



MEMORANDUM

Council Agenda
Item No. IX. AE
1/2/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution ratifying and approving execution of Subordination Agreement with Mercy Community Capital and Rainbow HIL Apartments, Inc., for The Cottages at Rainbow Hill, 4511 Madera Boulevard. Ward 4.

Background:

The City of Oklahoma City received federal allocations totaling \$122,507,590 in Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Funds) that were provided pursuant to the American Rescue Plan Act of 2021 (ARPA). 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.

The City received 21 proposals in response to the Request for Proposals, with funding requests totaling approximately \$49,000,000. A total of nine (9) proposed projects were recommended for funding allocations by the City Council. On May 9, 2023 (Item No. IX. AC.), the City Council approved a \$400,000 allocation and funding agreement package for The Cottages at Rainbow Hill, a six-unit facility for seniors and special needs individuals, to be located at 4511 Madera Boulevard.

This project's financing structure was finalized at closing on or about December 7, 2023. The City Council's May 9, 2023 resolution authorized the Mayor to sign subordination agreements related to the City's funding agreements, provided that executed copies of the applicable documents are filed with the City Clerk's Office. A Subordination Agreement with Mercy Community Capital and Rainbow HIL Apartments, Inc., is submitted herewith for City Council ratification.

Review:
Planning

Recommendation: Resolution be adopted.