



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-2021-66

File ID: K-2021-66

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 26

In Control: City Council

Department: Planning and
Community
Development
Department

Cost: \$653,820.00

File Created: 10/26/2020

File Name: CHDO 2015

Final Action:

Title: CONTRACT K-2021-66: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, NORMAN AFFORDABLE HOUSING CORPORATION, INC., AND NORMAN COMMUNITY HOUSING DEVELOPMENT 2015, INC. IN THE AMOUNT OF \$653,820 AS AGREED UPON UNDER THE FYE 2021 HOME INVESTMENT PARTNERSHIP PROGRAM TO CONSTRUCT THREE (3) THREE-BEDROOM SINGLE FAMILY STRUCTURES LOCATED AT 112 AND 114 WEST JOHNSON STREET AND 815 NORTH STEWART AVENUE TO BE USED FOR AFFORDABLE HOUSING IN THE CITY OF NORMAN.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-2021-66 with Norman Affordable Housing Corporation, Inc., and Norman Community Housing Development 2015, Inc. in the amount of \$653,820 as agreed upon under the FYE 2021 HOME Investment Partnership; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 11/10/2020

Agenda Number: 26

Attachments: K-2021-66 Written Agreement, Plans and Specs, Draft
Visitability Ordinance

Project Manager: Lisa Krieg, CDBG/Grants Planner

Entered by: lisa.krieg@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-2021-66

Body

BACKGROUND: This Written Agreement is between the City of Norman, Norman Affordable Housing Corporation, Inc. and Norman CHDO 2015, Inc. to construct three single family structures located at 112 and 114 W. Johnson, and 815 N. Stewart, Norman, OK. HOME funding is available in the amount of \$535,685 (budgeted in FYE 2014, FYE 2017, and FYE 2018) along with HOME Community Housing Development Organization (CHDO) funding (budgeted in FYE 2020 and FYE 2021) to the Norman CHDO 2015, Inc. in the amount of \$118,134 for a total investment by the City of Norman of \$653,820. The City of Norman funds are to be combined with an investment of \$112,125 from Norman Affordable Housing Corporation, and \$3,855 of funds previously expended by Norman CHDO 2015 for a total project cost of \$769,800.

DISCUSSION: The three, three-bedroom units will be constructed by Norman CHDO 2015, Inc. in partnership with Norman Affordable Housing Corporation to expand the availability of affordable housing to the community at large. The project will consist of three single family structures located at 112 and 114 W. Johnson, and 815 N. Stewart, Norman, OK. Each unit contains approximately 1,600 sq. ft. of living area exclusive of a single car garage, and includes standard amenities. Although not adopted yet, each structure meets the proposed Phase One criteria of the City of Norman Visitability Ordinance. Each of these single family, vacant lots are currently owned by Norman Affordable Housing Corporation, Inc. and will be donated to the project. Each structure will adhere to all City of Norman requirements for parking and site improvements in addition to installation of perimeter fencing.

Each unit will rent at rates affordable to households at or below 60% of the Median Family Income with an approximate rent of \$800 per month.

The HOME Investment Partnerships Program requires that projects utilizing HOME funds remain affordable and be occupied by households meeting the income requirements for a specific period of time, depending on the type of construction and the amount of HOME funds utilized. This project will require a twenty (20) year period of affordability. The Period of Affordability will be secured by a Deed of Trust that is filed on the property. The City of Norman will maintain the certification and recertification pertaining to the affordability throughout this period insuring compliance.

This project is collaboration between the City of Norman, Norman Affordable Housing Corporation, Inc. and Norman CHDO 2015, Inc. The Written Agreement to be executed outlines the roles and responsibilities that each entity is required to fulfill.

The funds being provided by the Norman Affordable Housing Corporation were 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. This is the fourth project of this type that the City of Norman has undertaken to expand the availability of affordable housing. Each of the four previous projects have been successfully completed and are fully occupied.

In compliance with the HOME Investment Partnership regulations a Pro-Forma has been completed to document the development expenses as well as the sustainability of the operation of the project through the period of affordability.

RECOMMENDATION: Staff recommends approval of Contract K-2021-66 with the Norman Affordable Housing Corporation and Norman CHDO 2015, Inc. in the amount of \$653,820. Funds are available in the following accounts:

HOME 14; 21240287-44712 Rental Rehabilitation - \$35.39
HOME 17; 21240445-44712 Rental Rehabilitation - \$215,740.00
HOME 18; 21240106-44712 Rental Rehabilitation - \$319,910.61
HOME 19; 21240010-44798 Misc Serv CHDO - \$56,248.00
HOME 20; 21240014-44798 Misc Serv CHDO - 61,886.00