



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 04/22/2025

**REQUESTER:** Anthony Purinton, Assistant City Attorney

**PRESENTER:** Anthony Purinton, Assistant City Attorney

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF RATIFICATION OF CONTRACT ADDENDUM NUMBER ONE, TWO AND THREE TO CONTRACT K-2324-94: A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF NORMAN OKLAHOMA AND MILESTONE PROPERTY DEVELOPMENT, L.L.C., AND REAUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS ON BEHALF OF THE CITY OF NORMAN TO EFFECTUATE THE TRANSACTIONS, INCLUDING ISSUANCE OF LETTERS OF COMMITMENT RELATING TO THE TRANSACTION AND BUDGET TRANSFER AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

The City of Norman received funding under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, as authorized by the American Rescue Plan Act (ARPA). The City allocated 6.4 million dollars of its SLFRF award to be used for Affordable Housing. On 11/14/23, Norman City Council entered into an Agreement with Milestone Property Development LLC to develop real property located on the NE Corner of Imhoff and Oakhurst for an affordable housing development using a combination of City SLFRF and Low Income Housing Tax Credit (LIHTC) funding.

Pursuant to the authorization given to the City Manager upon approval of K-2324-94, three contract addendums have been approved since entering into the original agreement. In an abundance of caution, Staff is presenting all contract addendums to City Council for ratification of the prior City Manager approval in advance of the closing scheduled at the end of this month. A summary of each contract addendum is provided below. Copies of each Addendum and the corresponding staff reports for each are also attached to this agenda item.

### **DISCUSSION:**

The Contract Addendums to K-2324-94 approved by the City Manager are summarized as follows:

**Addendum No. 1** was approved February 27<sup>th</sup>, 2025, which extended the time period for closing and construction commencement for an additional sixty (60) days. The extension reflected the additional time that was needed for the developers to negotiate more favorable terms with their selected tax credit equity partner. With that additional time for negotiation, the developers were able to secure more tax credit equity, which benefits the overall economic viability of the project.

**Addendum No. 2** was approved March 26<sup>th</sup>, 2025 and expanded the contract's language for selection of a closing company to allow for greater flexibility to choose a title and closing company with relevant experience in handling complex closings of a similar nature.

**Addendum No. 3** was approved April 14<sup>th</sup>, 2025 and amended the project's description to account for the increased amount of Project-Based Vouchers (PBVs) that were awarded to the project. The amount of PBVs were increased from 10 to a total of 16, which increases the economic stability of the project.

**RECOMMENDATION:**

Staff recommends ratification of the City Manager's Approval of Contract Addendum No. 1-3 to contract K-2324-94. In addition, Staff recommends the continued authorization of the city manager or his designee to execute any documents on behalf of the City of Norman to effectuate the transactions.