



# 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

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## AMENDED AGENDA

*It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please contact the ADA Technician at 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.*

### CALL TO ORDER

### AGENDA ITEMS

1. UPDATE ON ARPA AFFORDABLE HOUSING PROJECT.

### ADJOURNMENT

# CITY OF NORMAN

## Affordable Housing Project Update 9/26/23

Lisa Krieg, CBDG/Grants Manager

Anthony Purinton, Assistant City Attorney





# Overview

- Today: Informative overview to allow all Councilmembers to have the same background and context for the benefit of future meetings
- Future Council Meetings: More specific details about the project details and agreements between City and the Developer
- Discussion today will include:
  - Brief background on Council Actions, ARPA, and State and Federal Tax Credit Program
  - RFP Process and Outcome
  - Timeline of future meetings

SECTION ONE

# AFFORDABLE HOUSING, ARPA, AND TAX CREDITS

# Affordable Housing, what does that mean?

Item 1.

- General Idea: Housing development with rental caps to maintain affordability for tenants meeting income criteria
- *Affordability* according to HUD: Housing expenses do not exceed 30% of a household's total income
- Tenants must have an income and pass background and rental history checks

# Affordability and Rents

| <b>Household Income</b>                  | 1 Person  | 2 people  | 3 people  | 4 people  |
|------------------------------------------|-----------|-----------|-----------|-----------|
| 30% Median Income                        | \$ 17,200 | \$ 19,680 | \$ 22,140 | \$ 24,570 |
| 50% Median Income                        | \$ 28,700 | \$ 32,800 | \$ 36,900 | \$ 40,950 |
| 60% Median Income                        | \$ 34,440 | \$ 39,360 | \$ 44,280 | \$ 49,140 |
|                                          |           |           |           |           |
| <b>Maximum Rents including utilities</b> | 1 Bedroom | 2 Bedroom | 3 Bedroom |           |
| 30% Median Income                        | \$ 461    | \$ 553    | \$ 639    |           |
| 50% Median Income                        | \$ 768    | \$ 922    | \$ 1,065  |           |
| 60% Median Income                        | \$ 922    | \$ 1,107  | \$ 1,278  |           |

# Council Background

- Homebase Study identified gap of **9,000** affordable rental units.
- City Council allocated 6.4 million in ARPA funds to dedicate to affordable housing
- Using money to purchase land and offer as project financing, City issued RFP seeking developers for affordable housing project



# ARPA Allocation:

## Investment in Affordable Housing

- ARPA requirements for affordable housing loans
  - Loan must be at least 20 years
  - Money comes back free of ARPA requirements
  - Must be encumbered by end of 2024 and spent by end of 2026
  - Funded project must meet certain requirements (e.g., must be a project utilizing State/Federal Tax Credits)
- Opportunity to use the returning funds to help create a revolving fund for similar projects

# OKLAHOMA HOUSING FINANCE AGENCY

Item 1.

- Federal Tax Credit Program (LIHTC) creates over \$9 billion in funds annually to subsidize affordable housing development
- OHFA is the state agency who awards tax credits to developer applicants
- Competitive process used to rank and award funds to applicants twice a year

## SECTION TWO

# RFP PROCESS AND OUTCOME

# Imhoff and Oakhurst

- City bought just under 5 acres for purposes of this RFP in early 2023
- \$525,000
- Great Location to maximize success for a Tax Credit Application
- Previous owner zoned property as SPUD for 75 unit senior affordable housing project



# Request for Proposal

Item 1.

- City issued RFP for developers late spring
- RFP resulted in 6 applications
- RFP modeled after OHFA's application to ensure the chosen developer has high probability of success being awarded LIHTC funding
- Developer selected: Gorman Management Company / Milestone Property Development

# Gorman Properties

Item 1.

- Family businesses centered around real estate development and management since 1904, four generations.
- Tom Gorman: current president
- ONLY RFP applicant with strong ties to Norman (current and future properties in Norman)
- Applicant with the best history of quality property management and retention of properties
- Developer of choice and long-time partner with Catholic Charities

## Unit Mix:

1BR 30% AMI – 10 (voucher)

1BR 50% AMI – 4

1BR 60% AMI – 26

2BR 50% AMI – 5

2BR 60% AMI – 6

3BR 50% AMI – 9

3BR 60% AMI – 15

## Amenities:

- Storm Shelter
- Raised Garden beds
- Playground (away from abutting property owners)
- Accessible Units
- More...



43% Greenspace





# General Agreement Terms

Item 1.

- Must maintain affordability requirements for at least 40 years (also req'd by IRS and OHFA)
- Funding – ARPA funds as loan to developer
- Developer secures OHFA funding and constructs project
- Limitations of transfer of property
- City agrees to provide infrastructure improvement? (Need to appropriate funds for this)

# WHAT'S NEXT

# Zoning and Contract Timeline

Item 1.

- October
  - Initial Master Agreement with Developer
  - Planning Commission
- November
  - All agreements and misc. items related to project on CC agenda
  - Zoning Approval by City 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**

# QUESTIONS?

