

CITY COUNCIL  
COMMUNITY PLANNING AND TRANSPORTATION  
COMMITTEE MINUTES

January 24, 2019

The City Council Community Planning and Transportation Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 4:06 p.m. in the Conference Room on the 24th day of January, 2019, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Bierman, Clark, Holman, Scott  
(arrived 4:20 p.m.), Wilson, and Chairman  
Hickman

ABSENT: None

OTHERS PRESENT: Councilmember Joe Carter, Ward Two  
Councilmember Robert Castleberry, Ward Three  
Ms. Karen Canavan, Executive Director of  
Norman Housing Authority  
Mr. Terry Floyd, Development Coordinator  
Mr. Kris Glenn, Director of Cleveland Area Rapid  
Transit (CART)  
Ms. Jane Hudson, Interim Director of Planning  
and Community Development  
Mr. Taylor Johnson, Planner and Grant Specialist  
for Cleveland Area Rapid Transit (CART)  
Ms. Lisa Krieg, Community Development Block  
Grant (CDBG) Grants Manager  
Ms. Mary Rupp, Interim City Manager  
Ms. Kathryn Walker, Interim City Attorney  
Ms. Syndi Runyon, Administrative Technician IV

Item 1, being:

CLEVELAND AREA RAPID TRANSIT (CART) RIDERSHIP REPORT INCLUDING SAFERIDE  
AND EXTENDED SERVICE FOR THE MONTH OF DECEMBER, 2018.

Mr. Taylor Johnson, Planner and Grant Specialist for Cleveland Area Rapid Transit (CART), highlighted CART Ridership Reports for December 2018, and said fiscal year-to-date ridership (July to December) had a decrease of 3% over the same period last year. In December, CART transported 63,153 passengers that included 307 riders who traveled with bicycles and 255 riders who traveled with wheelchairs.

CARTaccess transported 2,245 riders in December, a decrease of 10% over the same month last year with an average daily ridership of 94 riders. Year-to-date primary zone ridership decreased by 10% while secondary zone ridership decreased by 6%.

Item 1, continued:

Mr. Johnson highlighted December activities and said CART continues to finalize the National Transit Database report as required by Federal Transit Authority (FTA). CART Staff attended a quarterly Public Transit Coordination meeting on December 5th at Citylink, a paratransit service in Edmond, to discuss federal regulations, service issues, and other relevant topics in transit. CART is also preparing the Recipient Information Request for its FTA Triennial Review (audit).

Councilmember Clark asked if lower ridership could be contributed to no longer providing Saturday service and Mr. Johnson said it is really too early to tell since that only went into effect January 1st.

Councilmember Bierman asked what the decreased ridership could be contributed to and Mr. Johnson said lower fuel prices has resulted in decreased ridership nationwide, not just in Norman.

Chairman Hickman said the FTA audit may be helpful as CART and the City negotiate the division of assets when the bus transfer takes place and Mr. Johnson said this audit is to ensure federal funds are being spent appropriately.

Items submitted for the record

1. Cleveland Area Rapid Transit Ridership Totals for the months of December, 2018
2. Cleveland Area Rapid Transit Monthly Reports for December, 2018

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Item 2, being:

#### DISCUSSION REGARDING AFFORDABLE HOUSING.

Ms. Jane Hudson, Interim Director of Planning and Community Development, said affordable housing is an important component of all vibrant communities and can be considered an economic issue as much as a social issue. The federal government says housing is “affordable” if a household spends no more than 30% of their gross income to live there. She said everyone needs affordable housing across the entire spectrum of earners; business executives, hourly wage workers, the homeless, and everyone in between. The rent or home price that is affordable may vary from one household to the next, but the need for housing that is affordable is shared by everyone.

Ms. Hudson said while the topic of affordable housing is very important, today Staff will be discussing affordable housing in the context of housing or assistance that is primarily directed towards low and moderate income households that are 80% and below Median Family Income (MFI).

Ms. Hudson said in the 2011-2015 American Community Survey, Norman has a population of 117,353 with 44,911 occupied housing units with a median household income of \$50,600. She said 55.8% of a three or four person household owned their home and 44.2% of a two or one person household rented their place of residence.

Ms. Hudson said very low income households with less than 30% MFI include single parents with children; seniors on a fixed income; fulltime students; people with physical, developmental, or

mental disabilities; and homeless with household income of \$14,600 or less for singles and \$20,800 or less for families. Low income households with 30% to 50% of the MFI includes occupations in retail sales; food service; cashiers; personal care attendees; hair stylists; and janitors with household incomes of \$14,601 to \$25,300 for singles and \$20,801 to \$34,700 for families. Moderate income households with 50% to 80% of the MFI includes dental hygienists; court reporters; store managers; administrative assistants; maintenance workers; sanitation workers; and school teachers with a household income of \$25,301 to \$38,850 for singles and \$34,701 to \$55,500 for families. She said the monthly housing expense and cost burden for owners and renters with less than 30% MFI equates to a gap of 9,385 affordable rental units and a gap of 4,219 affordable owner units.

Ms. Hudson said affordable rental housing types include dedicated units that are set aside for low or moderate income households created by developers using assistance from public sources or through affordability requirements or incentives. Some people use the term “Affordable Housing” to refer to only these dedicated affordable housing units. She said the private market also provides units that rent or sell at affordable levels without the use of any explicit subsidies. Often, these are older homes whose rents have become affordable over time as newer properties have come online while other units are affordable by virtue of their location, type, or quality. She said many low and moderate income households live in housing that are not subsidized by the government, but are affordable to them. Dedicated affordable housing units, on the other hand, are essential for ensuring affordability in neighborhoods where market rents are rising rapidly. They also are well suited to creating inclusive cities, towns, and counties and providing affordable housing to fixed incomes, as well as those with special needs, such as people with mental disabilities and formerly homeless individuals.

Housing can be unaffordable because incomes of many workers are too low compared to the cost of housing. Ms. Hudson said in Cleveland County, the Fair Market Rent for a two bedroom apartment is \$851 so an annual income of \$34,040 (\$16.27 per hour) would be needed to afford this unit and the Oklahoma minimum wage of \$7.25 means 2.3 full time jobs would be required to meet the 30% affordability standard for a two bedroom unit. According to the American Community Survey, the estimated mean hourly wage for renters is \$10.25 which equates to 1.6 full time jobs to meet the affordability standard. She said for-profit developers generally are not financially able to address the demand for housing among lower income households. She said in Norman, it costs the same amount to develop and operate affordable housing as it does to develop market rate housing and rents and home prices that many low income households can afford to pay are too low to cover the costs of developing and operating newly constructed housing.

Is Norman’s affordable housing inclusive? Ms. Hudson said dedicated units are required to meet accessibility and Fair Housing regulations as defined by the funding entity and these requirements are at minimum equal to or in most cases, more stringent than the requirements for market rate units. Market rate units are required to meet code requirements for accessibility at the time of construction and adhere to Fair Housing regulations during operation. She said affordable housing programs and projects in Norman are public as well as the Section 8 Voucher Program operated by the Norman Housing Authority. Multiple developments are federally funded projects and owned/operated by non-profits and there are Low Income Housing Tax Credit (LIHTC) Projects. Public housing includes Rose Rock Villa (senior housing) – 91 units; Red Bud Village – 38 units; Crystal Heights - 18 units; Colonial Estates – 16 units; and Jamestown – 10 units.

Item 2, continued:

Chairman Hickman said, in his view, inclusive housing would be housing in a certain area of Norman, such as an overlay district, where Council would approve a 100 unit complex and a certain percentage of occupants would have to meet some type of affordable housing standard. Ms. Lisa Krieg, Community Development Block Grant (CDBG) Grants Manager, said that would also include a tax credit project or new public housing development.

Chairman Hickman said if there is a private development, could the City have a code that requires the developer to set aside a certain number of units for low income housing and Ms. Krieg said certainly, as many cities do that.

Councilmember Castleberry questioned whether it would be legal for the City to require a private developer to set aside a certain percentage of units for affordable housing and Ms. Krieg said it has been done in other cities depending on the type of development, but it has also been challenged in court. She said there is a give and take balance on this issue and big cities like New York and Los Angeles require it by ordinance and other cities provide a density bonus in exchange for affordable housing units or other incentives.

Ms. Hudson said Housing and Urban Development (HUD) Funded 202 Projects for the elderly and/or persons with disabilities are privately owned by a non-profit entity. She said 202 Project construction and operations are funded by HUD and tenants receive project based rental assistance. She said 202 Projects in Norman are the Willows with 4 locations and 43 units and Northcliff Gardens with 44 units. HUD funded 811 Projects for persons with disabilities are privately owned by a non-profit entity and construction and operations are funded by HUD. Tenants received project based rental assistance and the only facilities in Norman are McKinzie Gardens with 39 units. Section 8 New Construction Program for general occupancy is new construction privately owned, but HUD subsidized with 100 units and the only facility in Norman is Vicksburg Village. Low Income Housing Tax Credit properties are the federal government's primary program for encouraging the investment of private equity in the development of affordable rental housing for low income households. The LIHTC Program is administered through the Oklahoma Housing Finance Agency (OHFA) and renters receive an indirect subsidy that allows investors to claim credits on their federal income tax returns and not all units must meet affordability standards. She said LIHTC locations in Norman include Emerald Greens (general) – 220 units (133 affordable); Senior Cottages (elderly) – 84 units; Chapel Ridge (elderly) – 144 units (96 affordable); Savannah Square (elderly) – 92 units; Garland Square (elderly) – 10 units; Garland Square (general) – 100 units (88 affordable); Wyndam Place (elderly) – 54 units; Brookstone Cottages (elderly) – 68 units (64 affordable); and Bocage (elderly) – 60 units.

Councilmember Clark said the affordable housing available in Norman is not safe and asked if the Police Department could provide safety inspections for these affordable housing complexes, such as checking for proper outdoor lighting, ensuring bushes are trimmed under windows, etc., which can help deter crime. Ms. Krieg said that would be a discussion between Council, the Police Department, and OHFA.

Councilmember Bierman said she spoke to residents of Savannah Square who do not pay the City for their water bill directly, they pay a third party and the cost is three times as much as what the City would charge and she finds this problematic. Ms. Krieg said that is probably spelled out in the lease agreement and unfortunately most of the renters do not realize what they are signing.

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Councilmember Bierman asked if this is something the City could look into and Ms. Kathryn Walker, Interim City Attorney, said the City cannot interfere with a private contractual relationship.

Councilmember Clark would like information regarding affordable housing on the City's website with links that direct citizens to agencies, organizations, or locations for low income housing and Ms. Hudson said that information will be added to the website.

Ms. Hudson said other than the efforts by CDBG and HOME Investment Partnership Program; the City of Norman does not offer any incentives for the development of affordable housing. She said the CDBG Housing Rehabilitation Program assists in the preservation of existing affordable housing for low and moderate income owners and provides opportunities for accessibility modifications for both owners and renters. HOME funds require a minimum allocation of 15% of entitlement funds to a Community Housing Development Organization (CHDO). A 501(c)(3) non-profit with a very specific board structure whose mission is to develop affordable housing is currently certified CHDO in Norman. The FYE 2019

HOME funding is \$423,000 and a minimum of \$63,530 is allocated to a CHDO who are required to propose viable projects for consideration to the City of Norman prior to any funding commitments. Home Investment Partnerships are provided by the City of Norman through the HOME Program with annual allocations of approximately \$400,000 as well as through the Norman Affordable Housing Corporation (NAHC), a non-profit, with an annual allocation of \$100,000 for development of affordable housing, CHDO, and other non-profits.

Ms. Hudson said in 1971, Kingsgate Apartments were constructed at 12th Avenue S.E. and East Lindsey Street for low income tenants through HUD 236 Financing. In 1997, HUD foreclosed on the property due to disrepair and demolished the site then sold the land to the City for \$10 with the agreement that the City would sell the land with proceeds from the sale to be used for affordable housing. The City sold the land for \$2 million to a private developer and distributed \$100,000 to Habitat for Humanity and the remainder to NAHC. She said NAHC purchased multiple scattered housing units throughout Norman to rent at affordable rates to low income tenants and after expenses, approximately \$100,000 is generated annually that is reinvested in projects to further the initial investment.

Councilmembers Clark and Bierman said they receive calls from constituents all the time regarding no heat or no hot water in their rental units and asked Staff who they should call and Ms. Krieg said they should call Code Enforcement. Ms. Krieg said the City of Norman hosts an annual workshop on landlord tenant laws and invites all Section 8 and public housing tenants that generally have a good turnout. Councilmember Bierman said having information about who to contact about rental repair issues on the City's website would be helpful.

Ms. Hudson said the City of Norman HOME Program in partnership with NAHC and CHDO constructed six two-bedroom units on land donated by NAHC on Vicksburg Circle to rent for \$550 per month over a 20 year period. She said development costs were approximately \$900,000 with \$400,000 from the HOME Program, \$310,500 from NAHC, \$140,019 from CDHO and Norman Affordable Housing Corporation is the property owner. She said NAHC also purchased property in central Norman in the amount of \$396,820 and the University of Oklahoma (OU) College of Construction Science students designed and constructed four one-bedroom units for a class project

Item 2, continued:

that will rent for \$530 per month over a 20 year period. The HOME Program contributed \$145,820, NAHC contributed \$156,086, and CHDO contributed \$94,014 toward construction costs.

Councilmember Bierman asked if the City could prepare a brochure about renters' rights to be distributed annually and Ms. Walker said the Oklahoma Bar Association has a fantastic brochure regarding landlord/tenant laws that the Legal Department generally directs people to and that link could be added to the City's website.

What can the City of Norman do? Ms. Hudson said the City can create and preserve dedicated housing units and establish incentives or requirements for affordable housing that include density bonuses; reduced parking requirements for qualifying developments; expedited permitting for qualifying projects; reduced or waived fees for qualifying projects; and provide inclusionary zoning.

Ms. Hudson said the City can also promote affordability by reducing barriers to new supply across all price ranges. She said preserving and expanding the supply of dedicated affordable housing is critical, but research evidence shows that allowing the broader housing market to respond to increased demand with new construction is also essential. It is not just the development of units that are affordable for low

and moderate income households. When there is not enough housing for higher-income households, these families compete for homes that would normally be occupied by middle income households, causing rents to rise. This, in turn, causes middle income people to compete for housing that would normally be occupied by moderate income households, again causing rents to rise. This continues, like a chain reaction, all the way down to low income households.

The City can protect against displacement and poor housing conditions by enhancing and enforcing property maintenance requirements for landlords, not just on a complaint basis, and increase Fair Housing education for low income tenants to avoid unjust evictions from affordable housing. Norman can engage the community in the development of a local housing strategy that would utilize the full set of tools available by engaging other government entities, private interests, and non-profit sectors. These tools include zoning ordinances, building codes, permitting processes, property tax abatements, and federal, state, and local housing subsidies. A comprehensive local housing strategy will provide guiding framework to identify and coordinate the many local policy tools and stakeholders that will be required to make substantial progress towards meeting identified housing needs.

Many other cities offer various incentives, some more comprehensive or targeted than others, i.e., Oklahoma City included \$1 million in their 2017 General Obligation Bond issue to be utilized to leverage development of affordable housing and waives some permit and impact fees for infill affordable housing.

Ms. Hudson said to determine which approach the City of Norman should take, a local comprehensive housing strategy should be developed. She said this would provide an avenue to have an effective way to discuss affordable housing. Local housing strategies are developed by cities not because they are required to do so, but because the strategy helps them define and achieve local housing objectives; allows for coordination of efforts; engages the community and can garner political support by demonstrating the needs and defining shared objectives; and long term strategies allow for predictability and consistent budget support. She said no amount of changes in land use or

Item 2, continued:

regulatory requirements will induce the private market to produce housing for the lowest income households. The cost of developing and operating housing for this population segment is still higher than the rents these households can afford to pay. Housing subsidies, whether for development, tenant-based, or both will always be needed.

Councilmember Carter left the meeting at 5:10 p.m.

Chairman Hickman proposed the City form an ad-hoc committee for a comprehensive housing strategy to include experts, such as NAHC, CHDO, Councilmembers, and other members of the community to discuss affordable housing strategies. He said this could be a detailed study with recommendations to Council addressing affordable housing.

Councilmember Clark left the meeting at 5:20 p.m.

Councilmember Bierman said the City can do all the incentives in the world and that will still not bridge the gap between building affordable housing and being able to afford affordable housing. She said the subsidy issue will be a more difficult issue, but it would be great if the City could leverage private dollars for that. She wants Council to be cognizant of where affordability intersects with accessibility and make sure the City is not encouraging one to the detriment of the other.

Chairman Hickman said his ideas are more about incentive approaches, such as faster turnaround time for the projects, density bonuses, reduced parking requirements etc., because these do not necessarily cost the City money. Ms. Krieg said most of the projects currently being done are infill projects and the permit fees can cost up to \$35,000 due to all of the impact fees. She said Oklahoma City will waive those fees if the projects are for infill or redevelopment.

Councilmember Bierman would like to address tiny homes in other parts of Norman because by their very nature they are more affordable. Chairman Hickman said when Council starts talking about garage apartments and tiny homes in core Norman, they are talking about students and that is a different animal than affordable housing. Councilmember Bierman said a tiny house could be the sole structure on a lot, not an accessory unit, and if tiny homes can be encouraged through affordable housing agencies there is much less risk of them being used for student housing. Chairman Hickman said if the City is going to allow tiny homes in residential areas, then they should be allowed on all areas of Norman.

Councilmember Scott said there is a trend among young people to want to live more cost effectively on land without large mortgages. She said there is a large area in Ward 8 that is flat land and there is not a lot of affordable housing in Ward 8 so she would not mind seeing some tiny homes on that land.

Mayor Miller said she loves tiny homes, but realistically core Norman's land is very expensive and would not be cost effective in building a tiny home. One of the things that is already happening are small bungalows that are 650 to 700 square feet and are very affordable.

Councilmember Scott said there is also a trend of moving toward shipping container homes and she knows that shipping containers have been very controversial in Norman, but is something that should be visited if Council is going to consider tiny homes as affordable housing.

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Chairman Hickman asked if Council wants Staff to begin drafting language that would potentially formalize some of the incentive ideas proposed by Staff that would work best at this time or dig deeper into an ordinance draft or create an ad hoc committee for a comprehensive review.

Ms. Krieg said it is very important for Council to take a very comprehensive look at what they want to do because the City cannot fix everything. She said by deciding what the goals are Council can come to a consensus on what to target, such as incentives, subsidies, etc.

Mayor Miller said the right thing to do is to begin a comprehensive study that will be a part of a more strategic plan.

Chairman Hickman asked Councilmembers if they would be willing to serve on the ad hoc committee and they all said yes. Councilmember Bierman said she would like to move forward with some of the steps that can be done right now while the more comprehensive study discussions are taking place.

Chairman Hickman asked Mayor Miller to consider creating an ad hoc group and Mayor Miller said she will have a meeting with Staff to find the a manageable way of dealing with this issue before moving forward.

Items submitted for the record

1. Memorandum dated January 15, 2019, from Jane Hudson, Planning and Community Development, and Lisa Krieg, CDBG/Grants Manager, to Community Planning and Transportation Committee Members
2. PowerPoint presentation for the City of Norman Community Planning and Transportation Committee prepared by Jane Hudson and Lisa Krieg dated January 24, 2019

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Item 3, being:

MISCELLANEOUS COMMENTS.

None.

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The meeting adjourned at 5:35 p.m.

ATTEST:

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City Clerk

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Mayor