



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 7/8/2025

REQUESTER: Lisa D. Krieg

PRESENTER: Lisa D. Krieg, Grants Manager and Anthony Purinton, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2526-19: PURCHASE AND SALE AGREEMENT WITH GOLDEN TWINS, L.L.C., FOR PURCHASE OF LOT ONE (1), IN BLOCK ONE (1), OF TRIAD ADDITION SECTION 8, TO THE CITY OF NORMAN, CLEVELAND COUNTY, OKLAHOMA, IN THE AMOUNT OF \$400,000, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS ON BEHALF OF THE CITY OF NORMAN TO EFFECTUATE THE AGREEMENT.

BACKGROUND:

This proposed Purchase and Sale Agreement is for the purchase of an approximately 1.6-acre parcel on Triad Village Drive for the eventual development of a Permanent Supportive Housing Project (Affordable Housing with Supportive Services) using HOME Investment Partnership funds, pursuant to the goals identified in the City's Consolidated Plan adopted in May 2025 and subsequently approved by the U.S. Department of Housing and Urban Development (HUD). These same goals were identified within the 2020-2024 Consolidated Plan. The City is currently also under contract (K-2425-119) for an adjacent property utilizing HOME American Rescue Plan Act (ARP) funding, 221 Triad Village Drive, that is also anticipated to be included in the project utilizing HOME ARP funding.

The 2025-2029 Consolidated Plan reflects a comprehensive planning approach to identify and address the needs of low-to-moderate income residents of Norman. Incorporated in the plan are a community profile of needs, goals and objectives related to housing, homeless persons, community development (including facilities, infrastructure, public services, and economic development), public and assisted housing needs, and other issues including fair housing and lead-based paint; and a strategic plan to address those needs. The Consolidated Plan was unanimously recommended for approval by the Community Development Policy Committee on April 23, 2025.

Identified within the recently adopted AIM Housing Strategy as well as within the 2025-2029 Consolidated Plan are over 9,400 renter households that are "Rent Burdened", meaning that these households pay more than 30 percent of their monthly income for housing related expenses. By

utilizing HOME funding to insure affordability, the eventual development will be required to remain affordable (at or below 80% median household income) for a period of 20 years.

Although the configuration of units and design has not been finalized, in addition to meeting all required building codes, all units will meet or exceed the City of Norman Visitability Ordinance. The need for Permanent Supportive Housing has been identified within the Consolidated Plan as well as the AIM Housing Strategy. Permanent Supportive Housing is simply permanent housing (each tenant will have a lease) with supportive services available to the residents as needed. All facets of the Oklahoma Landlord Tenant Law are relevant and enforceable.

DISCUSSION:

Property Description

The purchase and sale agreement is for a vacant, approximately 1.6-acre parcel of land on Triad Village Drive. This area has long been favored for a future development of Permanent Supportive Housing due to the proximity to Thunderbird Clubhouse, an agency serving adults recovering from mental illness. The location is also within easy walking distance from a bus stop and a full service grocery store. The property is currently zoned as a Planned Unit Development (PUD), so rezoning the property may be necessary as the configuration of units and design progresses. A photo of the subject property is below:



Purchase and Sale Agreement – Contract Terms

This particular site has been of interest to City staff for some time. The current owner purchased the property in 2013 and the property was successfully rezoned as a PUD in 2015 (O-1516-17) for age-friendly housing consisting of 22 units. In the past few years, City Staff approached the owner on several occasions to gauge the owner's interest in a possible acquisition. Unlike the adjacent parcel currently under contract, this parcel has not been listed for sale publicly or put on the market. Recently, the owner approached the City indicating that he is now willing to sell the parcel, citing that the City's proposed use of the property as permanent supportive housing would be a benefit to the community. However, as a strong supporter and advocate for a non-profit animal organization, the owner did express his desire that the City take into account the dogs/cats of the future residents. After further discussion with the owner, City staff were able to negotiate a purchase price for the property and draft a purchase and sale agreement for Council's consideration.

The negotiated purchase price of the property is \$400,000, which is exactly the same purchase price as the adjacent property, 221 Triad Village Drive. Both properties are of similar size, (1.6 and 1.8 acres, respectively). The proposed purchase price is within 10% of the estimated market value as determined by the City's most recent appraisal of the property (\$365,000 as of December 30, 2024).

Upon approval of the agreement, the City will transfer \$10,000 to a closing company to serve as Earnest Money for the transaction to be held in escrow and applied to the total purchase price upon closing. A 60-day due diligence period will commence immediately upon Council approval, during which City staff will engage contractors and surveyors to conduct inspections to satisfy federal procurement procedures and evaluate the property's suitability. The due diligence period can be extended up to an additional 30 days, if requested by the City. The City may terminate the Purchase and Sale Agreement anytime in the due diligence period and the earnest money will be refunded back to the City. Closing on the property will occur within 30 days of the end of the due diligence period.

Use of Federal Funds

As indicated above, the funding for this project will be federal HUD HOME funds. As HOME funds may only be spent on eligible uses, purchasing this property with federal funds will necessarily restrict the City's use of this property. Future use of this property must be consistent with HOME regulations regarding eligible use of funds.

RECOMMENDATION 1:

Staff recommends approval of Contract K-2526-19, the Purchase and Sale Agreement to purchase 1305 Triad Village Drive for \$400,000. Funding for the purchase is available in the following accounts:

HOME 20: Miscellaneous Rental Services Housing (Account 21240014-44712; \$12,780.14)
HOME 22: Miscellaneous Rental Services Housing (Account 21240020-44712; \$292,121.84)
HOME 23: Miscellaneous Rental Services Housing (Account 21240026-44712; \$95,098.02)

RECOMMENDATION 2:

Staff recommends authorization for the City Manager or his designee to execute any documents on behalf of the City of Norman to execute the transaction and closing.