



**U.S. Department of Housing and Urban Development
Oklahoma City Field Office, Region VI
301 N.W. 6th Street, Suite 200
Oklahoma City, Oklahoma 73102-2807
Phone: (405) 609-8569 - Fax (405) 609-8574**

May 27, 2014

**Ms. Linda Price
Revitalization Manager
Department of P&D
P.O. Box 370
Norman, OK 73070-0370**

Subject: HOME Program 2014 Remote Monitoring Visit

Dear Ms. Price:

Subject: HOME Program 2014 Monitoring Letter and Report

This letter transmits the results of the U.S. Department of Housing and Urban Development's FY 2014 remote monitoring review of the City's HOME Program. Mr. Hillard Berry, CPD Representative conducted the review to determine compliance with the City's implementation of the 2013 HOME Program Final Rule in the following areas:

- Neighborhood Market Analysis (NMA)**
- Site Control**
- Project Applications and Underwriting.**
- The HOME Program Written Agreements.**

The CPD Representative conducted a start-up conference on May 19, 2014 with the Ms. Lisa Krieg, Grants Planner of your staff. The aforementioned purposes of the review were discussed. An exit conference was conducted with Ms. Krieg on May 27, 2014 at which time the results of the review were transmitted. No deficiencies were noted.

MONITORING REPORT

This office reviewed the City's sixteen (16) unit CHDO project at Glen Oaks. The project will be assisted with a grant in the amount of \$300,000.00 in HOME Program funds provided to the Norman Affordable Housing Corporation as project developer and sponsor.

A) The HOME Program Written Agreement

Pursuant to 24 CFR 92.504, the agreement described the use of HOME funds and contained a schedule for completion of work. The project was budgeted and contained sufficient detail to provide a basis for the city to effectively monitor performance under the agreement. Affordability requirements pursuant to 24 CFR 92.252 and 254 were described. Applicable repayment provisions were adopted.

Additionally, the contract required compliance with all uniform administrative requirements as described in 24 CFR 92.505. Affirmative Marketing requirements were mandated. The written agreement requires the project to comply with 2013 HOME Program final rule sustainability requirements for the project including major systems as outline in the 92.251 of the final rule. Full occupancy requirements were also addressed pursuant to 24 CFR 92,252 of the new rule.

B) Project Applications and Underwriting

Based upon the revised 2013 HOME Program final rule PJs must underwrite all HOME projects to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity, and the commitment of other funding sources pursuant to 24 CFR 92.250. The City of Norman's underwriting processes met these requirements. No deficiencies noted.

C) Site Control

Site control is inferred under the 2013 final rule definition of Commitment at 24 CFR 92.2. Funds must be committed to a specific local project prior to committing HOME Program funds by means of a written agreement. The City met this requirement as the executed agreement sited a specific property address/location for the acquisition and construction activity at 1724 NW 4th Street, OKC, OK, lots one (1) through six (6).

D) Neighborhood Market Analysis

The 2013 HOME final rule at 24 CFR 92.250 establishes that an assessment, at minimum, be conducted relative to the current market demand in the neighborhood in which the project will be located, the financial capacity of the developer, and firm written financial commitments for the project. The City conducted a review of the project's Marketing Study in conjunction with its underwriting review noted in section B of this report. No deficiencies noted.

E) Overall Conclusion

The City's Glen Oaks acquisition, rehabilitation and rental development project is being carried out substantially in compliance with the HOME Program's revised final rule.

Thank you for your efforts, cooperation and support of the Department's HOME Investment Partnership Program. If you have any questions, please feel free to contact me, or Mr. Berry at (405) 609-8568.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donna Wickes', with a large, stylized loop at the end.

Donna Wickes
Director,
Community Planning and
Development Division