



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/13/2024

REQUESTER: Lisa D. Krieg

PRESENTER: Lisa D. Krieg, CDBG Grants Manager

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AMENDMENT ONE TO CONTRACT K-2324-14: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NORMAN AFFORDABLE HOUSING CORPORATION, INC. IN THE AMOUNT OF \$100,515.23 FOR A TOTAL CONTRACT AMOUNT OF \$200,515.23 FOR THE ACQUISITION OF PROPERTY FOR AFFORDABLE HOUSING.

BACKGROUND:

On May 9, 2023, Council approved the CDBG and HOME Fourth Year Action Plans for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs in the total amount of \$1,400,424. Included in this Action Plan was an activity to provide \$100,000 for property acquisition to the Norman Affordable Housing Corporation, Inc. (NAHC). These funds were designated for acquisition of property for affordable housing. The FYE18 thru FYE23 Action Plans contained identical items to provide \$100,000 also to Norman Affordable Housing Corporation for acquisition of property for the development of affordable housing.

Since the spring of 2013 when the CDBG Policy Committee realigned the program priorities to focus on affordable housing, there have been nineteen projects, consisting of fifty-four units that have been completed in partnership with the Norman Affordable Housing Corporation. Twice, Requests for Proposals have been administered to solicit other entities having an interest in participating, with no other proposals received other than from NAHC. Each year during the development of the Annual Action Plan, the CDBG Policy Committee reviews documentation from each of the developments that have been completed.

The CDBG and HOME budgets were developed over a series of meetings of the Community Development Block Grant Policy Committee. This Committee consists of fifteen members that are elected as designated in the Citizen Participation Plan. The proposed Fourth Year Action Plan and Budget was unanimously approved by the Policy Committee on May 3, 2023.

DISCUSSION:

Discussions pertaining to the long standing, beneficial partnership between the City of Norman and the Norman Affordable Housing Corporation, Inc. resulted in the CDBG Policy Committee recommending that \$100,000 of funding be designated within the FYE24 Fourth Year Action Plan to the Norman Affordable Housing Corporation, Inc. for acquisition of property to be utilized

for affordable housing. This line item designation was included as such within the FYE24 Action Plan and subsequently approved by the Norman City Council and the U.S. Department of Housing and Urban Development (HUD). Since the approval of the initial contract there have been several previous unrelated CDBG funded projects totaling \$100,515.23 closed out at completion and the remaining funding consolidated for reprogramming. The funds considered is within the following program years:

B17 (FYE18)	\$51,824.73
B18 (FYE19)	\$30,434.00
<u>B21 (FYE22)</u>	<u>\$18,356.50</u>
	\$100,515.23

CDBG funding may be reprogrammed in compliance with the Citizen Participation Plan which allows for the use of funds for an activity that was already approved within the same program year. The activity Acquisition of Property for Affordable Housing was included within each of the three program years and is thus an allowable transfer.

These funds will be combined with the already allocated \$100,000 to allow for acquisition of property. Once this contract is amended, prior to distribution of funds, NAHC will be required to provide documentation to the City of Norman of any intended property for purchase. This documentation will require an appropriate appraisal for cost reasonableness and evaluation of the site for appropriateness. An Environmental Review will be completed in accordance with HUD regulations prior to distribution of funds.

RECOMMENDATION:

Staff has reviewed the proposed amendment to the contract and recommends approval of Contract K-2324-14 Amendment One in the amount of \$100,515.23 for a total contract price of \$200,515.23 to Norman Affordable Housing Corporation. Funds are available in the Community Development Fund in the following accounts:

CDBG Land Acquisition Project GC0096, account 21240297 46001; \$51,824.73
CDBG Land Acquisition Project GC0096, account 21240203 46001; \$30,434.00
CDBG Land Acquisition Project GC0096, account 21240016 46001; \$18,356.50