



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/09/2022

REQUESTER: Anthony Francisco

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/PR POSTPONEMENT OF RESOLUTION R-2223-26: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, APPROPRIATING \$6,400,000 FROM THE SPECIAL GRANTS FUND (ARPA) BALANCE FOR THE PURCHASE, REHABILITATION, AND REPURPOSE OF 1210 WEST ROBINSON STREET FOR THE PROVISION OF EXPANDED AFFORDABLE HOUSING IN NORMAN.

BACKGROUND:

On March 11, 2021, the United States Federal Government enacted the \$1,900,000,000,000 American Rescue Plan Act of 2021 (ARPA), "to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing economic recession".

Specific funding of approximately \$350,000,000,000 was made available in the ARP Act to state, county and city governments and tribal nations in the "Coronavirus State and Local Fiscal Recovery Fund" (SLFRF). As a Community Development Block Grant entitlement city, The City of Norman has received \$22,245,542 in ARPA funding in two payments, \$11,122,771 on May 19, 2021 and \$11,122,771 on June 6, 2022.

In the July 27, 2021 meeting, the Council approved Resolution R-2122-128, appropriating \$9,500,000 in ARPA entitlement funds toward the construction of the Emergency Operations and Communications Center. On August 24, 2021, the Council approved Resolution R-2122-35, appropriating \$100,000 of ARPA entitlement funds to the Norman Arts Council. On September 14, 2021, Council approved Resolution R-2122-34, appropriating \$500,000 of ARPA entitlement funds for COVID vaccination incentive programs. On June 28, 2022, the Council approved Resolution R-2122-135, appropriating \$1,000,000 of ARPA entitlement funds to the Norman Economic Development Coalition for the purchase or construction of business incubator facilities; and Resolution R-2122-138, appropriating \$3,000,000 of ARPA entitlement funds for bank stabilization projects on Lower Imhoff Creek.

The City Council has programmed additional ARPA entitlement funds to be used within eligible categories of expenditure, generally as follows, and directed City staff to explore programs for the future use and appropriation of remaining ARPA entitlements:

- Affordable Housing \$4,500,000
- Non-Profit Support \$1,900,000
- 718 N. Porter Rehabilitation \$1,900,000

DISCUSSION:

The United States Department of the Treasury has issued Final Rules for eligible uses of American Rescue Plan Act SLFRF funds. Five categories of eligible expenditures are discussed in the Rules:

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Water, Sewer and Broadband Infrastructure
- Address Negative Economic Impacts
- Premium Pay for Essential Workers

Within the eligible uses of ARPA entitlements to Address Negative Economic Impacts of the COVID-19 pandemic, the Final Rules specifically encourage the use of ARPA funds for the “development, repair, and operation of affordable housing units” as a part of a broader strategy to increase the nation’s supply of affordable housing.

In the July 2021 City Council Retreat, the Council discussed potential use of the programmed ARPA funds for Affordable Housing and rehabilitation of the 718 North Porter Building. In response to Council’s prioritization of affordable housing, City Staff has identified 1210 West Robinson as a potential property that could be renovated to meet that need. At the July 12, 2022 Council Special Session, the specific use of ARPA entitlement funds for this purpose was discussed and approved. In a separate action, the Council will consider a Purchase and Sale Agreement (Contract K-2223-34) for the building at 1210 W. Robinson for \$2,450,000. Preliminary architectural estimates of the cost to rehabilitate and repurpose the West Robinson building for affordable, Single Room Occupancy purposes is \$3-5 million. Preliminary discussions have been held of the facility being operated by the Norman Housing Authority upon completion of the renovations.

To enact Council’s direction to use ARPA entitlement funds to Address Negative Economic Impacts of the COVID-19 pandemic through the expansion of Affordable Housing options in Norman, \$6,400,000 is proposed to be appropriated from the Special Grants Fund, ARPA (Account 22-11017) to ARPA, Miscellaneous Other (Account 22330303-45799).

RECOMMENDATION:

It is recommended that the Resolution be adopted, appropriating \$6,400,000 in City of Norman ARPA entitlement funds for the purchase, rehabilitation and repurpose of the 1210 West Robinson facility for the provision of expanded Affordable Housing options in Norman.