



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/27/2025

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-2425-119: PURCHASE AND SALE AGREEMENT WITH SUNNY PROPERTIES L.L.C., FOR PURCHASE OF LOT TWO (2), IN BLOCK ONE (1), OF MIDDLE EARTH, TO THE CITY OF NORMAN, CLEVELAND COUNTY, OKLAHOMA, IN THE AMOUNT OF \$400,000.00, 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 Purchase and Sale Agreement is for the purchase of a ~1.8-acre parcel on Triad Village Drive for the eventual development of a Permanent Supportive Housing Project (Affordable Housing with Supportive Services) using HOME-ARP funds, pursuant to the goals identified in the City's HOME-ARP Allocation Plan adopted in 2023.

In September 2021, the U.S. Department of Housing and Urban Development announced the allocation of \$1,560,908 to the City of Norman, Oklahoma for a new grant called the Home Investment Partnerships Grant American Relief Plan (HOME-ARP). To receive funding, the City was required to adopt a HOME-ARP Allocation Plan describing the distribution of HOME-ARP funds and identifies any preferences for eligible activities. Additionally, HOME-ARP funds are required to be obligated by September 30, 2026 and expended by September 30, 2030.

The purpose of HOME-ARP funds is to provide homelessness assistance and supportive services through several eligible activities. Eligible activities include acquisition and development of non-congregate shelter, tenant based rental assistance, supportive services, HOME-ARP rental housing development, administration and planning, and nonprofit operating and capacity building assistance.

HOME-ARP funds must assist people in HOME-ARP "qualifying populations", which include:

- Sheltered and unsheltered homeless populations
- Those currently housed populations at risk of homelessness
- Those fleeing or attempting to flee domestic violence or human trafficking

- Other families requiring services or housing assistance or to prevent homelessness
- Those at greatest risk of housing instability or in unstable housing situations

The City's HOME-ARP Allocation Plan identified Development of Permanent Supportive Housing as one of the intended uses of funds. Knowing these HOME-ARP funds are one time in nature, the City decided to invest heavily into creating more housing for the most vulnerable, maximizing the long-term value of the funds. Specifically, the Plan prioritized the goal of bringing permanent supportive housing units into service for those experiencing chronic homelessness, allocating funding for at least 12 units of permanent supportive housing to be developed. Permanent supportive housing provides both the physical units (which is sorely lacking in the community) and wrap-around case management for those housed within the development, providing a better chance for those residents to stay successfully housed.

DISCUSSION:

Property Description

The purchase and sale agreement is for a vacant, ~1.8-acre parcel 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 conveniently less than 1,000' from a bus stop and a full service grocery store. The property is currently zoned C-1, so rezoning the property to an appropriate residential use or as an SPUD would be necessary. A photo of the subject property is below:



Purchase and Sale Agreement – Contract Terms

City Staff began initiating the federal procurement process upon learning that the subject property was listed for sale. The property's listing price was \$400,000, which was supported by an appraisal obtained by the City prior to making an offer. Following federal procurement standards, the City submitted a conditional offer to purchase the property for the listed purchase price, subject to negotiation of a purchase and sale agreement approval by City Council. The City's offer was accepted and a purchase agreement, K-2425-119, was negotiated with the seller's representatives. This is the third site that purchase negotiations have been initiated with the first two failing to reach an agreement with the seller.

Upon approval of the agreement, the City will transfer \$10,000.00 in 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 due diligence 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 HOME-ARP funds. As HOME-ARP 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-ARP regulations regarding eligible use of funds.

RECOMMENDATION #1:

Staff recommends approval of K-2425-119, the Purchase and Sale Agreement to purchase 221 Triad Village Drive for \$400,000.00. Funding for the purchase is available in Affordable Rental Housing HOME ARP (project GC0094, Account No. 21240303-46001 – Land).

RECOMMENDATION #2:

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