



MEMORANDUM

Council Agenda
Item No. IX. Y
12/3/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution approving the release of loan documents related to a HOME Program Loan Agreement with Faith To Government, Inc. and Temple Gardens, L.P. with the exception of the covenants contained in a Declaration of Affordability Requirements; and approving forgiveness of \$10,332.30 in principal and waiving of \$7,838.02 in previously deferred and accrued interest.

Location:

1515 NE 48th Street Oklahoma City, OK 73111.

Purpose:

Release the monetary encumbrances filed of record at the office of the Oklahoma County Clerk and close the loan made between the City and partner agencies, Faith To Government, Inc. and Temple Gardens, L.P.

Background:

The City of Oklahoma City ("Lender" or "The City") entered into a HOME Program Loan Agreement ("Loan Agreement") with Faith To Government, Inc. ("Borrower" or "FTG") on April 26, 2005 whereby The City loaned FTG \$520,000 ("Loan #1") of federal HOME Investment Partnership Program Funds ("HOME Funds") for development of a fifty (50) unit rental housing for senior citizens located at 1515 NE 48th Street in Oklahoma City ("the Project"). FTG, with permission of The City, re-loaned Loan #1 to Temple Gardens, L.P. ("TGLP") for development of the the Project.

The Loan Agreement was amended on September 26, 2006 to include an Assumption Agreement whereby TGLP joined as party to the Agreement for the purpose of receiving an additional loan in the amount of \$316,863 ("Loan #2") of federal HOME Funds.

The complicated arrangement among parties to the Loan Agreement required a series of mortgages, assignments, and corrections, which are itemized in the attached Resolution, that were timely filed of record at the Office of the Oklahoma County Clerk to protect the interests of The City and the HOME Funds involved with the Project.

Borrower on October 31, 2024 repaid three years early, the full principal balance of Loan #1 and all but \$10,332.30 of Loan #2.

Over the past 19 years, Borrower has faithfully paid its installment obligations to The City and

maintained the Project as affordable housing for low-income seniors. As incentive for the early payoff, and as a gesture to assist FTG to continue its service and community development mission, The City is willing to forgive the principal balance on Loan #2 and waive previously deferred and accrued outstanding interest on both Loans #1 and #2, which were deferred due to the COVID pandemic and more recently during payoff negotiations. The deferred interest portions as of the October 31, 2024 payoff date are calculated at \$4,689.42 for Loan #1 and \$2,693.60 for Loan #2 for a total of \$7,383.02 of interest to be forgiven. FTG has confirmed it shall use the forgiven funds in furtherance of its mission to serve the community.

Approval of this action will not release a Declaration of Affordability Requirements, which is a land covenant ensuring that the Project remains as affordable housing for seniors until November 2027.

Review:

Planning Department

Recommendation: Resolution be adopted.