



MEMORANDUM

Council Agenda
Item No. IX. AB
8/15/2023

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution relating to Request for Proposals (RFP-OCITY-128), Residential Developers for the Construction/Rehabilitation of Affordable Housing; allocating Fiscal Recovery Funds to Crossroads at NE Grand Blvd., LP, for *Crossroads at NE Grand Blvd.*, 2115 NE Grand Boulevard, in the amount of \$900,000, and to Catholic Charities of the Archdiocese of Oklahoma City, Inc., for *Caritas Casitas*, 1101-1105 South Youngs Boulevard, in the amount of \$800,000; approving Affordable Housing Loan Agreements and Mortgage and Security Agreements; receiving Declarations of Affordability Requirements and Promissory Notes; approving Subordination and Standstill Agreement with BOKF, NA (Bank of Oklahoma) and Crossroads at NE Grand Blvd., LP; and authorizing execution of necessary documents. Wards 6 and 7.

Background:

The City of Oklahoma City has received federal allocations totaling \$122,507,590 in Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Funds) that have been provided pursuant to the American Rescue Plan Act of 2021 (ARPA). The Fiscal Recovery Funds are intended to provide support to the City in responding to and containing the impact of the COVID-19 public health emergency on the City's communities, residents, and businesses. On September 14, 2021 (Item No. XI. Q.), the City Council adopted a plan for the use of ARPA Fiscal Recovery Funds which includes a subcategory allocation of \$8,250,000 for housing.

On July 19, 2022 (Item No. IX. R.), the City Council approved a Request for Proposals (RFP-OCITY-128) from residential developers, including non-profit developers, housing organizations, and service organizations, to provide proposals for the construction and/or rehabilitation of affordable housing to generally serve households with incomes under sixty percent (60%) of Area Median Income. On July 27, 2022, the U.S. Department of the Treasury issued additional guidance relating to the use of Fiscal Recovery Funds for affordable housing, clarifying the intended use of the funds is to generally serve households with incomes under sixty-five percent (65%) of Area Median Income and a need for projects funded to have a minimum twenty (20) year affordability period. On August 3, 2022, Addendum No. 1 to the Request for Proposals was issued to modify RFP requirements to be consistent with the U.S. Department of the Treasury's additional guidance, and the deadline for submittal of proposals was extended until September 28, 2022. On March 28, 2023 (Item No. IX. AB.), the City Council ratified Addendum No. 1.

The City received 21 proposals in response to the Request for Proposals, with funding requests totaling approximately \$49,000,000. A selection committee evaluated all proposals received,

considering compliance with ARPA requirements; RFP selection criteria including project readiness, the proposer's qualifications, experience and track record, and capacity and capability; and other factors. The selection committee also conducted interviews with recommended proposers and recommended nine (9) proposed projects for funding allocations. On March 28, 2023 (Item No. IX. AB.), the City Council approved allocations and funding agreement packages for three (3) recommended projects. On May 9, 2023 (Item No. IX. AC.), the City Council approved allocations and funding agreement packages for four (4) additional recommended projects.

Funding agreement packages, consisting of an Affordable Housing Loan Agreement, a Declaration of Affordability Requirements, a Mortgage and Security Agreement, and a Promissory Note, have been negotiated with and signed by the remaining two (2) recommended proposers and are submitted herewith for City Council consideration.

Crossroads at NE Grand Blvd., to be located at 2115 N.E. Grand Boulevard. (Ward 7), is a project by Ironwood Development, an affiliate of Springfield, Missouri-based Trinity Housing Development Company. The project encompasses the new construction of a 56-unit multifamily community on 4.88 acres of vacant land in a Qualified Census Tract and an Opportunity Zone. The project would be subject to a 40-year affordability commitment, and eight (8) units would be subject to a U.S. Veteran's preference. The project's total budget is approximately \$14.8 million. The proposed \$900,000 allocation would provide a partially deferred loan for the project, repayable beginning after twenty (20) years. This project's funding agreement package includes a Subordination and Standstill Agreement that prioritizes BOKF, NA's (Bank of Oklahoma's) mortgage loan.

Caritas Casitas, to be located at 1101-1105 S. Youngs Boulevard (Ward 6), is a project by Catholic Charities of the Archdiocese of Oklahoma City, Inc. The proposed \$800,000 allocation would help to fund the development of a pocket neighborhood consisting of twelve (12) housing units in proximity to the organization's Sanctuary Women's Development Center, a women's day shelter for women and their children experiencing homelessness. Modular, factory-built duplexes are planned for the project. The project will serve special needs populations such as individuals transitioning from homelessness, and case management services will be made available to project residents. The project would be subject to a 20-year affordability commitment. The project's total budget is approximately \$1 million.

Cost:

\$1,700,000

Source of Funds:

Grant Fund - Department of Treasury - Non-Departmental - COVID-19 American Rescue Plan - Housing - Other Services and Charges (019-6980-9808000-GCOV19ARP-GAR2B-52000001)

Review:

Planning

Recommendation: Resolution be adopted.