



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/13/2024

REQUESTER: Lisa D. Krieg

PRESENTER: Lisa D. Krieg, CDBG Grants Manager

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, OR POSTPONEMENT OF CONTRACT K-2425-20: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NEIGHBORHOOD HOUSING SERVICES, INC. IN THE AMOUNT OF \$80,000 FOR THE HOME INVESTMENT PARTNERSHIPS STRONG NEIGHBORHOODS INITIATIVE HOMEBUYER PROGRAM .

BACKGROUND:

From 1999 to 2013 the City of Norman administered a Down Payment Assistance Program utilizing the HOME Investment Partnerships Program funding. This program provided down payment and closing cost assistance to over 500 households with an average assistance of \$5,000. In exchange for the assistance, each households agreed to occupy and maintain the home as their primary resident for a period of five years as required by the HOME Program.

The program ended due to several factors primarily the changes made by HUD in the required underwriting and monitoring of the assistance which would have necessitated the expansion of the administrative staff by the City of Norman. To continue the program at that time would have required the hiring of additional staff.

DISCUSSION:

With the implementation of the Strong Neighborhoods Initiative by the City of Norman for three neighborhoods (First Courthouse, Old Silk Stocking, and Original Townsite) discussions were held with the City of Oklahoma City to understand how they implemented the HOME changes and developed a partnership in the administration of the program with the Oklahoma City based non-profit Neighborhood Housing Services, Inc. (NHS)

Subsequent meetings were held with NHS whereas it was determined that administration of the same program in Norman could be easily undertaken for minimal cost to the City of Norman HOME Program. With NHS administering the program, no additional staff is required from the City of Norman. The Oklahoma City/NHS program has been in operation for several years and has been approved by HUD. Utilizing the exact same program parameters, the Norman program will be made available to potential homebuyers within the three SNI neighborhoods.

Prospective homebuyers are responsible for coordinating their application with NHS and obtaining their own mortgage from a lender of their choice. Unlike the previous DPA program, the client is not required to be a first time buyer but must still utilize the property as their primary residence for a period of five

years. Other requirements are that the property must meet minimum property standards including not being located within a 100 year flood zone and the household must be at or below 80% Median Family Income as established annually by HUD.

Funding is available to assist eight households with a maximum assistance of \$14,999 per household.

RECOMMENDATION:

Staff has reviewed the proposed contract and recommends approval of Contract K-2425-20 in the amount of \$80,000 to Neighborhood Housing Services, Inc. Funds are available in Fund 21, fiscal year 2023-2024 account 21240030 44725 and within 2024-2025 account 21240034 44725 for the direct assistance. Administration costs will be paid from 21240034 44009 Consultants.