



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1516-9

File ID: K-1516-9

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 28

In Control: City Council

Department: Planning and
Community
Development
Department

Cost: \$14,000.00

File Created: 06/30/2015

File Name: Contract with Norman CHDO 2015, Inc.

Final Action:

Title: CONTRACT K-1516-9: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NORMAN CHDO 2015, INC. IN THE AMOUNT OF \$14,000 AS AGREED UPON UNDER THE FYE 2016 HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1415-9 with Community Housing Organization Development, Inc., in the amount of \$14,000; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 07/14/2015

Agenda Number: 28

Attachments: K-1415-9, PR CHDO 2

Project Manager: Lisa Krieg, 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:
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Text of Legislative File K-1516-9

Body

PROPOSED USE OF FUNDS: The funding requested by Norman CHDO 2015, Inc. will be operational funds for the newly formed Community Housing Development Organization (CHDO). Use of HOME funds for CHDO operating expenses is eligible under Title 24; Subtitle A, Part 92, Subpart E, Section 92.208 of the HOME Investment Partnerships Program.

BACKGROUND: On May 12, 2015, Council approved the CDBG and HOME Annual Action Plans in the total amount of \$1,040,525. The funding for this contract was detailed within the HOME Action Plan. The funding for the CDBG and HOME Programs is provided by the U.S. Department of Housing and Urban Development (HUD).

The CDBG and HOME budgets were developed over a series of meetings of the Community Development Block Grant (CDBG) Policy Committee. This committee consists of fifteen members that are elected as

designated in the Citizen Participation Plan. The proposed budget was unanimously approved by the Policy Committee on March 11, 2015.

A required component of the HOME Program is that a minimum of 15% of the annual appropriation must be set aside for specific activities to be undertaken by a special type of non-profit called a Community Housing Development Organization (CHDO). The required FYE16 HOME CHDO set-aside is \$44,433. A CHDO is a private nonprofit, community based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, capacity, and experience. Norman CHDO 2015, Inc. has provided all the required documentation, their capacity has been evaluated, and it has been determined that they meet all the required criteria to be certified as a CHDO. In addition to the required 15% of HOME funds for development of affordable housing projects the City of Norman is providing \$14,000 in HOME funding to assist with the operational costs of the CHDO.

DISCUSSION: The proposed contract represents a total of \$14,000 for CHDO Operating expenses for Norman CHDO 2015, Inc. The use of CHDO operating expenses is limited to up to 5% of a participating jurisdiction's fiscal year HOME allocation. The FYE 2016 HOME allocation to the City of Norman is \$296,211 and the proposed contract of \$14,000 represents 4.7%, which is below the allowable 5%.

Operating expenses are defined in the HOME regulations as "reasonable and necessary costs for the operation of the Community Housing Development Organization. Such costs include salaries, wages, and other employee compensation and benefits, employee education, training and travel, rent, utilities, communication costs, taxes, insurance equipment, materials, and supplies." These funds will be disbursed to Norman CHDO 2015, on a reimbursement basis as expenses are incurred.

The contract has been developed in conjunction with all City of Norman and HUD requirements.

RECOMMENDATION: Staff has reviewed the proposed contract and recommends approval of Contract K-1516-9 in the amount of \$14,000 to Norman CHDO 2015, Inc. Funds are available in the Community Development Fund, fiscal year 2015-2016, in Services and Maintenance - CHDO Operating (account 021-4091-463.47-98).