



CITY OF NORMAN, OK STAFF REPORT

DATE: 4/14/25

TO: Shannon Stevenson, City Manager

FROM: Anthony Purinton, Assistant City Attorney

SUBJECT: Addendum #3 to contract K-2324-94 Disposition and Development Agreement Between the City of Norman Oklahoma and Milestone Property Development, LLC.

BACKGROUND AND DISCUSSION:

The City of Norman received funding under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, as authorized by the American Rescue Plan Act (ARPA). The City allocated 6.4 million dollars of its SLFRF award to be used for Affordable Housing. On 11/14/23, Norman City Council entered into an Agreement with Milestone Property Development LLC to develop real property located on the NE Corner of Imhoff and Oakhurst for an affordable housing development using a combination of City SLFRF and Low Income Housing Tax Credit (LIHTC) funding.

The attached Addendum #3 includes changes to the project description to account for the project getting awarded additional Project-Based Vouchers (PBVs). The agreement originally called for ten (10) units to be available for project-based vouchers, but the development was ultimately awarded sixteen (16). This increase of PBVs benefits the housing project because it allows for better long-term financial stability of the overall project.

RECOMMENDATION:

Staff recommends approval of the Addendum #3 to contract K-2324-94.

CONTRACT ADDENDUM NO. 3

THIS CONTRACT ADDENDUM NO. 3, dated the 14th day of April, 2025 (the "Effective Date"), is between the City of Norman, Oklahoma, a municipal corporation ("City"), and Milestone Property Development, LLC, an Oklahoma limited liability company (along with any subsidiary companies or related companies controlled by Milestone Property Development, LLC, or its principals, used for financing or tax credit purposes, "Developer") (City and Developer, together, the "Parties").

WHEREAS, the Parties entered into a Disposition and Development Agreement ("DDA") on November 14, 2023, for the purpose of conveying certain property owned by the City to the Developer and imposing obligations on the Developer related to the development of a low- and moderate-income housing development on that property ("Project"); and

WHEREAS, the Parties desire to amend the Loan Agreement to adjust the unit ratio of the Loan Agreement's Affordability Requirements in response to certain regulatory requirements related to Project-Based Vouchers.

NOW, THEREFORE, in consideration of the Parties agreeing to amend their obligations in the existing DDA, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1. Section 1.2 of the DDA (Project), is hereby amended to read as follows:

1.2 Project. The Developer agrees it shall design, construct, finance, own and manage a new 75-unit affordable housing development, comprised of five buildings and related amenities on the Property that meets all requirements imposed on the Property by the Property's underlying SPUD, all applicable City and Federal requirements, the adopted Master Plan, and in accordance with the minimum development requirements and criteria described below (collectively, the "Project"). The Project consists of all the Property and all improvements thereon as described in the approved Construction Documents including: (a) at least seventy-five (75) living units, subject to the Affordability Requirements described in Section 6 of this Agreement; (b) forty (40) one bedroom units (each approximately 700 square feet), eleven (11) two-bedroom units (each approximately 950 square feet), and twenty-four (24) three-bedroom units (each approximately 1,150 square feet), ranging from traditional one-bedroom apartments to two-story three-bedroom townhomes; (c) all units shall have in-unit washer and dryer units, a garbage disposal, and dishwasher; (d) each bedroom and living area shall have a combined ceiling fan/light; (e) each building shall include a lobby for tenant mailboxes; (f) a large community outdoor space at the center of the Property, with a playground, gardening areas and green space shall be included; (g) a HERs rating less than or equal to a score of eighty (80) shall be achieved, as evidenced by a report from a Certified Home Energy Rater that conducted a post-construction inspection of the Project; (h) a storm shelter or safe room shall be constructed in accordance with the most recent State of Oklahoma Building Code requirements, which shall accommodate all possible residents based on the total number of bedrooms; (i) all units constructed at ground level shall incorporate the City's Visitability Program requirements; (j) the final building, site layout, and accessibility shall be

substantially consistent with the preliminary site development plan and preliminary plat attached hereto as Exhibit B; (k) the building facades shall be at least 60% brick or stone; the remainder shall be comprised of cement type boards; (l) sixteen (16) units shall be available for project-based vouchers; and (m) public streetscaping, landscaping, and signage conforming to the requirements of the Master Plan and City Code. To ensure the Project is completed, the City has agreed to provide certain financial assistance to the Developer, in the form of two separate loans from the City's available SLFRF program funds (the "SLFRF Loans"), subject to the terms and conditions of loan agreements between the City and Developer and other loan documents.

SECTION 2. Section 6.2 of the DDA (Affordability Requirements), is hereby amended to read as follows:

6.2. Affordability Requirements. At least thirty-five percent (35%) of the total number of units shall be affordable for households making 50% or less of the median family income for the area, as calculated and adjusted by the United States Department of Housing and Urban Project ("HUD"), ten (10) of the low-income units shall be available for households at 30% AMI, sixteen (16) of the low-income units shall be available for households at 50% AMI, and forty-nine (49) of the low-income units shall be available for households at 60% AMI ("Affordability Requirements"). The Affordability Requirements shall be maintained for a period of forty (40) years, as measured from the date the Project receives a final unrestricted certificate of occupancy ("Affordability Period"). To ensure compliance with these requirements, the Developer will submit tenant income certifications, project balance sheets, and/or rent roll reports to the City, in the manner required by the City.

SECTION 3. Except as otherwise provided in this Addendum, all of the terms and conditions of the DDA, as amended by the prior adopted addenda, remain unchanged and in full force and effect.

SECTION 4. Capitalized terms not otherwise defined in this Addendum will have the meanings ascribed to them in the DDA, as amended.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Developer has caused this Addendum No. 3 to be duly executed in its name and behalf by its Manager.

MILESTONE PROPERTY DEVELOPMENT, LLC,
an Oklahoma limited liability company

By: 
Thomas A. Gorman, Manager

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF Washington)

Before me, the undersigned, a Notary Public in and for said County and State, on this 14th day of April, 2025, personally appeared Tomas A. Gorman, to me known to be the identical person who executed the foregoing instrument as Manager of Milestone Property Development, LLC, an Oklahoma limited liability company, and acknowledged to me that he executed the same as his free and voluntary act for the uses and purposes therein set forth.

Witness my hand and official seal the day and year above written.


Notary Public

My Commission Expires: 03/28/2026
My Commission Number: 18003127



IN WITNESS WHEREOF, the City has caused this Addendum No. 3 to be duly executed in its name and behalf by its City Manager.



CITY OF NORMAN, OKLAHOMA,
a municipal corporation

By: Shannon Stevenson
Shannon Stevenson, Assistant City Manager

Attest:

Brenda Hall
City Clerk

Reviewed for form and legality this 14 day of April, 2025.

[Signature]
City Attorney