



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1314-144

File ID: K-1314-144

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 19

In Control: City Council

Department: Planning and
Community
Development
Department

Cost: \$434,403.00

File Created: 05/22/2014

File Name: Contract with Norman Affordable Housing
Corporation, and Food and Shelter, Inc.

Final Action:

Title: CONTRACT NO. K-1314-144: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, NORMAN AFFORDABLE HOUSING CORPORATION, AND FOOD AND SHELTER, INC., IN THE AMOUNT OF \$534,403 UTILIZING HOME PARTNERSHIPS FUNDING AND COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FUNDING TO PURCHASE AND REHABILITATE A SIXTEEN-UNIT APARTMENT COMPLEX LOCATED AT 2304, 2306, 2308, AND 2310 GLEN OAKS DRIVE TO BE USED FOR AFFORDABLE HOUSING IN THE CITY OF NORMAN.

Notes: ACTION NEEDED: Motion to approve or reject Contract No. K-1314-144 with Norman Affordable Housing Corporation and Food and Shelter, Inc., in the amount of \$534,403; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 06/10/2014

Agenda Number: 19

Attachments: K-1314-144.pdf, Norman 2014 Letter.pdf, Location
Map Glen Oaks.pdf

Project Manager: Linda Price, Revitalization Manager

Entered by: linda.price@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1314-144

Body

BACKGROUND: This Written Agreement is between the City of Norman, Norman Affordable Housing Corporation and Food and Shelter, Inc. to purchase and rehabilitate a sixteen unit apartment complex located at 2304, 2306, 2308, and 2310 Glen Oaks Drive. HOME Investment Partnerships funding in the amount of \$300,000 (budgeted in FYE 2009, FYE 2010 and FYE 2013) along with Community Housing Development Organization funding (budgeted in FYE 2011 and FYE 2012) to the Norman Affordable Housing Corporation in the amount of \$134,403 to be combined with \$100,000 of funds from Food and Shelter, Inc. will fund the project. The remaining funds needed for this proposal will be a combination of a mortgage with the property as

collateral and a deferred payment mortgage to Food and Shelter, Inc. from the Norman Affordable Housing Corporation. The Department of Housing and Urban Development has designated the City of Norman Community Development Block Grant Program and the HOME Partnership Program as entitlement recipients and each year, each program receives federal funding. The use of these funds is determined by a citizen participation process and is detailed in the annual action plan approved by City Council

DISCUSSION: The sixteen two-bedroom units will be utilized by Food and Shelter, Inc. to expand the availability of affordable housing to not only their clients but to the community at large. Rental proceeds from these units will be maintained by Food and Shelter to further their mission. Currently fourteen of the sixteen units are leased and the leases will be honored. The other two units will require substantial rehabilitation and will be rented to eligible households upon completion. The scope of work for the rehabilitation of the property will include at minimum, replacement of all doors and windows, replacement of HVAC units and water heaters, upgrading of electrical system as well as appliance replacement and finishes.

The HOME Investment Partnerships Program requires that projects utilizing HOME funds remain affordable for a specific period of time, depending on the amount of funds utilized. This project will require a ten (10) year period of affordability. The Period of Affordability will be secured by a Deed of Trust that is filed on the property .

This project is set up as a three way agreement between the City of Norman, Norman Affordable Housing Corporation, Inc. and Food and Shelter, Inc. The Written Agreement is a four part agreement that outlines the roles and responsibilities that each entity is required to fulfill. The City of Norman will maintain the certification and recertification pertaining to the affordability throughout this period insuring compliance and is required to monitor the operations to insure the period of affordability is met.

This is truly a community project with the \$100,000 of funds provided by Food and Shelter, Inc. a result of being the beneficiary of two years of funding from Le Tour de Vin, an event hosted by all three Rotary Clubs in Norman. The funds being provided by the Norman Affordable Housing Corporation was the result of an investment the Norman City Council made with the proceeds from the sale of the Kingsgate Property in 2005. The funds provided to Norman Affordable Housing to purchase residential property to be rented at affordable rates has provided a substantial return and is now being reinvested into this project, thus perpetuating the return on the investment by the City of Norman.

RECOMMENDATION: Staff recommends approval of Contract No. K-1314-144 with the Norman Affordable Housing Corporation and Food and Shelter, Inc. in the amount of \$534,403.