

January 2015

Housing Needs Assessment and Plan of Action

City of Ada, Oklahoma



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Prepared For:

City of Ada

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1 EXECUTIVE SUMMARY

A. DEMOGRAPHIC ANALYSIS

Population and Households — Although Ada’s population has grown at a slower rate than the county and state, it has nonetheless grown since 2000. As household sizes have increased, household growth has remained static relative to population growth. This would suggest that natural market forces for housing have remained static as well within the city, although residential development activity outside of the City of Ada is positioned to respond to local market demand.

Age Characteristics — Housing demand in Ada is actually generated from three key age cohorts: the working age population between the ages of 24 and 64; the retirement age population, ages 65 and up; and, the estimated 1,000 or so college students who require off-campus housing and young workers between the ages of 21 and 24 who are living on their own. The population of Ada is relatively young, having a median age of 30.1 in 2014, compared to 35.2 in the county and 36.23 in the state. Historic trends show the median age of Ada decreasing from 33.7 in 2000.

Household Income — The City of Ada has the largest proportion of households that fall in the under \$25,000 bracket at 39%, compared to 29% in the county and 28% in the state. Ada is generally on par with the county and state with regard to the proportion of households in the \$25,000 to \$49,999 income bracket, but has lower proportions of households in the brackets \$50,000 and above.

Education — The education and skill sets of the working age population will be a strong determinant of Ada’s future economic development prospects, and it lags behind the state and nation in bachelor’s and associate degrees. Ada’s high proportion of graduate degree holders are probably due in large measure to the presence of ECU and the instructors employed there.

B. ECONOMIC ANALYSIS

Employment — In 2011, the largest employment sector in Ada was in Public Administration at 6,471, which includes approximately 3,000 employees of the Chickasaw Nation, and the City of Ada, Ada Public Schools, and Pontotoc County employees. The second highest employment sector is Health Care at 2,611, followed by Retail at 1,783. Professional Scientific and Technical Services is a significant employment sector with 1,171 jobs, and Ada’s diverse manufacturing sector employs 1,397.

Labor Force and Unemployment — Pontotoc County has experienced increases of approximately 16% in both its labor force and employment from 2004 to 2013, while enjoying unemployment rates below state averages.

Commuting Patterns — The U.S. Census estimated that 14,785 (net of Chickasaw Nation employees) people worked in the City of Ada in 2011. Of these, 3,764 or 25% lived in Ada and commuted locally and 11,021, or 78% of the at-place workers commuted into Ada. Out-commuters from Ada number 2,983. The cross commuting into and out of Ada indicates that quality of life factors are a stronger determinant on where people choose to live than place of employment.

C. HOUSING MARKET ASSESSMENT

City Inventory — The City of Ada contains a total of 7,548 residential dwelling units comprising single family detached, apartments, attached units (duplex, triplex, quad), and senior assisted living. Of the total, 5,875 units or 78% of the inventory were classified as single family detached dwellings. Apartments number an estimated 800 units, (8%), duplex/triplex/quad units number 572 (4%), senior housing units number an estimated 270 (4%), and there are an estimated 32 mobile homes (0.4%).

County Inventory — The county lands outside of Ada contain an estimated 8,918 residential dwelling units. Of the total, 7,417 units or 83% of the inventory were classified as single family detached dwellings. Apartments number an estimated 69 units, and duplex/triplex/quad units number 67. There are an estimated 1,365 mobile homes comprising approximately 15% of the housing units in the subject area.

Housing Characteristics — In 2014, an estimated 44.4% of Ada's dwelling units are owner occupied, 43.0% are renter occupied, and 12.4% are vacant. Assuming that all apartments, multi-family and senior housing units are renter occupied, at least 1,661 single family detached units are rentals. In Ada, there is a direct relationship between year built, home values and size. The areas with the oldest structures have relatively small floor areas and low values. As in most cities and towns, Ada's development originated in its core and spread out over its history, but not necessarily in an even, radial pattern. For the purposes of this analysis, and in collaboration with the Client, seven (7) specific study areas were identified to assess Ada's residential development trends over time.

Homeownership vs. Renter Occupied — The City of Ada has been steadily trending towards a renter's market since 2000. Between 1990 and 1999, 640 households moved into owner occupied dwellings and 313 households moved into renter occupied dwellings. From 2000 to 2004, the trend shifted, with 869 households moving into owner occupied units compared to 960 households moving into renter occupied units. From 2005 through 2013, an estimated 767 households moved into owner occupied units compared to 1,890 households moving into renter occupied units.

Residential Sales Trends — An analysis of the most recent 3-year sales period in the Ada housing market is a good indicator of consumer preferences. From 2010 through March 2014, 918 homes with an average sales price of \$95,760 were sold in the City of Ada, for an annual average of 282 sales.

Residential Rent Trends — Most of Ada's apartment buildings are small, free standing buildings with a limited number of units, like those shown in the preceding images. Apartments surveyed ranged from \$350-\$520 for a one-bedroom, \$505-\$788 for a two-bedroom, and \$590-\$695 for a three-bedroom. Several of the apartment complexes surveyed contain Section 8 government subsidized units. In 2014, nearly 70% of renter households paid less than \$500 per month, 18% paid \$500 or more, and 12% paid no cash rent. Median cash rent is estimated to equal \$390 per month.

D. HOUSING AFFORDABILITY ANALYSIS

Methodology — Housing affordability thresholds are defined as the maximum amount of rent or mortgage payment a household should pay per month. HUD has established a standard for determining the appropriateness of rent compared to the occupants' income level. Simply put, households paying more than 30% of their gross income for rent are considered to be "rent burdened." The term "housing affordability" refers to the ability of households at all income levels within a specific geography to pay for housing.

Affordability Thresholds — Affordability thresholds amounts are calculated based on the Pontotoc County AMI, 2-person households, and the five household income thresholds as defined by HUD and include: extremely low (30% of AMI); very low (50% of AMI); low (80% of AMI); 100% of AMI;

120% of AMI; and, over 120% of AMI. The AMI for Pontotoc County as defined by HUD is currently \$54,300 for a 2-person household. The 2-person household factor is based on an average household size in Ada of 2.29 in 2013, and the fact that 35% of households are 1-person and 33% of households are 2-person.

Demand — The largest number of households fall into the over 120% of AMI category at 24%. The next largest contingent is in the extremely low income category at approximately 23%. The third largest group is in the 120% AMI income category at 16%, tied with the low income category at 16%. The 100% AMI category is the smallest contingent at 9% of households.

Supply —

Under the conventional mortgage supply category, the largest number of units fall into the *extremely low income* range, with an estimated 4,032 units. It should be reiterated that quantity does not necessarily relate to availability. Vacant units may have condition issues that make them uninhabitable. The Ada Housing Authority's waiting period is 3-6 months, which is indicative of the demand characteristics in the lower ranges. The second largest number of conventional mortgage units are in the *very low income* category with 809 units, followed by *low income* with 616 units, *100% of AMI* with 233 units, *over 120% of AMI* with 173 units, and lastly, *120% of AMI* with 115 units. Under the FHA mortgage category, the largest number of units also fall into the *extremely low income* range, followed by *low income*, *very low income*, *over 120% of AMI*, *120% of AMI*, and lastly, *100% of AMI*. The largest number of rental units (as categorized) fall within the *low income* range with 779 units, followed by *extremely low income* with 447 units and *very low income* with 345 units.

Affordability — The affordability analysis essentially matches demand to supply in order to estimate the number of rent burdened or mortgage burdened households within a specific geography. Under conventional mortgage standards, Ada has a significant over-supply of residential units below the 100% AMI threshold, and a significant under-supply of units in the 100% AMI range on up.

Implications — The over-supply of residential units that fall into the lower income affordability ranges indicate that the Ada does not have what would be considered a housing affordability issue. Based on the data presented above, it can be concluded that householders in the upper income ranges are somewhat less than rent or mortgage burdened, and occupy much of the housing stack that is otherwise affordable to the lower income spectrum.

E. PLAN OF ACTION

Key Issues —

- At-risk neighborhoods with high concentrations of vacant units and declining values;
- Residential development opportunities are limited to small infill sites and redevelopment;
- Housing available for sale or rent that is considered to be substandard;
- Off-campus housing demand from ECU students for substandard, private housing.

Create an Overarching Community Development Corporation — The City of Ada should support the creation of a non-profit entity that is capitalized, self-sustaining, and dedicated to the revitalization of housing in the city. The entity could be organized along the lines of a Community Development Corporation (CDC) with a small full-time staff (of one or more personnel), but with a focus on very specific, targeted neighborhoods on a project by project approach.

Create a Housing Steering Committee — The city should create a steering committee to address ongoing housing issues in Ada and implement the Housing Plan of Action. Potential members should be approached on the basis of their ability to participate in these activities on a material and/or advisory basis.

Inventory and Prioritize At-Risk Neighborhoods — The city should conduct a systematic reconnaissance and analysis of targeted neighborhoods to ascertain the degree of blight on a street and block level. Based on the findings of this task, the city can identify pockets of blight that may pose a threat to otherwise stable neighborhoods.

Create Neighborhood Associations — The establishment of neighborhood associations should be encouraged to empower citizens to become involved with and actively work toward improving their neighborhoods. The city can work with these groups to help identify problems that impact the quality of life in these neighborhoods. Neighborhood associations should be a prerequisite to targeted revitalization programs in order to establish lines of communication to inform residents of revitalization initiatives and elicit feedback.

Zoning and Land Use — Ada needs to be mindful of zoning issues that may impede desirable development, and stand ready to identify these impediments and take action to mitigate them on a selective basis in order to incentivize neighborhood revitalization. Potential regulatory changes could include, but not be limited to form based code, overlays, concurrent review, expedited review, density bonuses, etc.

Code Enforcement — From a revitalization standpoint, code enforcement should be used as a tool of opportunity rather than implementation. For instance, condemnation of property is the recourse of last resort to mitigate health and life safety issues associated with dangerously dilapidated structures. Nonetheless, if and when this should occur, the opportunity for neighborhood revitalization will present itself, first, through the removal of blight, and second, through the redevelopment of the property.

Blight Removal — To the extent possible, the city should allocate resources to demolish vacant, abandoned, and dilapidated housing that is not suitable for rehabilitation. Land banking activities can be used to reclaim these properties and ultimately return them to productive use in the community.

Land Banking — To the extent possible, the city should acquire vacant, non-productive, tax delinquent parcels for sale to abutting owners and other persons and agencies such as a CDC, in order to turn these properties to productive use. The city could acquire foreclosed properties held by banks, government sponsored agencies, or by federal and state agencies. It can acquire real estate lost to tax foreclosure and accept donated properties. Properties with structures that have potential to be returned to the real estate market can be rehabilitated or sold to qualified private developers. Structures being held for rehabilitation will be stabilized responsibly and appropriately maintained. Structures for which there is little hope of rehabilitation will be demolished and the resulting vacant land used in any number of ways. Parcels can be held for assembly and/or used for approved development projects.

Tax Incentives — As a partner in the city's revitalization efforts, Pontotoc County could offer tax incentives in targeted areas to encourage and promote construction and rehabilitation of housing, benefiting property owners who renovate existing or construct new buildings. The property owner could receive a tax exemption, for a specified period, for up to 100% of the increased tax value resulting from improvements to real property.

Sources of Funding — The following programs are administered by the Oklahoma Housing Finance Agency (OHFA):

- Affordable Housing Tax Credits
- HOME Investment Partnership Program
- Housing Trust Fund
- Linked Deposit Program
- Multi-Family Bonds

2 INTRODUCTION

RKG Associates, Inc. was engaged by the City of Ada, Oklahoma in June 2014 to prepare an assessment of the conditions and characteristics of the housing market in the city. The culmination of the housing market assessment was to prepare a plan of action to help ensure that Ada maintains a sustainable housing stock that meets the needs of its residents, including workers who choose to live in the city.

Key objectives of the study include: (1) assess the current and projected demographic and economic characteristics of households in the community; (2) identify future population, economic and employment trends; (3) assess the nature and extent of short to mid-term housing demand with respect to various market segments; (4); estimate the affordability of available housing based on household income ranges of city residents (5); and, prepare a plan of action for the city to undertake in the next five years that positions the city to most effectively serve its future population and economic development needs.

While Ada's population grew by approximately 1,120 from 15,690 in 2000 to 16,810 in 2010, its at-place employment increased by 1,940 during the same period, from 12,230 to 14,170. Ada not only serves as the primary employment center for Pontotoc County, but is also the key retail hub for the county and points beyond. Ada is also home to East Central University, which has an estimated enrollment of 5,000 students and employs 650 workers. The Chickasaw Nation is Ada's largest single employer with an estimated 3,000 workers, and is very active providing affordable housing to individuals and families both inside and outside of the Nation.

In the course of the housing study work program, RKG professionals reviewed relevant plans and documents, and interacted with key stakeholders including the Housing Steering Committee, City staff, Community Development Department staff, elected officials, local real estate professionals and developers, property owners and managers, economic development professionals, and others. In addition, a visual inventory of Ada's housing stock was conducted.

The findings of the City of Ada Housing Needs Assessment and Plan of Actions are organized in this report in the following sections:

- Chapter 1 Executive Summary
- Chapter 2 Introduction
- Chapter 3 Demographic Analysis
- Chapter 4 Economic Analysis
- Chapter 5 Housing Market Assessment
- Chapter 6 Housing Affordability Analysis
- Chapter 7 Plan of Action

3 DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

The following chapter analyzes demographic trends and projections in areas such as population, households, income, education attainment, and employment data. The analysis focuses on trends and conditions within the City of Ada, but includes comparative data for Pontotoc County and the state of Oklahoma as a whole. The data provides insight into local and regional growth trends as well as projected future growth patterns. These factors provide the framework for understanding the market potential for real estate activity and housing investment in Ada and the surrounding area. The consultant utilized several public and private data sources to complete the analysis including the U.S. Census Bureau and Site to Do Business.

B. METHODOLOGY

Population, household, and income trend data is collected from the U.S. Census Bureau and Site to Do Business, a private purveyor of demographic and economic data. Much of the data provided by Site to Do Business consists of data from the U.S. Census Bureau presented in a summarized form presented for users in the real estate industry. RKG Associates uses demographic projections developed by Site to Do Business for this report, unless noted. Data in tables is categorized by geographic area, with the City of Ada, Pontotoc County and the State of Oklahoma listed separately for comparison purposes.

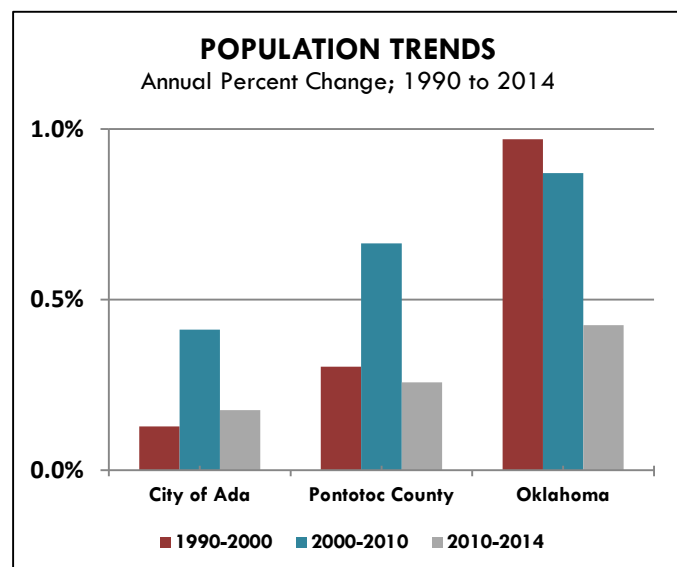
C. POPULATION AND HOUSEHOLD TRENDS

1. Population Trends

Data from the U.S. Census indicates that the City of Ada and Pontotoc County experienced a surge in population from 2000 to 2010. Since 2000, the city population increased from 16,023 residents to an estimated 16,684 persons in 2010, an increase of 4.1%, compared to 1.3% growth in all of the 1990s. The population grew an additional 1.2% from 2010 to 2014.

Pontotoc County's population grew 6.7% from 2000 to 2010, from 35,154 to 37,492. This surpassed the 3.0% rate of growth in the 1990s. By comparison, the state's population grew 8.7% in the

Figure 3-1



Source: Site to Do Business; RKG Associates 2014

2000s and 9.7% in the 1990s (Figure 3-1).

2. Household Trends

Households drive demand for housing. While Ada's population grew in the period between 2000 and 2013, the number of households actually remained static, increasing from 6,854 to 6,862. Household size increased however, from 2.20 to 2.30 persons per household average.

Between 2000 and 2013, households increased 7% in the county, from 134,982 in 2000 to 14,921 in 2014. In the state, households increased 12% during the same period, from 1.34 million to 1.51 million (Figure 3-2).

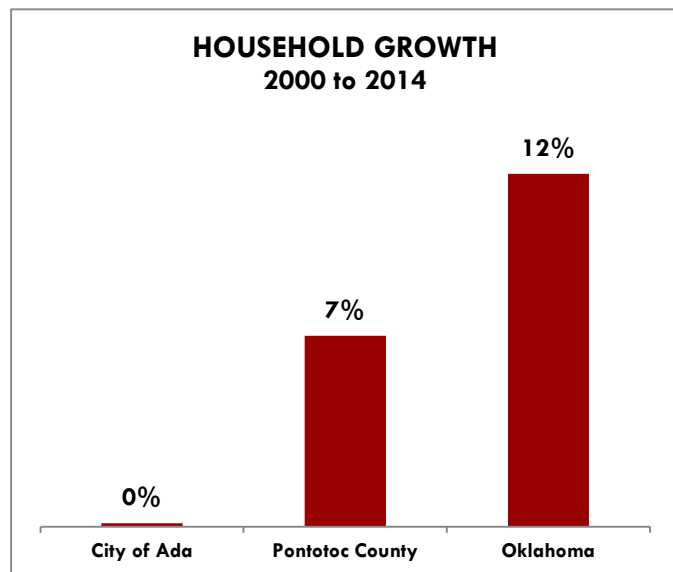
3. Population by Age

The population of Ada is relatively young, having a median age of 30.1 in 2014, compared to 35.2 in the county and 36.23 in the state. Historic trends show the median age of Ada decreasing from 33.7 in 2000. With regard to the working age population between 25 and 64 years of age, the 25 to 34 age cohort population increased from 1,915 in 2000 to 2,134 in 2014, and the 45 to 64 age cohort increased from 1,785 to 1,850.

Ada's retirement age population (65 and older) actually decreased in real numbers from 1,760 in 2000 to 1,382 in 2014. Ada's youth cohorts between the ages of 0 to 24 increased in population from 3,015 in 2000 to 3,446 in 2014.

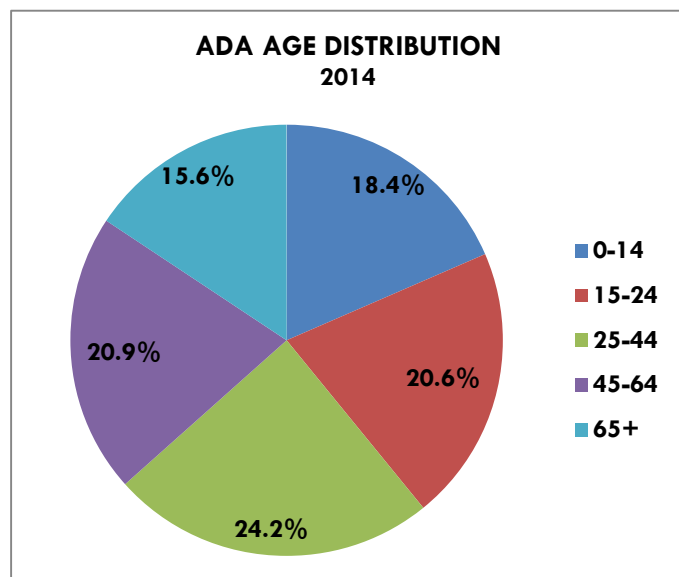
Housing demand in Ada is actually generated from three key age cohorts: the working age population between the ages of 24 and 64; the retirement age population, ages 65 and up; and, the estimated 1,000 or so college students who require off-campus housing and young workers between the ages of 21 and 24 who are living on their own.

Figure 3-2



Source: Site to Do Business; RKG Associates 2014

Figure 3-3



Source: Demographics Now; RKG Associates 2014

D. INCOME TRENDS

1. Household Income Trends

Household income data shows that the 2014 median income in Ada of \$34,690 is lower than Pontotoc County as a whole (\$41,388), and significantly lower than the State of Oklahoma (\$44,636). Median household incomes in Ada increased at a rate of 46% from 2000 to 2014, compared to 51% in the county and 33% in the state.

2. Income Distribution

Data shows that among the three comparative study areas, the City of Ada has the largest proportion of households that fall in the under \$25,000 bracket at 39%, compared to 29% in the county and 28% in the state. Ada is generally on par with the county and state with regard to the proportion of households in the \$25,000 to \$49,999 income bracket, but has lower proportions of households in the brackets \$50,000 and above.

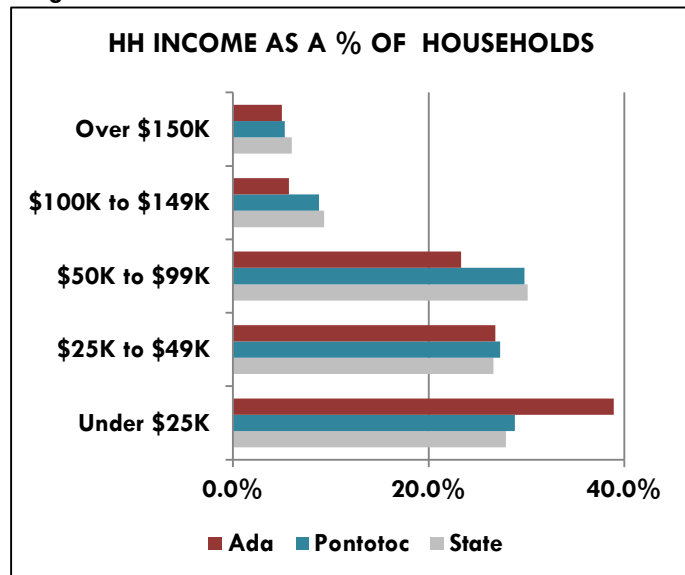
Lower household incomes are not atypical for urban centers, which typically have the highest concentrations of subsidized housing within a county, as well as older housing stock. The ability to attract higher income households largely depends on the availability of desirable housing that falls within their affordability range.

E. EDUCATION ATTAINMENT

Census data for education levels presents data for the population aged 25 and higher, which effectively removes a portion of the transient undergraduate student population and helps to provide a focus on the more stable working population.

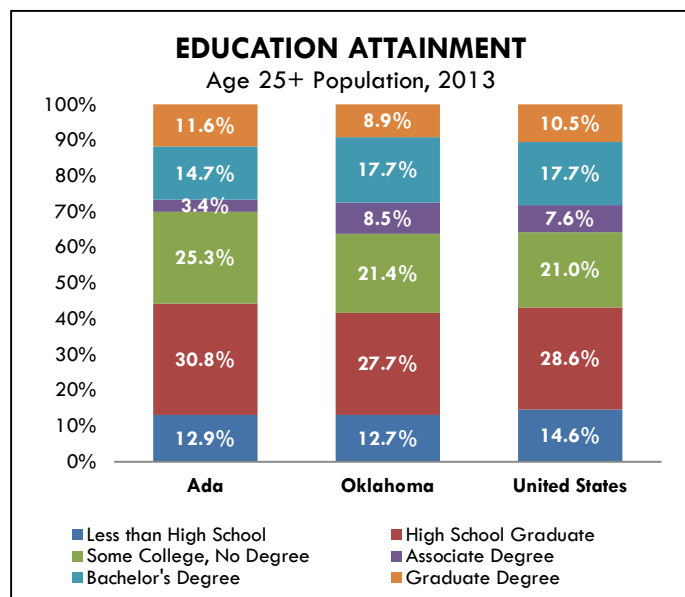
Looking at education attainment from the top down, 11.6% of the City of Ada's over 25 population has attained a graduate degree compared to 8.9% in the state and 10.5% in the nation. It is reasonable to assume that this statistic is related to residents who are employed at East Central University, where a concentration of graduate degree

Figure 3-4



Source: Demographics Now; RKG Associates 2014

Figure 3-5



Source: Demographics Now; RKG Associates, Inc. 2014

holding personnel is likely to congregate. Although Ada has relatively high proportions of high school graduates, it falls short of the state and nation in Associate's and Bachelor's degrees.

F. IMPLICATIONS

Although Ada's population has grown at a slower rate than the county and state, it has nonetheless grown since 2000. As household sizes have increased, household growth has remained static relative to population growth. This would suggest that natural market forces for housing have remained static as well within the city, although residential development activity outside of the City of Ada is positioned to respond to local market demand.

Ada's population has trended younger, with the median age decreasing from 33.7 in 2000 to 30.1 in 2014, and increases in the working age population. However, the education and skill sets of the working age population will be a strong determinant of Ada's future economic development prospects, and it lags behind the state and nation in bachelor's and associate degrees. Ada's high proportion of graduate degree holders are probably due in large measure to the presence of ECU and the instructors employed there.

It is not unusual for household incomes to be somewhat lower in urbanized areas than their surrounding suburbs, and Ada is no exception. Urbanized areas typically contain older housing stock and higher concentrations of subsidized housing, whereas the suburban areas developed later in time and have generally resisted the development of subsidized housing, and therefore support higher income households.

4 ECONOMIC ANALYSIS

A. INTRODUCTION

Increases in employment drive the need for additional housing. The following chapter analyzes economic factors such as at-place and resident employment trends for the City of Ada, occupational employment levels and wages, and commuting patterns.

B. METHODOLOGY

Employment data is collected from the Ada Jobs Foundation. Data in tables are categorized by geographic area, with the City of Ada, Pontotoc County, and the Oklahoma City MSA listed separately for comparison purposes in some instances. Data shown for the City of Ada and Pontotoc County include the entirety of the area within their boundaries. Any variation or special information is noted with data tables or charts.

C. EMPLOYMENT

1. At-Place Employment

At-place employment measures the number of workers within a specific geography, without regard to place of residence. The Ada Jobs Foundation reports that 19,428 jobs were supported in Ada in 2014, a net increase in employment of 268 from 2005.

In 2011, the largest employment sector in Ada was in Public Administration at 6,471, which includes approximately 3,000 employees of the Chickasaw Nation, and the City of Ada, Ada Public Schools, and Pontotoc County employees. The second highest employment sector is Health Care at 2,611, followed by Retail at 1,783. Professional Scientific and Technical Services is a significant employment sector with 1,171 jobs, and Ada's diverse manufacturing sector employs 1,397 (Table 4-1).

Employment sectors experiencing notable gains include Professional Scientific and Technical Services which added 749 jobs for a 177% increase, Transportation and Warehousing which added 132 jobs for a 50% increase, and Mining, Oil and Gas Extraction which added 90 jobs for a 37% increase.

Employment sectors that incurred notable losses include Finance and Insurance which lost 769 jobs for a 57% decrease, Manufacturing which lost 313 jobs for an 18% decrease, and Administration which lost 298 jobs for a 32% decrease.

Table 4-1
At-Place Employment by Industry 2005-2011 Trends
Ada City

NAICS*	DESCRIPTION	2005	2009	2014	Δ 2005 to 2014	AVG. ANN. WAGE 2014
	TOTAL ALL JOBS	19,160	19,618	19,428	268	\$34,372
11	Agriculture, forestry, fishing & hunting	83	140	140	57	\$27,024
21	Mining, oil and gas extraction	246	326	336	90	\$53,767
22	Utilities	130	143	140	10	\$65,992
23	Construction	791	843	834	43	\$35,962
31-32	Manufacturing	1,710	1,377	1,397	(313)	\$48,679
42	Wholesale trade	490	410	396	(94)	\$61,118
44-45	Retail trade	1,885	1,921	1,783	(102)	\$25,808
48-49	Transportation and warehousing	264	368	396	132	\$43,710
51	Information	130	114	83	(47)	\$41,493
52	Finance & insurance	1,346	574	577	(769)	\$46,322
53	Real estate & rental & leasing	153	245	319	166	\$47,505
54	Professional, scientific & technical services	422	410	1,171	749	\$42,654
55	Management of companies & enterprises	11	46	26	15	\$34,367
56	Admin. & support, waste management	927	629	629	(298)	\$24,054
61	Educational services	138	103	149	11	\$30,007
62	Health care & social assistance	2,430	2,535	2,611	181	\$38,640
71	Arts, entertainment & recreation	76	99	98	22	\$20,292
72	Hotels and Restaurants	1,011	1,302	1,203	192	\$16,009
81	Other services	739	1,513	669	(70)	\$20,010
90	Public Administration	6,178	6,520	6,471	293	\$54,658

¹North American Industry Classification System Code

Source: Ada Jobs Foundation; RKG Associates 2014

2. Major Employers

By far, the Chickasaw Nation is Ada's largest employer with an estimated 3,000 workers. Mercy Hospital, McCall's Communities, Indian Health Services (IHS) Management, and Rolling Hills Hospital employ a combined 1,230 workers. Legal Shield professional services employs 700 workers. Ada has nine manufacturing companies in the top 25 that employ a total of 1,445 workers (Table 4-2).

Table 4-2
Major Private Sector Employers 2014
City of Ada

Rank	Company Name	Industry	Specialty	Estimated Employment
1	Chickasaw Nation	Public Administration	Government services & health care	3,000
2	Mercy Hospital	Health Care	Hospitals & physician practices	700
3	Legal Shield	Professional Services	Legal services	700
4	East Central University	Education	Higher education services	650
5	Flex-N-Gate Technologies	Manufacturing	Plastics manufacturing - auto	550
6	Dart Container Co.	Manufacturing	Plastics manufacturing - cups, etc.	350
7	Wal-Mart Super Center	Retail Trade	General merchandise	450
8	Ada Public Schools	Education	Primary and secondary education	350
9	City of Ada	Public Administration	Municipal services	280
10	McCall's Communities	Health Care	Mental health services	230
11	IHS Management	Health Care	Health care	200
12	True Energy Services	Mining, Extraction	Oil & gas production	150
13	IQor	Admin. & Support	Technical support call center	150
14	Peoples Electric Coop.	Utilities	Electric utility company	130
15	Holcim-US	Manufacturing	Cement manufacturing	130
16	Kerr Research Laboratory	Scientific & Technical	EPA water research laboratory	150
17	Vision Bank	Finance	Retail banking services	100
18	Rolling Hills Hospital	Health Care	Psychiatric hospital	100
19	Ram Jack	Manufacturing	Foundation repair manufacturing	100
20	Superior Fabrication	Manufacturing	Oil & gas metal fabrication	80
21	Apex Composites	Manufacturing	Aviation & aerospace	70
22	GAMI?/Tornado Alley	Manufacturing	Aviation parts	65
23	Globe LifeLine EMS	Manufacturing	Fire protection suits	50
24	Leachco	Manufacturing	Cut and sew operation	50

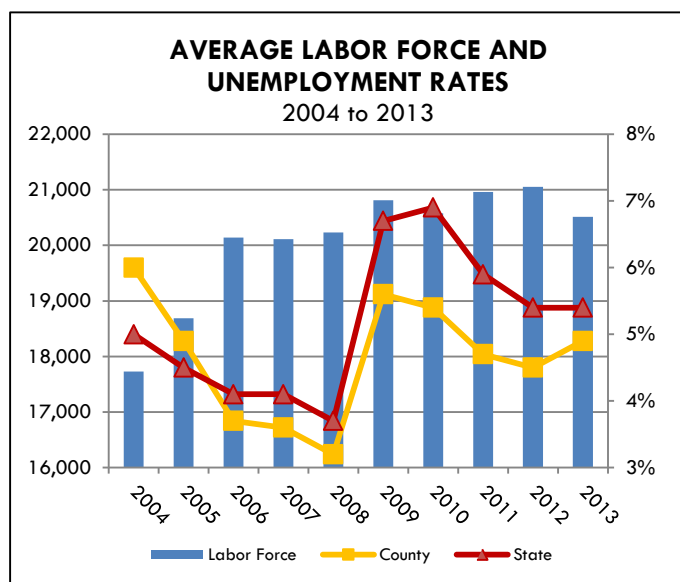
Source: City of Ada; RKG Associates 2014

3. Employment Trends

The Bureau of Labor Statistics reports annual labor force and employment trends by county. Pontotoc County has experienced increases of approximately 16% in both its labor force and employment from 2004 to 2013, while enjoying unemployment rates below state averages.

The strong employment trends have contributed to the county's population growth since 2000, as households follow jobs. Barring another dramatic downturn in the national economy, the local and regional economic dynamics should continue to support population and household growth, keeping continued pressure on residential development.

Figure 4-1



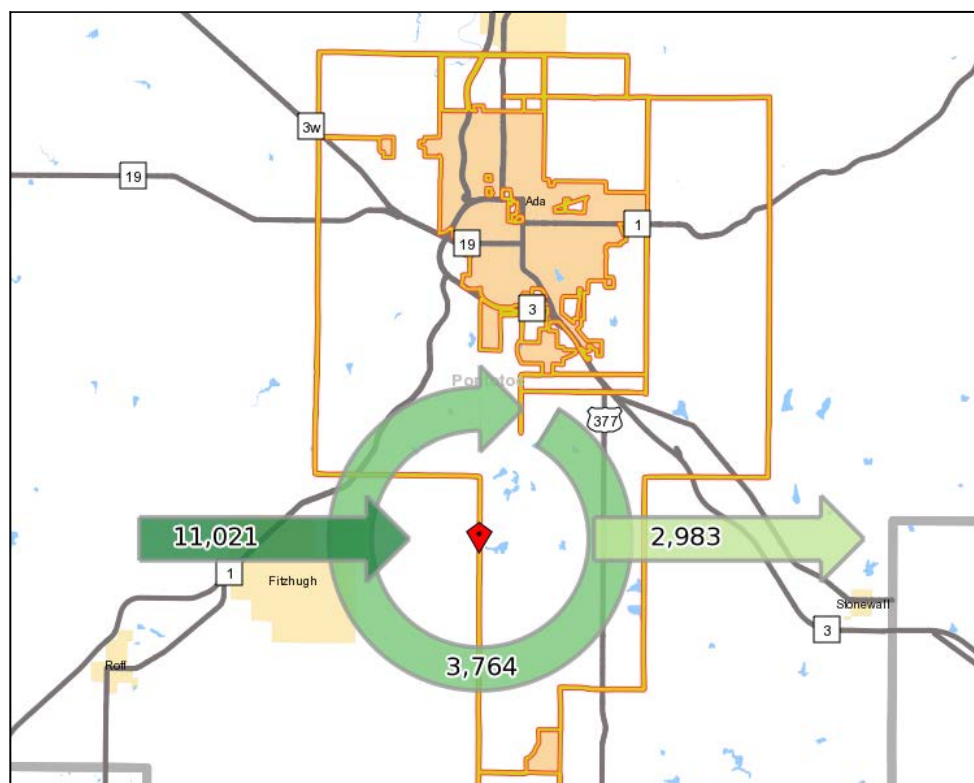
Source: U.S. Bureau of Labor Statistics; RKG Associates 2014

D. COMMUTING PATTERNS

Understanding worker's commuting patterns is key to characterizing the nature of places. A recurring theme in the project's stakeholder interviews was that Ada is both the employment and retail hub for an area that extends well beyond the Pontotoc County limits, which is borne out by commuting data from the U.S. Census.

The U.S. Census estimated that 14,785 (net of Chickasaw Nation employees) people worked in the City of Ada in 2011. Of these, 3,764 or 25% lived in Ada and commuted locally and 11,021, or 78% of the at-place workers commuted into Ada. Out-commuters from Ada number 2,983 (Figure 4-2). The cross commuting into and out of Ada indicates that quality of life factors are a stronger determinant on where people choose to live than place of employment.

Figure 4-2



Source: U.S. Census Bureau; RKG Associates 2014

F. IMPLICATIONS

The local and regional economies have exhibited stability and growth in the past decade. Employment drives population growth, which increases the demand for housing. As long as Ada serves as the primary employment hub in its area of influence, Pontotoc County and the City of Ada should experience continued demand for new housing.

5 HOUSING MARKET ASSESSMENT

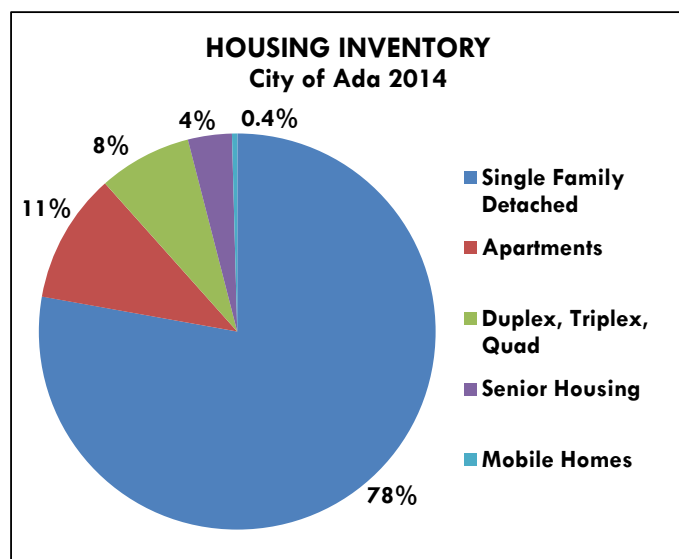
A. HOUSING CHARACTERISTICS

1. City of Ada

The first step in a housing analysis is to assess current conditions with regard to the existing housing supply. Based on data obtained from the Pontotoc County real property tax assessment database, the City of Ada contains a total of 7,548 residential dwelling units comprising single family detached, apartments, attached units (duplex, triplex, quad), and senior assisted living. Of the total, 5,875 units or 78% of the inventory were classified as single family detached dwellings. Apartments number an estimated 800 units, (11%), duplex/triplex/quad units number 572 (8%), senior housing units number an estimated 270 (4%), and there are an estimated 32 mobile homes (0.4%).

Average unit sizes are 1,444 square feet for single family detached; 450 square feet for apartments; and, 460 square feet for attached. The average value per square foot is estimated at \$40.23 for single family detached and \$48.04 for attached.

Figure 5-1



Source: Pontotoc County Tax Assessor; RKG Associates 2014

Table 5-1
Housing Inventory
Ada, OK 2014

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
CITY OF ADA; TOTAL				
Single Family Detached	5,875	\$66,058	1,444	\$40.23
Townhouse, Duplex, Triplex	572	\$91,131	450	\$48.04
Apartments	800	\$505,785	460	\$161.87
Mobile Home	32	\$145,671	1,684	\$72.76
Senior Housing	270	\$512,292	330	\$42.49
TOTAL	7,548			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

In 2013, the City of Ada's housing inventory comprised 44% owner occupied homes, as compared to 59% of owner occupied homes in the State of Oklahoma and 66% in the nation. The renter-occupied inventory in Ada was 43% in the same year, compared to 29% in the state and 34% in the nation. The proportion of rentals units to homeownership in Ada is high relative to the state and nation. Based on an inventory of 800 apartments and 572 duplexes/triplexes of which 90%, or 515, are assumed rentals, and 270 senior units, the balance of approximately 1,661 renter occupied dwellings comprise single family detached units. The implications of this trend are discussed in more detail in Section C of this chapter.

An examination of occupied units by year moved into illustrates the increasing popularization of the rental housing market in Ada. Figure 5-2 shows rental activity picking up slightly in the 1980s, increasing moderately in the 1990s, but accelerating significantly in the early 2000s. From 2005 through 2012, move-ins to rental housing more than doubled move-ins to homeownership.

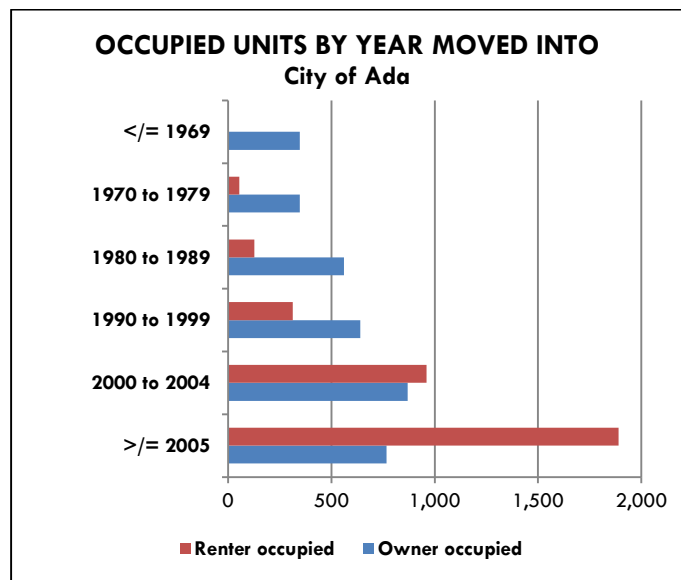
As a residential enclave, Ada began to develop earnestly in the 1950s, experienced a housing boom in the 1960s and 1970s, moderated somewhat in the 1980s and 1990s, and has experienced modest development since 2000 as developable land has become scarce. Approximately 450 new residential units were added to the inventory since 2000.

2. County Development

The housing dynamics in the county impact on the housing dynamics within Ada, and therefore must be examined. The following analysis examines the housing characteristics of Pontotoc County, net of the City of Ada. The county lands outside of Ada contain an estimated 8,918 residential dwelling units. Of the total, 7,417 units or 83% of the inventory were classified as single family detached dwellings. Apartments number an estimated 69 units, and duplex/triplex/quad units number 67. There are an estimated 1,365 mobile homes comprising approximately 15% of the housing units in the subject area.

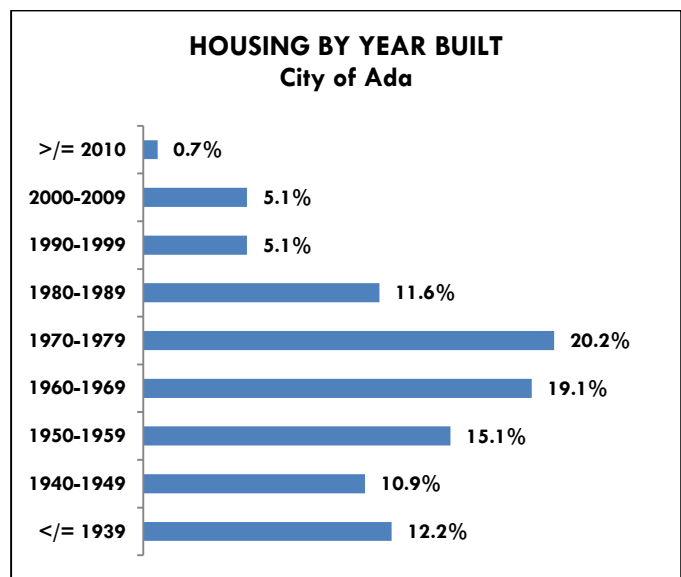
Average unit sizes are 1,579 square feet for single family detached, approximately 9% larger than houses in the City of Ada. Average value per square foot for single family detached is \$46.25.

Figure 5-2



Source: Site to do Business; RKG Associates 2014

Figure 5-3



Source: Site to do Business; RKG Associates 2014

Table 5-2
Housing Inventory
Pontotoc County (Less Ada) 2014

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
PONTOTOC COUNTY; TOTAL				
Single Family Detached	7,417	\$73,004	1,579	\$46.25
Townhouse, Duplex, Triplex	69	\$164,750	700	N/A
Apartments	67	\$498,593	500	N/A
Mobile Home	1,365	\$34,167	900	N/A
TOTAL	8,918			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

B. HOUSING CHARACTERISTICS BY AREA

1. Study Area Descriptions

RKG Associates conducted an analysis of Ada's historical residential development trends over the years by geographical areas. As in most cities and towns, Ada's development originated in its core and spread out over its history, but not necessarily in an even, radial pattern. For the purposes of this analysis, and in collaboration with the Client, seven (7) specific study areas were identified to assess Ada's residential development trends over time (Figure 5-4), and are described as follows:

Area 1: Includes downtown Ada and the Northwest Neighborhood. Bounded by J.A. Richardson Loop to the north, Ada city limits to the west, Kings Road and 18th Street to the south, and Mississippi Street to the east.

Area 2: This is the neighborhood directly surrounding East Central University (ECU) bounded by Arlington Street to the North, Mississippi Street to the west, 18th Street to the south and Stadium Street to the east.

Area 3: East of ECU, roughly bounded by Arlington Street to the North, Stadium Street to the west, 18th Street to the south and Country Club to the west. A section of the area drops down on the western side, bounded by Pine to the south and Scenic to the east.

Area 4: Bounded by Ada city limits to the north and east, Arlington Street to the south, and Broadway to the west. Contains the Ada Municipal Airport.

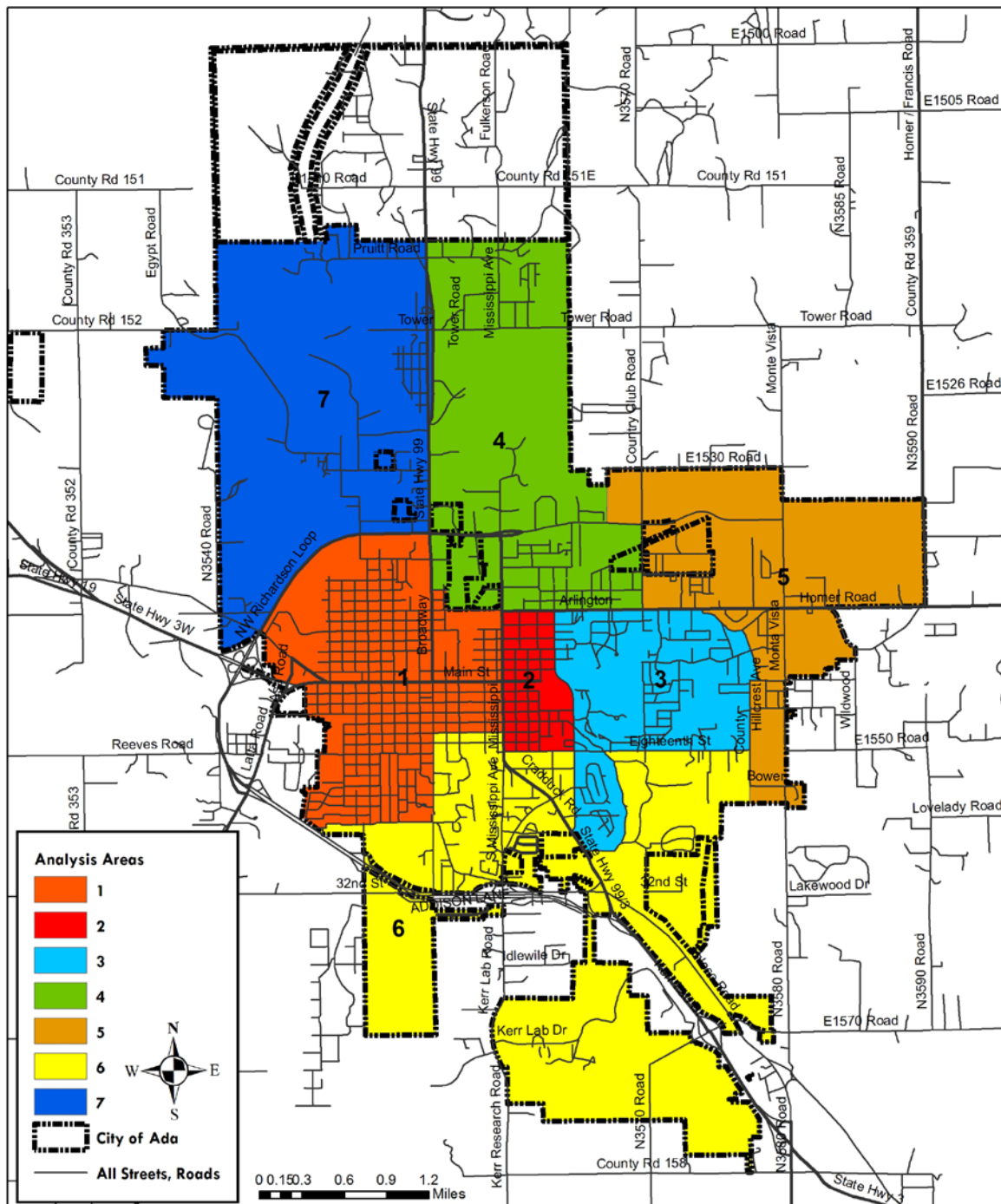
Area 5: Easternmost portion of Ada, bounded by Ada city limits to the north, east and south, Country Club, Hillcrest and S.E. County to the west.

Area 6: Southernmost portion of the city, roughly bounded by 18th Street to the north, Ada city limits to the east south and west.

Area 7: Northwestern portion of the city, bounded by Ada city limits to the north and west, MW Richardson Loop to the south, and State Highway 99 to the east.

Figure 5-4

Analysis Areas: Ada, Oklahoma



Source: City of Ada, Oklahoma, RKG Associates, Inc., 2014

RKG
ASSOCIATES INC.

2. Study Area Characteristics

Area 1 — Area 1 has the largest number of residential units among the seven subject areas with 3,045 as well as the largest number of apartments at 319. Average unit size for single family dwellings is 1,179 square feet, and average building value for single family detached homes is \$27.03 per SF (Table 5-3), lowest among the study areas. The median year structures were built is 1946. From 2011 through March of 2014, 362 homes were sold in Area 1. The average sale was \$57,622, 42 homes were priced over \$100,000.

Visual reconnaissance by the consultant of the neighborhoods in Area 1 confirm that a significant number of properties have condition issues and/or are vacant. However, there are also a number of properties that have undergone rehabilitation and/or redevelopment, showing investor interest in the area.

Table 5-3
Housing Inventory
Area 1 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 1				
Single Family Detached	2,468	\$36,408	1,179	\$27.03
Townhouse, Duplex, Triplex	166	\$45,436	450	\$23.37
Apartments	319	\$502,431	450	\$154.73
Mobile Home	11	\$88,333	700	\$45.00
Senior Housing	81	\$212,361	400	\$37.03
Subtotal	3,045			

Source: Pontotoc County Tax Assessor; RKG Associates 2014



Brand new redeveloped property in Area 1



New quad units for rent on a corner property in Area 1



This duplex in Area 1 is getting ready for a roof replacement



This house for rent is badly in need of exterior paint



Abandoned and/or vacant properties such as this one undermine values in the rest of the neighborhood

Area 2 — Geographically smallest of the seven areas, this is the neighborhood that surrounds ECU. Average unit size for single family dwellings is 1,349 square feet, and average building value for single family detached homes is \$33.03 per SF (Table 5-4). Area 2 has 813 total units, and has the highest number of multi-family units (townhouses, duplexes, and quads) among the study areas, which have a low average value per square foot, that could indicate a preponderance of sub-standard student housing in the area. The median year structures were built is 1940. From 2011 through March of 2014, 77 homes were sold in Area 2. The average sale was \$73,437, 15 homes were priced over \$100,000.

Table 5-4
Housing Inventory
Area 2 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 2				
Single Family Detached	542	\$50,564	1,349	\$33.03
Townhouse, Duplex, Triplex	191	\$52,142	450	\$25.76
Apartments	80	\$603,389	450	\$228.53
Mobile Home	0	\$0	0	\$0.00
Senior Housing	0	\$0	0	\$0.00
Subtotal	813			

Source: Pontotoc County Tax Assessor; RKG Associates 2014



These apartments in Area 2 are located next to ECU, and probably cater to students



An older brick apartment building in Area 2. The exterior is in excellent condition.



An apartment building in Area 2, flanked by single family detached houses on either side.

Area 3 — Area 3 has a total of 1,015 units comprised of 962 single family detached, 14 multi-family and 39 apartments. Average unit size for single family detached is 1,880 square feet with an average value of \$50.27 per square foot (Table 5-5). The median year structures were built is 1970. From 2011 through March of 2014, 169 homes were sold in Area 3. The average sale was \$132,085.

Table 5-5
Housing Inventory
Area 3 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 3				
Single Family Detached	962	\$106,029	1,880	\$50.27
Townhouse, Duplex, Triplex	14	\$34,583	450	\$15.28
Apartments	39	\$257,708	450	\$131.62
Mobile Home	0	\$0	0	\$0.00
Senior Housing	0	\$0	0	\$0.00
Subtotal	1,015			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Area 4 — Area 4 has a total of 677 units comprised of 534 single family detached and 138 multi-family units. Average unit size for single family detached is 1,219 square feet with an average value of \$33.12 per square foot (Table 5-6). The median year structures were built is 1965. From 2011 through March of 2014, 86 homes were sold in Area 4. The average sale was \$59,755, 8 homes were priced over \$100,000.

Table 5-6
Housing Inventory
Area 4 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 4				
Single Family Detached	534	\$46,194	1,219	\$33.12
Townhouse, Duplex, Triplex	138	\$155,112	450	\$85.72
Apartments	0	\$0	0	\$0.00
Mobile Home	5	\$52,333	700	\$58.09
Senior Housing	0	\$0	0	\$0.00
Subtotal	677			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Area 5 — Area 5 has a total of 733 units comprised of 420 single family detached, 200 apartments, and 104 senior housing units. Average unit size for single family detached is 1,594 square feet with an average value of \$44.69 per square foot (Table 5-7). The median year structures were built is 1979. From 2011 through March of 2014, 69 homes were sold in Area 5. The average sale was \$119,672.

Table 5-7
Housing Inventory
Area 5 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 5				
Single Family Detached	420	\$80,937	1,594	\$44.69
Townhouse, Duplex, Triplex	0	\$0	0	\$0.00
Apartments	200	\$419,392	450	\$150.03
Mobile Home	9	\$60,500	700	\$43.86
Senior Housing	104	\$1,136,250	300	\$34.93
Subtotal	733			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Area 6 — Area 6 has a total of 1,109 units comprised of 760 single family detached, 62 multi-family units, 161 apartments, 40 mobile homes, and 86 senior housing units. Average unit size for single family detached is 1,937 square feet with an average value of \$60.25 per square foot (Table 5-8). The median year structures were built is 1975. From 2011 through March of 2014, 141 homes were sold in Area 6. The average sale was \$176,184.

Table 5-8
Housing Inventory
Area 6 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 6				
Single Family Detached	760	\$133,726	1,937	\$60.25
Townhouse, Duplex, Triplex	62	\$209,350	450	\$105.99
Apartments	161	\$696,761	500	\$164.60
Mobile Home	40	\$448,606	700	
Senior Housing	86	\$1,687,917	300	\$58.47
Subtotal	1,109			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Area 7 — Area 7 has the lowest number of dwelling units at 201, units comprised of 189 single family detached and 12 mobile homes. Average unit size for single family detached is 1,264 square feet with an average value of \$30.66 per square foot (Table 5-9). The median year structures were built is 1969. From 2011 through March of 2014, 14 homes were sold in Area 7. The average sale was \$176,184.

Table 5-9
Housing Inventory
Area 7 - City of Ada

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
AREA 7				
Single Family Detached	189	\$43,061	1,264	\$30.66
Townhouse, Duplex, Triplex	0	\$0	0	\$0.00
Apartments	0	\$0	0	\$0.00
Mobile Home	12	\$27,014	700	\$15.37
Senior Housing	0	\$0	0	\$0.00
Subtotal	201			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Pontotoc County, Net of City of Ada — Housing activity in Pontotoc County has a direct impact on the City of Ada by virtue of the ability of Ada workers to live in the county and commute to the city. The county has a total of 8,918 units comprised of 7,417 single family detached, 69 multi-family units, 67 apartments, and 1,365 mobile homes. Average unit size for single family detached is 1,579 square feet with an average value of \$46.25 per square foot (Table 5-10). The median year structures were built is 1980. From 2011 through March of 2014, 753 homes were sold in the county. The average sale was \$59,492.

Table 5-10
Housing Inventory
Pontotoc County (Less Ada) 2014

Land Use Description	Unit Count	Average Property Value	Average Unit Size SF	Average Building Value Per SF
PONTOTOC COUNTY; TOTAL				
Single Family Detached	7,417	\$73,004	1,579	\$46.25
Townhouse, Duplex, Triplex	69	\$164,750	700	N/A
Apartments	67	\$498,593	500	N/A
Mobile Home	1,365	\$34,167	900	N/A
TOTAL	8,918			

Source: Pontotoc County Tax Assessor; RKG Associates 2014

3. Study Areas Summary

In Ada, there is a direct relationship between year built, home values and size. Areas 1 and 2 have the oldest structures, relatively small floor areas and low values. Area 7 has the smallest floor areas at an average of 1,264, and also has low values. Area 6 has the largest structures at an average of 1,937 square feet for single family detached dwellings, has the highest average value per square

foot at \$60.25, and the median year structures were built is 1975. Residential values per square foot are the most accurate indicators of relative value, since they are based on a common denominator (Table 5-11).

Table 5-11
Housing Inventory Summary by Area
City of Ada

Area	Unit Count	Avg. SFD Property Value	Average Unit Size SF	Average SFD Building Value Per SF	Median Year Structures Were Built
PONTOTOC COUNTY; TOTAL					
Area 1	2,479	\$43,582	1,386	\$27.38	1946
Area 2	1,932	\$50,564	1,349	\$56.55	1940
Area 3	969	\$107,264	1,909	\$50.09	1970
Area 4	541	\$50,179	1,310	\$33.39	1965
Area 5	435	\$99,343	1,841	\$46.97	1979
Area 6	777	\$147,971	2,196	\$58.49	1975
Area 7	201	\$43,061	1,264	\$30.66	1969

Source: Pontotoc County Tax Assessor; RKG Associates 2014

Two other key indicators, the proportion of renter occupied to owner occupied and percentage of vacant housing, are important to gauge the relative stability of residential areas. Based on data from the 2010 U.S. Census, twenty-one (21) census block group areas were analyzed. Figure 5-5 shows the concentration of census block groups containing over 50% renter occupied units in orange. Figure 5-6 shows the concentration of census block groups containing 20% or more vacant dwelling units.

Figure 5-7 shows a parcel by parcel percent average value of the improvement (dwelling structure) per square foot, to illustrate clusters of units within value ranges. The benchmark average values per square foot are: \$40.59 for single family; \$35.07 for townhouses, duplexes and triplexes; and, \$161.87 for apartments. Housing types with values of 50% or less of the average are shaded dark red.

Figure 5-5

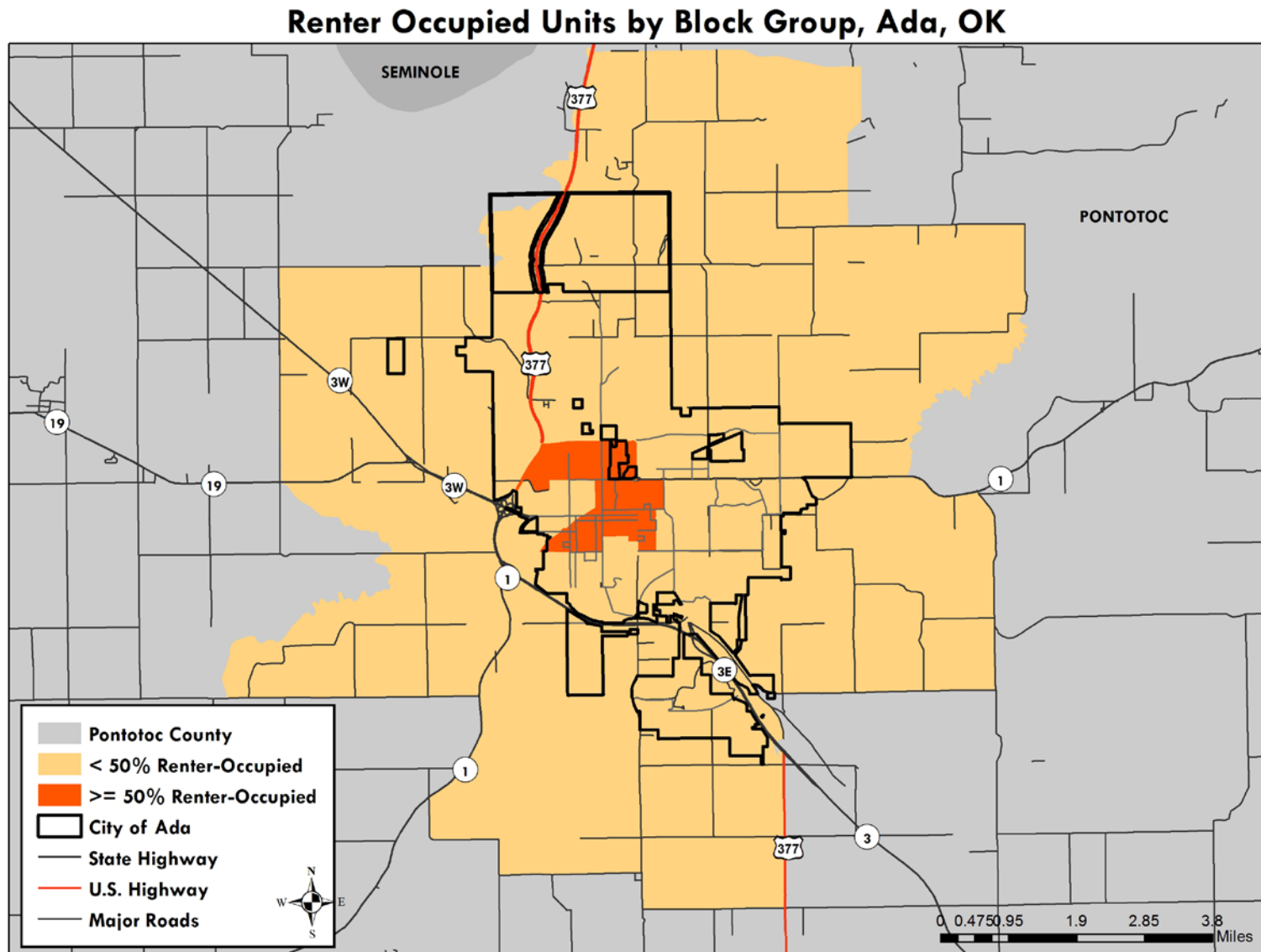


Figure 5-6

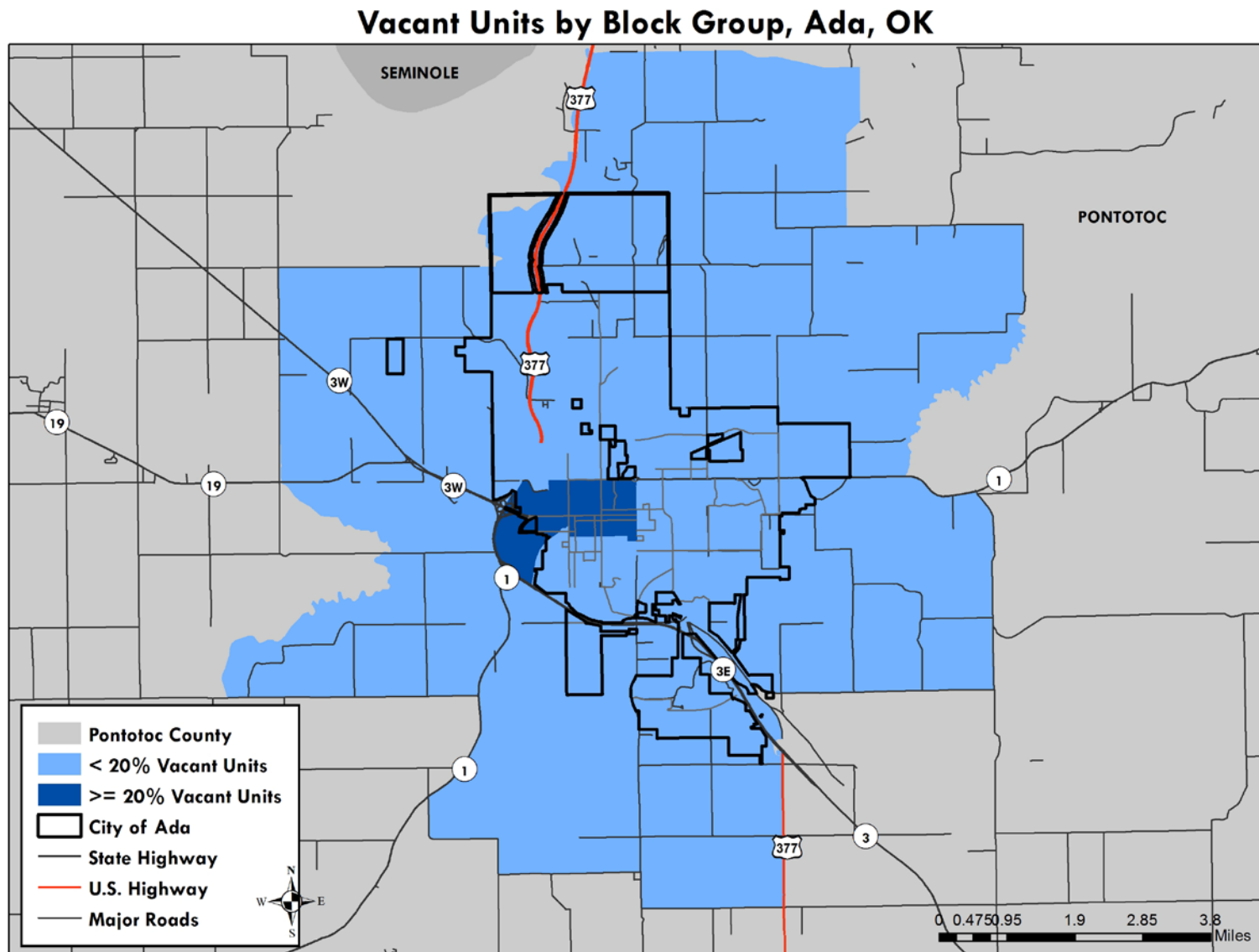


Figure 5-7

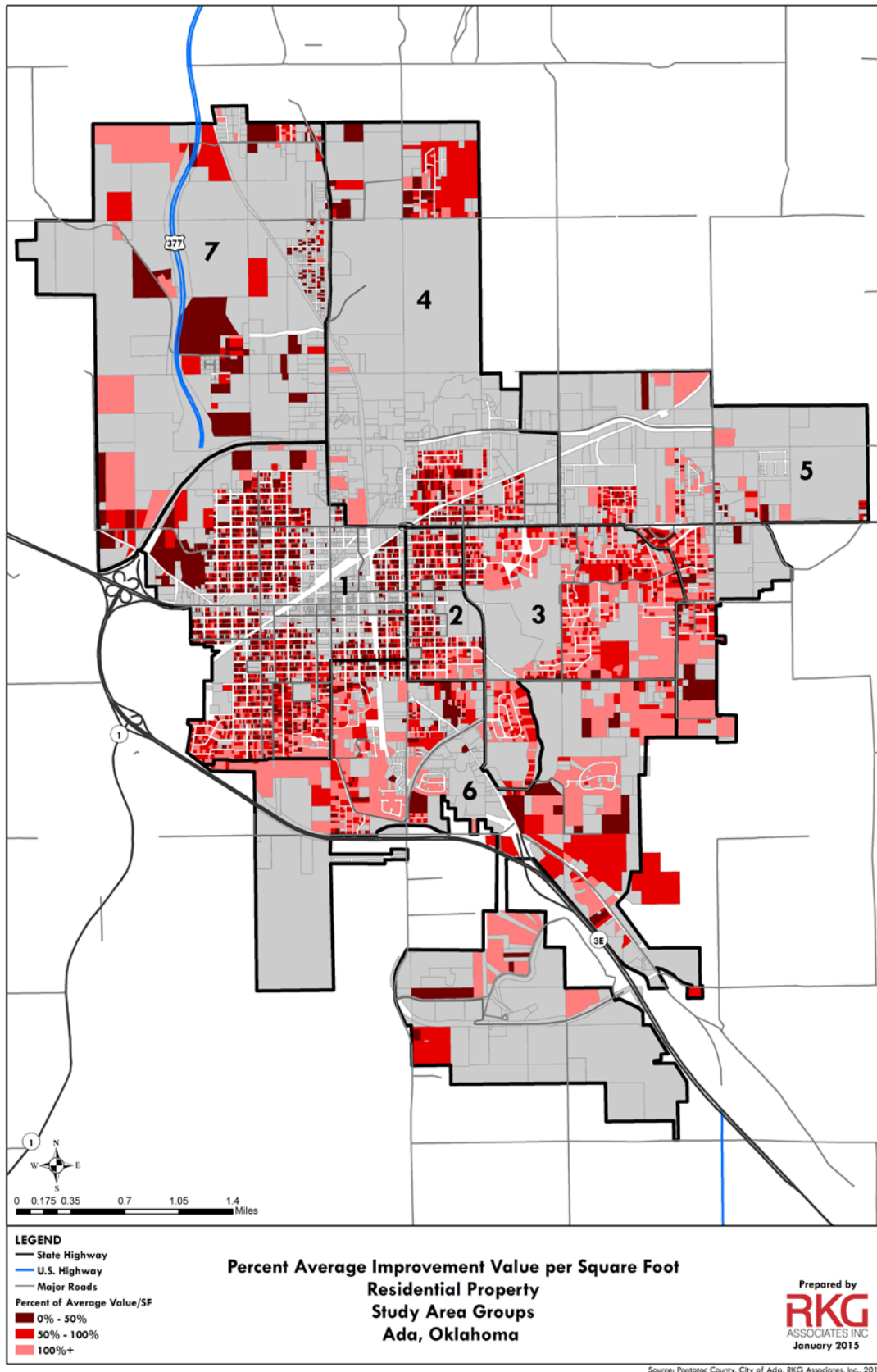


Figure 5-5 shows the highest concentration of renter occupied units in a contiguous area largely contained in Areas 1 and 2. One explanation for the high concentrations of rentals in this area is its proximity to ECU, which generates demand for housing by students who are not accommodated in University housing. Although ECU has approximately 1,200 beds for students in on-campus housing, University officials estimate additional demand for 1,000 beds off-campus. Although the images in the section describing Area 2 Housing Characteristics show apartments that are likely to house students, multi-family and single family units are also likely to house them.

Figure 5-6 shows the highest concentration of vacant units in a contiguous area also largely contained in Areas 1 and 2. A high number of vacant units should be considered a more urgent issue than a high proportion of rentals, because vacant units are often neglected and have condition issues which undermine values of the surrounding properties.

Areas 1 and 2 have a combined total of 3,292 dwelling units, of which 756 are multi-family (duplex, triplex, quad) or apartments, which comprise 23% of the inventory. If the combined areas have an average 50% renter occupied inventory and 20% vacant units, 1,600 to 1,700 single family detached units are likely to be renter occupied.

The City of Ada has been steadily trending towards a renter's market since 2000. Between 1990 and 1999, 640 households moved into owner occupied dwellings and 313 households moved into renter occupied dwellings. From 2000 to 2004, the trend shifted, with 869 households moving into owner occupied units compared to 960 households moving into renter occupied units. From 2005 through 2013, an estimated 767 households moved into owner occupied units compared to 1,890 households moving into renter occupied units (Figure 5-2).

C. HOUSING MARKET DYNAMICS

1. Residential Sales Trends

An analysis of the most recent 3-year sales period in the Ada housing market is a good indicator of consumer preferences. From 2010 through March 2014, 918 homes with an average sales price of \$95,760 were sold in the City of Ada, for an annual average of 282 sales.

The highest number of units were sold in Area 1 at 362, with an average sales price of \$57,622. Area 3 had the second highest number of sales at 196 with an average sales price of \$132,085, followed by Area 6 with 141 sales averaging \$176,184.

Table 5-12
Residential Sales Trends
City of Ada, 2011-March 2014

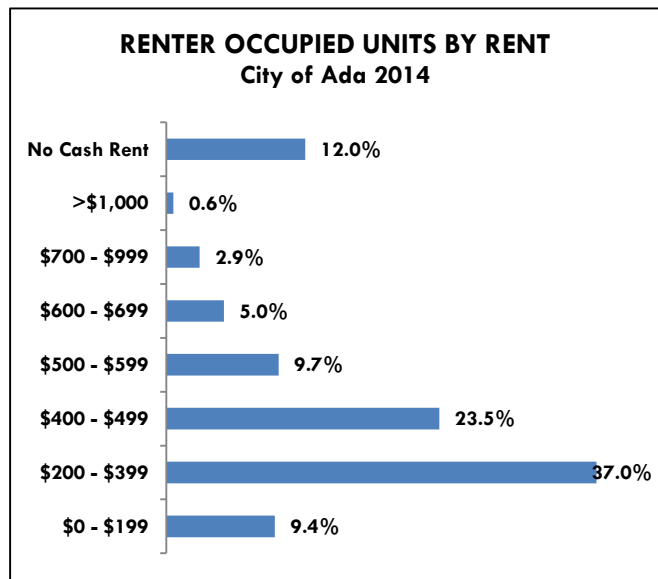
Area	Units	Annual Units	Avg. Sale
Area 1	362	111	\$57,622
Area 2	77	24	\$73,437
Area 3	169	52	\$132,085
Area 4	86	26	\$59,755
Area 5	69	21	\$119,672
Area 6	141	43	\$176,184
Area 7	14	4	\$59,492
City of Ada	918	282	\$95,760

Source: Pontotoc County Tax Assessor;
RKG Associates 2014

2. Residential Rent Trends

Table 5-1 shows an approximate total of 7,548 residential dwelling units in Ada, comprising 5,875 single family detached, 572 multi-family (duplex, triplex, quad) and 800 apartments, 32 mobile homes and 270 senior housing units. In 2014, an estimated 44.4% of Ada's dwelling units are owner occupied, 43.0% are renter occupied, and 12.4% are vacant. Assuming that all apartments, multi-family and senior housing units are renter occupied, at least 1,661 single family detached units are rentals.

Most of Ada's apartment buildings are small, free standing buildings with a limited number of units, like those shown in the preceding images. For the purposes of this analysis, the consultant contacted nine apartment complexes with ten or more units (total: 273 units) to gather data of unit types and rents. Apartments surveyed ranged from \$350-\$520 for a one-bedroom, \$505-\$788 for a two-bedroom, and \$590-\$695 for a three-bedroom. Several of the apartment complexes surveyed contain Section 8 government subsidized units. In 2014, nearly 70% of renter households paid less than \$500 per month, 18% paid \$500 or more, and 12% paid no cash rent. Median cash rent is estimated to equal \$390 per month (Figure 5-8).

Figure 5-8

Source: Site To Do Business; RKG Associates 2014

Ada's subsidized housing inventory is controlled by two separate agencies: the Ada Housing Authority and the Chickasaw Nation Housing Authority. The Ada Housing Authority owns 215 single occupancy units, 60 family units, and 110 Section 8 Voucher program units. The Chickasaw Nation Housing Authority subsidizes rent for 172 families in Ada.

D. IMPLICATIONS

As single family neighborhoods transition from predominantly homeownership to higher proportions of renter occupied units, changes can occur that affect the character of the neighborhood. Renters may only perform the minimal amount of maintenance to keep the house livable, and absentee owners may not feel compelled to maintain the property to homeownership standards. If too many properties fall into disrepair on one block or within a concentrated area, blight could take hold and impact property values, creating a less stable neighborhood environment. A visual reconnaissance of traditional single family neighborhoods in Ada revealed some neighborhoods with an inordinate amount of properties in disrepair. In many cases, neighborhood blocks were in good condition but for one neglected property. By monitoring this situation, at risk neighborhoods can be identified and intervention strategies can be formulated that mitigates the impact of high concentrations of absentee ownership.

6 HOUSING AFFORDABILITY ANALYSIS

A. INTRODUCTION

This chapter addresses the existing market climate for affordable housing within the City of Ada. It is generally understood that market affordability for housing within the city is not a pressing issue. However, it is imperative to quantify and qualify the supply and demand of housing at various income levels in an effort to assist the city in future planning efforts. To this end, this chapter assesses current and projected supply and demand factors defining affordability to better identify those needs that will require consideration from the City of Ada.

The information and data used in this analysis comes largely from the Pontotoc County property assessment database and CCIM Institute's Site to do Business (STDB). Telephone surveys were conducted with property managers at apartment complexes in Ada to ascertain the number units by type and their respective rents. In addition, RKG Associates conducted interviews with real estate professionals, community leaders, housing specialists, and key stakeholders in order to understand the nuances of the greater Ada market and to gain an "in the field" perspective on the current housing market as it relates to affordability. The results of the housing affordability analysis will inform whether and how the city may address issues associated with its housing dynamic.

B. METHODOLOGY

Affordability is calculated based on an individual household's reasonable ability to pay for housing. HUD defines affordability for rental housing as 30% of the household's gross income. Ownership affordability is based on current, local lending practices for Federal Housing Administration (FHA) and conventional loans and the requirements related to those loan packages. The term "housing affordability" refers to the ability of households at all income levels within a specific geography to pay for housing, within the general parameters outlined above. This should not be confused with "affordable housing", which is the overarching term used to describe all housing priced to persons earning at or below affordable housing income thresholds. This includes income ranges from 0% to 80% of Area Median Income (AMI) for rental and 0% to 120% of the AMI for ownership units.

Housing affordability thresholds are defined as the maximum amount of rent or mortgage payment a household should pay per month. HUD has established a standard for determining the appropriateness of rent compared to the occupants' income level. Simply put, households paying more than 30% of their gross income for rent are considered to be "rent burdened." The calculations of affordability thresholds for ownership units are more complex. Unlike rental housing, where cost burden is a direct relationship to one's income level, ownership affordability is influenced by a series of individual and market factors including:

INDIVIDUAL VARIABLES

- Income level
- Credit rating
- Down payment amount

MARKET VARIABLES

- Unit type
- Purchase price
- Lending institution

The first step in the calculations was to divide the ownership stock into two categories: [1] Conventional fee simple buyer (Table 6-1), and [2] FHA fee simple buyer (Table 6-2). Federal Housing Administration, or FHA, standards were used because it provides the most conservative findings and it more accurately reflects how households at the lower spectrum likely will finance a new home. Data from local lending and insurance entities was used to determine current market costs for acquiring home loans for fee simple properties. To estimate a range of affordability, calculations were made of the affordability thresholds assuming all buyers had the minimum means and resources to purchase a home required by current market conditions (defined as FHA buyers) and then performed the same calculations as if all potential buyers met the requirements for the most advantageous loan vehicles (defined as conventional buyers). Based on RKG Associates' research, current FHA lending standards allow a maximum payment of 31% of gross annual income. Monthly payments include mortgage cost, Private Mortgage Insurance (PMI), real estate taxes, and insurance.

The most noticeable difference is the down payment requirement, which currently is 20% for conventional loans and 3.5% for a Federal Housing Administration (FHA) loan. Using these two approaches, the Consultant then applied "real world" values for other payment factors such as the interest rate, homeowners' insurance costs, and Private Mortgage Insurance costs (for FHA loans).

Table 6-1
Income Affordability Threshold Calculations
City of Ada

CONVENTIONAL MORTGAGE FEE SIMPLE (SINGLE FAMILY ATTACHED/DETACHED)							
Affordability Thresholds	Maximum Purchase Price	Loan Amt	Annual Mortgage Cost	RE Taxes	Insurance	Total Annual Cost	Pontotoc Co. 30% Median
Extremely Low (30%)	\$69,000	\$55,200	\$3,270	\$559	\$584	\$4,413	\$4,719
Very Low Income (50%)	\$101,000	\$80,800	\$4,787	\$818	\$854	\$6,459	\$6,480
Low Income (80%)	\$163,000	\$130,400	\$7,725	\$1,320	\$1,378	\$10,424	\$10,380
100%	\$200,000	\$160,000	\$9,479	\$1,620	\$1,691	\$12,790	\$12,960
120%	\$243,000	\$194,400	\$11,517	\$1,968	\$2,055	\$15,540	\$15,552
>120%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: HUD; Pontotoc County Tax Assessor; RKG Associates 2014

Table 6-2
Income Affordability Threshold Calculations
City of Ada

FHA MORTGAGE FEE SIMPLE (SINGLE FAMILY ATTACHED/DETACHED)								
Affordability Thresholds	Maximum Purchase Price	Loan Amt	Annual Mortgage Cost	RE Taxes	Insurance	PMI	Total Annual Cost	Pontotoc Co. 30% Median
Extremely Low (30%)	\$51,000	\$49,215	\$3,345	\$413	\$520	\$406	\$4,685	\$4,719
Very Low Income (50%)	\$70,000	\$67,550	\$4,591	\$567	\$714	\$557	\$6,430	\$6,480
Low Income (80%)	\$113,000	\$109,045	\$7,412	\$915	\$1,153	\$900	\$10,380	\$10,380
100%	\$136,000	\$131,240	\$8,921	\$1,102	\$1,387	\$1,083	\$12,492	\$12,960
120%	\$167,000	\$161,155	\$10,954	\$1,353	\$1,704	\$1,330	\$15,340	\$15,552
>120%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: HUD; Pontotoc County Tax Assessor; RKG Associates 2014

C. AFFORDABILITY THRESHOLDS

RKG calculated required household incomes based on regionally adjusted conventional and FHA lending standards, shown in the left-hand columns of Tables 6-1 and 6-2. Affordability thresholds amounts are calculated based on the Pontotoc County AMI, 2-person households, and the five household income thresholds as defined by HUD and include: extremely low (30% of AMI); very low (50% of AMI); low (80% of AMI); 100% of AMI; 120% of AMI; and, over 120% of AMI. The AMI for Pontotoc County as defined by HUD is currently \$54,300 for a 2-person household. The 2-person household factor is based on an average household size in Ada of 2.29 in 2013, and the fact that 35% of households are 1-person and 33% of households are 2-person.

A two-person household at 100% of the Pontotoc County AMI can afford to purchase a \$200,000 home with a conventional mortgage and a \$136,000 home with an FHA mortgage.

D. DEMAND

Housing demand in the Ada marketplace is estimated based on the affordability thresholds described above. The largest number of households fall into the over 120% of AMI category at 24%. The next largest contingent is in the extremely low income category at approximately 23%. The third largest group is in the 120% AMI income category at 16%, tied with the low income category at 16%. The 100% AMI category is the smallest contingent at 9% of households (Table 6-3).

Table 6-3

Pontotoc County Income Ranges - 2 Person HH

Affordability Thresholds	Income Ranges	# of HH	% of HH
Extremely Low Income	\$0 - \$15,730	1,568	23%
Very Low Income	\$15,731 - \$21,600	806	12%
Low Income	\$21,601 - \$34,600	1,117	16%
100%	\$34,601 - \$43,200	624	9%
120%	\$43,201 - \$51,840	1,077	16%
> 120%	\$51,840+	1,670	24%
TOTAL		6,862	100%

Source: RKG Associates 2014

E. SUPPLY

In order to conduct a housing affordability analysis for the Ada marketplace, the housing inventory must be categorized by income/affordability threshold (Table 6-4). The basis of this analysis is data contained in the Pontotoc County Tax Assessor's database, which includes information on housing typology and assessed value, along with other pertinent information. However, certain reasonable assumptions must be made with regard to homeownership and renter occupied housing, given the limitations on information contained in the data. For example, the U.S. Census estimates that approximately 12% of Ada's housing units are currently vacant, but the database does not recognize occupancy status. Therefore, the following assumptions are used to assess housing supply by HUD thresholds:

Table 6-4

Housing Supply by HUD Thresholds

City of Ada

2PP HH's			
Affordability Thresholds	Conv.	FHA	Rentals
Extremely Low (30%)	4,032	3,358	447
Very Low Income (50%)	809	709	345
Low Income (80%)	616	931	779
100%	233	250	—
120%	115	251	—
> 120%	173	479	—
TOTAL	5,978	5,978	1,571

Source: RKG Associates 2014

- Rental counts include all apartments and 90% of estimated multi-family units (duplex, triplex, quads).
- 660 of the 800 estimated apartment units were identified by property, unit type, and asking rent. Rents for the remaining 140 apartments were allocated in the same proportions.
- Ada Housing Authority and Chickasaw Nation Housing Authority Units are accounted for.
- An estimated 43% of occupied units are *renter* occupied. Therefore, an estimated 1,661 single family detached units are rented. Since there are no practical means of obtaining rental information on 1,661 individual houses, this analysis assumes that homeownership costs are roughly equivalent to rent costs (30% of household income), so the units are accounted for in the conventional and FHA columns in Table 6-4.
- Value does not equate to livability. For example, 1,175 single-family detached, taxable units have market values less than \$20,000, which could suggest condition issues that could impede

occupancy. Indeed, the housing authorities operating in Ada have minimum standards for occupancy that would not necessarily apply to private housing. The relatively high inventory of housing in the Extremely Low affordability category does not ensure that the needs of households in this category are adequately served.

Under the conventional mortgage supply category, the largest number of units fall into the *extremely low income* range, with an estimated 4,032 units. It should be reiterated that quantity does not necessarily relate to availability. Vacant units may have condition issues that make them uninhabitable. The Ada Housing Authority's waiting period is 3-6 months, which is indicative of the demand characteristics in the lower ranges. The second largest number of conventional mortgage units are in the *very low income* category with 809 units, followed by *low income* with 616 units, *100% of AMI* with 233 units, *over 120% of AMI* with 173 units, and lastly, *120% of AMI* with 115 units. Under the FHA mortgage category, the largest number of units also fall into the extremely low income range, followed by low income, very low income, over 120% of AMI, 120% of AMI, and lastly, 100% of AMI.

The largest number of rental units (as categorized) fall within the *low income* range with 779 units, followed by *extremely low income* with 447 units and *very low income* with 345 units.

F. AFFORDABILITY

The affordability analysis essentially matches demand to supply in order to estimate the number of rent burdened or mortgage burdened households within a specific geography. Under conventional mortgage standards, Ada has a significant over-supply of residential units below the 100% AMI threshold, and a significant under-supply of units in the 100% AMI range on up (Tables 6-5 and 6-6).

Table 6-5
Households by Income/Affordability Threshold
City of Ada

CONVENTIONAL MORTGAGE					
Household Income	DEMAND	SUPPLY			Surplus/ (Shortage)
	Households	Conventional Mortgage	Rentals	TOTAL	
Extremely Low Income	1,568	4,032	447	4,479	2,911
Very Low Income	806	809	345	1,154	348
Low Income	1,117	616	779	1,395	278
100% AMI	624	233	0	233	(391)
120% AMI	1,077	115	0	115	(962)
> 120% AMI	1,670	173	0	173	(1,497)
TOTALS	6,862	5,978	1,571	7,549	

Source: RKG Associates, Inc. 2014

Table 6-6
Households by Income/Affordability Threshold
City of Ada

FHA MORTGAGE					
Household Income	DEMAND	SUPPLY			Surplus/ (Shortage)
	Households	FHA Fee Simple	Rentals	TOTAL	
Extremely Low Income	1,568	3,358	447	3,805	2,237
Very Low Income	806	709	345	1,054	248
Low Income	1,117	931	779	1,710	593
100% AMI	624	250	0	250	(374)
120% AMI	1,077	251	0	251	(826)
> 120% AMI	1,670	479	0	479	(1,191)
TOTALS	6,862	5,978	1,571	7,549	

Source: RKG Associates, Inc. 2014

G. IMPLICATIONS

The over-supply of residential units that fall into the lower income affordability ranges indicate that the Ada does not have what would be considered a housing affordability issue. Based on the data presented above, it can be concluded that householders in the upper income ranges are somewhat less than rent or mortgage burdened, and occupy much of the housing stock that is otherwise affordable to the lower income spectrum.

Real estate professionals interviewed in the course of the work program characterized local homeowners as conservative when making home purchase decisions, and that they do indeed buy less than what they could otherwise afford. Nonetheless, new residential construction continues to trend upward in home sizes and values, while a sufficient supply of value oriented housing is already in place.

The last Housing Authority units constructed were built in 1980. Furthermore, the Ada housing Authority does not anticipate any additions to Section 8 housing inventory in the foreseeable future.

7 PLAN OF ACTION

A. KEY ISSUES

1. At-Risk Neighborhoods

From a housing perspective, one of Ada's most pressing issues is the aging and deteriorating condition of the housing stock within certain areas. These areas are characterized by low housing values, high concentrations of vacant housing, high proportions of rentals in single family detached units, and declining household incomes. In Chapter 5, the Housing Market Assessment, at-risk areas are mapped in Figures 5-5 and 5-6. A key element to a housing action plan will be to mitigate the deteriorating conditions and otherwise begin the stabilization process for at-risk neighborhoods.

2. Scarcity of Land

Similar to many urban areas, Ada is approaching build out, with new development opportunities limited to relatively small infill and redevelopment parcels. The scarcity of these parcels typically drives up the cost of land relative to comparable sites outside of the city, which results in a higher density requirement to solve for financial feasibility for the investor. Proposed multi-family housing projects in Ada have met with public opposition.

3. Scarcity of Available Housing

A recurring theme among stakeholders interviewed in the course of the Ada assignment was that decent housing was hard to find. Of course "decent housing" is relative, but both realtors and potential buyers/renters affirmed that much of the housing available for sale or rent is in such poor condition as to make it unattractive, or it is simply out of their price range. This anecdotal perspective is borne out in large measure by the findings of the Affordability Analysis in Chapter 6, which shows housing surpluses in the low to extremely low income household ranges, but shortages in the 100% of area median income range on up. What is not easily discernable however, is what proportion of low to extremely low income housing is actually available or livable. It can be reasonably assumed that a significant share of Ada's vacant housing may be so due to condition issues, which would most likely put it in the low income ranges but may preclude its viability as a dwelling unit.

4. Demand for Student Housing

The demand for housing from students at ECU has a significant influence on Ada's housing market dynamics. Among the estimated 5,000 students at ECU, an estimated 1,200 reside in on-campus housing, and an additional 1,200 are estimated to live in privately owned and operated housing off campus, as well as some Housing Authority units. The 1,200 off campus student residents comprise just over 7% of Ada's population that must compete for housing. The student housing cohort is distinct from traditional households in several ways: their transient nature; their sources of income – rents are often paid by parents and guardians; their tendency to form non-family households – student demand is measured by beds rather than units; and, they are a dependable demand sector. Students also tend to be less discriminating when it comes to living conditions than more traditional households.

The following implementation items should form the basis for a long term action plan that will require substantial resources and technical expertise to execute. Implementation of a housing program is anticipated to be incremental over several years as local capacity is developed and resources become available.

B. ORGANIZATION

1. Create an Overarching Community Development Corporation

Successful neighborhood revitalization programs require access to capital. Although Ada has access to a modest annual Community Development Block Grant funds, its capacity to invest in capital intensive initiatives such as forming and sustaining Community Development Corporations, funding blight removal or land bank programs, or rental housing rehabilitation, is limited.

Therefore, Ada should seek to organize neighborhood revitalization from the ground up in partnership with community stakeholders through the creation of a non-profit entity that is capitalized, self-sustaining, and dedicated to the revitalization of housing in the city. The entity could be organized along the lines of a Community Development Corporation (CDC) with a small full-time staff (of one or more personnel), but with a focus on very specific, targeted neighborhoods on a project by project approach.

Although the Community Development Corporation would solicit funds from private sources, foundations, and grants, it would act on behalf of the city, and its activities would be an extension of the city's efforts to revitalize its housing and neighborhoods. The city would provide oversight to the CDC, and could apply CDBG grant funds to these efforts (within the provisions allowed by HUD).

Of course, an undertaking of this magnitude would require significant planning and organization. One of the primary objectives of the housing steering committee recommended below would be to assess the potential for creating the entity.

2. Create a Housing Steering Committee

For a community the size and scale of Ada, the participation of a broad spectrum of stakeholders will be necessary to ensure that all available resources are brought to bear on the city's housing issues. The city should create a steering committee to implement the action items contained herein, and otherwise address housing issues in Ada. Potential members should be approached on the basis of their ability to participate in these activities on a material and/or advisory basis. Members in the organization could include, but not be limited to representatives of:

- The City of Ada: Department of Community Development
- Community banks: The community Reinvestment Act requires that banks actively promote activities such as providing affordable housing for low- and moderate income individuals
- East Central University: ECU houses approximately 1,200 of its 5,000 students in campus dormitories. An additional 1,200 are presumed to be residing in off-campus housing in Ada. It is in ECU's best interest to see that students are provided decent housing, both on and off campus.
- The Chickasaw Nation: have their own housing authority and are active residential developers
- Ada Housing Authority
- Pontotoc County
- Religious organizations
- Legal counsel

3. Inventory and Prioritize At-Risk Neighborhoods

The city should conduct a systematic reconnaissance and analysis of targeted neighborhoods to ascertain the degree of blight on a street and block level. Based on the findings of this task, the city can identify pockets of blight that may pose a threat to otherwise stable neighborhoods. A key objective of this task is to identify abandoned and ill-maintained properties. Based on a physical reconnaissance conducted by the consultant, some blocks and transition areas would be considered stable but for one or two derelict properties. In a targeted neighborhood revitalization strategy, the priority should be to allocate relatively scarce resources where they will have the greatest prospects for success. Early successes are important for setting a positive tone for future efforts, and encouraging continued investment. Indeed, the rehabilitation of just one property in a neighborhood has the potential for substantially changing the dynamic of the area.



Neglected properties such as this may be the exception rather than the norm in some neighborhoods, but nonetheless convey a sense of disinvestment to potential residents and investors. To the extent they can be rehabbed or redeveloped, the neighborhoods prospects for sustainability will improve.

4. Create Neighborhood Associations

The establishment of neighborhood associations should be encouraged to empower citizens to become involved with and actively work toward improving their neighborhoods. The city can work with these groups to help identify problems that impact the quality of life in these neighborhoods. Neighborhood associations should be a prerequisite to targeted revitalization programs in order to establish lines of communication to inform residents of revitalization initiatives and elicit feedback.

C. REGULATORY

1. Zoning and Land Use

An emphasis on the separation of land uses into zoning districts can limit the options for redevelopment of underutilized and vacant properties. Neighborhoods with a cohesive character and design are typically more likely to experience increased property values and successful revitalization. Nonetheless, some neighborhoods in Ada contain a mix of uses that qualify them as candidates for regulatory changes that will stimulate investment and revitalization.

For example, the area around ECU contains a mix of suburban density multi-family, apartments and single family dwelling units, much of which is likely inhabited by students. The development of additional multi-family units would not necessarily be out of character for this area, could provide quality housing for students, and otherwise create competition for rental housing that could incentivize owners to improve their existing rental properties.

Regulatory issues are often dealt with on a case by case basis, and impediments may not be readily identifiable until a specific property is considered for redevelopment. For example, a multi-family structure such as the one on the adjacent image could be a non-conforming use. In the event an investor seeks to redevelop the property, they may discover that they cannot rebuild to the same density, and are therefore discouraged from undertaking any significant improvements to the property. The City of Ada needs to be mindful of zoning issues that may impede desirable development, and stand ready to identify these impediments and take action to mitigate them on a selective basis. Potential regulatory changes could include, but not be limited to form based code, overlays, concurrent review, expedited review, density bonuses, etc.



This apartment building located very near ECU is sandwiched between two single family detached dwellings. The area around ECU may be appropriate for higher density, which could provide the twin benefits of neighborhood redevelopment and providing higher quality housing to students.

2. Code Enforcement

Ada's Code Enforcement officer investigates reported code violations including grass and weeds, trash and junk, dead trees, dilapidated structures, abandoned vehicles, and other nuisances. From a revitalization standpoint, code enforcement should be used as a tool of opportunity rather than implementation. For instance, condemnation of property is the recourse of last resort to mitigate health and life safety issues associated with dangerously dilapidated structures. Nonetheless, if and when this should occur, the opportunity for neighborhood revitalization will present itself, first, through the removal of blight, and second, through the redevelopment of the property.

D. IMPLEMENTATION INITIATIVES

1. Blight Removal

Vacant, abandoned, and dilapidated structures are blighting influences that can destabilize neighborhoods and deteriorate property values. To the extent possible, the city should allocate resources to demolish vacant, abandoned, and dilapidated housing that is not suitable for rehabilitation. Vacant lots are also an issue affecting the quality of life for some Ada residents. Vacant weed-covered lots are a neighborhood eyesore, as well as a repository for debris, trash and junk. Continued mowing and clean-up of these lots can tax the resources of cash strapped governments.

Land banking activities can be used to reclaim these properties and ultimately return them to productive use in the community.

2. Land Bank Program

To the extent possible, the city should acquire vacant, non-productive, tax delinquent parcels for sale to abutting owners and other persons and agencies such as a CDC, in order to turn these properties to productive use. The city could acquire foreclosed properties held by banks, by government sponsored agencies such as Fannie Mae and Freddie Mac, or by federal and state agencies. It can acquire real estate lost to tax foreclosure and accept donated properties. Properties with structures that have potential to be returned to the real estate market can be rehabilitated or sold to qualified private developers. Structures being held for rehabilitation will be stabilized responsibly and appropriately maintained. Structures for which there is little hope of rehabilitation will be demolished and the resulting vacant land used in any number of ways. Parcels can be held for assembly and/or used for approved development projects.

3. Tax Incentives

Pontotoc Country would surely benefit from neighborhood revitalization in Ada from a fiscal perspective. As properties are improved their values will rise and assessments will increase, generating higher property tax revenues to the county. As a partner in the city's revitalization efforts, the county could offer tax incentives in targeted areas to encourage and promote construction and rehabilitation of housing, benefiting property owners who renovate existing or construct new buildings. The property owner could receive a tax exemption, for a specified period, for up to 100% of the increased tax value resulting from improvements to real property.

E. SOURCES OF FUNDING

The Oklahoma Housing Finance Agency (OHFA) is a non-profit, tax exempt agency whose original mission was to assist families to rent or purchase their first home. Since its founding in 1976, the Agency's services have expanded to working with non-profit organizations, developers and municipalities to bring quality housing opportunities to communities across the state. OHFA should be the primary resource for Ada as it navigates through the universe of potential funding sources outside of the CDBG funds that Ada already receives. The following programs are administered by OHFA.

1. Affordable Housing Tax Credits

Affordable Housing Tax Credits are utilized to the maximum extent possible for the creation and maintenance of rental housing units for low and very low-income households. Eligible applicants include for-profit developers, non-profit organizations, public agencies, units of local government and tribal governments. Ada currently has seven tax credit projects comprising 262 units.

2. HOME Investment Partnerships Program

OHFA works with non-profit organizations, public agencies, units of local government, tribal governments and political subdivisions to assist low income households with housing needs. OHFA is the HUD designated State HOME Participating Jurisdiction. HOME funds may be used for program administration; to provide development costs; to provide assistance for home purchase or rehabilitation; or to assist low income renters. Projects must meet multiple requirements. In the State of Oklahoma, the cities of Oklahoma City, Lawton, Norman and the Tulsa Consortium also administer HOME funds. An examination of OHFA's October 3, 2014 list of OHFA funded developments currently under construction show five HOME units in the 48-unit Cornerstone-Legacy Senior Residences. The City of Ada should contact OHFA for information and assistance in accessing these funds.

3. Housing Trust Fund

Housing Trust Funds are used for new construction of rental or homeownership units; conversion of non-residential structures into rental or homeownership; acquisition and/or rehabilitation; or housing infrastructure when part of a total development project. Requirements include:

- 65%-75% of funding must be allocated within counties of less than 490,000 population
- Rental property is for at or below 80% of area median income
- Homeownership is for at or below 100% of area median income

Eligible applicants include for-profit developers; units of local government; tribal governments; non-profit organizations; and political subdivisions. As of October 2014, the Housing Trust Fund has approximately \$2.6 million allocated to areas of the state outside of Oklahoma and Tulsa Counties.

4. Linked Deposit Program

The Rural and Affordable Housing Linked Deposit Program was put into operation in 2005. It provides low-interest loans of up to \$2 million each to qualified housing developers to construct single-family and multi-family housing in rural Oklahoma and in qualifying areas of urban centers. The State Treasurer's Office is assisted by the Oklahoma Housing Finance Agency in administering this program.

5. Multi-Family Bonds

The state of Oklahoma receives approximately \$281 million in Private Activity Bond Cap. Oklahoma Housing Finance Agency by statute receives only \$42 million of this bond cap. OHFA currently utilizes this limited resource to fund Single-family Mortgage Revenue Bonds which provide mortgages for homeownership, but will entertain proposals for multifamily bond issuance.

F. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items for consideration as the Town seeks to implement the Plan. The time line and implementation partners for each action item identified in the matrix reflect an assessment of the level of effort by the Consultant. For the purposes of this plan, the Near Term is considered 1 to 2 years, the Medium Term is considered 3 to 5 years, and the Long Term is considered to be ongoing. The final business plan established by the City should retain the flexibility to respond to market conditions and fiscal realities of the day, subject to refinement based on the available strategic and capital resources available to this effort. The final timing and focus will be better determined by the City and the dedicated participation from various public and private sources.

ADA, OKLAHOMA HOUSING PLAN OF ACTION		Implementation Lead	Implementation Timing		
Implementation Matrix			1-2 Yrs	3-5 Yrs	Ongoing
ORGANIZATION					
Objective #1: Lay the groundwork for neighborhood and housing revitalization		CS, CM, PC, CN, ECU CS, SC CS, SC, N, O			
Action 1:	Create a Housing Steering Committee				
Action 2:	Inventory and Prioritize At-Risk Neighborhoods				
Action 3:	Create Neighborhood Associations				
Objective #2: Create a Community Development Corporation dedicated to neighborhood and housing revitalization					
Action 1:	Develop a business plan with a funding strategy		SC, CS, CM		
Action 2:	Staff the organization	CS, SC			
REGULATORY					
Objective #1: Revitalize At-Risk Neighborhoods		CS, SC, CM, ACC CS, CM, ACC, D CS, CM, ACC			
Action 1:	Identify neighborhoods appropriate for higher density development/redevelopment				
Action 2:	Identify regulatory impediments to higher density development in targeted neighborhoods				
Action 3:	Institute regulatory changes to incentivize redevelopment in targeted neighborhoods				
Objective #2: Improve neighborhood's appearance					
Action 1:	Strongly enforce building code violations for blatant offenders		CS, O		
IMPLEMENTATION					
Objective #1: Remove blighted structures		CS, CM, ACC CDC, CS, CM, D CDC, PC, CS, CM CDC, F, B, D CDC			
Action 1:	To the extent possible, the city should allocate resources to demolish vacant, abandoned, and dilapidated housing that is not suitable for rehabilitation.				
Objective #2: Encourage redevelopment of vacant and underutilized properties					
Action 1:	To the extent possible, the city should acquire vacant, non-productive, tax delinquent parcels for sale to abutting owners and other persons and agencies such as a CDC, in order to turn these properties to productive use.				
Action 2:	Encourage the county to offer tax incentives in targeted areas to encourage and promote construction and rehabilitation of housing, benefiting property owners who renovate existing or construct new buildings.				
Objective #3: Procure Funding for Implementation					
Action 1:	Seek private sector investors such as financial institutions foundations				
Action 2:	Identify and seek the most appropriate public funding on a case by case basis				
SOURCES OF FUNDING					
Key Point of Contact: Oklahoma Housing Financing Agency (OHFA)		CDC			
Affordable Housing Tax Credits		CDC			
HOME Investment Partnerships Program		CDC			
Housing Trust Fund		CDC			
Linked Deposit Program		CDC			
Multi-Family Bonds		CDC			

LEGEND**Implementation Leaders**Public:

CS - Community Services

CM - City Manager

ACC - Ada City Council

CN - Chickasaw Nation

PC - Pontotoc County

CDC - Community Development Corporation

Private

D - Development Community

F - Financial Institutions

B - Business Leaders

N - Neighborhood Residents

O - Property Owners

R - Realtors/Brokers

ECU - East Central University

Public/Private

SC - Steering Committee