



OKLAHOMA HOUSING FINANCE AGENCY

AFFORDABLE HOUSING PROGRAMS



AFFORDABLE HOUSING

- Market Rate = > 120% AMI (\$88,560 ↑)
- Workforce Housing
(Moderate Income) = 80-120% AMI (\$59,040- \$88,560)
- Affordable = < 80% AMI (\$59,040 ↓)

AFFORDABLE HOUSING

Housing available to a household earning no more than 80% of the area median income, at a cost that is no more than 30% of their total household income.

AMI for OKC MSA	$\$73,800 \times 80\%$	$= \$59,040$
Housing Cost Monthly	$\$59,040 \times 30\% \div 12$	$= \$1,476$

\$1,476 monthly mortgage payment plus taxes, insurance, and utilities

\$1,476 monthly rent and utilities

NOBODY I KNOW NEEDS AFFORDABLE HOUSING. WHO ARE THESE PEOPLE?

- our children starting their work careers
- bank tellers
- waitresses
- dental assistants
- school bus drivers
- child care workers
- home health aides
- construction workers

NOBODY I KNOW NEEDS AFFORDABLE HOUSING. WHO ARE THESE PEOPLE?

- teachers
- nurses
- police officers
- firefighters

“They can teach your children and save your life, but they can’t afford to be your neighbor!”

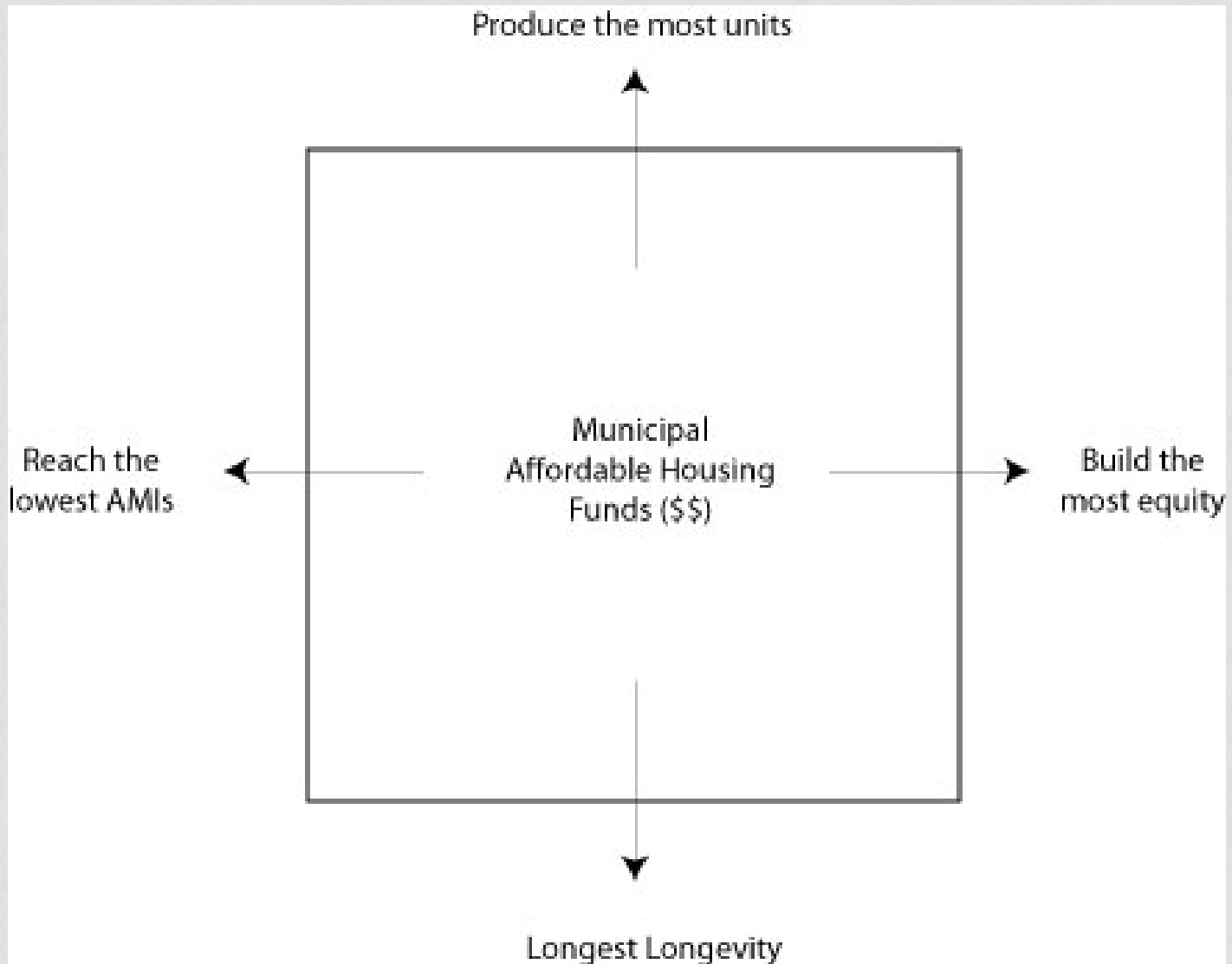
NOBODY I KNOW NEEDS AFFORDABLE HOUSING. WHO ARE THESE PEOPLE?

- senior citizens on a fixed income
- people with disabilities
- veterans
- the “new homeless”: they have jobs, they have kids, they have responsibilities; what they don’t have is a home they can afford
- those experiencing life transitions who are, at least temporarily, unable to have stable lives without help

I OFTEN SEE REPORTS THAT OKLAHOMA HAS SOME OF THE MOST AFFORDABLE HOUSING IN THE COUNTRY.
SO WHAT'S THE PROBLEM?

- Although our housing prices and rents are lower than many other cities, we also have some of the lowest wages in the country. Thus there is still a large gap between the cost of housing and the amount a family makes and thus can afford to pay.
- Having a range of affordable housing options for all segments of the population should be a primary concern for all Oklahoma communities.

LOCAL AFFORDABLE HOUSING EXPENDITURE TENSIONS



A HOLISTIC APPROACH TO AFFORDABLE HOUSING

- Define the problems, quantify them, and identify solutions.
- Needs must be identified and assessed, barriers pinpointed, and resources cataloged.

NEEDS IDENTIFICATION AND ASSESSMENT

- Needy populations must be identified, and an assessment framework must be established utilizing demographic, economic, and housing profiles.
- Populations in need of affordable housing fall into 3 broad categories – dependent, working poor, and primarily self-sufficient.

DEPENDENT POPULATIONS

- Populations *totally dependent* on public assistance for survival
 - Homeless
 - Mentally ill
 - Unemployed or displaced workers
 - Drug or alcohol dependent individuals

WORKING POOR POPULATIONS

- Have a *great dependency* on public services
 - Non-English speaking
 - Under-skilled
 - Single parents
 - Entry level/minimum wage earners
 - Military families
 - Students
 - Migrant laborers

PRIMARILY SELF- SUFFICIENT POPULATIONS

- Those who are *earning living wages*, but experience a lack of housing within their income level
 - Police officers
 - Firefighters
 - Teachers
 - Nurses
 - Retail employees
 - Recent college graduates
 - Secretaries
 - Restaurant workers
 - Fixed-income retirees

Various types and amounts of housing and assistance may be needed depending upon the category of need.

HOUSING PROFILE DATA:

- A completed assessment may finally be utilized to formulate a list of the type and quantity of affordable housing needed.
- Decisions can be made as to how much single occupancy, family, elderly, and special needs housing is needed, and whether it should be new construction or rehabilitation.
- Priorities (based upon urgency, cost, or complexity) can then be established.

STATEWIDE HOUSING NEEDS ASSESSMENT 2015

TOTAL NEW HOUSING UNITS NEEDED IN OKLAHOMA OVER THE NEXT FIVE YEARS (TOTAL FIVE-YEAR FORECAST):

- 66,821 total housing units (this compares with 55,982 in the 2001-2002 study)
- 43,942 units for ownership (compared with 38,464 in 2001-2002 study)
- 22,879 units for rent (compared with 17,518 in 2001-2002 study)
- 7,454 units for ownership that are affordable to households earning less than 60% of Area Median Income
- 11,630 units for rent that are affordable to households earning less than 60% of Area Median Income
- 16,326 housing units for households age 62 and up (5,486 affordable to households earning less than 60% of Area Median Income)

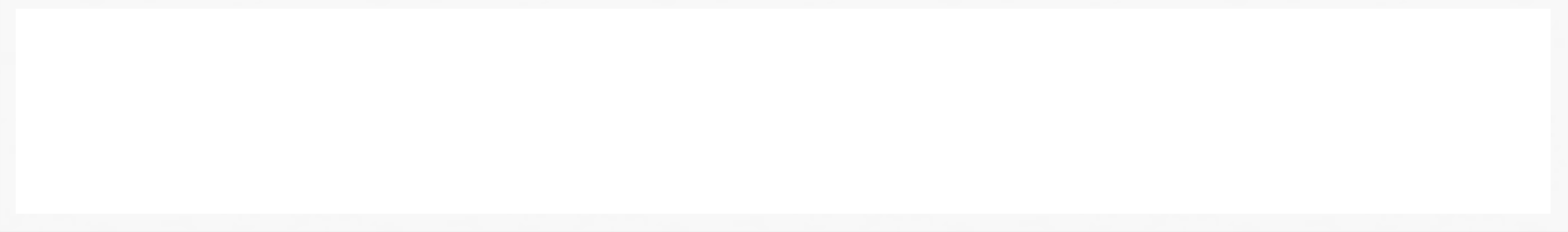
STATEWIDE HOUSING NEEDS ASSESSMENT 2015

TOTAL NEW HOUSING UNITS NEEDED IN OKLAHOMA OVER THE NEXT FIVE YEARS
(TOTAL FIVE-YEAR FORECAST):

- 18,518 housing units for occupancy by households with one or more persons with one or more disabilities of any kind (7,410 for under 60% AMI)
- 7,182 housing units for veterans
- 18,146 housing units for working families with children
- Statewide, 40.01% of renters are rent overburdened, and 19.12% of homeowners are cost overburdened

			OKC MSA AMI	Rental		Homeownership	
			\$73,800/yr.	Max Monthly Rent (and utilities)	# of Units Needed HNA 2015- 2020	Max Mortgage	# of Units Needed HNA 2015- 2020
<p>Low Income (LI) 50% - 80% AMI</p>	<p>Primarily Self - Sufficient- earning living wages, but experience a lack of housing within their income level</p>	<ul style="list-style-type: none"> • policemen • firemen • nurses/medical workers • teachers • retail employees • recent college graduates • administrative assistants • restaurant/hotel workers • fixed income retirees • bank tellers • child care workers • school bus drivers 	<p>\$36,900 - \$59,040 / yr.</p>	<p>\$923 - \$1,476</p>	<p>1,807</p>	<p>(\$523 – \$1,076) \$111,580 - \$229,560</p>	<p>1,862</p>

			OKC MSA AMI	Rental		Homeownership	
			\$73,800/yr.	Max Monthly Rent (and utilities)	# of Units Needed HNA 2015- 2020	Max Mortgage	# of Units Needed HNA 2015- 2020
Very Low Income (VLI) 30% - 50% AMI	Working Poor - great dependency on public services	<ul style="list-style-type: none"> • non-English speaking • under-skilled • single parents • entry level / minimum wage • military • students • migrant laborers • people with disabilities • veterans • those experiencing life transitions who are, at least temporarily, unable to have stable lives without help 	\$22,140 - \$36,900 / yr.	\$554-\$923	1,591	(\$154 – \$523) \$32,855 - \$111,580	1,045



			OKC MSA AMI	Rental		Homeownership	
			\$73,800/yr.	Max Monthly Rent (and utilities)	# of Units Needed HNA 2015- 2020	Max Mortgage	# of Units Needed HNA 2015- 2020
Extremely Low Income (ELI) < 30% AMI	Dependent - totally dependent on public assistance	<ul style="list-style-type: none"> • homeless • mentally ill • unemployed or displaced • drug or alcohol dependent 	\$22,140 / yr. ↓	\$554	2,143	(0 - \$154) 0 - \$32,855	752

BARRIERS

Barriers to affordable housing typically fall into one of three categories:

- Production
- Financing
- Cost to the individual

TYPES OF BARRIERS

Production barriers can be either financial or nonfinancial. Financial barriers include land costs, development costs, and materials & labor costs. Non-financial barriers include lack of buildable land supply, lack of access to materials and labor, lack of infrastructure (roads, utilities, etc.), lack of local government support, zoning, permitting, and lack of knowledge.

TYPES OF BARRIERS

- **Financing** barriers can include lack of capital, lack of access to capital, or lack of awareness of existing financing programs.
- **Cost to the individual** barriers includes cost burdens such as paying over 30% of monthly income for rent/mortgage payments and utilities.

RESOURCES

- Affordable housing programs have one fundamental function – to cover the difference between the cost of developing and owning/operating housing and the amount low or moderate-income households can afford to pay.
- Over a period of time, a number of mechanisms have been used to close the affordability gap. Some aim to reduce the cost of producing housing, some aim to reduce the cost of financing, while others are designed to supplement the occupant's ability to pay for it.

RESOURCES, CONT.

Resources for affordable housing can generally be:

-Financial or nonfinancial (education, technical assistance, political support, or public support)

-Public, private, nonprofit, or faith-based

-Federal, state, or local

PRODUCTION SOLUTIONS:

- Land donation
- Land banking
- Community Land Trust
- Make publicly owned land available for affordable homes
- Infill housing
- Inclusionary zoning
- Increased density zoning
- Zoning that allows different housing types

PRODUCTION SOLUTIONS, CONT.

- Expedited permitting and fee waivers
 - Revised impact fee structure
 - Building codes that facilitate rehab
 - Inmate-built, modular, manufactured housing
 - Habitat for Humanity
 - Rebuilding Together
 - Mutual self-help (“barn raising”)
 - Aggressive control of hard and soft costs
-
- The diagram illustrates two categories of production solutions. The first category, labeled "Red Tape" in red text, is enclosed in a blue bracket and includes three items: "Expedited permitting and fee waivers", "Revised impact fee structure", and "Building codes that facilitate rehab". Arrows point from each of these three items to the "Red Tape" label. The second category, labeled "Structure" in black text, is also enclosed in a blue bracket and includes five items: "Inmate-built, modular, manufactured housing", "Habitat for Humanity", "Rebuilding Together", "Mutual self-help (“barn raising”)", and "Aggressive control of hard and soft costs". Arrows point from each of these five items to the "Structure" label. A small L-shaped arrow points from the "Inmate-built, modular, manufactured housing" item down to the "Structure" label.

FINANCING SOLUTIONS:

- Direct financing
 - Loans/ Bond Financing
 - Equity investments (including low income and historic tax credit)
 - Grants
 - Financing inducements
 - Loan guarantees
 - Mortgage insurance
 - Tax abatements and rebates
 - Tax increment financing
 - **Housing trust funds**
 - Inclusionary Zoning
- **Tax Credits**
 - **Low Income**
 - Historic
 - **Bond Financing**
 - Reduce Operating Expense
- Private sources
 - Nonprofits
 - Faith-based organizations
 - Corporations
 - Employers
 - Foundations

COST TO THE INDIVIDUAL SOLUTIONS:

- Rental assistance
- Bond money
- Mortgage Down Payment & Closing Cost Assistance
- Mortgage Credit Certificates
- Employer Assistance
- Lease/Purchase

* Items in red are things OHFA does

WHAT OHFA DOES

- The Oklahoma Housing Finance Agency (OHFA) is a nonprofit public trust that provides affordable housing financing resources and guidance to developers/builders and homebuyers/renters.
- OHFA does not build, own or manage affordable housing; we finance it.

RESOURCES

- Our resources are primarily federal funds where we have been designated administrator of those monies by the federal government.
- Developers/Builders
 - Affordable Housing Tax Credits
 - Tax Exempt Bonds and 4% Tax Credits
 - HOME Investment Partnerships Program
 - Oklahoma Housing Trust Fund (State, not Federal)
 - National Housing Trust Fund
- Homebuyers/Renters
 - Single Family Mortgage and Down Payment funds
 - Section 8 Rental Assistance

GUIDANCE

- Our guidance consists of our knowledge of and contacts with other affordable housing financing resources and our experience in combining/layering the various sources of funding to make projects viable.
- We also provide extensive, detailed technical assistance regarding all of our funding programs.

AFFORDABLE HOUSING TAX CREDIT 9%

- Federal or State
- Equity or Debt
- Ownership or Rental
- Income Restrictions
- Rent Restrictions
- Affordability Period
- Available \$ Amount/yr.
- Where
- Application Cycle
- Award Maximum
- Compliance Monitoring
- Federal (IRS)
- Equity
- Rental
- < 60% AMI
- Yes
- 30 years
- \$10.8 Million
- Statewide
- 2 Funding Periods per year
- \$650,000 w State Credits or \$750,000 without State
- Once every 3 years

MULTIFAMILY BONDS WITH 4% TAX CREDITS

- Federal or State
- Equity or Debt
- Ownership or Rental
- Income Restrictions
- Rent Restrictions
- Affordability Period
- Available \$ Amount/yr.
- Where
- Application Cycle
- Award Maximum
- Compliance Monitoring
- Federal (IRS)
- Equity
- Rental
- <60% AMI
- Yes
- 30 years
- No limit
- Statewide
- Non competitive, Continuous
- None
- Once every 3 years

STATE TAX CREDIT (NOT A “PROGRAM”)

- Federal or State
- Equity or Debt
- Ownership or Rental
- Income Restrictions
- Rent Restrictions
- Affordability Period
- Available \$ Amount/yr.
- Where
- Application Cycle
- Award Maximum
- Compliance Monitoring
- State
- Equity
- Rental
- < 60% AMI
- Yes
- 30 years
- \$4 million
- Statewide
- 2 Funding Periods per year
- Must = Federal Tax Credit
- Once every 3 years

HOME

- Federal or State
 - Equity or Debt
 - Ownership or Rental
 - Income Restrictions
 - Rent Restrictions
 - Affordability Period
 - Available \$ Amount/yr.
 - Where

 - Application Cycle
 - Award Maximum
 - Compliance Monitoring
- Federal (HUD)
 - Grant
 - Both
 - <80% AMI
 - Yes
 - 5-20 yrs. based on activity
 - \$8 million
 - Not in OKC, Tulsa,
Norman, or Lawton
 - Continuous, begins April 1
 - \$500,000
 - Annually

NATIONAL HOUSING TRUST FUND

- Federal or State
- Equity or Debt
- Ownership or Rental
- Income Restrictions
- Rent Restrictions
- Affordability Period
- Available \$ Amount/yr.
- Where
- Application Cycle
- Award Maximum
- Compliance Monitoring
- Federal (HUD)
- 0% int., Forgivable loan
- Rental
- <30% AMI
- Yes
- 30 years
- \$3 million
- Statewide
- Continuous, begins April 1
- Must be used with other programs- \$1 mil + \$350k Operating Reserves
- Annually

OKLAHOMA HOUSING TRUST FUND

- Federal or State
- Equity or Debt
- Ownership or Rental
- Income Restrictions
- Rent Restrictions
- Affordability Period
- Available \$ Amount/yr.
- Where
- Application Cycle
- Award Maximum
- Compliance Monitoring
- State
- Construction loan, 2%, 24 months
- Both
- <120% AMI
- No
- 3 years
- \$4 million total, not annually
- Statewide: $\geq 65\% \leq 75\%$ for outside Tulsa & OKC
- Continuous
- 95% of Total Development Cost
- Once during 3 yr. term of affordability