



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/23/2023

REQUESTER: Lisa D. Krieg

PRESENTER: Lisa D. Krieg, CDBG Grants Manager

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2223-151: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NORMAN AFFORDABLE HOUSING CORPORATION IN THE AMOUNT OF \$538,465 FOR ACQUISITION OF PROPERTY LOCATED AT 1317, 1319, 1325, AND 1327 COMMERCE DRIVE TO BE UTILIZED AS AFFORDABLE HOUSING.

BACKGROUND:

On April 12, 2022 the Norman City Council approved the fiscal year ending June 30, 2023 (FYE23) Third Year Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs. Included in this Action Plan was an activity to provide a total of \$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 FYE19 thru FYE22 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. These funds have been expended for acquisition of property for affordable housing.

Since the spring of 2013 when the CDBG Policy Committee realigned the program priorities to focus on affordable housing, there have been fifteen projects, consisting of fifty 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.

DISCUSSION:

Discussions pertaining to the long standing, beneficial partnership between the City of Norman and the Norman Affordable Housing Corporation resulted in the CDBG Policy Committee recommending that \$100,000 of funding be designated within the Annual Action Plans for the past several years. Since the inception of this program, the inventory of affordable housing units that are owned and managed by Norman Affordable Housing Corporation has increased to 32 units.

An opportunity is available to add to this inventory with two (2) four-bedroom duplexes (4 total units) located at 1317 & 1319, and 1325 & 1327 Commerce Drive. A purchase price of \$700,000 was negotiated to allow for purchase by the Norman Affordable Housing Corporation. Closing costs are \$4,465. Funding in the amount of \$538,465 will be provided by the City of Norman HOME Investment Partnerships Program and a total of \$166,000 will be provided by the Norman Affordable Housing Corporation, Inc. This acquisition meets all U.S. Department of Housing and Urban Development (HUD) requirements and will have a Period of Affordability of fifteen years secured by a Deed Restriction filed at the Cleveland County Courthouse. An Environmental Review has been completed in accordance with HUD regulations.

RECOMMENDATION:

Staff recommends approval of Contract K-2223-151 with Norman Affordable Housing Corporation, Incorporated in the amount of \$538,465 for the Acquisition of Property as described. Funds are available in the following cost centers:

\$58,691.10; HOME 18 Miscellaneous Services - Rental Housing (Account 23240106-444712)
\$206,133.00; HOME 19 Miscellaneous Services - Rental Housing (Account 21240010-444712)
\$273,640.90; HOME 20 Miscellaneous Services - Rental Housing (Account 21240106-444712)