

FISCAL YEAR 2008

**NEIGHBORHOOD  
STABILIZATION PROGRAM  
(NSP)**

**REQUEST FOR  
INFORMATION  
(CHANGE 4)**

OKLAHOMA DEPARTMENT OF COMMERCE  
COMMUNITY DEVELOPMENT  
900 North Stiles                      Oklahoma City, OK 73104  
[www.okcommerce.gov](http://www.okcommerce.gov)                      (405)815-6552

RELEASE DATE: March 2009

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## SUMMARY

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NAME OF ENTITLEMENT\*City of Lawton, Oklahoma  
MAILING ADDRESS 103 SW 4<sup>th</sup> Street, Lawton, Oklahoma 73501  
Area Code & Phone Number (580) 581-3500 FEI#73-6005287  
Data Universal Numbering System (DUNS) #877087986

\* A DUNS Number is now a requirement for a contractor that receives Federal Assistance. If the contractor does not have a DUNS Number, please go to the following website to obtain one: <http://fedgov.dnb.com/webform/displayHomePage.do>

Contact: Mr. Tom Aplin Phone: (580) 581-3350

E-mail: [taplin@cityof.lawton.ok.us](mailto:taplin@cityof.lawton.ok.us)

ENTITLEMENT AMOUNT: \$1,072,800.00  
REQUEST AMOUNT: \$1,072,800.00

By JOHN P. PURCELL, JR., Mayor  
Chief Elected Official

           Decline to Participate in Neighborhood Stabilization Program

By \_\_\_\_\_  
Chief Elected Official

\*Only Entitlement Entities will be accepted in entitlement areas  
For Assistance, please contact:

Tiana Douglas (405) 815-5357 Cell: (405) 627-0456  
Email: [tiana\\_douglas@odoc.state.ok.us](mailto:tiana_douglas@odoc.state.ok.us)  
Steve Hoover (405) 815-5328  
Email: [steve\\_hoover@odoc.state.ok.us](mailto:steve_hoover@odoc.state.ok.us)  
D. Scott Myers (405) 815-5356  
Email: [scott\\_myers@odoc.state.ok.us](mailto:scott_myers@odoc.state.ok.us)

# CERTIFICATION

The Entitlement hereby certifies that all of the information contained in this application for Neighborhood Stabilization Program (NSP) assistance is true and accurate to the best of my knowledge and that all documentation supporting information in this application is on file in the official offices of this unit of local government, available for review by ODOC/CD during normal business hours. The Applicant also affirms that none of the activities set forth in this application has been awarded, a contract fully executed, and notice has been issued by ODOC/CD that release of funds requirements has been met.

Additionally, the Entitlement is hereby notified that failure to provide any of the documentation necessary to support the information in this application for assistance may result in the return of all Programs grant funds, both expended and unexpended, in accordance with the Program Sanctions under the codified rule of ODOC, contained in the Oklahoma Administrative Code, Chapter 15 Small Cities Community Development Block Grant Program, Subchapter 7, Section 3 (150:15-7-3), and Title 150 Oklahoma Department of Commerce, Chapter 1 General Rules of Practice and Procedure, Subchapter 11, Sections 1-17 (150:1-11-1 through 17).

John P. Purcell, Jr., Mayor

(Type) Name and Title of Chief Elected Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Chief Elected Official (Mayor)

[SEAL]

State of Oklahoma  
County of Comanche

ATTEST:

Subscribed and sworn to before me \_\_\_\_\_ 20\_\_\_\_. My commission expires \_\_\_\_\_, 20\_\_\_\_. Commission No. \_\_\_\_\_

\_\_\_\_\_  
City Clerk/Notary

Preparer \_\_\_\_\_

## ELIGIBLE ACTIVITIES

<b>NSP ACTIVITY</b>	<b>CDBG ACTIVITY</b>
Establish financing mechanisms for purchase and redevelopment of foreclosed upon home and residential properties, including such mechanisms as soft-seconds, loan loss reserves and shared-equity loans for low and moderate income homebuyers.	As a part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.
Purchase and rehabilitate homes and Residential properties that have been Abandoned or Foreclosed upon, in order to sell, rent, or redevelop such homes and properties.	24 CFR 570.201 (a) Acquisition (b) Disposition (c) Relocation (d) Direct homeownership assistance (as modified below); 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
Establish land banks for homes that have been foreclosed upon.	24 CFR 570.201 (a) Acquisition and (b) Disposition
Demolish blighted structures.	24 CFR 570.201 (d) clearance for blighted structures only
Redevelop demolished or vacant properties.	24 CFR 570.201 (a) Acquisition (b) Disposition (c) Public facilities and improvements (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties. (i) Relocation, and (n) Direct homeownership assistance (as modified in NSP Plan)  24 CFR 570.204 Community Based Development Organizations

## BUDGET SUMMARY PAGE

	<b>NSP FUNDS</b>	<b>OTHER FUNDING (if applicable)</b>
<b>FINANCING MECHANISMS</b>		
<b>PURCHASE</b>	\$443,096	
<b>REHABILITATION</b>	\$247,879	
<b>LAND BANKING</b>		
<b>DEMOLITION</b>	\$10,000	
<b>REDEVELOPMENT (demolished or vacant property)</b>	\$301,365	
<b>ADMINISTRATION (not to exceed 7.5%)</b>	\$80,460	
<b>TOTAL</b>	\$1,072,800	
<b>AMOUNT SERVING &lt;50% MEDIAN INCOME</b>	\$301,365	
<b>TOTAL</b>	\$301,365	
<b>*ATTACH SCHEDULE WITH MILESTONES FOR EACH ACTIVITY</b>		

## **ESTABLISHING FINANCING MECHANISMS**

ACTIVITY DESCRIPTION (Include range of interest rates and other specifics):

NOT APPLICABLE AT THIS TIME

LOCATION:

AMOUNT:\$ \_\_\_\_\_

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable:): \_\_\_\_\_

COST PER UNIT: \_\_\_\_\_

SUBCONTRACTORS (Including experience and record with CDBG and other programs): \_\_\_\_\_

PROJECTED START DATE: \_\_\_\_\_

PROJECTED COMPLETION DATE: \_\_\_\_\_

# ACQUISITION OF PROPERTY

## ACTIVITY DESCRIPTION (Including discount rates):

There are 12 properties that are under consideration. The market value of the properties is \$521,289. These properties are eligible for rehabilitation and exterior housing improvements such as new roofs, new windows and doors, new siding. The City's maximum purchase price for all of the eligible properties would be \$443,096. We plan to rehabilitate the structures using our regular contractors and subcontractors. We would then provide the homebuyers with first-time homebuyer's assistance as necessary to sell all 12 homes to 120% and below area median income group.

Additionally, we have been in contact with a local banker who stated that he had additional properties which included two packages of 5 lots and 45 lots respectively. We may be able to consider additional funding from the state as a land banking project for these properties in a supplemental request.

## LOCATION (S):

1713 NW Bell	6212 NW Ash	2306 NW 17 <sup>th</sup> Street
4611 SW Cherokee	1117 NW Oak Avenue	4808 NW Pollard
2322 NW 32d Street	706 NW Dearborn	4549 SW G Avenue
2738 SW I Avenue	1508 SW Tennessee	1707 NW Euclid

AMOUNT:\$ \$521,289 (market price)/\$443,096 (City's max. price-appraisal price TBD)

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable): \_\_\_\_\_

COST PER UNIT: \$36,925

SUBCONTRACTORS (Including experience with CDBG and other programs): See attached list of CDBG/HOME Program eligible contractors currently working with the Housing & Community Development office.

PROJECTED START DATE: May, 2009

PROJECTED COMPLETION DATE: January, 2010

# REHABILITATION OF PROPERTY

## ACTIVITY DESCRIPTION:

There are 12 properties that are under consideration. The market value of the properties is \$521,289. These properties are eligible for rehabilitation and exterior housing improvements such as new roofs, new windows and doors, new siding. The City's maximum purchase price for all of the eligible properties would be \$443,096. The rehabilitation of each property is not to exceed \$35,000, which includes a maximum of \$5,000 for an emergency repair, \$5,000 for an exterior housing improvement, and \$25,000 for a rehabilitation of the remainder of the structure. Our goal will be to complete all 12 potential rehabilitation projects for a maximum of \$247,879. If the cost of the process to complete these structures exceeds the available funds, we will submit a request for additional funding and, failing that, we will use regular CDBG Housing funds to complete as many of the projects as possible. We plan to rehabilitate the structures using our regular contractors and subcontractors. We would then provide the homebuyers with first-time homebuyer's assistance as necessary to sell the homes to the 120% and below area median income group. (NOTE: Any properties that are considered to be in poor condition and failing the rehabilitation standards set may be considered for demolition. The City would purchase the property, demolish the structure, and provide the cleared property to a CHDO as a donation or at a very low cost, ensuring that any new construction would be affordable. The City, using its HOME First-time Homebuyer funds, would assist in the downpayment and closing costs. Thus, while we may not be able to rehabilitate the entire group of listed homes using NSP funds, we will still accomplish the mission of providing for the demolition and new construction or rehabilitation of the structures with the NSP funds and, as necessary, supplement them using entitlement funds or CHDO funds).

## LOCATION:

1713 NW Bell	6212 NW Ash	2306 NW 17 <sup>th</sup> Street
4611 SW Cherokee	1117 NW Oak Avenue	4808 NW Pollard
2322 NW 32d Street	706 NW Dearborn	4549 SW G Avenue
2738 SW I Avenue	1508 SW Tennessee	1707 NW Euclid

AMOUNT: \$ Up to 247,879 (supplemented as necessary with CDBG and HOME Funds to complete all rehabilitations).

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable :)

COST PER UNIT: No more than \$35,000. (We have not completed a survey of the interiors of the homes or a cost analysis to determine the cost of rehabilitating each home, so our per unit cost is a maximum projected cost of rehabilitating. We will attempt to complete each of

the rehabilitation projects using no more than \$5,000 for an emergency repair, \$5,000 for an exterior housing improvement and \$25,000 for a rehabilitation of the property.

SUBCONTRACTORS (Including experience with CDBG and other programs): See attached list of CDBG/HOME Program eligible contractors currently working with the Housing & Community Development office.

PROJECTED START DATE: May, 2009

PROJECTED COMPLETION DATE: January, 2010

# LAND BANKING

ACTIVITY DESCRIPTION:

NOT APPLICABLE AT THIS TIME

LOCATION:

AMOUNT:\$ \_\_\_\_\_

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable): \_\_\_\_\_

COST PER UNIT: \_\_\_\_\_

SUBCONTRACTORS (Including experience and record with CDBG and other programs): \_\_\_\_\_

PROJECTED START DATE: \_\_\_\_\_

PROJECTED COMPLETION DATE: \_\_\_\_\_

# DEMOLITION

## ACTIVITY DESCRIPTION:

There is current a duplex at 1912-1914 NW Williams available as a foreclosed property. Purchase of the property would be \$11,815. Demolition of the property would cost approximately \$10,000.

LOCATION: 1912-1914 NW Williams.

AMOUNT: \$10,000.

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable:): \$10,000.

COST PER UNIT: \$5,000

SUBCONTRACTORS (Including experience and record with CDBG and other programs):  
TBD using City of Lawton bid procedures

PROJECTED START DATE: June 2009

PROJECTED COMPLETION DATE: May 2010

# REDEVELOPMENT OF DEMOLISHED OR VACANT PROPERTY

ACTIVITY DESCRIPTION (Rental housing/Home ownership – compliance with affordability requirements): There is current a duplex at 1912-1914 NW Williams available as a foreclosed property. Purchase of the property would be \$11,815. As shown above, demolition of the property would cost approximately \$10,000. Construction of a duplex would cost approximately \$190,000. In addition, there are two single family dwellings that can be purchased at 1313 NW Lincoln for \$9,350 and at 1302 NW Williams for 10,200. Rehabilitation of the structures will cost \$35,000 per structure totaling \$70,000. Once rehabilitation is complete, we will donate them to be used as housing for the 50% of the area median income or lower.

LOCATION: 1302 NW Williams & 1313 NW Lincoln

AMOUNT:\$ 291,365.00

AMOUNT BENEFITTING <50% MEDIAN INCOME (if applicable:): \$291,365

COST PER UNIT: \$72,841

SUBCONTRACTORS (Including experience and record with CDBG and other programs):  
TBD using City of Lawton bid procedures

PROJECTED START DATE: June 2009

PROJECTED COMPLETION DATE: May 2010

**The Oklahoma Department of Commerce (ODOC) reserves the right to look at the Neighborhood Stabilization Program principles as a whole to ensure that the intent of the law is met. ODOC further reserves the right to seek HUD guidance regarding eligibility of activities.**

**ODOC reserves the right to adjust contracted amounts based upon actual performance and progress in order to maximize the use of funds with the initial 18 months of the program. ODOC will evaluate the progress of each identified activity areas among all NSP recipients. NSP funds may be re-allocated by ODOC among the activity areas in response to unacceptable progress in accomplishing the stated goals and commitment of funds in compliance with NSP requirements. ODOC may identify additional activities, consistent with the needs analysis and eligible uses, and may amend the Program to incorporate such activities if funds can be obligated within the time required.**

**ODOC will require a timeline and expected outcomes as a part of this application submission. After 120 days from the start date of the contract, ODOC will review the progress to date, determine whether the funds are being committed in a timely manner and whether there has been progress against the community's stated goals. Should the community not be meeting standards, ODOC will work with them to improve its performance. ODOC will review performance again after another four (4) months. At that point, if performance standards are not being met, ODOC will suspend further assistance to the community and re-allocate those funds to other activity components.**

The following documentation must be attached to this request for Information:

- 1) Section 102 Disclosure Report (Attached)
- 2) Most recent audit
- 3) Resolution Amending Consolidated Plan and Approving NSP (Sample Attached)
- 4) W-9 Request for Taxpayer Identification Number and Certification

## SECTION 102 DISCLOSURE REPORT

Section 102 Disclosure and Certifications are a requirement of the Urban Development Reform Act of 1989, 24 CFR Part 24. The purpose of the disclosures is to ensure greater accountability and integrity in the provision of various programs. All applicants must complete the form.

### Part I – Applicant/Grantee Information

1. Applicant/grantee name, address, and Phone number:  
City of Lawton  
103 SW 4<sup>th</sup> Street  
Lawton, OK 73501  
(580)581-3500

2. Indicate whether this is:  
Initial Report  Update Report

Federal employer identification number (FEI#): 73-6005287

3. Project assisted/to be assisted:

- a. Fiscal Year: 2008
- b. Entitlement grant(s)   
Competitive grant
- c. Amount requested/received: \$1,072,800.00
- d. Program income to be used with c. above: No
- e. Total of c. and d. above: \$1,072,800.00

### Part II – Threshold Determination

1. Is the amount listed in 3.e. (above) more than \$200,000 YES  NO

2. Have you received or applied for other HUD assistance which when added to 3.e. (above) amounts to more than \$200,000 YES  NO

If the answer to either 1. or 2. of this part is “yes”, then you must complete the remainder of this report.

If the answer to either 1. or 2. of this part is “no”, then you are not required complete the remainder of this report, but you must sign the following certification.

I hereby certify that this information is true.

\_\_\_\_\_  
Chief Elected Official

\_\_\_\_\_  
Date

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### **PART III – Other Government Assistance Provided/Applied For**

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1. Provide the requested information for any other Federal, State and/or local government assistance, on hand or applied for, that will be used with the CDBG (NSP) grant.

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Name and Address of Agency Providing, or to Provide Assistance	Program	Type of Assistance	Amount Requested or Provided
HUD	CDBG	Entitlement	\$866,999
HUD	HOME	Entitlement	\$533,511

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### **PART IV – Interested Parties**

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Alphabetical List of All Persons With a Reportable Financial Interest in the Program	Social Security No. or Employee ID No.	Type of Participation in Project	Financial Interest in Project \$ & %
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NONE

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### **Part V – Expected Sources and Uses of Funds**

This Part requires that you identify the sources and uses of all assistance, including CDBG (NSP) that have been or may be used in the Project.

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<b>SOURCE</b>	<b>USE</b>
<u>CDBG</u>	<u>Community Development &amp; Housing</u>
<u>HOME Investment Partnerships Program (HOME)</u>	<u>Housing</u>
<u>Neighborhood Stabilization Program (NSP)</u>	<u>Housing &amp; Demolition</u>

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### **PART VI – Certification**

I hereby certify that the information provided in this disclosure is true and correct and I am aware that any false information or lack of information knowingly made or omitted may subject me to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, I am aware that if I knowingly and materially violate any required disclosure of information, including intentional non-disclosure, I am subject to a civil money penalty not to exceed \$10,000 for each violation.

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Chief Elected Official

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Date

# AUDIT

All towns and cities (counties are exempt) must submit a copy of the FY 2008 Audit or most recent audit or the agreed upon procedures.

**RESOLUTION NO. 09-\_\_\_\_\_**

**Resolution amending the FFY 2005-2010 Consolidated Plan and FFY 2008 Consolidated One-Year Action Plan approving the Neighborhood Stabilization Program (NSP); the Neighborhood Stabilization Program (NSP) grant application in the amount of \$1,072,000 and all required certifications; allocations of Neighborhood Stabilization Program (NSP) grant funds to eligible program activities; authorizing the Mayor and City Clerk to execute all application documents; certifications funding awards and grant agreements with the U.S. Department of Housing and Urban Development (HUD) and the State of Oklahoma, as funding is being made available through the State of Oklahoma's allocation of Neighborhood Stabilization Program (NSP) funds, as well as all documents associated with the Neighborhood Stabilization Program (NSP) implementation, associated with the purchase, rehabilitation, and conveyance of abandoned and foreclosed upon homes.**

WHEREAS, The Housing and Economic Recovery Act of 2008 established the Neighborhood Stabilization Program (NSP) to assist communities around the nation in addressing problems associated with subprime lending and home foreclosures; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has been directed by the Housing and Economic Recovery Act of 2008 to develop regulations and distribute Neighborhood Stabilization Program (NSP) grant funds to states and units of local government; and

WHEREAS, based on the State of Oklahoma Neighborhood Stabilization Program (NSP) Plan, as approved by HUD, the City of Lawton has been allocated \$1,072,000 of the \$29,969,459 allocated to the state; and

WHEREAS, Federal regulations, effective September 30, 2008 and published in the Federal Register (FR-5255-N-01) on October 6, 2008, set forth requirements governing the expenditure of Neighborhood Stabilization Program (NSP) funds, establishes certain funding ratios for allocating grant funds and requires the set aside of 25% of the grant funds to insure benefit to persons of lower income (less than 50% of area median); and

WHEREAS, All Neighborhood Stabilization Program (NSP) grant funds must be expended under the Community Development Block Grant national objective of low- and moderate-income benefit expanded to include individuals and families whose income does not exceed 120% of area median income; and

WHEREAS, Priority must be given for the expenditure of Neighborhood Stabilization Program (NSP) grant funds in the areas of greatest need; and

WHEREAS, Based on the data provided by the U.S. Department of Housing and Urban Development (HUD) the land area designated by the attached map corresponds to the area of greatest need within the community.

WHEREAS, the National Environmental Policy Act of 1969 and the implementing regulations at 24 CFR part 58 specify the procedures by which the City of Lawton must fulfill their environmental responsibilities, including assumption of environmental review, decision making, and action responsibilities; and

WHEREAS, an Environmental Review Record pursuant to the regulations and Environmental Review Procedures at 24 CFR Part 58 will be prepared by the City's Lawton Urban Renewal Authority to address

concerns relating to the Clean Air Act; the Federal Water Pollution Control Act, as amended; the Safe Drinking Water Act of 1974, as amended, The National Historic Preservation Act of 1966; Executive Order 11593, Protection and Enhancement of the Cultural Environment; Executive Order 11990, Protection of Wetlands; Executive Order 11988, Floodplain Management; Endangered Species Act; Noise Control Act; Department of Housing and Urban Development's regulations at 24 CFR part 51, Subpart C, Siting of HUD-Assisted Projects Near Hazardous Operation Handling Petroleum Products or Chemicals of an Explosive or Flammable Nature; and the Farmlands Protection Policy Act.

NOW THEREFORE BE IT RESOLVED THAT the Mayor and the City Clerk are authorized to execute documents required by the U.S. Department of Housing and Urban Development (HUD) and the State of Oklahoma to secure federal funds for the City of Lawton, to include but not limited to:

1. The FFY 2005-2010 Consolidated Plan and the FFY 2008 Consolidated One-Year Action Plan are amended by establishing the Neighborhood Stabilization Program (NSP);
2. The information and applications documents and certifications to the State of Oklahoma are approved;
3. The allocations of Neighborhood Stabilization Program (NSP) funds and program income to Neighborhood Stabilization Program (NSP) eligible activities attached hereto are approved;
4. The Mayor is authorized to execute the Neighborhood Stabilization Program (NSP) information and application documents, to make the required certifications and to execute the Neighborhood Stabilization Program (NSP) funding awards and grant agreements that may be provided through the State of Oklahoma's allocation of Neighborhood Stabilization Program (NSP) funds;
5. The Mayor is authorized to execute all documents associated with Neighborhood Stabilization Program (NSP) implementation associated with the purchase, rehabilitation, and conveyance of abandoned and foreclosed upon homes.
6. Findings of No Significant Impact and Requests for Release of Funds Newspaper Notifications (FONSI/RROF).
7. Request for Release of Funds and Certification, as required.

PROVIDED that copies of the executed application and related documents are filed with the City Clerk's; and

PROVIDED that the Mayor will not sign any agreements or contracts pursuant to such awards without first securing specific approval of the City Council.

ADOPTED by the City Council and APPROVED by the Mayor of the City of Lawton, Oklahoma this 24<sup>th</sup> day of February, 2009.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first written above.

CITY OF LAWTON, OKLAHOMA  
A Municipal Corporation

ORIGINAL SIGNED

By:

\_\_\_\_\_  
JOHN P. PURCELL, MAYOR

ATTEST:

ORIGINAL SIGNED

\_\_\_\_\_  
TRACI HUSHBECK, CITY CLERK

Approved as to form and legality on behalf of the City of Lawton this 24 day of February 2009.

ORIGINAL SIGNED

Frank Jensen, City Attorney

Attached:

Appendix A: Summary of Neighborhood Stabilization Information Sheet

Appendix B: High Priority Neighborhoods

Appendix C: Distribution and Uses of Funds

## **APPENDIX B**

The City of Lawton is the second most populous city in southwestern Oklahoma, after Norman, Oklahoma (which straddles I-35, the boundary route used by ODOC to quarter the state in four sectors). Foreclosures have occurred throughout the City of Lawton, but are concentrated and projected in certain areas. HUD has compiled a set of data that includes the current and projected foreclosure rates by census tract and block group.

### **A. High Priority Neighborhoods**

The following is a list of the middle-, moderate-, low-, and very low-income neighborhood additions that are most affected by the foreclosure crisis, have an estimated foreclosure or abandonment risk score of at least ten (10) or which are projected to be impacted the most in the next 18 months, with foreclosure rates at 8% or higher projected:

Airport Addition	McClung Addition
Beal Addition	Mission Village
Cagles Addition	Military Addition
College Addition	Morford Hills Addition
College View Addition	Plainview Addition
Council Heights Addition	Radio City Addition
Florida Addition	Ranch Oak Addition
Fort Sill Addition	Reynolds Addition
Gooch Acres	Runyon Hills Addition
Harris Addition	Selected Investments
Highland Park Addition	Sheridan Addition
House Addition	Sneed Acres
Lawton Heights Addition	Vernon Addition
Lawton View Addition	West Highland Addition
Legion Addition	Westwood Second Addition
Longview Addition	Williams Addition

Each of these areas is within the current CDBG/HOME Program low- and moderate-income areas of the city. The key indicators used were income, foreclosure or abandonment score, and the predicted 18-month underlying foreclosure rates for Lawton. The City of Lawton has 132 Neighborhood Additions and Subdivisions and is comprised of 8 Council Wards. The data provided by HUD is from the Census Tract Block Groups. Each block group identified was in one of the additions listed above. These areas closely coincide with those areas within the City of Lawton that are at the greatest risk of further deterioration.

### **B. Medium Priority Neighborhoods**

If funds are available, the following neighborhoods the majority of which are located within census tract block groups which meet the NSP income levels, and which have an abandonment or foreclosure risk scores of at least nine (9) and a “Projected 18-month Underlying Foreclosure Rate” of at least 6% , will be assisted to the greatest extent possible:

Austin Addition  
Austin North Addition  
Brentwood Addition  
Brockland Addition  
Country Club Estates  
Country Club Heights  
Crestview Addition  
Crosby Park Addition  
Crosby Park Estates  
Great Plains Addition  
Heinz Addition  
Hillside West Addition  
Ishmael Addition  
Lee West Estates  
Meadowbrook Addition

Patterson Addition  
Pecan Grove Addition  
Ridgecrest Addition  
Rolling Meadows  
Rollin Park Baja West Addition  
Sherwood Addition  
Sunset Addition  
Sunset Place Addition  
Tropes 5 Acres Blocks  
Waldman Addition  
Wedgwood Addition  
Western Hills Addition  
Westgate Addition  
Westwood Addition  
White Acres

## APPENDIX C

### Distribution and Uses of Funds

The following section will provide a roadmap as to how the distribution and uses of the community's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including:

1. those areas with the greatest percentage of home foreclosures,
2. those areas with the highest percentage of homes financed by a subprime mortgage related loan,
3. those areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures.<sup>1</sup>

The City of Lawton will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in middle-, moderate-, low-, and very-low income neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures, as evidenced through HUD-provided data on foreclosures that have occurred from July 2007 through September 2008. The initially targeted areas will be in those neighborhoods that meet the above criteria and are near highly visible corridors of the City. This will affect approximately 3,135 out of 5,225 or 60% of those homes identified by HUD as being in foreclosure or at the very highest risk

<sup>1</sup> The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

of foreclosure. This pool of potential homes should provide the City adequate resources for projects in order to redevelop those properties to assist the low- and moderate-income (LMI) community through the demolition, rehabilitation, and/or, new construction of homes in these most heavily affected areas.

The funds will be used in four primary activities, plus administration and delivery costs. Each are listed below, followed by an explanation of the City's priorities and its plan to use each of the priorities to achieve the funding and timeliness goals spelled out by HUD.

1. Acquisition/rehabilitation and resale to first time homebuyers;
2. Acquisition/rehabilitation and rental, which will include one of the following three subactivities:
  - a. Rental to income-eligible families in a rent-to-own plan;
  - b. Rental to income-eligible families as straightforward affordable rental units; and
  - c. As required, the mandated minimum 25% of the funds will be used to serve residents earning at or below 50% of the area median income. The City of Lawton hopes to utilize these funds for acquisition/rehabilitation of multi-family units in partnership with non-profit housing developers, such as Catholic Charities,. Where

possible, these units will be used to augment the special needs housing categories such as elderly housing, transitional housing, and developmentally disabled housing;

3. Acquisition/demolition/redevelopment of units that would cost more to rehabilitate than the purchase price;
4. As a financing mechanism to ensure affordability (downpayment assistance and/or buydown of the interest rate) primarily for families buying units that have been rehabilitated through this program; and
5. Administration of the program will not exceed ODOC-sanctioned limits.

**A. Acquisition/Rehabilitation and Resale (ARRS)**

The City of Lawton will acquire and rehabilitate foreclosed, abandoned single family units and sell them to income-eligible first time homebuyers (individuals and families that have not owned real property in the previous three years IAW with federal tax laws). This will be done through a combination of leveraged and partnered purchase and direct purchases. The final sales price will be no greater than the initial acquisition and rehabilitation costs.

All acquisitions will be IAW NSP rules, in this case, for at least 15% below an appraised value determined no more than 60 days prior to the date of the offer to purchase. Income-eligible first time homebuyers shall not be earning greater than 120% AMI as defined by HUD. Attached to this plan are the income limits as adjusted for family size for the City of Lawton. The prospective buyers will be required to attend both pre-acquisition HUD-certified homebuyer counseling at the Great Plains Improvement Foundation, Inc., and post-acquisition homebuyer counseling. The principal, interest, taxes, insurance, and estimated cost of utilities shall not exceed 35% of the family's adjusted gross income.

A minimum 10% down payment will be required of the home-buying family. If there is a gap between the mortgage-based on the sales price, 30% of the family's income and achieving the 10% downpayment, the gap may be filled with NSP funds in the form of down payment assistance. Closing cost assistance may also be available to those qualifying for the assistance. The City's loan would be subordinate to bank financing; the pro-rata equity share would be based on the percent the subsidy is calculated on the after-rehab sales price.

Acquisitions and rehabilitations will be both leveraged and 100% financed, depending on specific circumstances. Acquisitions will be accomplished based on available property and done in groups sufficient enough to meet timeliness criteria in the overall plan, but spread out enough to ensure that we do not have a glut of ongoing projects from the start of the project. If contractors for rehabilitations and developers for new constructions and/or demolition are available in sufficient quantity, purchase of properties will be advanced to the capacity of this office' ability to properly monitor and sustain the quality of work through proper inspections and maintenance of City of Lawton new construction and rehabilitation standards. This will be Lawton's primary use of NSP funds.

**B. Acquisition/Rehabilitation/Rental (ARRN)**

We will provide for three separate alternatives under this category: rent-to-own; straightforward affordable rental units; and multi-family rental for households earning at or below 50% of the Area Median Income (AMI). All acquisitions will be for at least 15% below an appraised value determined no more than 60 days prior to the date of the offer to purchase.

1. Depending on the pool of applicants for the purchase of the rehabilitated units, there may be some that have adequate income but lack an appropriate credit score to be able to purchase at this time. The City of Lawton, the Lawton Housing Authority (LHA) or one of the City's CHDOs would take title to the unit, and lease the unit in a rent-to-own scenario. Enrollment in the LHA Credit Counseling course or another officially recognized, pre-approved credit counseling course at a recognized credit counseling agency will be mandatory. The LHA will set-aside a portion of the monthly rent for use as a downpayment. The rent-to-own contract must be finalized and the property sold prior to July 31, 2012. Any renter unable to fulfill their contractual obligations at that point will be eligible for removal from the program. The funds available for a downpayment will be use to off-set the lessee's rental costs. The property will be converted from a rent-to-own to a low-income rental property managed by the LHA or the CHDO for the duration of the period of affordability. (Note: Under the HOME Program, the grantee has the right to remove the lessee from the property and sell the house to another eligible low-income homebuyer within six (6) months of the end of the 36 month period. If the house is not sold within that time frame, it automatically becomes a HOME rental unit, with all the applicable HOME rental regulations governing its use to include period of affordability. I can't imagine they will waive such a provision). This program is specifically designed to assist the 50% or lower income level; however, it may be utilized to assist any income level up to 120% of the area median income of \$48,100. (Note: This figure is subject to change with HUD's annual update of eligible income levels).

2. Some of the single family units may be owned by the LHA and made available at affordable rental rates for households at all income levels up to 120% AMI. Again, the target for these rental units would be the 50% income level and lower, in order to meet the NSP standards, however, as in the previous example, the funds would be available for all income levels up to and including the maximum level of 120% of the median area income.

3. In order to ensure that we meet the required 25% of NSP funds to be used to serve individuals and families at or below 50% AMI, the City of Lawton will use the funds in acquisition/rehabilitation/rental activities primarily to serve special needs clients. These funds will be utilized for acquisition/rehabilitation of multi-family units in partnership with non-profit housing developers, who might be interested in local area development. Typically, title to the property would be held by the developing agency for the period of affordability of the units. Where possible, these units will be used to augment the special needs housing categories. Transitional housing units are not eligible for use in the category to assist the 50% income or lower group.

4. Included in the rental development are transitional housing units. The Southwest Regional Continuum of Care Group and this office have identified transitional housing as a need in the community. Development of additional transitional units would be useful in assisting the homeless in their transition through the system to permanent housing and self-sufficiency. Any transitional units developed as a part of this program would be ineligible for the 50% or lower LMI assistance calculation.

### **C. Acquisition/Demolition/Redevelopment (ADR)**

In certain instances, the condition of specific units may warrant demolition instead of rehabilitation. In such cases where the rehabilitation costs exceed the acquisition costs, staff would inspect the structural soundness of the house. If appropriate, demolition will occur. Plans to develop the parcel as an infill unit would commence immediately. Several redevelopment options would be considered. One option would be to sell the parcel to the Lawton-Fort Sill Habitat for Humanity, Great Plains Improvement Foundation, Inc., or Lawton Support Services, Inc., for \$1 for their next new CHDO construction project; another option would be to make it available to a non-profit to develop special needs housing. Other possible uses under this activity type might include abandoned, vacant, foreclosed properties that allow for the development, expansion or improvement of a public facility, such as a homeless shelter. All acquisitions will be for at least 15% below an appraised value determined no more than 60 days prior to the date of the offer to purchase.

### **D. Financing Mechanism (FM)**

As defined in the NSP regulations, downpayment assistance and/or other financing mechanisms are permissible uses of the NSP funds. It is anticipated that most, if not all of the units acquired/rehabilitated and sold to first time homebuyers will require some form of gap financing to ensure affordability. The standard practice will be to acquire the unit, have it rehabilitated and then sold to the homebuyer for the amount of total investment in the property minus the cost of the property which will be purchased using the NSP funds. Additionally NSP funds may be used to buy down the interest rate on the first trust deed for the acquisition of properties by income-eligible homebuyers that are not also being rehabilitated. The buydown option is not anticipated to represent many units.

In addition, we anticipate that an agreement with the local bankers will be necessary to ensure financing is available for these homeowners. We foresee a need for bankers to, as a minimum, lower their underwriting standards. The clients that we will be assisting are not in the normal income range for the banks. Thus, it is likely that the loan-to-value ratios of this set of borrowers will be higher than the normal 80%. Using gap financing should allow the banks to ensure that their equity is acceptable. Also, the banks will likely be required to lower their minimum borrowing standards, in order to provide the funding for the mortgages for these homes. On average, homebuyers are expected to request from \$40,000-\$60,000 to complete their home purchase. These figures are lower than the normal operating standards for most banks to provide home loans.

### **E. Program Administration (PA)**

Administration of the program will not exceed 10% of the NSP grant and 7.5% of program income. The City of Lawton will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in neighborhoods with the highest concentration of sub prime mortgage loans and highest risk of additional foreclosures. The initially targeted areas will be in those neighborhoods that meet these criteria and are near highly visible corridors of the City.