

INTERIM STUDY ON AFFORDABLE HOUSING SUPPLY

HOUSING STABILITY PROGRAM UPDATE

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ohfa.org/housingstability

**OKLAHOMA
HOUSING STABILITY
PROGRAM OVERVIEW**

OKLAHOMA HOUSING STABILITY PROGRAM OVERVIEW

- HB 1031, which became Law on June 2, 2024, appropriated \$215 million from the Oklahoma State Legislature to the Oklahoma Housing Finance Agency to administer three activities:
 - \$100.7MM for the Oklahoma Homebuilder Program to facilitate the New Construction of Single-Family homes for purchase
 - \$63.55 MM for the Oklahoma Increased Housing Program to facilitate the New Construction of Rental housing
 - \$40MM for Down Payment and closing cost assistance for homebuyers

HOW IS THE CONSTRUCTION FINANCING BEING ADMINISTERED?

- The more than \$164MM in construction financing is being made available through 0% interest, 24-month construction loans.
- 75% of funds available in rural Oklahoma, 25% of funds available in urban Oklahoma
- The funds are being awarded via a competitive application process which we will walk through in-depth during this training.
- These funds are for developers/homebuilders who will construct high-quality, innovative homes for rent and purchase, thus increasing the housing supply across the State of Oklahoma.
- These funds are not intended for individuals seeking assistance in constructing their own homes.





OKLAHOMA INCREASED HOUSING PROGRAM

- Lesser of \$3 million, or 85% of Total Development Cost
- 0% interest, collateralized recourse construction loan with a term of - the lesser of 24 months or when stabilized occupancy of 85% is achieved
- If the loan is not repaid within 24 months, the interest rate accelerates to prime plus 4%
- New Construction of Single-Family homes and/or Multifamily residences for rent

OKLAHOMA INCREASED HOUSING PROGRAM



Minimum of 5 Units,
Maximum of 200 Units



Construction must
start within 9 months
of an award



Experience must be
proportional to the
number of units being
proposed

OKLAHOMA INCREASED HOUSING PROGRAM

- Rent capped at 125% of HUD Fair Market Rents for 3 years.
 - These rent limits are established by County and are available on OHFA's website.
- No income limits for renters
- Environmental Assessment Required Post Award
- Must adhere to the Oklahoma Uniform Building Code





OKLAHOMA HOMEBUILDER PROGRAM

- 90% Financing (Homebuilder must provide 10% of their own money upfront)
- 0% interest, 24-month collateralized recourse construction loan
- If the loan is not repaid within 24 months, the interest rate accelerates to prime plus 4%
- New Construction of Single-Family homes or townhomes only; no duplexes or condos allowed

OKLAHOMA HOMEBUILDER PROGRAM



Minimum of 5 homes, no more than 25 homes
(Scattered sites allowed)



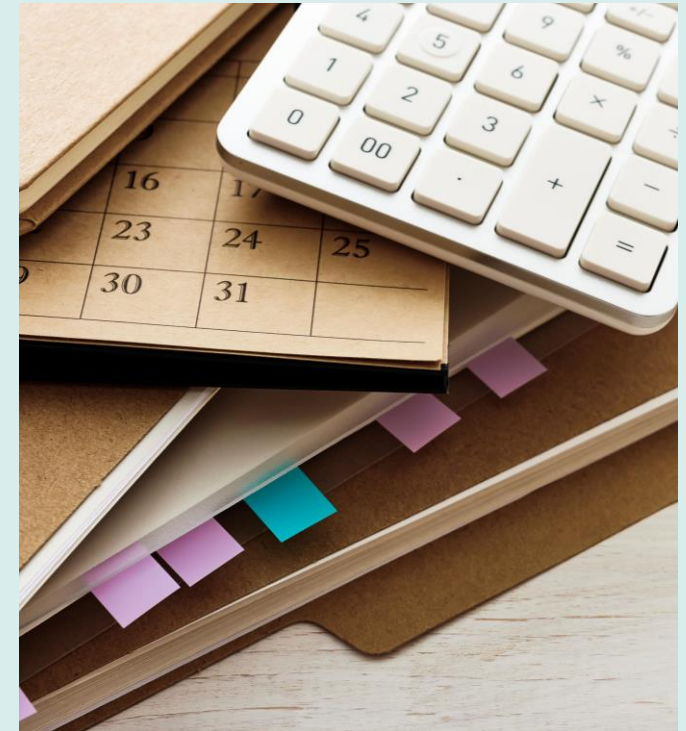
Construction must start within 180 days of an
award



Experience must be proportional to the number of
units being proposed

OKLAHOMA HOMEBUILDER PROGRAM

- Applicants must have a minimum liquid net worth of 5% of the loan amount being requested
- General Contractor fees cannot exceed 15% of total development funds.
- Maximum sales price cannot exceed:
 - 1 Bedroom - \$208,049
 - 2 Bedrooms - \$252,994
 - 3 Bedrooms - \$327,293
 - 4+ Bedrooms - \$359,263
- Home Sizes must be between 1,000 and 2,000 square feet

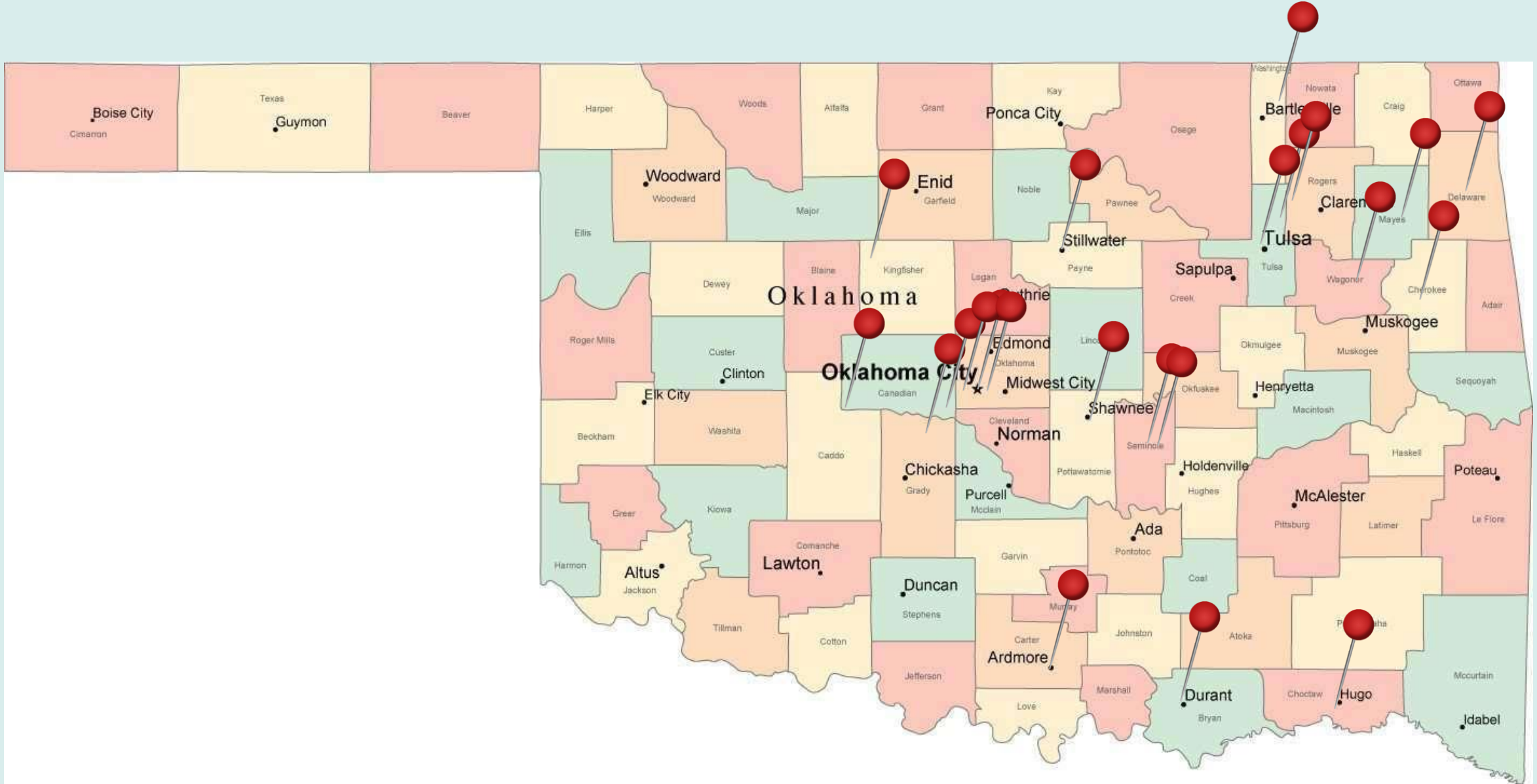


OKLAHOMA HOMEBUILDER PROGRAM

- Homes must be owner-occupied for 3 years (enforced by deed restriction)
- Housing Stability Program down payment assistance may be available
- No income limits for homebuyers unless downpayment assistance is being utilized
- Must adhere to the Oklahoma Uniform Building Code
- The loan must be repaid before submitting another application

DEVELOPMENTS AWARDED TO DATE

GEOGRAPHIC DISTRIBUTION OF AWARDS AS OF 9/18/2024



DEVELOPMENTS AWARDED TO DATE

- OHFA began accepting applications on March 7, 2024
- There have been 3 funding rounds so far, and we are currently in the middle of our fourth funding round.
- Data on developments funded thus far is provided below:

Oklahoma Homebuilder Program		Oklahoma Increased Housing Program	
Number of developments funded	13	Number of developments funded	8
Number of single family homes funded	156	Number of rental units funded	256
Amount of funds awarded	\$ 32,259,256	Amount of funds awarded	\$ 22,890,000
Amount of funds awarded in Rural Areas	\$ 24,167,571	Amount of funds awarded in Rural Areas	\$ 16,890,000
Amount of funds awarded in Urban Areas	\$ 8,091,685	Amount of funds awarded in Urban Areas	\$ 6,000,000
Funding available to award	\$ 68,440,744	Funding available to award	\$ 40,660,000

DEVELOPMENTS AWARDED TO DATE (CONT.)

- Developments have been funded in the following counties: Bryan, Canadian, Carter, Cherokee, Choctaw, Delaware, Grady, Kingfisher, Mayes, Oklahoma, Payne, Pottawatomie, Rogers, Seminole, Tulsa, Wagoner, Washington.
- Of the \$55M in funds awarded, over \$40M of that has been awarded to developments located in rural Oklahoma.
- Of the 21 developments funded, we have closed 2 loans, with closings occurring weekly as developments prepare to begin construction.
- Developments that have been funded range from single family infill rental developments to 30-unit townhome developments.
- This is bringing a wide array of housing options to the market that would not have been made available otherwise.

APPLICATIONS CURRENTLY UNDER REVIEW

- Through only 3 funding rounds, we have awarded more than 1/3 of program funds available.
- We currently have 17 applications under reviewing totaling \$37,811,062 in funds requested to construct 324 units in 13 different counties.
- If all applications are funded, there will be \$71,289,682 in program funds available to future applicants. This is less than 50% of the total amount available to fund construction.
- The next application deadline is November 21, 2024. Those applications will go to our January 2025 Board of Trustees Meeting for consideration.
- *No program funds have been returned to date.*

EXAMPLES OF APPROVED DEVELOPMENTS



NE OKC

Silva Development, LLC

4 - 3 Bedroom

1- 4 Bedroom

Oklahoma Homebuilder Program



Tahlequah and Dewey

*Green Companies
Development Co.*

5 - 4 bedroom

Oklahoma Homebuilder Program



Kingfisher

Tivoli Homes, Inc.

13 - 3 Bedroom

9 - 4 bedroom

Oklahoma Homebuilder Program



Tuttle

Tuttle Homes, LLC

10 duplex units

3-bedrooms

Increased Housing Program



Ardmore

Creekside III Townhomes

15 - 2 bedroom

15 - 3 bedroom

Increased Housing Program

BORROWER FEEDBACK

Q & A

OHFA CONTACT INFORMATION

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**Visit the website for program updates and materials
ohfa.org/housingstability**

