



CITY OF NORMAN, OK CITY COUNCIL CONFERENCE

Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069

Tuesday, September 26, 2023 at 5:30 PM

MINUTES

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Conference Session in the Executive Conference Room of the Norman Municipal Building on the 26th day of September, 2023, at 5:30 p.m., and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray Street 24 hours prior to the beginning of the meeting.

CALL TO ORDER

Mayor Heikkila called the Meeting to Order at 5:30 p.m.

PRESENT

Mayor Larry Heikkila
Councilmember Ward 1 Austin Ball
Councilmember Ward 2 Lauren Schueler
Councilmember Ward 3 Bree Montoya
Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 6 Elizabeth Foreman
Councilmember Ward 7 Stephen Holman

ABSENT

Councilmember Ward 8 Matthew Peacock

None

AGENDA ITEMS

1. UPDATE ON ARPA AFFORDABLE HOUSING PROJECT.

Mr. Anthony Purinton, Assistant City Attorney, highlighted tonight's agenda that includes a brief background on the America Rescue Plan Act (ARPA), and State and Federal Tax Credit Program, Request for Proposal (RFP) process and outcome, and timeline of future meetings.

Mr. Purinton said the general idea of affordable housing is a housing development with rental caps to maintain affordability for tenants meeting income criteria. Affordability, according to the Housing and Urban Development (HUD) housing expenses do not exceed 30% of a household's total income. He said tenants must have an income and pass background and rental history checks.

A 30% median household income for one person would be \$17,200; two people would be \$19,680; three people would be \$22,140; and four people would be \$24,570. A 50% median household income for one person would be \$28,700; two people would be \$32,800; three people would be \$36,900; and four people would be \$40,950. A 60% median household income for one person would be \$34,440; two people would be \$39,360; three people would be \$44,280; and four people would be \$49,140.

Maximum rents including utilities for 30% median household income for one bedroom would be \$461; two bedrooms would be \$553; and three bedrooms would be \$639. Maximum rents including utilities for 50% median household income for one bedroom would be \$768; two bedrooms would be \$922; and three bedrooms would be \$1,065. Maximum rents including utilities for 60% median household income for one bedroom would be \$922; two bedrooms would be \$1,107; and three bedrooms would be \$1,278.

Mr. Purinton said the Homebase Study identified a gap of 9,000 affordable housing units and Council allocated \$6.4 million in ARPA funds for affordable housing. Using money to purchase land and offer as project financing, City issued a RFP seeking developer's for affordable housing project.

Investment in affordable housing using ARPA allocation requires a loan of at least 20 years; money comes back free of ARPA requirements; must be encumbered by end of 2024 and spent by the end of 2026; and funded project must meet certain criteria requirements, e.g., must be a project utilizing State/Federal Tax Credits. Mr. Purinton said there is an opportunity to use returning funds to create a revolving fund for similar projects.

The Federal Tax Credit Program (LIHTC) creates over \$9 billion in funds annually to subsidize affordable housing developments and the Oklahoma Housing Finance Agency (OHFA) is the State agency who awards the tax credit to developer applicants. A competitive process is used to rank and award funds to applicants twice a year.

The City purchased just under five acres for \$525,000 located at Imhoff Road and Oakhurst Street for purposes of this RFP in early 2023. Mr. Purinton said this is a great location for a Tax Credit Application and the previous owner zoned the property as a Simplified Planned Unit Development (SPUD) for a 75 unit senior affordable housing project.

The City issued an RFP for developers in late spring that resulted in six applications. The RFP was modeled after OHFA's application to ensure the chosen developer has high probability of success of being awarded LIHTC funding. The developer selected is Gorman Management Company/Milestone Property Development.

Gorman Management Company is a family business centered around real estate development and management since 1904 and were the only RFP applicant with strong ties to Norman (current and future property development in Norman). The applicant also has the best history of quality property management, retention of properties, and is the developer of choice among Catholic Charities. Mr. Purinton said knowledge and experience is important because OHFA will not let you apply for a tax credit unless you have experience or partnering with someone who has experience.

Mr. Purinton said the development will consist of 75 units and will be a mix of single-family and multi-family units and amenities for the project include a storm shelter; raised garden beds; playground (away from abutting property owners); greenspace; accessible units; and more. He said all ground units would meet Norman's visitability requirements.

The project must maintain affordability for at least 40 years; ARPA funds will be used as a loan to developer; developer secures OHFA funding and constructs project; and there will be limitations on transfer of property. Mr. Purinton said the application will more likely be funded if the City agrees to provide infrastructure improvements; however, appropriation of funds will be needed.

Mayor Heikkila said Senator Tom Cole has some funds that are to be used specifically for these types of project infrastructure, including sewer lines, waterlines, stormwater drainage, etc. He would like to pursue that funding, if possible.

The zoning and contract timeline is as follows:

- October – Initial Master Agreement with developer and Planning Commission review
- November – All agreements and miscellaneous items related to the project will be on Council's agenda as well as zoning approval by Council (fast tracked)
- January 2024 – OHFA application of the developer for project funding
- March 2024 – OHFA awards project funding
- Project completion by summer of 2026

Items submitted for the record

1. PowerPoint presentation entitled, "Affordable Housing Project Update dated September 26, 2023, prepared by Lisa Krieg, Community Development Block Grant (CDBG)/Grants Manager, and Anthony Purinton, Assistant City Attorney

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ADJOURNMENT

ATTEST:

City Clerk

Mayor