

# *City of Lawton*

## *Housing & Community Development*



## **FFY 2022 Annual Action Plan**

# Annual Grant Allocations

GRANTS	2017	2018	2019	2020	2021	2022
CDBG	\$646,179	\$700,988	\$668,746	\$712,453	\$716,070	\$721,546
HOME	\$281,386	\$382,354	\$327,362	\$376,449	\$366,488	\$430,741
2021 HOME- ARP					\$1,327,045	
TOTAL	\$927,565	\$1,083,342	\$996,108	\$1,088,902	\$2,409,603	\$1,152,287

# Recapture Language

## H. Recapture Provision.

1. If the new homeowner retains ownership and occupies the property as their principal residence for the minimum period of affordability, no recapture restrictions will apply.
2. The HOME-assisted housing must meet the affordability requirements for not less than a five (5) year period of affordability beginning after project completion. The affordability requirements shall apply without regard to the term or repayment of the loan and shall be imposed by a promissory note and mortgage, except that the affordability requirements may terminate upon foreclosure or transfer in lieu of foreclosure.

(a) If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the City shall recapture all or a portion of the HOME assistance to the FTHB in accordance with the executed promissory note and mortgage and the provisions below.

(b) In accordance with 24 CFR 92.254(a)(5), the CITY shall use the shared net proceeds method of the recapture requirements to ensure affordability for homeownership assistance. If the FTHB decides to sell the house within the period of affordability, the City will require recapture of all or a portion of the HOME assistance that enabled the FTHB to buy the dwelling unit as follows:

Shared net proceeds: When the net proceeds are insufficient to recapture the full or a reduced amount of the HOME investment plus enable the FTHB to recover the amount of the homeowner's down payment and any documented capital improvement investment made by the FTHB since purchase, the City and the FTHB shall proportionally divide the net proceeds as set forth in the mathematical formulas in 24 CFR 92.254(a)(5)(ii)(A)(3).

<u>HOME Investment</u>	<b>X Net Proceeds = Home Amount to be</b>
<b>HOME Investment + Homeowner Investment</b>	<b>Recaptured</b>
<u>Homeowner Investment</u>	
<b>HOME Investment + Homeowner Investment</b>	<b>X Net Proceeds = Amount to Homeowner</b>

An example of the formula in practice:

A homebuyer was given \$5,000 HOME funds to help with closing costs. The homebuyer invested \$4,500 of their money for closing and down payment. The homeowner upon selling the house for an amount that provided \$9,000 net proceeds would receive \$4,230.

<u>\$5,000</u>	<b>X \$9,000 = \$4,770 HOME Recapture</b>
<b>\$5,000 + \$4,500</b>	
<u>\$4,500</u>	
<b>\$5,000 + \$4,500</b>	<b>X \$9,000 = \$4,230 Amount to Homeowner</b>

# Assets Consideration

## **24 CFR 92.203 Income Determinations**

(b) When determining whether a family is income eligible, the participating jurisdiction must use one of the following two definitions of “annual income”:

- (1) Annual income as defined at 24 CFR 5.609 (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family Assets, as defined in 24 CFR 5.603); or
- (2) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes.

## **24 CFR 5.609 Annual Income.**

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

# First Time Home Buyer Project

## II. SPECIFIC POLICY.

**A. Project Description.** The city will assist low-income households with homeownership opportunities by providing financial and technical assistance to allow first-time homebuyers to purchase a property within in the Lawton city limits. Assistance for down payment and closing costs may be provided based on need. The HCD is authorized to use CDBG and HOME funds, subject to HUD regulations and local policies, to provide first-time homebuyer assistance.

1. Assistance is provided on a first-come, first-served basis to applicants that meet the eligibility requirements and have a property selected which has been inspected and approved by the HCD staff.
2. There is a \$25.00 non-refundable application fee that shall be submitted at the time of application.
3. Financial assistance will be provided in the form of a forgivable loan. The maximum FTHB assistance amount is \$14,999.99.

# Public Service Organizations

Public Service Organizations-CDBG (max 15% of grant)			\$108,230.00
Teen Court	\$13,528.75		
Christian Family	\$13,528.75		
New Directions	\$13,528.75		
C Carter Crane	\$13,528.75		
Center for Creative Living	\$13,528.75		
Family Promise	\$13,528.75		
Lawton Support Services	\$13,528.75		
Roadback	\$13,528.75		

## Annual Action Plan for FFY 2022

### Project/Activity List with Allocation Amounts

# FFY 2022 Project/Activity List

	2022 Allocation		Funds Remaining from Previous Yrs	
	HOME	CDBG	HOME	CDBG
CDBG Admin (max 20% of grant + PI)		\$147,309.00		
HOME Admin (max 10% of grant + PI)	\$51,074.00			
Home Rehabilitation-HOME	\$311,893.00			
Exterior Improvements-CDBG		\$85,000.00		
Emergency Repairs-CDBG		\$63,000.00		
First-time Homebuyer-HOME	\$15,000.00			
CHDO Set-Aside-HOME (min 15% of grant)	\$64,612.00			
Section 108 Loan-CDBG		\$142,812.00		
Public Service Organizations-CDBG (max 15% of grant)		\$108,230.00		
Teen Court	\$13,528.75			
Christian Family	\$13,528.75			
New Directions	\$13,528.75			
C Carter Crane	\$13,528.75			
Center for Creative Living	\$13,528.75			
Family Promise	\$13,528.75			
Lawton Support Services	\$13,528.75			
Roadback	\$13,528.75			
HAD Delivery Cost-CDBG		\$88,474.00		
Code Enforcement-CDBG		\$91,700.00		
Finance Position		\$8,000.00		
New Construction/Major Rehabilitation			\$375,000.00	
Public Facility Improvements:				
Patterson Center Bathroom Renovation (ADA Compliant)				\$65,000.00
Public Infrastructure:				
Bus Stop Upgrade				\$100,000.00
Sidewalks				\$160,000.00
Sewer Reconstruction				\$160,000.00
CHDO New Construction/Major Rehabilitation			\$100,000.00	
TBRA (New Request)			\$200,000.00	
TBRA (Remaining on existing contract)			\$17,766.00	
	\$442,579.00	\$734,525.00	\$692,766.00	\$485,000.00
2022 Allocation Amount	\$430,741.00	\$721,546.00		
Program Income (PI) 2021	\$11,838.00	\$12,979.00		
Total	\$442,579.00	\$734,525.00	\$1,375,739.01	\$889,509.12
Remaining Balance	\$0.00	\$0.00	\$682,973.01	\$404,509.12