



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1718-132**

**File ID:** K-1718-132

**Type:** Contract

**Status:** Consent Item

**Version:** 1

**Reference:** Item 27

**In Control:** City Council

**Department:** Planning and  
Community  
Development  
Department

**Cost:** \$85,000.00

**File Created:** 06/11/2018

**File Name:** CDBG Acquisition for Norman Affordable Housing

**Final Action:**

**Title:** CONTRACT K-1718-132: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NORMAN AFFORDABLE HOUSING CORPORATION IN THE AMOUNT OF \$85,000 FOR ACQUISITION OF PROPERTY LOCATED AT 115 AND 117 WEST HUGHBERT STREET, NORMAN, OK.

**Notes:** ACTION NEEDED: Motion to approve or reject Contract K-1718-132 with Norman Affordable Housing Corporation in the amount of \$85,000; and, if approved, authorize the execution thereof.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 06/26/2018

**Agenda Number:** 27

**Attachments:** K-1718-132.pdf, ATTACHMENT A.pdf, ATTACHMENT B.pdf

**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-1718-132

body

**BACKGROUND:** On May 9, 2017 the Norman City Council approved the 2017-2018 Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs. Included in this Action Plan was an activity to provide a total of \$110,000 for property acquisition. These funds were designated for two purposes with recipients to be determined utilizing a RFP process. The first purpose was to provide \$85,000 for the acquisition of property for affordable rental housing. The second purpose was \$25,000 for acquisition of property by a non-profit which could either be for housing or for the agency to use for their facility. This agenda item addresses the Acquisition of Property for Affordable Rental Housing.

On March 12, 2018, Request for Proposals RFP 1718-57 (Attachment A) was distributed to announce the availability of \$85,000 of funds for the Acquisition of Property for Affordable Rental Housing. Direct solicitation was made to entities which have participated with the City of Norman in the development of affordable housing in the

past, a legal notice was placed in the Norman Transcript (March 9, 2018; March 16, 2018) and the RFP was provided to the Oklahoma Housing Finance Agency for distribution. The RFP was also available on the City of Norman website. Multiple inquiries were received by phone and email from interested parties, with one proposal being submitted. The single submittal was from the Norman Affordable Housing Corporation, a 501(c)(3) entity located in Norman that has partnered with the City of Norman on affordable housing efforts in the past.

The proposal that was submitted by Norman Affordable Housing Corporation (Attachment B) identified a potential acquisition located at 115 and 117 West Hughbert. This property is currently being developed by Ox Collective, LLC in partnership with the University of Oklahoma Christopher C. Gibbs College of Architecture. This proposal included partnering with the Norman CHDO 2015 for the acquisition of this property and a companion contract is also being considered (K-1718-133). Each address consists of two-one bedroom units with a central driveway and a common parking lot. The proposed project is currently under construction and on schedule for completion late summer 2018. The property is appropriately zoned and meets all environmental requirements of both the CDBG and HOME programs. The acquisition price is \$350,000 and has been appraised at that value.

The proposal was reviewed by a subcommittee of the Community Development Block Grant Policy Committee for completeness and project appropriateness. Acquisition of the property will occur after the Occupancy Permits have been issued by the City of Norman. There is a twenty-year period of affordability (rents, including utility allowance, must be at or below the HOME Program Rents for households at or below 80% of Median Household Income) imposed on the units that will be secured by a Deed of Trust and monitored for compliance by the City of Norman.

**DISCUSSION:** The four one-bedroom units will be acquired by Norman Affordable Housing Corporation in partnership with Norman CHDO 2015, Inc. to expand the availability of affordable housing to the community at large. After acquisition the sole owner of the property will be the Norman Affordable Housing Corporation which will be responsible for compliance with all HOME regulations for the 20-year Period of Affordability.

The \$85,000 of funding that is being provided by the CDBG Program will be combined with \$71,266 of funds from the operating funds of the Norman Affordable Housing Corporation for a total investment by the Norman Affordable Housing Corporation of \$156,266. The remaining \$71,266 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 the Norman Affordable Housing Corporation were utilized to purchase 24 residential properties and have been rented to moderate income households at affordable rates since that time. These properties in addition to providing affordable housing have provided a substantial return and a portion of those returns are now being reinvested into this project. This is the third project of this type that the City of Norman has undertaken to expand the availability of affordable housing. The first project (Contract K-1314-144) was approved in June of 2014 between the City of Norman, Food and Shelter, Inc. and Norman Affordable Housing, Inc. for a sixteen unit project located on Glen Oaks Drive. The purchase and rehabilitation of the Glen Oaks project is complete and fully occupied. The second project was the development of a six unit complex located at 301 and 303 Vicksburg Circle (Contract K-1516-10) which was completed in April of 2018.

Both the Norman Affordable Housing Corporation and Norman CHDO 2015, Inc. are 501(c)(3) organizations and provide the City of Norman with their Independent Audit and Financial Statements and their Annual 990 Tax Return.

**RECOMMENDATION:** Staff recommends approval of contract K-1718-132 with Norman Affordable Housing Corporation in the amount of \$85,000 for the Acquisition of Property as described. Funds are available in the following account:

CDBG 18, Design (account 021-4097-463.62-01; project GC0072) - \$85,000