

## **CAPTC's Draft Plan for Proposed Use of NSP Funds**

**Presented at NSP Public Hearings on October 14, 2009 at 9 am and October 15, 2009 at 4 pm at Community Action Project of Tulsa County Headquarters located at 4606 S. Garnett Rd Tulsa, OK. Notices were published in the Tulsa World, posted on the CAPTC and City of Tulsa websites, and posted in CAPTC headquarters 7 days before the public hearing.**

The purpose of this public hearing is to solicit comments from Tulsans on the Neighborhood Stabilization Program (NSP) current contract between Community Action Project of Tulsa County (CAPTC) and the Oklahoma Department of Commerce (ODOC) in the amount of \$4,346,397 in entitlement funds and \$1,250,000 in NSP funds that CAPTC applied for under the "Remaining 20%" category of the State Plan. A full RFI will be submitted on October 19, 2009 and will be available for review on CAPTC's website at [www.captc.org](http://www.captc.org), the City of Tulsa website at <http://cityoftulsa.org/community-programs/grants.aspx>, and the Oklahoma Department of Commerce website at <http://www.okcommerce.gov/>. The City of Tulsa will also have the plan available at all four regional libraries (Hardesty, Martin, Rudisill, and Zarrow) and the Greater Hispanic Chamber of Commerce.

We are especially interested in hearing comments from low-moderate income persons who may benefit from the funds.

The NSP program is a \$3.92 billion Federal grant program created through the Housing and Economic Recovery Act of 2008, to address the problem of abandoned and foreclosed properties and to stabilize neighborhoods in economic decline related to the recent housing market downturn. HUD administers the grant program.

Fund expected to be available if CAPTC's proposal is approved: \$5,596,397.

All comments can be submitted to:  
Development Department  
Community Action Project of Tulsa County  
4606 South Garnett Road  
Tulsa, OK 74146  
[nspadministrator@captc.org](mailto:nspadministrator@captc.org)

There will be an additional opportunity for citizens to offer comment on the proposed use of funds. The City of Tulsa will be holding a public hearing on November 5, 2009 at 6 pm. The City of Tulsa will publish notices at least 10 business days in advance in several newspapers, including the Oklahoma Eagle and Hispano de Tulsa.

## **NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

### **Purpose**

U.S. Housing and Urban Development (HUD) has allocated a total of \$3.92 billion to all states and particularly hard-hit areas trying to respond to the effects of high foreclosures. HUD's new **Neighborhood Stabilization Program (NSP)** will provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The funding is provided through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. These targeted funds will be used to purchase foreclosed properties at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values.

### **CAPTC's PROPOSED USE OF FUNDS**

#### **ACTIVITY DESCRIPTION**

CAPTC and the City of Tulsa propose to combine the NSP current contract between CAPTC and the Oklahoma Department of Commerce in the amount of \$4,346,397 in entitlement funds and \$1,250,000 in NSP funds that CAPTC applied for under the "Remaining 20%" category of the State Plan. CAPTC and the City of Tulsa propose to combine the NSP current contract in the amount of \$4,346,397 in entitlement funds and \$1,250,000 in NSP funds that CAPTC applied for under the "Remaining 20%" category of the State Plan. CAPTC proposes to use the combined amount of \$5,596,397 to secure a foreclosed 259-unit foreclosed multi-family property, Cimarron Apartments, in East Tulsa from the current appointed receiver. This property serves as an important source of affordable housing in the surrounding neighborhood and currently maintains an 81% occupancy rate. NSP funds would contribute towards the acquisition of the property by CAPTC. Non-federal resources and leverage funding would be used towards renovation costs which include replacement of mechanical systems, roof, common areas, staircases, installation of high-efficiency toilets, flooring replacement, curbing, exterior wood replacement, and exterior weatherization.

All of the families that currently live in Cimarron Apartments fall well below 120% area median income. A "very low income" subset will target incomes at or below 50% of the area median income by providing permanent housing for very low-income households under the eligible program element of providing affordable rental housing for families displaced by homelessness or those who are homeless or at risk of homelessness.

Any program income generated through a future sale and/or refinancing of the property in the next four years, in compliance with NSP regulations, will be used for the purpose of stabilizing neighborhoods and properties that have suffered foreclosures and abandonment in low to

moderate income areas of North Tulsa and throughout the City. CAPTC is a committed partner in providing decent, safe, and affordable housing to Tulsa's low to moderate income families.

- (a) National Objective Benefit: All 259 units will benefit clients that are 120% or below the area median income. Specifically, 195 units benefit low, moderate and middle income persons/families,  $\leq 120\%$  of area median income and the remainder will benefit those  $<50\%$  of area median income as stated in B.
- (b) Amount benefiting  $< 50\%$  of Area Median Income: \$1,294,151 of the total NSP amount used towards this acquisition will meet the low income housing requirement for those below 50% of area median income. 65 units will be set aside for the income levels of households that are 50 percent of area median income and below.
- (c) Total Housing Units/Beneficiaries – Cimarron Apartments is a 259 unit multi-family complex and will serve 259 households.

#### **LOCATION DESCRIPTION**

The Cimarron multi-family property is located in census tract 73.12 at 13201 East 31<sup>st</sup> Street Tulsa, OK. It is located in an area that scores at 6 or higher in the estimated HUD Foreclosure and Abandonment risk score. The property also falls within the geographic targeting strategy of the agency and contains mostly 2 bedroom units conducive to families. See attached map.

Legal Description:

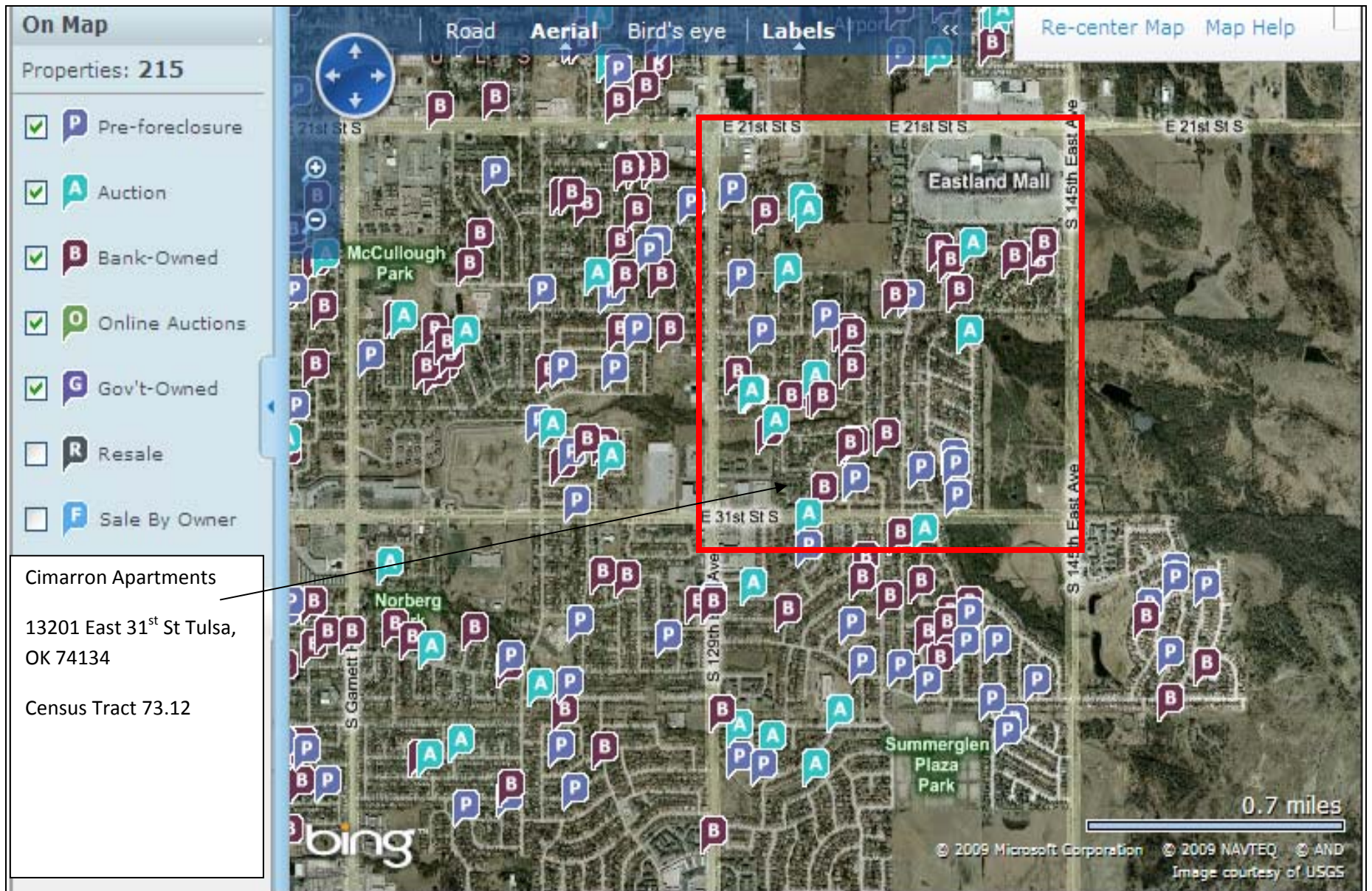
BEG NECR LT 1 BLK 2 TH S492.17 SW699.45 N900 E570 POB BLK 2

The location of this property is within a 1.5 mile radius catchment area of CAPTC's Disney Early Childhood Education Center and Eastgate Early Childhood Center. The East region of Tulsa County routinely has more than 500 children on the waiting list. This area of Tulsa has experienced considerable changes over the last decade. In recent years, East Tulsa experienced pressures of a rapidly changing economy – local, regional, national and global. Some significant setbacks include the challenges of change in the aerospace industry, energy and information-technology industries. It has been further tested by the steady decline of a regional retail center due in part to rapid suburban development and the lack of supporting infrastructure in outlying and newly annexed eastern portions of the area.

The free and reduced lunch rates of students enrolled in area elementary schools ten years ago hovered around 25%. Today, that percentage has skyrocketed to above 90%. The racial demographics of the school population have also changed, as the percentage of Hispanic students climbed from 10% to 35% in a matter of years. The agency's Reed and Disney Family Centers and Eastgate Early Childhood Education Center are all located in this region. In the interest

neighborhood stabilization efforts, this purchase will further contribute to stabilizing the area by enabling young families in the area to have access to safe, affordable housing in the proximity of a neighborhood. It is also within reasonable distance to medical communities, grocery stores, restaurants, primary traffic routes, banking institutions, work destinations, and other residential housing which are important contributing factors in stabilization efforts.

DRAFT



## **SUBCONTRACTORS**

CAPTC's procurement process, which adheres to the standards set forth in the NSP implementation manual, will be followed to identify non-profit and for-profit contractors to help carry out the work associated with these funds.

## **ASSURANCE OF COMPLIANCE WITH NSP PROTECTIONS**

CAP will stringently adhere to NSP protections as outlined in Recovery Act tenant protections, which are included in the NSP Bridge Notice of June 19, 2009 and the NSP2 Notice of Fund Availability of May 4, 2009.

CAP is also aware that tenant protection requirements in the Recovery Act are separate and apart from the obligations imposed on grantees by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). The URA applies to any person displaced as a direct result of acquisition, rehabilitation, and/or demolition of real property for a Federal or federally-assisted project.

Eligibility determinations under the URA and the required notices and relocation assistance requirements are different and separate from the tenant protections in the Recovery Act. Grantees cannot assume that a person entitled to the tenant protections under the Recovery Act is also eligible for assistance under the URA (or vice versa).

## **PROPOSED ACTIVITIES LIKELY TO RESULT IN DISPLACEMENT**

CAPTC does not anticipate any displacement occurring as a result of proposed activities. However, CAPTC will fully comply with URA and Section 104d requirements set forth in Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) - 49 CFR Part 24 and Section 104(d) of the HCD Act (104(d)) – 24 CFR Part 42. CAPTC will be fully compliant in informing affected persons of their rights which will take place upon submission of the new proposal on October 19, 2009.

## **GRANT EXPERIENCE**

CAP has a strong track record of providing housing services to low-income and moderate-income people. Several years ago, our Board of Directors determined that providing and developing affordable housing options was one of the most important activities with which the agency should be involved. The agency's decision was based on our belief that helping families locate quality, affordable housing was a critical element to helping them climb the economic ladder to achieve and maintain self-sufficiency.

CAPTC is one of the largest and most active non-profit housing organizations in Oklahoma. Through the HOME program, CAP has been acquiring and rehabilitating properties since 1994. As the only affiliate of NeighborWorks America (NWA) in Tulsa, CAP serves as a Community Housing

Development Organization (CHDO) operating HOME programs for the City of Tulsa and the Metropolitan Tulsa HOME Consortium.

The agency has developed and implemented several programs to help low-income clients prepare for home purchase and ownership and to increase the supply of quality, affordable housing in the low-income community.

Our homeownership initiatives combine a comprehensive set of services targeted to low- and moderate-income households. CAP's programs and services have grown and changed over time in response to the needs of our service area. Our current homeownership initiatives include: Homebuyer Education and Counseling, Financial Assistance (down payment/closing costs), Affordable Housing Production, and Resident Services/Community Outreach.

### *Rental Properties*

CAP's portfolio of rental properties is designed to provide affordable housing options for low-income individuals while fostering the community reputation of the agency. CAP's current property portfolio includes two multi-family properties and a selection of single-family homes. Brightwaters Apartments is a 200-unit multi-family property with 100% Project-Based Section 8. The facility underwent a \$3 million dollar renovation utilizing the Low-Income Housing Tax Credit program. Norwood Apartments is a 32-unit multi-family property. CAP also owns 36 single-family homes.

CAPTC is also currently the recipient of City of Tulsa CDBG funds for several of its programs and has been for more than 10 years. We have consistently met and/or exceeded requirements in grant program performance and spending compliance.

### *Resident Support Services*

CAP's resident services and community outreach programs are provided to residents of our rental properties. The current scope of services provided includes:

- General community outreach including referrals to CAP programs and other organizations, health fairs, safety and drug awareness education, community building events.
- Active, sustainable resident associations at CAP housing sites that include training residents in successful leadership and community organizing strategies and monthly resident council meetings.
- Case management and administration of emergency aid.
- Implementing and coordinating a new learning center at Brightwaters Apartment complex.

CAPTC is also currently the recipient of City of Tulsa CDBG funds for several of its programs and has been for more than 10 years. We have consistently met and/or exceeded requirements in grant program performance and spending compliance.