building codes used by the CITY:

- International Building Code
- National Electrical Code
- International Plumbing Code
- International Mechanical Code
- International Energy Conservation Code
- International Fire Code
- American National Standards Institute
- International Residential Code
- OKC Supplements to adopted codes.

This list is a guide for applicants regarding minimum standards, however applicants may exceed these standards using more recently revised codes to strengthen their application.

Rehabilitation and New Build

Property standards ([24 CFR 92.251](#)) and physical condition standards ([24 CFR 5.703](#)) for HOME funded projects apply for new build and rehabilitation development projects.

Zoning

The appropriate zoning to develop the project must be in place prior to review of the loan request. Proposed building sites should already have the correct zoning prior to making an application for these funds.

CITY staff will review the scope of work prior to the City's execution of the Loan Agreement. Staff may inspect the development at various times, including the time of each draw request, and at project completion.

Section IV, Application disqualifications and HOME funding stipulations

- Relocation costs are not eligible under this opportunity. Projects involving acquisition and/or rehabilitation of occupied rental property will be rejected.
- Projects located within 100 Year Flood Zones or Floodways are not eligible.
- Substantially incomplete applications are subject to rejection without review.
- If for any reason the project is not timely completed or the affordability period is not met, 100% of the funding award, including developer fees must be returned to the CITY.
- The applicant must have all funds, except for the requested HOME funds, fully committed and sufficient to cover the entire project before an award of HOME funds is made.

Section V, Project selection process

This solicitation uses weighted criteria and a scoring structure to help select the projects to fund (see Section IX below). Applications must score at least 55 points to be considered for funding. Final funding recommendations will be based on a variety of factors including total score; agency profile, capacity, and experience; project feasibility and readiness; availability of funds compared to the request; level of match/leverage; alignment with the CITY's planning policies and programs; and the quality/completeness of the application. Please note the following:

- ✓ Minimum submission requirements must be met for the application to be reviewed. Incomplete applications will be disqualified. Applications that exceed the minimum requirements will be scored accordingly.
- ✓ Selected applications will be forwarded first to the CCCD with a positive recommendation by staff; then, with CCCD support, to the City Council with a recommendation for funding. Depending on availability of staff, a Q&A session may be held virtually prior to the

application deadlines. Thereafter a technical session will be held for shortlisted applicants prior to final selection recommended to Council.

- ✓ Projects applying for financing from other sources, including government and/or private lenders, must specifically disclose and document the funding source(s) and requested amount(s) to them, and include evidence of funding commitments such as term sheets, loan documents or letters of commitments from private funders.
- ✓ Any approved applications proposing to incorporate Low Income Housing Tax Credits (LIHTC), known also as Affordable Housing Tax Credits (AHTC), will receive a loan commitment contingent on the award of tax credits.

Section VI, Proposal minimum submission criteria

There is no application “form” to complete. The required content for proposals is defined below. Please see Section X for the Application Checklist and submit documents in the order listed on the checklist.

The CITY reserves the right to request project-related information in addition to the minimum requirements during the proposal review process. Each proposal must include, in narrative format, what is explained below, as well as provide any legally binding documentation listed. This is more concisely set out in the **Application Checklist (Section X)**:

1. Project summary including:
 - Project and site location
 - Legal description of site and zoning
 - Site description
 - Total number of units proposed (by size and type, i.e., number of bedrooms, square footage)
 - Number of HOME assisted units proposed (size and type)
 - Designation of HOME-assisted units as fixed or floating
 - Total cost of project, including acquisition
 - Total HOME fund requested.
2. Project description includes identifying project needs and meeting the city’s planning and housing priorities.
3. Preliminary plans include site plans, floor plans, elevations, and site design including energy efficiency and sustainability aspects.
4. Evidence of site control: This may include an option to purchase, a long-term lease agreement (i.e., 99 years), warranty deed, etc.
5. Evidence of zoning: Documentation that zoning is suitable for the project and in place at the time of application.
6. Phase I Environmental Assessment (if completed)
7. Budgeting

7.1 *Development Budget* (include all sources and uses)

- Line-item detail of activities to be paid with proposed CITY-source HOME and non-HOME funds (show in separate columns)
- For scattered site projects ONLY show CITY-source HOME funds by site/address
- Show all hard and soft costs with line-item detail under each respective category.
- Clearly show all funding sources, including the anticipated financing terms.
- Include a 10% contingency.

7.2 *Operations Budget* for rental units ONLY

- Show income and expenses.
- Specifically show tenant income requirements (i.e., percent of AMI) for HOME assisted units by unit size and type.
- Indicate proposed rent and whether utilities are included in the rents.
- Operations budget must be reasonable and demonstrate project feasibility.
- 20% Vacancy factor must be applied in the first year of lease-up, and 10% in subsequent years of the proforma.
- Include a reasonable maintenance reserve and/or capital improvements budget.
- Annual rent escalators are not to exceed 3%.

8. Pro forma extending through the applicable affordability period as described in Section VII, 3, for multi-family residential developments with 20+ units ONLY.
9. Development timetable
10. A narrative describing the capacity of the applicant/agency applying, especially as it relates to affordable housing development or management.
11. Local market analysis

This is explained further below:

- ✓ The **project summary** entails:
 - A complete and clear project description providing location-specific information including address or legal description and zoning, as well as a delineation of all activities included in the overall scope of the project.
 - A narrative of how the project will meet some or all of the city planning, urban design and housing priorities as discussed in Section VIII below.
 - Initial renderings of the site plan, site layout and design, and floor plans of the building.
 - Unit breakdown by building, including unit sizes, type, and for rental projects ONLY the proposed unit rents.
 - Number of HOME units in the project: Identify the location of the HOME unit(s) on the site and floor plans, and for rental projects to designate whether the HOME unit(s) will be either floating or fixed [see [24 CFR 92.252\(j\)](#)]. Fixed and floating units: Fixed units remain the same whereas floating units are used to maintain the correct number of HOME-assisted units during the period of affordability. Floating units are changed to maintain conformity in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

- ✓ The **development budget** section of the proposal should include:
 - A summary of the project financing, including the project development budget and operating budget. A list of proposed funding sources and uses identifying federal and nonfederal funds (Note: applications with an excessive reliance on federal funds may be rejected).

- ✓ A **project development timetable** for the planning, construction, and release of units to potential tenants/owners. Essentially the timeframe from project initiation to completion.

- ✓ **Project capacity:** A narrative describing the experience and capacity the applicant/agency has to execute a HOME funded project. This should include both the attributes and gaps of the agency so that the CITY can determine what support is needed and what skills the agency's staff already possess. Attributes may include staff completing [HOME training](#), managing any HOME-assisted projects with specific skills and/or experience in meeting the regulatory requirements (e.g., meeting building standards, working with multiple contractors and doing Section 3 and Davis Bacon reporting, income qualifying, and managing the affordability period). The applicant should also be able to articulate what support they may need to undertake the project (e.g., training; reporting; comprehending regulations).

- ✓ **Analysis of local market.** Depending on the size of the project, the number of units built and the in-house capacity of the applicant to conduct the analysis, an independent Market Study may be required. This will be determined on a case-by-case basis, and after an evaluation of the market analysis received with this application. All proposers must provide a **Market Analysis** which may include market studies conducted by other sources, waiting lists and other market information. This is to be assembled by the applicant and submitted with the proposal. See [HUD Notice CPD-15-11](#), which references 24 CFR Part 92. In all cases, however, the market analysis for a project should:
 - Evaluate general demographic, economic, and housing conditions in the community.
 - Identify the geographic area from which the majority of a project's tenants or buyers are likely to come. This may or may not coincide with census tract or neighborhood boundaries.
 - Quantify the pool of eligible tenants or buyers in terms of household size, income, tenure (homeowner or renter), and other relevant factors. Not all residents of the market area are potential or likely tenants or buyers of any given project.
 - Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments or sales opportunities in the market area, including those financed through either the HOME program or other federal programs.
 - Assess the market for the planned units and determine if there is sufficient demand to sell the HOME-assisted housing within nine (9) months of construction completion [\[§92.254\(a\)\(3\)\]](#) or to rent the HOME-assisted housing within 18

months of project completion. *(NOTE: HOME-assisted units for sale to homebuyers must be converted to affordable rental units if they remain unsold nine (9) months after completion).*

- Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the proposed project to fully occupy it. The lower this rate, the more likely a project is to succeed.
- Estimate the absorption period. Plan how many units can be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the HOME units and stabilized occupancy for the project as whole.
- In some cases, other funders of the project may require independent market studies. The CITY may accept this study if it meets the requirements of the CITY's underwriting standards.

Section VII, HOME Affordable Housing Requirements

Using HOME funding to assist in the development of affordable housing has certain requirements that qualify the residential units as affordable, according to U.S. Department of Housing and Urban Development (HUD). These requirements under the HOME program are divided into rental housing and for-sale housing which are located under the statute's federal regulations:

- [24 CFR Part 92.252](#) Qualifications as affordable housing: Rental Housing
- [24 CFR Part 92.254](#) Qualifications as affordable housing: Homeownership

Applicants should read the above federal regulations thoroughly to understand the requirements and a developer's full commitment associated with the use of federal HOME funds. Below are some important requirements pulled from the regulations:

- 1) **Identification of HOME units.** For rental projects, the proposal must specifically identify which units are HOME units or indicate that the units will float among all the units in the project. Floating units must be comparable in terms of size, type, and amenities.
- 2) **Rent Requirements:** (See [24 CFR Part 92.252](#)) which limits how much rent can be charged for units assisted with HOME dollars.

Generally, the rules provide that for rental properties with five (5) or more HOME-assisted units at least 20% of those units must serve households with incomes that are 50% of the Area Median Income or less. The rent charged can be no more than 30% of the tenant's monthly household income. There are other nuances in the rule that may affect rent rates. The rent on HOME-assisted units cannot exceed annual rents as published by HUD. The cost of all utilities is to be included in the rent rates, so if a tenant must pay their own electrical bill, for example, the rent charged must be further reduced to provide a utility allowance.

3) **Affordability Requirements:**

- New construction projects: Twenty (20) years affordability period for HOME-assisted unit(s)
- Acquisition/rehabilitation of existing housing: affordability period is determined by the amount of HOME assistance per unit:
 - \$15,000/unit = 5 years.
 - \$15,000- \$40,000/unit = 10 years.
 - >\$40,000 = 15 years.
- Affordability requirements – For-sale housing:

In accordance with the City's Down Payment Assistance Program – currently a seven-year minimum affordability period.

Please note that per federal rules any property currently under a HOME long-term affordability period is not eligible for funding under this solicitation.

- 4) **Unit Accessibility:** Developers must abide by accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
- 5) **Match:** Projects are expected to provide at least 25% nonfederal (Match) financing. This may be partially waived for NPOs and will be assessed on a case-by-case basis.
- 6) **Energy Efficiency:** Selected projects are expected to incorporate energy efficiency appliances and measures that will result in ongoing savings for property owners and building residents. The CITY uses the 2009 International Energy Conservation Code as minimum standards for energy efficiency in construction. However below we discuss ways applications can earn bonus points for designing projects of greater environmental sustainability and energy efficiency.
- 7) **Design:** Funded projects proposing new construction are expected to incorporate a design that is architecturally consistent with or complements the surrounding neighborhood context.

Section VIII, City Planning and Housing Priorities

This solicitation is shaped by planning and housing priorities. Applications will be evaluated according to a point system that is developed using a mixture of HUD funding requirements and priorities established in City plans and policies for the development of a more sustainable, livable, and affordable city. In collaboration with different specialty units in the City's Planning Department, the following key considerations are important:

A. LOCATION

Projects may be for one or more buildings on a single site or multiple sites, and technically can be developed anywhere in the CITY where low-moderate income block groups are located. However affordable living is also dependent on the ease of mobility, access to jobs and proximity

to areas of socio-economic activity. Thus, projects are also evaluated according to whether they are in or nearby:

- ✓ The Neighborhood Revitalization Strategy Area (NRSA) which is an area of the inner city consisting primarily of low-income census tracts.
- ✓ Strong Neighborhoods Initiative (SNI) neighborhoods. Contact SNIOKC@okc.gov for SNI-specific design criteria.
- ✓ Employment nodes (activity zones according to employment data provided by ACOG)
- ✓ Public transport routes and infrastructure (e.g., bus routes, bike lanes, sidewalks)
- ✓ Low-moderate income (LMI) Census tract block groups

See the maps in Appendix A to identify areas most desirable for affordable housing considering the planning priorities listed above.

B. SUSTAINABILITY AND ENERGY EFFICIENCY

The CITY has adopted the *2009 International Energy Conservation Building Code* which the project must adhere to as a minimum requirement for energy efficiency. Yet there are several recent developments in legislation, technology, and environmental research that can be used to strengthen a proposal. The intention is to support housing projects that achieve long-term affordability for residents through reducing energy cost, and in so doing, living costs.

The use of energy star rated projects in the home is expected as a baseline. The project will also be *generally* evaluated according to how applicants might incorporate some sustainability and energy-efficient attributes, such as:

- ✓ Exceeding minimum standards and codes by incorporating more recent codes and legislation (see Appendix B).
- ✓ Building solar-ready units / developments (see Appendix B).
- ✓ Implementing geothermal energy-saving systems
- ✓ Communal energy efficiency and/or sustainability design (e.g., rainwater collection, food gardens, solar power, and EV charging stations)

C. DEMOGRAPHICS

Projects must meet the needs of families that meet HUD’s HOME income limits for Oklahoma. The most recent income limits were calculated in 2022, and is available via the [HUD Exchange weblink](#) and are given below. These will be updated for 2023 soon and organizations can watch out for this [HERE](#) in order to incorporate the latest information into their application.

U.S. DEPARTMENT OF HUD STATE: OKLAHOMA		----- 2022 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Oklahoma City, OK HUD Metro FMR Area									
30% LIMITS	17200	19650	22100	24550	26550	28500	30450	32450	
VERY LOW INCOME	28700	32800	36900	40950	44250	47550	50800	54100	
60% LIMITS	34440	39360	44280	49140	53100	57060	60960	64920	
LOW INCOME	45850	52400	58950	65500	70750	76000	81250	86500	

D. CITY'S LONG-TERM DEVELOPMENT AND URBAN DESIGN OBJECTIVES

Applicants should show a working knowledge of [planokc](#) by demonstrating how the project meets the overarching planning priorities and urban design goals of the CITY. Examples are:

- ✓ Projects that support densification of the CITY through infill development. This can be anywhere but developing on vacant or rehab sites in the NRSA, in specific SNI neighborhoods, or along public transit routes contributing to the transit-oriented development (TOD) is desirable.
- ✓ Infill development design must be compatible with the existing neighborhood (e.g, consistent garage placement, sizing and setbacks, etc.). Contact SNIOKC@okc.gov for SNI-specific design criteria.
- ✓ Mixed-use developments (e.g., residential with commercial, residential with recreational, residential with socio-economic amenities)

E. OTHER PRIORITIES

- ✓ Projects that demonstrate a maximum use of private financing and utilize federal assistance (including AHTC/LIHTC) as a source of supplemental financing.
- ✓ Projects with a mix of affordable and market rate units.

Section IX, Weighted criteria, and threshold scoring.

Applications will be individually scored by Review Committee members utilizing the point system below as well as other considerations identified in this document. The criteria given below is weighted using the number of points an application can earn for meeting those criteria. A minimum score of **55 points** is required as a threshold for funding consideration. Applicants are to use this tool to self-score and include self-score results with the application.

CRITERIA	OPTIONS	POINTS	SELF-SCORE
<i>Private (Match) financing</i>	Maximum possible points:	15	
	81%-100%	15	
	61%-80%	10	
	26%-60%	8	
<i>Project type & location</i>	Maximum possible points:	15	
	New construction on infill sites	15	
	Acquisition and/or rehabilitation of vacant structures on infill sites	15	
	New construction (general)	10	
	Acquisition and/or rehabilitation (general)	10	
<i>Developer experience</i>	Maximum possible points:	15	
	Previous success using HOME Funds	15	
	Substantial experience using federal funds for affordable housing programs	15	
	Some, but limited experience with using federal funds for affordable housing	10	
	Experience with residential development in general	8	
<i>Developer fee</i>	Maximum possible points:	15	
<i>(% of hard construction costs)</i>	< 9%	15	
	9-12%	10	
BONUS CATEGORIES	Total points (cumulative; total all applicable):		
	Project in Strong Neighborhoods Initiative (SNI) areas	10	
	Located in the NRSA (but outside an SNI area)	10	
	A transit-oriented development (TOD)	8	
	Mixed-income housing (i.e., at least 30% affordable)	8	
	Certification of completion of HUD's HOME online training by staff member/s	4	
	Using energy efficient building techniques to reduce household living costs over the long-term	5	
TOTAL	MAX POSSIBLE POINTS:	95	

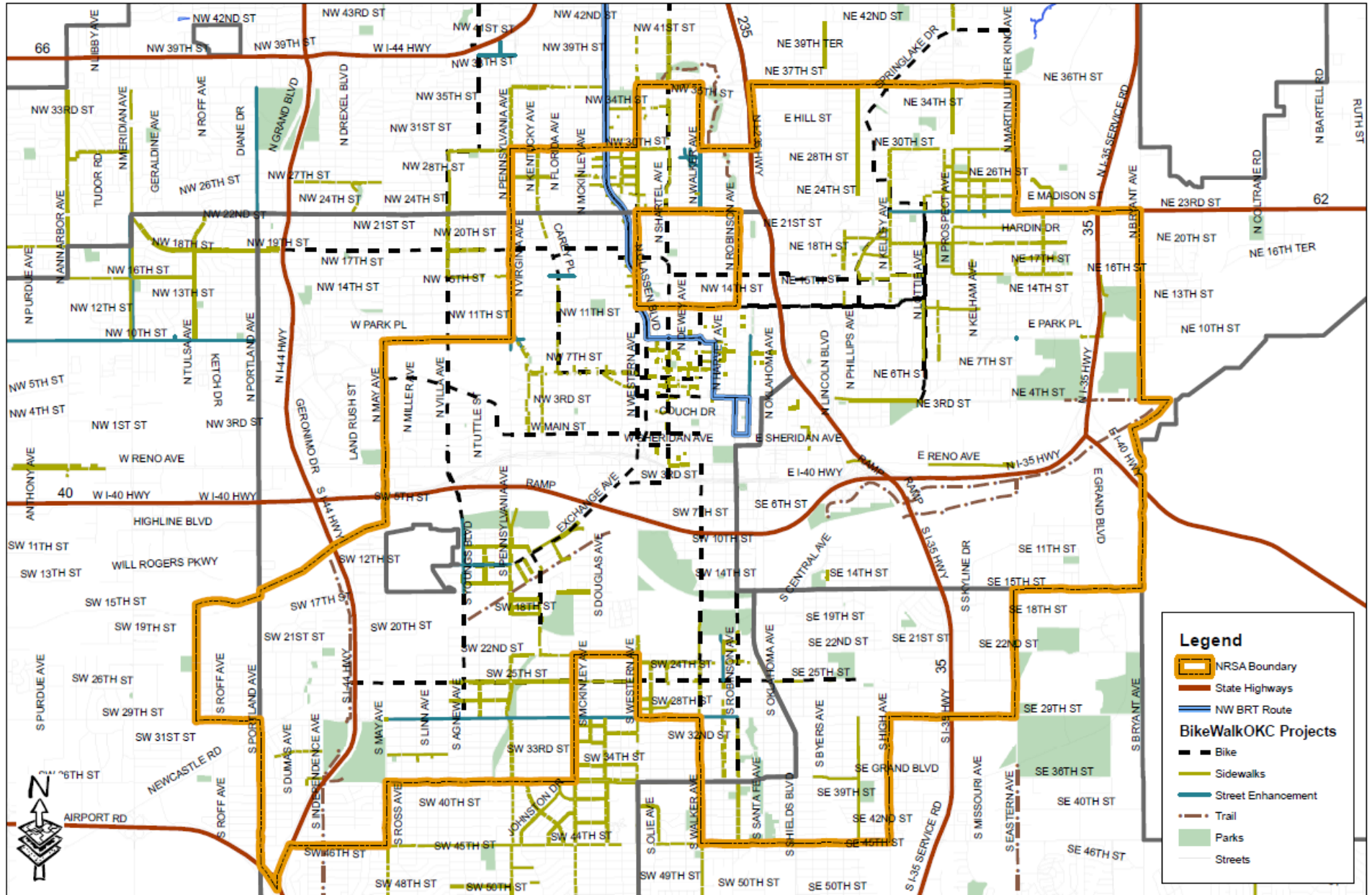
Section X, Application Checklist

✓	Requirement	Details of Requirement
	Letter on applicant letterhead	
		Identifying the applicant and including a brief description of applicant's experience in building housing, and particularly affordable housing.
		Briefly summarizing the proposal and total project costs
		Specifying requested amount of HOME funding
	Project summary	
		Project and site location
		Legal description or address of site and current zoning
		Site description
		Total number of units proposed (by size and type)
		Number of HOME assisted units proposed (size and type)
		Designation of HOME-assisted units as fixed or floating
		Total cost of project, including acquisition
		Total HOME funding requested
	Project description	
		Describe need for project
		Narrative for meeting long-term city development, urban design and housing objectives.
		Description of all activities included in the overall scope of the project.
	Preliminary plans	
		Site design including energy efficiency and sustainability aspects
		A site plan and floor plans by building; include:
		➤ A unit breakdown by building, including unit sizes, type, and <u>for rental projects</u> , the proposed rents for each unit.
		➤ Number of HOME units in the project. Identify the locations of the HOME unit(s) on the site and floor plans, and <u>for rental projects</u> designate whether the HOME unit(s) will be either floating or fixed.
		Elevations showing external design.
	Budgeting	
		Summary of project financing. Include the project development budget.
		<u>If a rental project is proposed</u> , submit an annual operating budget showing a 10-year projection of all income and all expenses.
		A list of all sources and uses of funds. Specify all funding sources, including federal, nonfederal, and private funds.
		<i>Development budget (include all sources and uses):</i>
		➤ Line-item detail of activities to be paid with proposed CITY-source HOME and non-HOME funds (show in separate columns).
		➤ For scattered site projects show proposed CITY-source HOME funds by site/address.
		➤ Show all hard and soft costs with line-item detail under each respective category.
		➤ Explicitly show all funding sources along with the anticipated financing terms. Provide documentation of funding commitments.

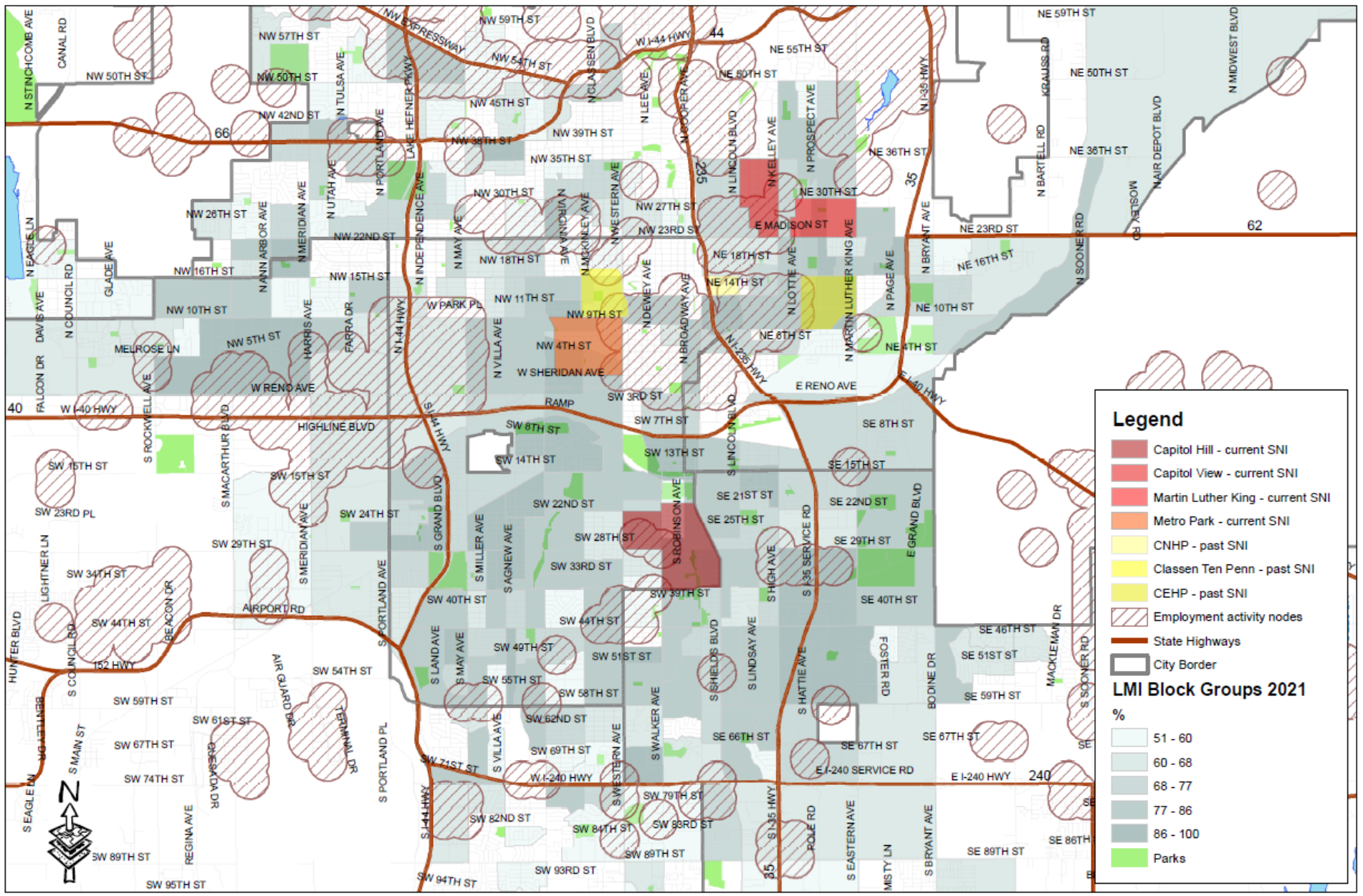
		➤ Include a 10% contingency.
		<i>Operations budget (for rental units ONLY)</i>
		➤ Show income and expenses.
		➤ Show tenant income requirements (i.e., percent of AMI) for each unit size and type of HOME assisted units (i.e., 1 bdrm at 60% AMI; 2 bdrm at 70% AMI, etc.)
		➤ Indicate proposed rent and whether utilities are included in the rents. Identify any additional charges proposed such as parking or pet fees.
		➤ Operations budget must be reasonable and demonstrate project feasibility.
Other documentation		
		Evidence of site control (this may include an option to purchase, a long-term lease agreement (i.e., 99 years), warranty deed, etc.)
		Evidence of zoning (documentation that zoning is suitable for the project and in place at the time of application)
		Evidence the applicant has Site Control. This may include an option to purchase, a long-term lease agreement (i.e., 99 years), warranty deed, etc.
ALL applicants are to provide:		
		Development timetable
		Phase I Environmental Assessment if one has been completed
		Proof of funding sufficient to cover 100% of the project budget identified prior to presenting to CCCD, with firm financing commitment(s) secured prior to City Council.
		Narrative describing capacity of the applicant/agency applying.
		Local market analysis (scope depends on project size)
Multi-family residential developments with 20+ units to provide:		
		Pro forma for a period that extends through the applicable affordability period (see Section VII, (3) of this application).

Appendix A, Maps showing desirable attributes for affordable housing development.

NRSA and Transit-oriented Development Desirability



SNI, Employment Activity Nodes and LMI Desirability



Appendix B, Sustainability Guidelines

Consider these codes, legislation, and LEED guidelines for creative ideas to make proposed developments more sustainable.

- ✓ [Chapter 4 \[Re\] Residential Energy Efficiency of the 2021 IECC](#)
- ✓ [LEED v4.1 Guidelines for single homes and multifamily residential developments](#) (NOTE: Applicants are NOT expected to be LEED certified)
- ✓ [Inflation Reduction Act of 2022](#) – see tax credit programs below:

Increase in Energy Credit for Solar and Wind Facilities Placed in Service in Connection with Low-Income Communities

Federal Agency: Department of the Treasury

IRA Statutory Location: 13103, 13702(h)

Tax Code Location: 26 U.S. Code § 48(e), 26 U.S. Code § 48E(h)

Tax Provision Description: Provides an additional investment tax credit for small-scale solar and wind facilities in low-income communities.

Period of Availability: 48(e) begins in 2023 and ends when the 48E(h) Clean Electricity Investment Tax Credit becomes available in 2025 through 2032.

Tax Mechanism: Allocated investment credit, capped at 1.8 GW per year. Unused capacity carries over to following year.

New or Modified Provision: New

Eligible Recipients: Solar and wind facilities with a maximum net output of less than 5 MW, including associated energy storage technology.

Tribal Eligibility: Yes, facilities on Indian land qualify for the 10 percentage point bonus credit.

Base Credit Amount: 6% of qualified investment (basis of energy property)

Bonus Credit Amount: Credit is increased by 10 percentage points for facilities located in low-income communities or on Tribal land. Credit is increased by 20 percentage points for facilities that are part of certain federally subsidized housing programs or that offer at least 50 percent of the financial benefits of the electricity produced to low-income households. This bonus amount will require an application by the taxpayer, with a cumulative total of 1.8 GW of direct current capacity per year available for allocation.

Direct Pay Eligibility: Yes, for tax-exempt organizations; states; political subdivisions; the Tennessee Valley Authority; Indian Tribal governments; Alaska Native Corporations; and rural electricity co-ops.

Transferability: Yes

Stackability: No rules

Relevant Announcements: [Request for Comments on Certain Energy Generation Incentives \(10/5/2022\)](#)



Clean Electricity Production Tax Credit

Federal Agency: Department of the Treasury

IRA Statutory Location: 13701

Tax Code Location: 26 U.S. Code § 45Y

Tax Provision Description: Provides a technology-neutral tax credit for production of clean electricity. Replaces the production tax credit for electricity generated from renewable sources (extended in Section 13201 through 2024).

Period of Availability: Facilities placed in service after 12/31/24. Phase-out starts the later of (a) 2032 or (b) when U.S. greenhouse gas emissions from electricity are 25% of 2022 emissions or lower.

Tax Mechanism: Production tax credit

New or Modified Provision: New

Eligible Recipients: Facilities generating electricity for which the greenhouse gas emissions rate is not greater than zero.

Tribal Eligibility: Yes

Base Credit Amount: 0.3 cents/kW, inflation adjusted[†]

Bonus Credit Amount: Credit is increased by 5 times for projects meeting prevailing wage and registered apprenticeship requirements. Initial guidance on the labor provisions is available [here](#). Credit is increased by 10% for projects meeting certain domestic content requirements for steel, iron, and manufactured products. Credit is increased by 10% if located in an energy community.

Direct Pay Eligibility: Yes, for tax-exempt organizations; states; political subdivisions; the Tennessee Valley Authority; Indian Tribal governments; Alaska Native Corporations; and rural electricity co-ops. Applies separately with regard to each facility.

Transferability: Yes




Stackability: Credit reduced for tax-exempt bonds with similar rules as section 45(b)(3).

Additional Information: Section 13703 offers an additional tax deduction for facilities or property qualifying for this tax credit. These facilities or property will be treated as a 5-year






[†] A previous version of this guidebook erroneously stated the base credit as \$0.03/kW.

Noteworthy Definitions

EV-CAPABLE (SPACE) is a dedicated parking space with electrical panel capacity and space for a branch circuit dedicated to the EV parking space that is not less than 40-ampere and 208/240-volt and equipped with raceways, both underground and surface mounted, to enable the future installation of electric vehicle supply equipment. For two adjacent EV-Capable spaces, a single branch circuit is permitted.

Charging Level	Elements Included
 <p>EV Capable</p>	  <p>Panel space</p> <p>Conduit</p>

EV-READY (SPACE) is a designated parking space which is provided with a dedicated branch circuit that is not less than 40-ampere and 208/240-volt assigned for electric vehicle supply equipment in a continuous raceway or conduit terminating in a receptacle or junction box located near the proposed location of the EV parking space(s). For every two adjacent EV-Ready spaces, a single branch circuit is permitted.

Charging Level	Elements Included
 <p>EV Ready</p>	    <p>Panel space</p> <p>Conduit</p> <p>Wiring</p> <p>NEMA socket</p>

Source: [Electric vehicles and building codes: A strategy for greenhouse gas reductions.](#)

SOLAR-READY (ZONE) is a section or sections of the roof of building overhang designated and reserved for the future installation of a solar photovoltaic or solar thermal system. Solar-ready provisions for residential and commercial buildings are different. For guidance, refer to the appropriate appendix of the 2021 International Energy Conservation Code: [One- and Two-Family Homes](#) or [Commercial Buildings](#).

Appendix C, HUD's HOME Program Rent Limits for Oklahoma City, 2022

Program	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME rent limit	716	746	922	1065	1188	1311	1433
High HOME rent limit	716	746	927	1239	1455	1622	1758

Source: [HOME Rent Limits - HUD Exchange](#)

As per [24 CFR Part 92.252](#) on Qualifications as affordable housing: Rental Housing, when developing residential units for rent, the rent price must include the utility allowance and *may not* exceed the rent limits given above. Utility allowances include, amongst other things, electricity, gas, water and trash. The utility schedule effective from October 1st, 2022, can be viewed on the [OHFA Utility Chart page HERE](#).