

Documentation submitted to the PRO Housing Committee by Five Tool Management on behalf of the City of Stroud
– considered original content for the sole purpose of compliance with the NOFO grant application.



Exhibit D Soundness of Approach

City of Stroud

Stroud PRO Housing Grant Project



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Stroud PRO Main Housing Project

FR-6800-N-98

Factor (b): Soundness of Approach

The measurement of success for the Stroud PRO Housing Project is to remove existing barriers to homeownership by providing affordable Housing with the development of a new Manufactured Home Community (MHC) through the replacement of existing mobile with new manufactured Housing units, which also includes the necessary infrastructure improvements, through effective project planning and resilience activities delivering a final project on time and under budget. The following provides the planning and implementation practices that will ensure the project's success.

Subfactor (b)(i): Vision

Manufactured Homes Title Surrender Conversion to Real Estate

Until July 2002, Oklahoma law did not allow a homeowner or lender to surrender the title and have the home as real property. Manufactured homeowners and finance companies are able to surrender the titles of manufactured homes if the home is permanently attached to the real property. Only the OTC may purge the title, not the finance company. Lenders holding titles may apply to surrender those titles and purge them. If the land/home was transferred by warranty deed or deed of trust, the lender will need to call OTC Motor Vehicle at 405.521.3221. Oklahoma law allows a manufactured home to be classified as real or personal property. If the home is on land owned by the manufactured homeowner, it should be classified as real property. If it is located on land owned by someone else, it is classified as personal property. In either case, the manufactured home is still subject to title and registration and should be designated as a manufactured home on the assessment roll and valued as a separate line item. Under Oklahoma law, the manufactured home is no longer subject to title and registration under the Motor Vehicle Code if the title has been properly surrendered. When a manufactured home is listed with the county assessor as real property, the county assessor is required to separate the account into three (3) line items: 1) Land 2) Manufactured Home and 3) Other Improvements. The owner will be assessed on the total assets listed. When the home is listed as "personal property," the owner of the home is assessed only on the home and any other improvements they may have on the site. The person who owns the land is responsible for payment of the tax on the land only. surrenders the title to the manufactured home, OTC Motor Vehicle will notify the county assessor that the home is now permanently affixed to the real estate and the title has been surrendered. The home will be assessed as any other real property, being land and any improvements. There are several forms available from the OTC Motor Vehicle pertaining to the surrender of title: 1) Application for Title Cancellation of a Manufactured Home Permanently Affixed to Real Estate, 2) Notice to County Assessor of Cancellation of Oklahoma Certificate of Title, 3) Notice to Lien Holder of Application to Cancel Oklahoma Certificate of Title, 4) Notice to Owner of the Existence of an Active Lien Upon Receipt of Application to Cancel Oklahoma Certificate of Title. When valuing manufactured homes that have had the titles surrendered, the appraiser should be aware of market conditions and adjustments that may affect the value of the assets. Conventional mass appraisal techniques may be used as with any other real property asset, using proper market data and adjustments for this type of asset.

Exhibit D Figure 1 – Salt Creek Manufactured Housing Lot Design

City of Stroud PRO Housing Grant
Salt Creek Manufactured Home Community Lot Design Example

Lot Design:

Lot Size

- Approximately 17,500 sq. ft.
- Home Builder will design each lot

House Size

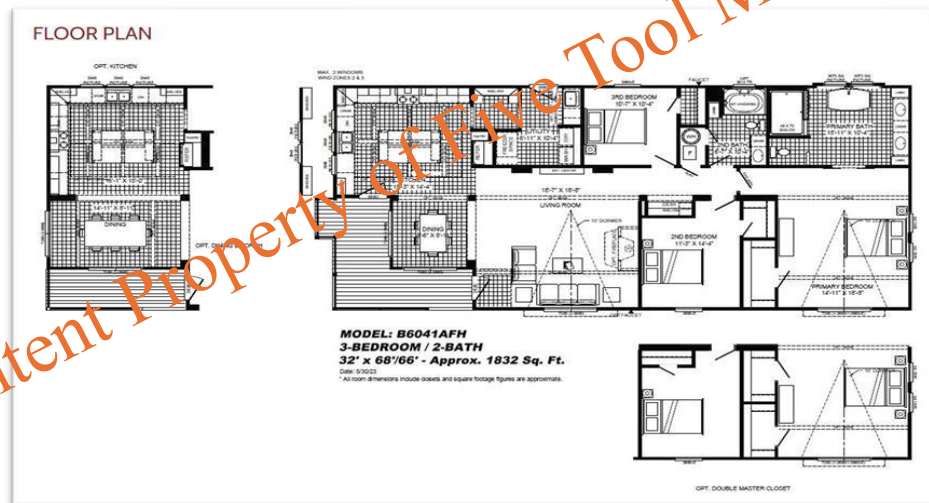
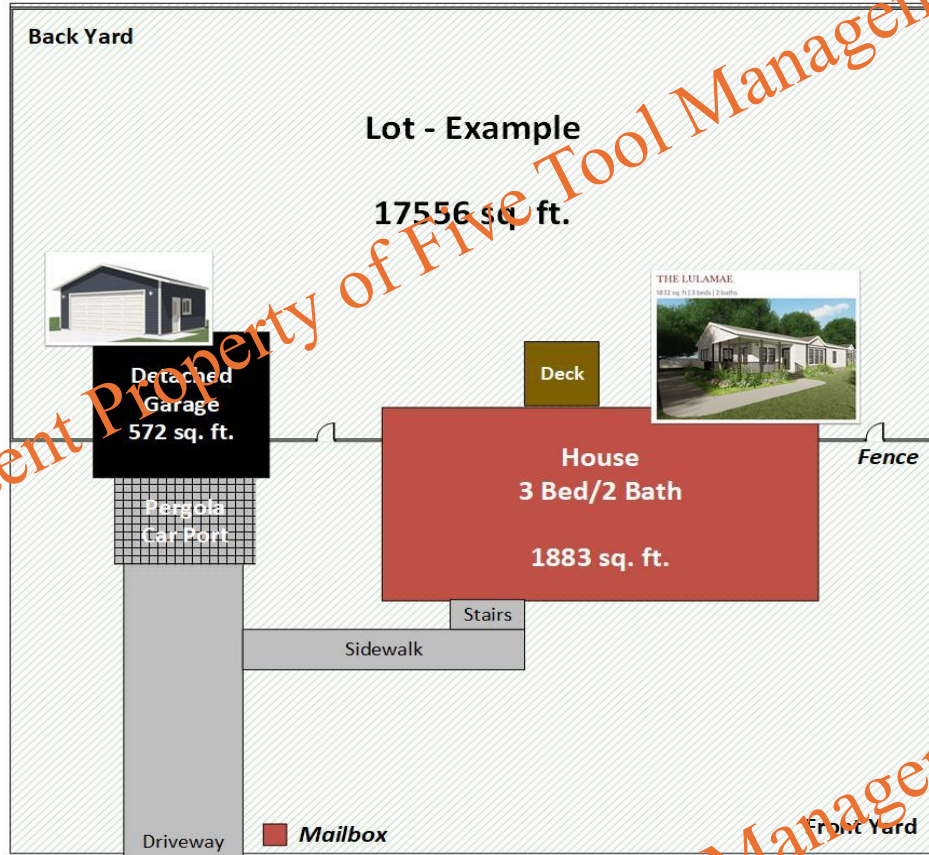
- Approximately 1,800 sq. ft. to 2,100 sq. ft.
- 3 beds/2 baths
- 4 beds/2 baths
- 4 beds/3 baths
- Approximately 5 design models with 3 variations for a total of 15 design layouts
- Home Designer will design each home (colors and layouts)

Detached Garage

- 2 Car Garage
- Driveway
- Storm Safe Room
- Pergola Carport – covered parking

Homeownership Features

- Wood Floors
- Permanent Foundation with Brick Skirting
- Individual Mailboxes
- Sidewalks
- Concrete Front Porch
- Deck Back Porch
- Fenced Backyard
- Landscaping
- Exterior Lighting



Stroud PRO Main Housing Project

FR-6800-N-98

Cancellation of Title Using the Manufacturer's Statement of Origin (MSO)

Using Form 756, Application for Title Cancellation • Must be completed by the record owner or agent: 1) Submitted to the assessor with a copy of the MSO, 2) A copy of the size and weight permit is recommended, 3) The assessor may sign the form and return it to the owner or agent if all criteria are met. The owner or agent will then return the completed form to the MLA. The title is not canceled until the assessor receives the completed Form 756 Form from the OTC. If the applicant does not complete the process within sixty (60) days of the county assessor's Using Form 756, Notice to Assessor of Title Cancellation • Provided to the assessor by the OTC or MLA only: 1) Will be signed by the OTC or MLA, 2) This is the official notification of title cancellation, 2) Accept no other cancellation documents from any other source.

Stroud PRO Housing Displacement and Relocation Plan

The Stroud Grant Administrator has met individually with all of the homesite renters to explain the Stroud PRO Housing Project application. The Stroud PRO Housing Relocation/Displacement Plan has been established to ensure that all of the current homesite renters have an option and a choice as to their future. In order to ensure that all homesite renters are appropriately matched to a newly manufactured homesite, the Grant Administrator will develop a thorough Stroud PRO Housing Project Relocation/Displacement Application to collect all of the relevant information needed to assure that the homesite renter's physical needs are accommodated.

Option One

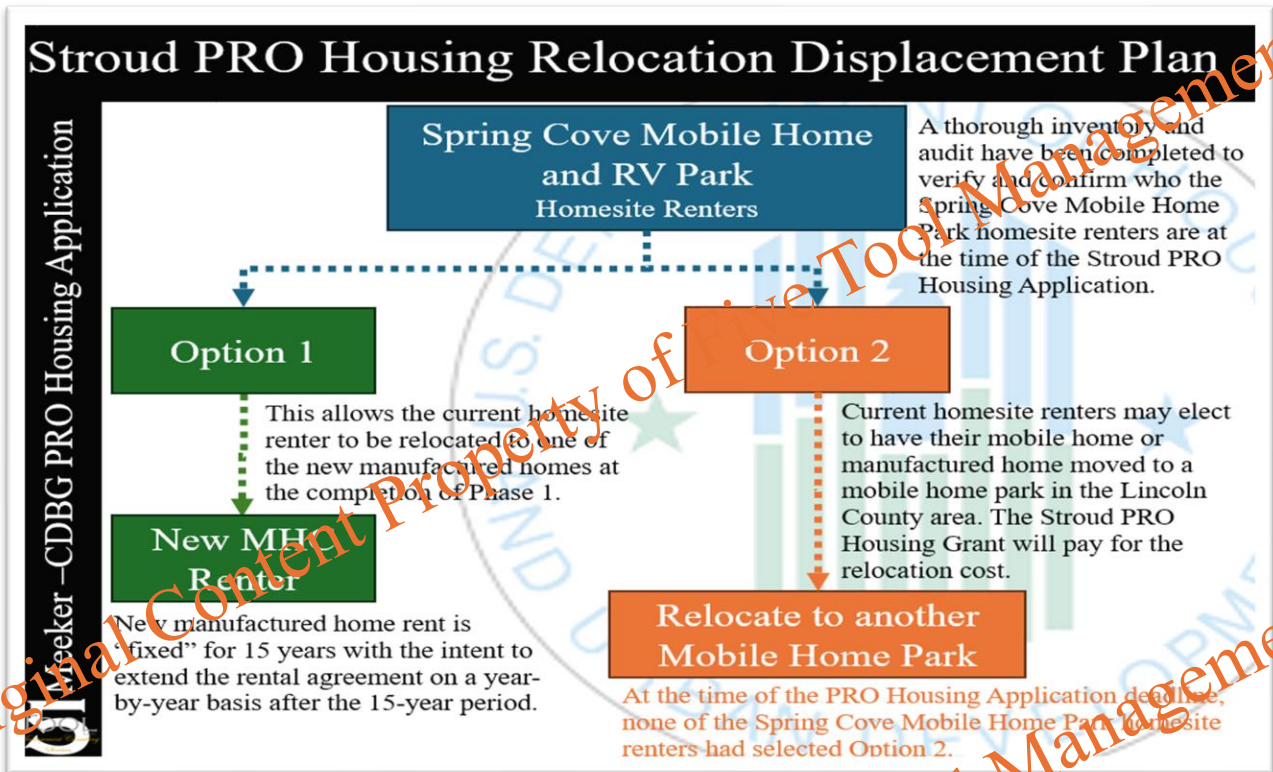
Option One provides the opportunity for the homesite renters to do the following: After the City of Stroud has been awarded the Stroud PRO Housing Project and has completed the Spring Cove RV and Mobile Home Park purchase, the homesite renters will pay lot rent to the Stroud Industrial Authority instead of the former owner of the property.

Option Two

Option Two provides the opportunity for the homesite renters to maintain their mobile or manufactured home by relocating the home to a local mobile home park. The Stroud Industrial Authority will pay for the relocation and connectivity fees. It is important to note that none of the homesite renters from Spring Cove RV and Mobile Home Park have selected Option 2. The homesite renters are praying that Stroud will be awarded the HUD CDBG Stroud PRO Housing Project giving them an opportunity of a lifetime to live in one of the new manufactured homes.

Exhibit D – Figure 2 – Stroud PRO Housing Relocation and Displacement Plan provides the overall structure of the relocation and displacement plan for the Spring Cove RV and Mobile Home Park homesite renters.

Exhibit D – Figure 2 – Stroud PRO Housing Relocation and Displacement Plan



Subfactor (b)(ii): Geographic Scope

Project Area

The Stroud PRO Housing Project area was identified since it provides an opportunity to address both barriers in one project – available houses and affordable houses. The project site was also selected due to the history of abuse that was discovered recently. In 2010, Judith Walkingstick purchased both properties in the Stroud PRO Housing Project site. One of the properties was developed into a mobile home park. One of the current homesite renters was one of the first to make the mobile home park his home. The second property owned by Judith Walkingstick was never developed. During an interview with one of the original homesite renters, he provided stories that described how a once well-maintained mobile home park has now become a real estate scam.

Real Estate Scam

In 2022, the mobile home park was sold to Spring Cove RV Park LLC for approximately \$450,000.00. At that time, the RV park began focusing on profits to maintain the mortgage payments. Maintenance and infrastructure were not keeping up with the demand to increase the number of homesite renters. More families were moving into Spring Cove RV Park in an effort to increase revenue. Unfortunately, these new demands began to expose problems with the limited infrastructure. Spring Cove RV Park was not able to reinvest in the infrastructure needs.

Stroud PRO Main Housing Project

FR-6800-N-98

A new investor from Florida, the Junron Family Trust, purchased the distressed property. The Junron Family Trust sold the property to a group of investors for approximately \$930,000.00, demanding 30% down while holding the mortgage. The investors did not properly manage the mobile home park but instead expanded the park to include RVs. The increase in water and wastewater to the property caused severe issues with the infrastructure. The residents began violating DEQ rules and regulations.

In 2023, the Junron Family Trust filed foreclosure on the investors, convincing them to sign documentation so that the Junron Family Trust could take back the property. This allowed the Junron Family Trust to maintain the profits from the down payment from the investors while maintaining ownership of the property. This cycle of real estate perpetration continues for the current property owners. When the City Manager and Grant Administrators met with the current owners of the Spring Cove RV and Mobile Home Park, they shared the stories, research, and understanding they now have regarding the real estate scam that is designed to cheat them out of their downpayment money after being unable to make the necessary repairs to the properties infrastructure.

1. *Refinancing and Foreclosure Relief Scams:* Some scammers will offer to “save” your home from foreclosure by convincing you to transfer ownership of the property to them. Other scammers will offer to help you modify your loan or get a new loan but will charge you upfront fees for their services.
2. *Pressure to act immediately:* Scammers often manufacture a fake running clock to pressure you into emotional decision-making. They do not want you to think critically or seek additional opinions. Be extremely wary if someone tells you that you must send money within hours.
3. *Unrealistic guarantees:* If it sounds too good to be true, it probably is. Use common sense and be extremely skeptical if someone promises 0% interest rates or mortgage agreements that do not include fees.

Exhibit C – Current Status of Spring Cove RV and Mobile Home Park



Spring Cove RV and Mobile Home Park, LLC.

Spring Cove RV and Mobile Home Park is located at 1521 N Highway 99, Stroud, Oklahoma, and consists of approximately 12 acres. The legal description is STROUD TRS 22-15-6 TR BEG 200'-S & S73°23'18" E-301.55' NW/C NW/4 TH S73°23'18" E-702.94' S-696.62'

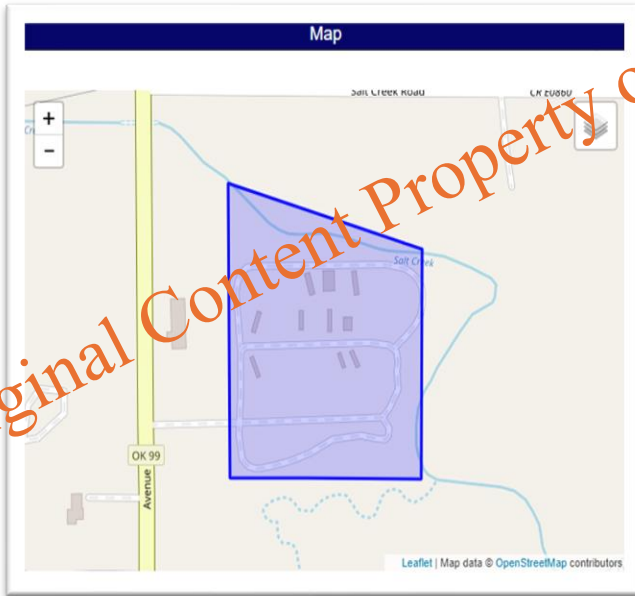
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Stroud PRO Main Housing Project

FR-6800-N-98

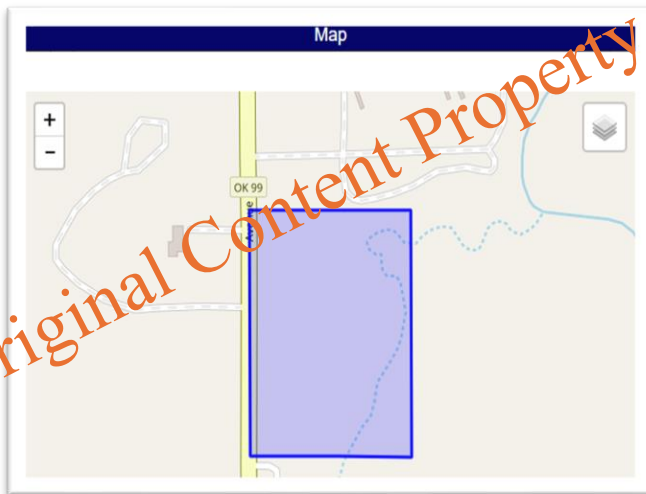
W-660.27' N-894.83' POB (AD) 12.16 AC MOL 15-6-22- 200-004, Property ID 6165-00-000-000-2-004-00.

Exhibit C – Map 1 – Spring Cove RV and Mobile Home Park Property Phase 2 and 3



The project site also includes Property ID 6165-00-000-000-2-006-00, legal description STROUD TRS 22-15-6 BEG SW/C NW/4 N-1465.85' S89°45'03" E-550' S-742.85' N89°45'03" W-550' N-742.85' POB 9.38 AC MOL 15-6-22-200-006. This property includes approximately 9.38 acres.

Exhibit C – Map 2 – Salt Creek Phase 1 Property



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Stroud PRO Main Housing Project

FR-6800-N-98

Letter of Intent and Agreement

Megan and Phillip Nicholson are the current Property Owner of record of Spring Cove RV and Mobile Home Park. The Property Owners have signed a Letter of Intent and an Agreement to sell the Property to the Stroud Industrial Authority based on being awarded the HUD CDBG PRO Housing Grant. Judith Walkingstick, who owns adjacent property to the Spring Cove RV and Mobile Home park, has also signed a Letter of Intent and an Agreement to sell the Property to the Stroud Industrial Authority based on being awarded the HUD CDBG PRO Housing Grant. These documents have been uploaded as a part of Attachment E – Evidence of Partnership Letters.

Exhibit C – Map 3 – PRO Housing Project Map



The blue area designates the project area. The total number of acres for the project is approximately 21.38.

Subfactor (b)(iii): Key Stakeholders

Exhibit D Figure 1 – Stroud PRO Housing Project Key Stakeholders Chart



Stroud City Council

The City of Stroud is the applicant of the FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98 being offered by the U.S. Department of Housing and Urban Development Community Planning and Development. The City of Stroud is the beneficiary of the Trust Indenture that established the Stroud Industrial Authority to buy, sell, and rent properties on behalf of the City of Stroud. The Mayor of Stroud, Donna Weber, is the highest elected official for Stroud and has executed and signed all of the appropriate appendixes for the application on behalf of the City of Stroud. During a Special City of Stroud Board Meeting, the Stroud Grant Administrator presented the Stroud PRO Housing Project opportunity to the Stroud City Board on Monday, June 10, 2024. A motion was made and seconded for the Stroud City Board to approve the Grant Administrator completing the time-sensitive activities for the HUD grant application to be completed and submitted prior to the upcoming deadline. The motion passed with a unanimous vote by all of the Stroud Board Members – Donna Weber, Mayor, Mike Orman, Vice Mayor, Aaron Head, Lanny Thompson, and Mike Melton. A motion was made and seconded for the Stroud City Board to approve the development of a new Manufactured Home Community replacing the old Mobile Home Trailer Community. The

Stroud PRO Main Housing Project

FR-6800-N-98

motion passed with a unanimous vote by all of the Stroud Board Members – Donna Weber, Mayor, Mike Orman, Vice Mayor, Aaron Head, Lanny Thompson, and Mike Melton. An Intent to Participate – Partnership for the Stroud PRO Housing Project and a CDBG-Stroud PRO Housing Project Partnership Agreement has been signed and executed by Leslie Wilbourn, owner, of Five Tool Management Consulting, LLC.

The Grant Administrator for the City of Stroud has presented to the City of Stroud Board Members the application activities. The approvals can be found in the agendas and minutes of the meeting documentation. This includes and is not limited to all project plan updates, site plans, budget reviews, timelines, resource management, and any issues or concerns regarding the City of Stroud successfully fulfilling the Stroud PRO Housing Project. The Stroud Grant Administrator has proposed and secured an official project office location where all of the documentation associated with the Stroud PRO Housing Project will be located. This will be the primary project location where all meetings and documents will be held and maintained.

Stroud Industrial Authority

On Monday, June 10, 2024, during a Special City of Stroud Board Meeting, the board unanimously approved the Stroud Trust Indenture document that had been created by Stroud's City Attorney in order for the Stroud Industrial Authority (MIA) to buy, sell, and rent real estate property for the public purposes set forth under the provision of Title 60, Oklahoma Statutes, 2011, Section 176 to 180.4, inclusive, the Oklahoma Trust Act and other applicable statutes of the State of Oklahoma. The Stroud Industrial Authority consists of one Trustor and five Trustees and will be responsible for the buying, selling, and renting the manufactured homes associated with the Stroud PRO Housing Project.

The Stroud Industrial Authority is responsible for buying, selling, and renting all of the properties associated with the Stroud PRO Housing Project. The Stroud Industrial Authority Trustees will also be responsible for managing the Community Development Block Grant (CDBG) income based on the sale of the new manufactured homes. The Stroud Grant Administrator will guide and assist the Stroud Industrial Authority with fulfilling all of the obligations of the Stroud PRO Housing Project. Therefore, the Stroud Industrial Authority is the official applicant for the Stroud PRO Housing Project.

City of Stroud – Beneficiary

As described above the City of Stroud is the beneficiary of the Stroud PRO Housing Project. As the beneficiary, the profits from the Stroud PRO Housing Project under the CDBG Program, funds received back to the City of Stroud as a result of a CDBG-funded activity will be identified and maintained as CDBG program income. Program income funds will retain their federal identity in perpetuity and will be subject to all federal requirements. This includes but is not limited to the following:

CDBG Program Income (24 CFR 570.503(a), (b)(3) and (7), and 570.504)

- a. The term "program income" means any gross income received by the subrecipient that was directly generated from the use of CDBG funds (24 CFR 570.500(a)).
- b. Proceeds from the sale of real property purchased or improved with CDBG funds.
Example: the new manufactured homes that are being sold to low to moderate income qualifying families or individuals under the Stroud PRO Housing Project Project.

Stroud PRO Main Housing Project

FR-6800-N-98

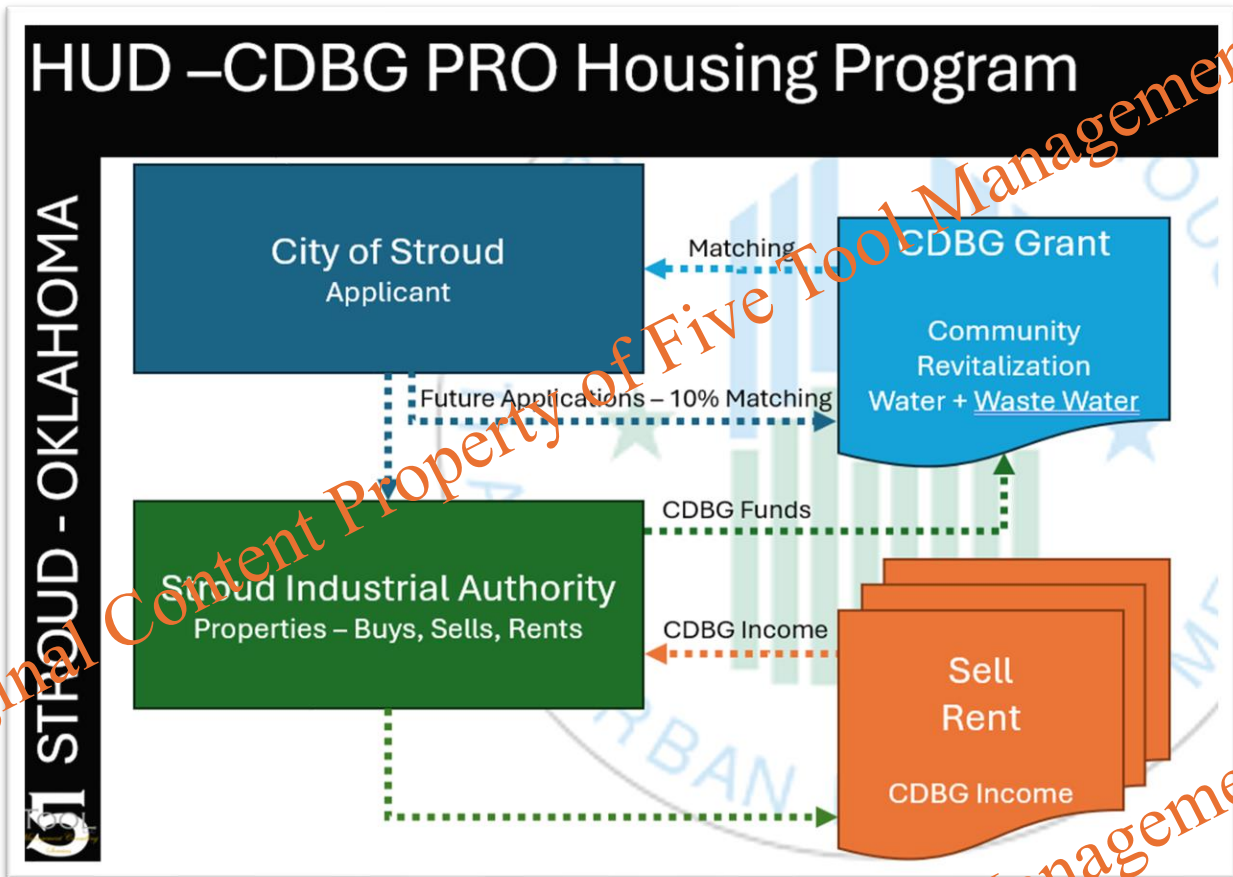
- c. Gross income from the use or rental of property acquired by the grantee or subrecipient with CDBG funds, less the costs incidental to the generation of such income. Example: the new manufactured homes that are being rented under the Stroud PRO Housing Project Relocation/Displacement Plan. This rental income is considered CDBG Program Income.
- d. Gross income from the use or rental of property owned by the grantee or subrecipient that was constructed or improved with CDBG funds, less any costs incidental to the generation of such income. Example: CDBG income from item (b.) that were utilized to purchase the Three Oaks Mobile Home Park in order to renovate the property into construction ready lots. The sale of these lots is considered CDBG Income.
- e. Payments of principal and interest on loans made using CDBG funds. Example: if the Stroud Industrial Authority elects to support a low to moderate income family through the First Mortgage Financial Plan, the principal and interest paid to the Stroud Industrial Authority for the loan payments is considered CDBG income.
- f. Interest earned on program income, pending the disposition of such program income. Example: Stroud Industrial Authority will create a new Stroud PRO Housing Project bank account to ensure that all CDBG funds are separate from any other income made by the Stroud Industrial Authority. Any interest made on this Stroud PRO Housing Project bank account is considered to be CDBG income.

Exhibit D Figure 2 – Stroud CDBG Income Allocation Plan is an overview of how the CDBG Funds will be managed and maintained. The City of Stroud is the beneficiary for the Stroud PRO Housing Project. The Stroud Grant Administrator will be responsible for managing the project and the grant funds during the project. This will be done by providing monthly updates to the City of Stroud Board Members during their regularly scheduled Board Meetings. The Stroud Industrial Authority will buy, sell, and rent the properties associated with the Stroud PRO Housing Project. The Stroud Industrial Authority will be the official title holder of the properties. The City of Stroud is the beneficiary of the Stroud Industrial Authority based on the Stroud Trust Indenture. When a Manufactured Home is sold, the property income will be identified as CDBG Income. The Stroud PRO Housing Project CDBG income will be maintained in a separate Stroud Industrial Authority – CDBG account. As the Stroud Grant Administrator identifies future CDBG Grants available for the City of Stroud, the Stroud Industrial Authority – CDBG account funds will be utilized as matching funds for the CDBG grant. Due to the size of Stroud’s population, a 10% match is required. In order for the City of Stroud to be more competitive in the future, the Stroud Industrial Authority can elect to increase the matching funds percentage based on the available funds from the Stroud PRO Housing Project CDBG Income. This will include CDBG Revitalization Grants.

Subfactor (b)(iv): Proposal Alignment

The Stroud PRO Housing Project provides an opportunity to demonstrate the community's dedication to the low to moderate-income residents for their living conditions and future educational opportunities and employment development.

Exhibit D Figure 2 – Stroud CDBG Income Allocation Plan



Projected Impacts

The impacts on the Stroud community are significant! A new neighborhood community Platt has not been built in the Stroud city limits since 1984. This is a once-in-a-lifetime grant opportunity to provide the supporting infrastructure needed for the new neighborhood.

Balancing Affordability with Financial Security and Wealth for Manufactured Homeowners

The Stroud PRO Housing application includes two sites, each with two phases. This will create a phased rollout of the new manufactured homes in the Stroud community. The estimated total construction will include 29 new manufactured homes. As part of the relocation/displacement plan, approximately 2 individuals and/or families will be provided with new manufactured homes to rent or purchase. The detailed plan for the Stroud PRO Housing Relocation/Displacement Plan is provided in the following section. The remaining 27 new manufactured homes will be sold to individuals and/or families through the Stroud PRO Housing Committee. The Stroud PRO Housing Committee has been established to provide opportunities to individuals and/or families to purchase a new manufactured home from the perspective of

Stroud PRO Main Housing Project

FR-6800-N-98

balancing affordability with financial security and wealth for manufactured homeowners, as established by the Stroud PRO Housing Project opportunity.

Affordable Homeownership and/or Rental Opportunities – 15-Year Plan

Only the individuals currently considered homesite renters at the current Stroud mobile home parks will be eligible to receive the Stroud PRO Housing Project Relocation/Displacement Plan. There are approximately 10 individuals and/or families that meet the qualifications. They currently are homesite renters at Spring Cove RV and Mobile Home Park. They own their mobile home, but they rent from the lot site. These individuals and/or families currently pay \$200.00 per month. They also are responsible for their utilities, which include electricity, natural gas, water, and trash pickup. Under the Stroud PRO Housing Project Relocation/Displacement Plan, they will be allowed to rent a new manufactured home with all utilities included for \$500.00 a month for 15 years. While the Stroud PRO Housing Project Relocation/Displacement Plan is non-transferrable, it is available for the individual and/or family members that were documented as living in the Spring Cove RV and Mobile Home Park at the time the Stroud Board approved for the Stroud Grant Administrator to complete the Stroud PRO Housing Project application.

This Stroud PRO Housing Grant Relocation/Displacement Plan provides financial security for former homesite renters for a period of 15 years. However, it should be noted that the Stroud PRO Housing Committee will consider and re-evaluate extending the Plan for an additional 15 years, making the total length of time 30 years, based on how well the individuals and/or families have maintained the manufactured home and the timeliness of their monthly rent. The goal is to provide positive reinforcement.

It is important to note that the Stroud PRO Housing Grant Relocation/Displacement Plan does not prevent any of the individuals and/or families from applying to purchase the new manufactured home and converting from renters to homeowners. Since they will be converting from renters to homeowners, the Stroud PRO Housing Committee will be able to provide additional time for the individual and/or family to address any credit score issues.

Subfactor (b)(v): Budget and Timeline

Stroud PRO Housing Project Budget

The total proposed budget for the Salt Creek Manufactured Home Community is \$17,915,000.00. This budget is possible due to the reinvestment of the Phase 1 profits to complete the entire project. The following is a high-level breakdown, supported by a detailed project plan created to support this grant application.

Administration	\$ 1,529,195.00
Planning and Infrastructure	\$ 1,824,850.00
Phase 1 Construction	\$ 7,336,655.00
Phase 2 Construction	\$ 7,224,300.00
Total Budget	\$ 17,915,000.00
Total Revenue Reinvested	\$ 10,915,000.00

Stroud PRO Main Housing Project

FR-6800-N-98

Timeline

Once awarded the HUD CDBG PRO Housing a detailed project plan, timeline, and budget will be developed and maintained in the project office. The following is intended to be a high-level timeline for the purpose of this grant application.

Project Start	03/01/2025	
DEQ Certifications		
Administration Activities	03/01/2025	- 09/30/2025
CDBG Grant Contracts		
Competitive Bids		
Removal of Vacant Manufactured/Mobile/RV Homes		
Land Survey (Lots and Lot Design)		
Engineering		
Infrastructure Activities	10/01/2025	- 01/15/2026
Sewer		
Water		
Construction Grading		
Phase 1 – Construction	02/01/2026	- 02/01/2027
Lot Designs		
Home Designs		
Temporary Roads		
Manufactured Homes		
Detached Garages		
Residents Relocated		
Sell New Homes		
Phase 2 – Construction	02/01/2027	- 12/31/2029
Lot Designs		
Home Designs		
Temporary Roads		
Manufactured Homes		
Detached Garages		
Sell New Homes		
Finalize Project	01/01/2030	- 03/01/2030
Close Out CDBG PRO Housing Grant		03/01/2030