The Community Builders, Inc

Substantial Amendment Request

Grant B-09-NN-MA-0003

Submitted: September 23, 2011

This is a request for a substantial amendment to TCB’s NSP2 Grant. The request is to approve 18 additional census tracts in areas of greatest need in order to target and reconnect neighborhoods within TCB’s defined service areas. TCB also requests to withdraw approval of 6 approved census tracts: 110010029.00 in Washington, DC, 420770011.00 in Allentown, PA, 421010109.00 in Philadelphia, PA, 517600604.00 and 517600607.00 both in Richmond, VA, and 390490069.21 in Columbus, OH. The TCB strategy has three components.

1. Acquire or assemble vacant land and/or buildings to develop affordable housing in locally determined development initiatives.
2. Redevelop projects with vulnerable populations who are low and moderate income
3. Acquire occupied projects with low or moderate-income tenants facing foreclosure or are foreclosed.

Some of the properties in TCB’s original application and amendments were sold or became unavailable between the time the original application was submitted and the grant approved, and other opportunities to fulfill NSP2 and TCB goals have arisen, necessitating this request. However, TCB reserves the right to find other projects in those approved census tracts.

TCB has selected projects in each target area which will have the greatest impact to rapidly arrest neighborhood decline due to vacancies, foreclosures and other mitigating factors such as high unemployment. This substantial amendment addresses Factor 1, Factor 3, Factor 5 and Factor 6 of the NOFA for each of the proposed new projects. TCB earned all points under Factor 2 and nothing has changed so we are not resubmitting on that factor. These projects fall under activities B, D and E. TCB has attempted to do the deep targeting required to turn around a neighborhood while ridding the area of destabilizing factors such as large vacant buildings or tracts of vacant land, which hold back development efforts and have an overall dampening effect on the neighborhood.

Each project is significant enough in size to produce the needed impact. These proposed projects are often part of a much larger neighborhood strategy or metropolitan wide plan that is being implemented in coordination with the local and state officials and often includes participation by local CDCs. Input from and approval by concerned citizens has been solicited. Due to TCB’s commitment to truly affordable housing and to requirements of other funding elements, 30 to 50
year affordability restrictions are expected in each of these projects. The plan is to create construction, development and property management job opportunities for local residents during and after construction.

TCB’s proposed projects will use the NSP2 funds for pre-development, acquisition and some construction. This is expected to leverage funding such as low income housing tax credits, tax exempt bonds, Federal Home Loan Bank AHP program funds, soft seconds and/or private debt or equity to take out a portion of the NSP2 funds and allow a reinvestment of these NSP2 dollars into other new deals.

Each project includes significant energy conservation standards. The minimum standard is energy star appliances, high efficiency furnaces, insulation, low flow toilets and shower heads, and replacement windows. Most projects strive for some level of LEED certification and may include green roofs and thermal heating or other more significant alternative energy improvements.

TCB expects to achieve the following three outcomes.

1. Expend 50% of the funding for acquisition and rehabilitation of abandoned or foreclosed properties by quarter ending December 30, 2011 and 100% of the funding by December 2012.

2. Expend 50% of funds for the Demolition of blighted structures by the quarter ending December 30, 2011 and 100% of the funding by December 2012.

3. Expend 50% of funding for redevelopment of demolished or vacant land into low to moderate income housing by the quarter ending December 20, 2011 and 100% of funds expended by February 2012.

All units utilizing NSP2 funds will house tenants with incomes at or below 120% of AMI. 25% of NSP2 funds will provide units which will house tenants whose incomes are at or below 50% of AMI.

TCB has established staff positions for monitoring. The staff will monitor Davis Bacon, section 3, and Buy American compliance as well as MBE/WBE state and local requirements, environmental approvals, national objective compliance, URA and TPFA compliance, contract procurement compliance, the 25% ≤ 50% AMI and 100% ≤ 120%AMI, etc. Staff will work in conjunction with our construction management division on the Davis Bacon, section 3, MBE/WBE and Buy American compliance to confirm appropriate meetings happened with contractors, documentation is completed and requirements are included in all contracts and follow up on payroll submissions, site interviews and adherence to requirements. Staff have created the Section 3 plan and are implementing it. Staff will work with our project managers on
URA and TPFA and procurement compliance. Staff will work with our environmental staff to ensure environmental approvals have been received.

The internal audit function is being handled by an outside CPA firm. The firm has been chosen and the contract is in process. Reviews will be done three times a year.

TCB has established the tcbinc.org website which is constantly updated with information. TCB has also set up an email address for the ease of citizens at nsp2programs@tcbinc.org and a phone line at 857-221-8710. Citizen inquiries will be responded to in writing within 15 days

Please contact: Pam Hallett, NSP2 Program Manager

Phone: 857-221-8654

Email: phallett@tcbinc.org
Noquochoke Village is a proposed development on vacant land in the rural town of Westport on Massachusetts’ South Coast. The Town of Westport has a severe shortage of affordable housing and has spent many years of planning and their own town resources to purchase land to offer developers in an RFP to transform vacant land near the commercial center into affordable housing. It is an NSP2 eligible activity as the redevelopment of vacant property for multifamily affordable housing. The Community Builders responded to the request with a proposal to build fifty apartments in nine buildings on the site, donating 23 acres of the 31 acre parcel to the Land Trust, thereby forever preserving a large portion of the site for passive recreation. In addition, a small portion of the developed area will be reserved for a potential future homeownership development.

**Factor 1: Need/Extent of the Problem**

**A. Target Geography**

Westport is a mostly residential town with a large farming community. It lies between the cities of Fall River and New Bedford and is adjacent to Dartmouth with its state university. The town is within a half hour commute of Providence, RI and is 60 miles from Boston. Westport is also a popular summer destination because of its Horseneck Beach State Reservation, widely regarded as one of New England’s best beaches. The Greater Boston market’s high prices place pressure on Bristol County’s housing market. Families move to the area in search of affordable suburban homes only to face high commuting costs and lack of housing options, except for high priced single family home ownership. Demand for seasonal lodging also causes upward pressure on home prices in Westport. There is almost no residential vacancy, and there are very few rental units in the town. Locally, unemployment and underemployment are problems because of the seasonal tourist economy and the decline of industry in nearby Fall River and New Bedford.

**Vacancy**

The vacancy rate for the target census tract and the town of Westport, as measured by the USPS, is 0.00%. This area is in one of the fastest growing regions of Massachusetts and has a severe shortage of affordable housing.

**Foreclosures**

In June 2011 there were 4 active foreclosures in the 02790 ZIP Code and 3 in July. The ZIP Code is contiguous with the town of Westport.

**Employment needs contributing to the decline**

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1 Source: RealtyTrac
As of February 2011, the town’s unemployment rate was high at 14.8% (not seasonally adjusted). This is significantly higher than the state unemployment rate of 8.6%. It is also a large increase over Westport’s 8.5% unemployment rate in January 2007. The unemployment rate is historically higher in Westport than the county and state as a whole, due somewhat to the seasonal nature of the seaside community.

**Poverty and Rental Cost Burden**
The poverty rate in this census tract in 2009 was 6.45%. Only 21.1% of the area’s population are renters, with 45.52% of the renters cost-burdened and 39.79% extremely cost burdened. Many owners in the area (30.05%) are also cost burdened with 12.29% extremely cost burdened. These numbers indicate a strong need for additional affordable housing in Westport.

**Interrelated Factors**
While Westport retains its historic character as a small beach and farming town, its housing market has been pulled in several directions from outside influences. Westport’s housing is in demand from commuters because the town functions both as a commuting suburb of Providence and an exurb of Boston. Westport borders Fall River and is only 3 miles from New Bedford, two small, dense, old industrial cities. This site is only 4 miles from UMASS Dartmouth, one of Massachusetts’ four state universities, which has been growing in recent years and adding jobs and demand for housing in Westport. Its housing stock also faces demand as vacation homes. Westport residents run the gamut from commuters to blue collar workers to low-wage seasonal workers to retirees and vacationers. The current housing stock fails to meet this diverse demand, especially for renters and lower wage earners.

**B. Market conditions and demand factors**

**Projected absorption**
There are 3 active foreclosures in the 02790 ZIP Code. Within the census tract, there are 0 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 3 units to be absorbed.

The current residential absorption rate within the census tract is 0 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 0 units by 2014, which means the total number of units to be absorbed will remain 3 by 2014.

**Factors influencing Foreclosures**
This area suffers from a relatively high unemployment rate and a shortage of affordable ownership and rental housing. Nearly a third, 30.05%, of homeowners are cost-burdened with 12.29% extremely cost-burdened. The cost-burdens have been exacerbated by rising...

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2 APARTMENT MARKET STUDY: NOQUOCHOKE VILLAGE. July 11, 2011 PREPARED BY: KEYSTONE CONSULTING GROUP
unemployment during the recession, which is outpacing the state, while home prices remain under the influence of the high-priced Greater Boston market.

**Income characteristics**
The poverty rate within the census tract is 6.45%. The percentage of renters who are cost-burdened is high at 45.52%. There is a need for quality affordable housing in the town. This need has become stronger with declining employment. Unemployment in Westport rose from 8.5% in January 2007 to 14.8% in February 2011.

**Relevant social, governmental, educational or economic factors**
Massachusetts law (Chapter 40B) sets a goal for every municipality to have at least 10% of its year round housing stock designated as affordable. Westport is far behind this goal with roughly 4% of its stock affordable. The town has, however, become proactive towards reaching its affordable housing goal. The town designated this vacant land to be developed for affordable housing. It is in an area of Westport with relatively good transportation access and access to amenities, for a low density, rural town. The local government is committed to return this vacant land to productive use to satisfy its housing needs.

**Strategy for stabilizing the target census tract**
This area has a severe shortage of affordable housing because its stock is too small, unemployment is high, and wages are too low for housing costs. According to the market study completed for the Noquochoke development proposal, “The fair market rent (FMR) in Bristol County requires that nearly 3 persons in the household be full time wage earners to afford FMR. There is a relatively low level of affordable housing options in Westport, with only 4 percent of its housing stock deemed affordable, much less than the state mandated 10 percent affordable requirement. This has caused housing, be it for sale or for rent, to become increasingly unaffordable for some residents.” Noquochoke will address these issues by adding affordable rental housing to vacant land along one of the town’s main transportation corridors.

**Factor 3: Soundness of Approach**

<table>
<thead>
<tr>
<th>Noquochoke Village</th>
<th>Census Tract:</th>
<th>250056461.02</th>
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<tbody>
<tr>
<td>Residential Units to Acquire:</td>
<td>0</td>
<td>USPS Vacant units in Tract:</td>
</tr>
<tr>
<td>Residential Units to Build:</td>
<td>50</td>
<td>Attributable to this property:</td>
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TCB has proposed to develop 50 apartments in 9 buildings with access from the American Legion Highway (Route 177), including 15 one bedroom, 30 two-bedroom, and 5 three-bedroom units. This mix reflects the Westport Needs Assessment and our own market research, and meets the threshold requirement for 2-3 bedroom units under the Department of Housing and

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3 APARTMENT MARKET STUDY: NOQUOCHOKE VILLAGE. July 11, 2011 PREPARED BY: KEYSTONE CONSULTING GROUP
Community Development Qualified Allocation Plan for low income housing tax credits which gives priority to projects that provide for 75% of the units to be deemed family units. Additionally, TCB will construct a 2,500 SF community building. TCB manages properties in nearby Fall River and New Bedford so this property would benefit from the efficiencies of property management over a larger portfolio.

TCB analyzed bedroom sizes and affordability goals as stated in the Town’s Affordable Housing Action Plan. The proposed development program for the Noquochoke site sets income tiers that mirror the Town’s affordability needs as closely as possible, with eight (8) units for residents making below 30% of AMI, thirty-two (32) units for those between 31-60%, and ten (10) units for those between 61-100%. Therefore, all 50 units will be affordable to persons earning up to 100% of AMI, which equates to $74,500 for a family of four in Bristol County.

The development plan will also include special needs housing: TCB applied for and was awarded Community Based Housing (CBH) funds in a recent Cape Cod project to provide the financing needed to meet the design requirements and housing for Special Needs persons of the town. TCB’s Noquochoke Village proposal also includes three special needs units and has included CBH financing as part of its funding plan. These units will be reserved and marketed specifically to people with disabilities, mental and physical, providing housing for this documented and needy population of Westport.

A large portion of the site will be reserved for public open space. The Community Builders has been discussing plans for the open space parcel with the Westport Land Conservation Trust. Both TCB and WLCT are enthusiastic about the possibility of working together to preserve it as a conservation area with public access. TCB or an affiliated entity will deed the 23 acre Open Space Parcel to the south of the Development Parcel to the Westport Land Conservation Trust, at the time of closing, simultaneously with the transfer of property rights from the Town to the Developer. NSP2 funds will only be used to acquire and develop approximately 8 acres of the land for housing.

TCB will also add an additional .5 acre parcel between the Development and Open Space parcels if the town is not interested in retaining this parcel for future home ownership (or other) options.

Consultation, Outreach and Communications
TCB plans numerous meetings with town entities and residents throughout the development process, including presenting at Westport’s open town meeting, its historic commission, and conservation committee. TCB has also already been in discussion with the Westport Land Conservation Trust about the open space portion of the parcel. In a small New England town, the open town meeting provides a direct forum for residents to question, influence, and vote on town matters and is the most direct way to engage the local community on development questions.

Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

A. Transit Accessibility
There is limited transit accessibility in Westport. There is bus service along Route 6 provided by the Southeastern Regional Transit Authority (SRTA) connecting to Fall River and New Bedford. During the summer, bus service is extended to Horseneck Beach. Regional bus service can be reached in Fall River. The site has quick access to US Route 6 and I-195, giving access to employment in New Bedford, Fall River, and Providence. The site is also only 4 miles from UMASS-Dartmouth’s campus. Additionally, the site is roughly a half hour drive from both the Lakeville-Middleboro MBTA Commuter Rail terminal with access to Boston and the Providence rail station with MBTA Commuter Rail service to Boston and Amtrak service along the Northeast Corridor. There are plans for Commuter Rail extensions to Fall River and New Bedford.

B. Green Building

TCB is committed to truly sustainable development. TCB’s approach applies sustainability principles with a focus that maximizes benefits for a mixed income community, emphasizing strategies that reinforce affordability by reducing the cost of living and the need for private auto use, maximizing energy and water use efficiency, and promoting healthy indoor environments. Efficient building systems, appliances, and fixtures will reduce the environmental impact and residents’ cost of daily living while providing comfortable indoor environments. Particular emphasis will be placed on designing and building a high-performance building envelope and heating system. All units will be Energy Star certified. Other measures will include boilers with 90% efficiency ratings, setting upper limits on unit thermostats and automatic lighting controls in common areas. Water conservation measures exceeding the local building code will be implemented. The project team includes LEED (US Green Building Council rating system) Accredited Professionals who understand the tradeoffs and synergies in sustainable strategies. TCB will provide specifications, and design and build to a standard that is consistent with Silver LEED Certification for the project, as well as require that all Energy Star appliances and systems equipment be used.

Factor 6: Neighborhood Transformation and Economic Opportunity

TCB is invested in many similar southeastern Massachusetts towns. Our long-term commitment in the area extends beyond development to proper management and resident supports. Our mission is not just housing but also investing in the people who reside in the places we create, through job placement services, skill development, community programs, and outreach to the schools. TCB’s brand of quality, affordable rental housing will lessen Westport’s severe shortage of affordable rental units and add life to its historic town center by redeveloping this vacant land near the town center.
PS6 is an abandoned, structurally ruined school building at 33 Ashburton Avenue and is the fifth phase of Municipal Housing Authority for the City of Yonkers replacement housing efforts for the Mulford Gardens HOPE VI project, providing additional offsite housing for both seniors and families. The MHACY selected the Community Builders, Inc. (TCB) as the developer of the School 6 site. The development effort will address the blighting influence of the abandoned school, continue the City’s and the MHA’s joint investment and development of the Ashburton corridor, and create the replacement housing originally intended when the Mulford Gardens HOPE VI was approved. It is an NSP2 eligible activity as the redevelopment of vacant property for multifamily affordable housing.

Factor 1: Need/Extent of the Problem

A. Target Geography
Public School 6 (PS6) is located in the Ravine Avenue neighborhood of Yonkers and is bordered by the Ashburton Avenue Neighborhood to the west. The Ravine Avenue Neighborhood has suffered a long and continuous downward spiral of social and economic disinvestments and ultimately severe physical distress. Because of such significant community decline and disinvestment, the City of Yonkers is working to define priorities, long-range goals and develop policy documents for both of these neighborhoods so that public capital investment, urban renewal actions, and zoning changes can be integrated to effectuate comprehensive revitalization in this area of the city. As part of this priority effort, the City designated the area as the Ravine Neighborhood Urban Renewal Area. The demolition and redevelopment of (PS6), a long-abandoned, blighted and prominent structure, and its replacement with a new mixed-income community will serve as a positive catalyst for the neighborhood renewal that community and municipal stakeholders are seeking to achieve in both the Ashburton Avenue Urban Renewal Area and in the Ravine URA.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 5.25% which is higher than the city’s vacancy rate of 3.11%.

Foreclosures
In April 2011 there were 7 active foreclosures in the 10701 ZIP Code and 9 in May 2011 of a total in the city of Yonkers of 24 in April and 21 in May.

Employment needs contributing to the decline


2 Source: RealtyTrac
As of February 2011, the city’s unemployment rate was 8.6% (not seasonally adjusted). This is slightly lower than the state average of 8.7% as the New York metro has maintained a stronger economy than other old industrial cities and rural areas in the state of New York. It is, however, a large increase over the 5.2% unemployment rate in January 2007. These numbers show both the burden of unemployment during this recession and the potential that Yonkers holds for revitalization.

The Ravine Avenue neighborhood has much lower employment than the City of Yonkers as a whole. Of the 3,425 residents in the area, only 1,195 or 34% are working for a 66% unemployment rate. The lack of gainful employment is a critical distress factor plaguing the area residents and of equal importance is the ability of area residents to obtain a living wage. Nearly 30 percent of the area’s population over the age of 25 lacks a basic high school diploma, which is critical to finding employment and realizing a living wage.

**Poverty and Rental Cost Burden**
The poverty rate in this census tract in 2009 was high at 19.91%. Three-quarters (74.58%) of the population are renters, with 59.17% of the renters cost-burdened and 25.53% extremely cost burdened. Many owners in the area (18.54%) are also cost burdened with 13.97% extremely cost burdened.

**Interrelated Factors**
Our redevelopment program builds on the strengths of the surrounding neighborhood and leverages recent and proposed development activities occurring in adjacent neighborhoods in order to revitalize the Ravine neighborhood. The neighborhood includes a community center, community health center, a public school, and other several prominent churches. In addition, there are retail, office, and industrial land uses along Warburton Avenue.

**B. Market conditions and demand factors**

**Projected absorption**
There are 8 active foreclosures in the 10701 ZIP Code. Within the census tract, there are 140 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 148 units to be absorbed.

The current residential absorption rate within the census tract is 1.3 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 45 units by 2014, which means the total number of units to be absorbed will drop to 103 by 2014.

**Factors influencing Foreclosures**
This is a high poverty census tract that is mostly renter occupied. Of the quarter of households that are owner-occupied, 18.54% are cost-burdened with 13.97% extremely cost-burdened. The cost-burdens have been exacerbated by rising unemployment during the recession.
**Income characteristics**
The poverty rate within the census tract is very high at 19.91%. The percentage of renters who are cost-burdened is also high at 59.17%. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in Yonkers rose from 5.2% in January 2007 to 8.6% in February 2011.

**Relevant social, governmental, educational or economic factors**
This area is the subject of two major City of Yonkers Urban Renewal Areas and HOPE VI projects supporting them. This development is a part of these activities, which taken together have major potential to revitalize this well-located but low-income neighborhood. By providing replacement housing to those displaced by public housing redevelopment, School 6 will provide some stability to the area.

**Strategy for stabilizing the target census tract**
This area has a high rate of poverty and a high cost of living and is also experiencing major demolition and redevelopment of its public housing stock. For these reasons, new construction of high quality, affordable homes along a main avenue will have a beneficial impact on the neighborhood’s stability.

**Factor 3: Soundness of Approach**

<table>
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<th>Public School 6</th>
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<tr>
<td>Yonkers (Westchester County), NY</td>
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<tr>
<td>HUD scores:</td>
</tr>
<tr>
<td>Residential Units to Acquire: 0</td>
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<tr>
<td>Residential Units to Build: 120</td>
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PS 6 is a one-acre, previously city owned parcel less than one mile from the original Mulford Gardens Housing Development. The PS 6 property will be redeveloped into a mixed income, mixed finance development consisting of a 9-story, 93,000SF, 70 unit family building and a 5-story, 57,000 SF, 50 unit senior building with 96 parking spaces in parking garages beneath each building. PS 6 will provide 50 senior units and 70 family units to those residents relocated from Mulford years ago as well as to the community at large.

The two buildings will re-invigorate pedestrian activity along Ashburton Avenue by providing new retail / commercial and community spaces at the ground floor, landscaped terraces, street trees, public benches, new lighting and finished sidewalks creating an attractive urban environment. Both Senior and Family buildings have a 4-5 story brick clad base to relate to the neighboring buildings on Ashburton Avenue. The design includes a high number of windows, especially on facades facing south, to maximize daylight and views for the apartments and common areas. The building shapes provide a strong presence/continuity along Ashburton Avenue and on proposed streets. The main entrance arch of the School 6 building will be preserved and reconstructed as a landscape feature along new pedestrian stairs.
The development will be 100 percent affordable in order to meet the financial needs of the low-income population of the City of Yonkers including the former Mulford Gardens residents.

TCB and MHACY have attained some commitments for financial support for the project from Federal, State, County and City resources and are proceeding with design, environmental reviews, and permitting, expected to be complete by year end 2011. The project will utilize RHFF, County HIF, bond financing and 4% LIHTC, NY Homes for Working Families, NSP2 funds awarded TCB in 2009, City Home funds, Brownfields tax credits, as well as other sources. The TCB/MHACY team currently includes nationally recognized firms of IMC Consulting, and Magnusson Architecture and Planning, PC (architects), and John Meyers Consulting (civil engineers).

The City has committed to donating this one-acre site to the Municipal Housing Authority for the City of Yonkers (MHACY) as a component of the City’s commitment to the HOPE VI Program. The Mulford Gardens development was a 550 unit housing development constructed in 1938-1940. The City of Yonkers provided funding support for the MHACY’s demolition of the buildings in 2008-2009 and the site is now being redeveloped in its first phase into 100 units of affordable housing. The project is now completing its third phase of Hope VI-approved development, having created over 200 units of senior and family rental housing as well as another 90+ units of Hope VI supported rental and home ownership housing. A fourth phase of 56 family units is now awaiting tax credit funding. PS6 is an abandoned, structurally ruined school building at 33 Ashburton Avenue and is the fifth phase of Mulford’s replacement housing efforts, bringing it to a total of 475 units of new mixed income housing.

**Consultation, Outreach and Communications**

Because this development will be completed in conjunction with neighborhood redevelopment plans and a HOPE VI development, extensive community and government consultation, outreach and communications has been completed and will be continued.

Municipal Housing Authority for the City of Yonkers (MHACY) has communicated regularly and significantly with affected residents, state and local governments, private sector providers, financing entities, developers, and other members of the surrounding community through regular community resident and stakeholder meetings, use of the MHACY’s website, materials left for distribution and sharing at the local library, the community center, City Hall and with the local Council Persons office staff. MHACY’s outreach process has allowed key stakeholders and members of the community an opportunity to contribute recommendations and opinions with regard to the development and implementation of the revitalization plan and we have aggressively reached out to local community groups including faith based organizations and community and social service providers to share information about the project and solicit feedback. MHACY is working with the residents as well as Local, State and Federal agencies to ensure complete and meaningful involvement in this project.

The Cottage Gardens revitalization initiative has provided ongoing outreach and community updates since the plan was initially envisioned in 2009. The Housing Authority and its developer The Community Builders earnestly involved the residents as well as local stakeholders, design professionals, government and faith-based organizations throughout 2009 and early 2010.
through ongoing planning and community meetings. These early planning and outreach meetings with the City, local community groups and the community all gathered input on the proposed redevelopment plans. Before any definitive plans were developed, the Team engaged a master planner, Urban Design Associates, who were the original planners of the Ashburton Avenue URA, and are currently involved in both the Ravine URA and in the Yonkers Downtown revisioning. The master plan for Cottage Place began with a series of work sessions with residents in which “best and worst” exercises were done, wish lists and complaints heard about their neighborhood, their apartments, and their hopes for what could be. We have additionally provided three meetings specifically discussing the HOPE VI process, its planning and implementation. Additionally, since the NOFA was published by HUD, the MHACY team has held four community group meetings about HOPE VI, the development, homeownership and project coordination between September 2, 2010 and November 22, 2010. All meetings were held in English, with a Spanish interpreter. MHACY continuously publishes information about the Cottage Gardens redevelopment in the MHACY’s monthly resident newsletter distributed to all MHACY residents and additionally posts information and materials to our webpage making them available to everyone.

MHACY also directly involved the City of Yonkers, with the overwhelming support, assistance and leadership of the honorable Mayor Philip A. Amicone and Majority Council Leader Patricia McDow. Understanding that the HOPE VI grant is truly a community-wide revitalization effort, and that it is extremely important to make sure all departments are working toward the same goal, the Mayor provided the MHACY with a forum to explain the application process and categorize the efforts each department has already made or will make over the life of the HOPE VI revitalization program. In addition, MHACY has met with and coordinated regularly with the City’s Office of Planning and Development, as well as with Ms. Patricia Dow, the District City Councilwoman for this area who is very excited and supportive of this program.

In addition to the community meetings and collaborative efforts detailed above, MHACY, The Community Builders, and IMC Consulting also held several meetings with Westchester County, and with different officials at were also in communication with the State of New York Department of Housing and Community Redevelopment to introduce the project and to update as plans evolved. The support of both the County and the State was solicited at a very early stage of the project’s development.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility**

This site has excellent connection to multiple modes of public transit. It is .38 miles from the Yonkers stop on the Hudson branch of the MetroNorth Railroad. The short walk to this station connects the site to employment in Manhattan, the Bronx and destinations elsewhere in Westchester County.

The site is only one-quarter of a mile from bus stops serving the routes 25, 30, and 6 Bee-Line buses connecting the area to sites around Yonkers, the Bronx, New Rochelle, and other Westchester suburbs. The 25 bus connects to the MTA 2 and 5 train subway lines.
The site also receives an 83 out of 100 “Very Walkable” rating from walkscore.com. In addition to transit, the area boasts a number of commercial and recreational amenities to which residents can walk.

B. Green Building
The project will be enrolled in the NYSERDA Multifamily Performance Program New Construction 3 (MPP-NC) with Energy Star and will be designed to LEED 2009 Silver for New Construction standards. The following summary highlights the strategies identified to meet requirements specific to the Enterprise Green Communities Criteria checklist.

The site plan will be developed to implement storm water management system for the whole site, harvesting rainwater from landscape design features at grade.

The two buildings (Senior and Family buildings) integrate passive solar heating with daylight design, and will have green/high performance features with smart building technology. MHACY plans to enhance the energy-efficiency of the buildings, use fewer raw materials, make the best use of natural light in all living and public areas, and create a healthy indoor environment for occupants through integrated design, best practices, and emerging technologies.

With specific attention to energy efficiency, the buildings will be designed to exceed the minimum performance requirements of NYSERDA MPP-NC at 20% energy savings over ASHRAE 90.1-2004. This will primarily be achieved through a high performance building envelope of R-20 consisting of 2” of continuous exterior insulation at the exterior CMU cavity wall with additional high performance insulation such as blown cellulose or bio-based foam in the interior furring at 24” OC to further reduce thermal performance losses. The garage will be thermally isolated from the floor above with a minimum of R-25 insulation. The green roofs will have a minimum 6” of continuous rigid insulation R-40. If feasible, the windows will be Energy Star Rated fiberglass frame, low-e models with thermal break.

Best practices air-sealing and flashing details will allow for the building to be virtually airtight. Proper ventilation will be provided and balanced with mechanical systems and Energy Star fans. The ventilation to each unit will be a minimum of 15 cfm/person equivalent with the assistance of integrated trickle vents for all living and bedroom windows.

The units will be heated and cooled via EER 15+ water source heat pumps along with central AERCO condensing boilers capable of 95% efficiency and cooling tower. Distribution pump efficiency will be optimized by utilizing VFD controllers. The boilers will also utilize an indirect storage tank for domestic hot water.

All appliances and hard-wired light fixtures will be Energy Star labeled. In addition, motion sensors will be used throughout the complex to reduce lighting in unoccupied spaces and daylight sensors will be used in spaces with sufficient exposure. Photo sensors and automatic timing devices will control outdoor, perimeter, and green roof lighting.

3 http://www.getenergysmart.org/Files/Multifamily/NewConstruction/GreenAffordableHousingApp.pdf
The building will be independently tested to exceed Energy Star requirements and meet LEED for New Construction quality assurance best practices. Further, the requirements of the Green Communities Criteria have been incorporated into the project documents and will be verified on-site by the green design professional or general contractor.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

The former Public School 6 site is included in the Ravine Avenue Urban Renewal Area, and is near two additional Urban Revitalization Areas serving the Ashburton Avenue and Alexander Avenue areas. This phase extends the impact of the MHACY’s HOPE IV effort to the western end of Ashburton Avenue, where incomes are very low, neglect is high and no new investment has yet begun. The $47 million development of the School 6 site, including two mid-rise, mixed income buildings, would anchor that end of Ashburton and be a catalyst for additional private infill development. The project also promotes the City’s and private sector’s investment in the western edge of the City and the City’s master plan of waterfront high rises, parks and recreation along the Hudson River.
Grant Park II is the second phase of the Grant Park development to be constructed along a new road (Loehr Avenue) traversing the vacant site of the former Mulford Gardens public housing project. The development phase consists of 2 buildings with modularly constructed units of 1, 2 and 3 bedrooms. There are commitments from numerous sources to complete the development, but it was not successful in the 2010 round of LIHTC due to state considerations of geographic need and Yonkers attaining credits in the prior year. There is a pending application for 2011 tax credits. NSP2 funds can accelerate the schedule by reducing the reliance on the very competitive 9% tax credits and bring to completion this important mixed-income development on a large swath of vacant land in the Ashburton Avenue Urban Renewal Area. It is an NSP2 eligible activity as the redevelopment of vacant property for multifamily affordable housing.

Factor 1: Need/Extent of the Problem

A. Target Geography
Grant Park II is located in the Ashburton Avenue neighborhood of Yonkers. The Ashburton Avenue neighborhood emerged as an important industrial area during the 1800s, first with a concentration of mills and then with a rapid growth in manufacturing during the Industrial Revolution. The increased activity in the neighborhood catalyzed adjacent housing and commercial development throughout the second half of the 19th century. As the neighborhood continued to grow in importance and population, an array of important institutions followed, including the St. John’s Riverside Hospital and several churches and schools.

The neighborhood was significantly changed in 1939 with the construction of the 552 unit Mulford Gardens public housing project, the largest and oldest public housing in Yonkers. The closing of the carpet mills in 1954 heralded the beginning of the physical decline of the Ashburton Avenue area, and decades of industrial job loss followed. The next three decades saw a decline in population, deterioration in the quality of buildings, and increased vacancy.

The City of Yonkers is responding to the decline and disinvestment in this neighborhood through the creation of master plans and policy documents to coordinate capital investment, urban renewal actions, and zoning changes1. As part of this priority effort, the City designated the area as the Ashburton Avenue Neighborhood Urban Renewal Area. The demolition of the former Mulford Gardens public housing superblock, which was completed in 2009, and its replacement with a new mixed-income community will serve as a positive catalyst for the neighborhood renewal that community and municipal stakeholders are seeking to achieve in the Ashburton Avenue Urban Renewal Area.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 3.76% which is higher than the city’s vacancy rate of 3.11%.

Foreclosures
In June 2011 there were 3 active foreclosures in the 10703 ZIP Code and 2 in July 2011 of a total in the city of Yonkers of 24 in June and 21 in July.¹

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 8.6% (not seasonally adjusted). This is slightly lower than the state average of 8.7% as the New York metro has maintained a stronger economy than other old industrial cities and rural areas in the state of New York. It is, however, a large increase over the 5.2% unemployment rate in January 2007. These numbers show both the burden of unemployment during this recession and the potential that Yonkers holds for revitalization.

Poverty and Rental Cost Burden
The poverty rate in this census tract is extremely high at 45.37%. Virtually all (97.94) of the population are renters, with 53.88% of the renters cost-burdened and 26.65% extremely cost burdened. The ACS reports that 100% of owners are cost-burdened as well and that 0% are extremely cost-burden, but statistical variations are due to the very low population size of 36 ownership units in the tract.

Interrelated Factors
The redevelopment program builds on the strengths of the surrounding neighborhood and leverages recent and proposed development activities occurring in adjacent neighborhoods in order to revitalize the Ashburton neighborhood. The area includes a significant number of institutional buildings: medical facilities, churches and religious institutions, schools and other community-related uses. Some of the most prominent of these uses are found in the Ashburton Avenue – Park Avenue – St. Joseph Avenue area, located south-west of the vacant former Mulford Gardens project. This section of the study area includes St. John’s Riverside Hospital (formerly Yonkers General Hospital), the church of St. Joseph and associated school, convent and rectory buildings, the Greyston Foundation and Blessed Sacrament Monastery, the Westchester School for Special Children (located to the north of Blessed Sacrament), and the Yonkers Community Action Program facility. There is also a commercial corridor along Ashburton Avenue, although it currently features several auto-related uses and vacancies. The area features strong park and recreation space, including the four-acre Grant Park.

B. Market conditions and demand factors

Projected absorption

¹ Source: RealtyTrac
There are 2 active foreclosures in the 10703 ZIP Code. Within the census tract, there are 66 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 68 units to be absorbed.

The current residential absorption rate within the census tract is 0.7 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 24 units by 2014, which means the total number of units to be absorbed will drop to 44 by 2014. These remaining existing vacancies reflect units that today are unwanted or unsuitable for re-occupation.

**Factors influencing Foreclosures**
This is a very high poverty census tract that is mostly renter occupied. Of the few households that are owner-occupied, 100% are cost-burdened. The majority of renters are cost-burdened as well, creating difficulties for multi-family properties. The cost-burdens have been exacerbated by rising unemployment during the recession.

**Income characteristics**
The poverty rate within the census tract is very high at 45.37%. The percentage of renters who are cost-burdened is also high at 53.88%. There is a desperate need for quality affordable housing in this neighborhood within the very high cost New York MSA. This need has become stronger with declining employment and low wages. Unemployment in Yonkers rose from 5.2% in January 2007 to 8.6% in February 2011.

**Relevant social, governmental, educational or economic factors**
This area is the subject of a City of Yonkers Urban Renewal Area and the Mulford Gardens HOPE VI project supporting it. The Grant Park II development is an integral part of implementing the community plan, which if completed has major potential to revitalize this well-located but low-income neighborhood. Phases 1 to 4 of the HOPE VI have already been completed, including Grant Park I, Father Pat Carroll Green, Park Terrace and Park Vista.

**Strategy for stabilizing the target census tract**
This area has a high rate of poverty and a high cost of living and is also experiencing major demolition and redevelopment of its public housing stock. For these reasons, new construction of high quality, affordable homes along a main avenue will have a beneficial impact on the neighborhood’s stability.

**Factor 3: Soundness of Approach**

<table>
<thead>
<tr>
<th>Grant Park II</th>
<th>Yonkers (Westchester County), NY</th>
<th>Census Tract:</th>
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<td>HUD scores:</td>
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<td>18</td>
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<tr>
<td>Residential Units to Acquire:</td>
<td>0</td>
<td>USPS Vacant units in Tract:</td>
<td>66</td>
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</tbody>
</table>
Grant Park II will feature 56 units in two buildings, including 24 1BR units, 24 2BR units, and 8 3BR units. The affordability mix will match the priorities of the NY State finance agency as outlined in the 2011 QAP for LIHTCs.

The $21,000,000 development has been successful attaining soft funds conditioned on the award of low income housing tax credits. The project was not successful in the 2010 round of LIHTC due to state considerations of geographic need and Yonkers attaining credits in the prior year. The development is being submitted as a 9% Low Income Housing Tax Credit project for the 2011 low-income housing tax credit application period. NSP2 funding will mitigate the uncertainty created by reliance on a timely tax credit award and will enable this critical portion of a comprehensive neighborhood redevelopment initiative to leverage conditional funding sources and move forward.

**Consultation, Outreach and Communications**
This development helps implement a series of community-informed planning processes, including the Ashburton Avenue Master Plan, the Ashburton Avenue Urban Renewal Plan, and the Mulford Gardens HOPE VI. Because this development will be completed in conjunction with these plans, extensive community and government consultation, outreach and communications has already been and will continue to be completed.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility**
This site has excellent connection to multiple modes of public transit. It is .75 miles from the Yonkers stop on the Hudson branch of the MetroNorth Railroad. The walk to this station connects the site to employment in Manhattan, the Bronx and destinations elsewhere in Westchester County.

The site is less than one-quarter of a mile from bus stops serving the routes 1, 3, 9 and 78 Bee-Line buses connecting the area to sites around Yonkers, the Bronx, White Plains, and other Westchester suburbs. The 1 bus connects to the MTA 1 train subway line in the Bronx.

The site also receives a 75 out of 100 “Very Walkable” rating from walkscore.com. In addition to transit, the area boasts a number of commercial and recreational amenities to which residents can walk.

**B. Green Building**
As a general practice, The Community Builders is committed to designing developments to LEED or equivalent standards and to creating energy efficient homes. This project will be enrolled in the NYSERDA Multifamily Performance Program New Construction3 (MPP-NC) with Energy Star and will be designed to LEED 2009 Silver for New Construction standards.

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3 [http://www.get energysmart.org/Files/Multifamily/NewConstruction/GreenAffordableHousingApp.pdf](http://www.getenergysmart.org/Files/Multifamily/NewConstruction/GreenAffordableHousingApp.pdf)
Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

This site is a core component of the Ashburton Avenue Urban Renewal Area, and is near two additional Urban Revitalization Areas serving the Ravine Avenue and Alexander Avenue areas. During the past several years, the City of Yonkers has invested significant resources from both the public and private sectors towards community economic redevelopment. In addition to the Mulford Gardens HOPE VI this area features the construction of the Father Pat Carroll Green housing and the redevelopment of the historic Nepperhan Valley Industrial Park. The Ashburton Avenue area is poised to capitalize on these programs and the success in recent years of the downtown’s ability to attract private investment. However, the economic downturn and changes in the availability of housing financing delayed and threaten to harm progress. NSP2 funds can expedite the Grant Park II project and put this redevelopment on track.
The Hillcrest Senior Residences will be built on the site of a long-abandoned Giant Eagle grocery store in the Carrick neighborhood of Pittsburgh. They will be new construction of 64 units of senior housing conveniently located near neighborhood amenities and transportation. It is an NSP2 eligible activity as the redevelopment of vacant property for multifamily affordable housing. In addition to providing quality, affordable and convenient homes for seniors, Hillcrest will remove a source of blight from Carrick’s central commercial corridor.

Factor 1: Need/Extent of the Problem

A. Target Geography
Carrick is an older low to moderate income neighborhood on Pittsburgh’s south side, located between the suburbs of the South Hills and downtown Pittsburgh. Brownsville Road is the central commercial corridor of the neighborhood. This old inner suburban Pittsburgh neighborhood has been hard hit by residential and commercial vacancies, of which the Giant Eagle site is a highly visible symbol at the gateway to the neighborhood.

The Hillcrest site sits just inside Pittsburgh’s border with Brentwood Borough, PA. The opposite sides of Brownsville Road and of Owendale Avenue lie in Brentwood, a small middle class suburb of Pittsburgh. This boarded-up supermarket on a large site vacant for roughly a decade forms a poor entrance to Carrick and the City of Pittsburgh from the South Hills suburbs.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 8.09% which is slightly less than the city’s vacancy rate of 8.46%.

Foreclosures
In April 2011, there were 9 active foreclosures in 15227 ZIP Code and a total of 204 in the city of Pittsburgh. In May 2011, there were 11 in the ZIP Code and 288 in the city.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 7.4% (not seasonally adjusted). This is slightly lower than the state average of 8.5% as Pittsburgh has maintained a stronger economy than other old industrial cities and rural areas in Pennsylvania. It is, however, a large increase over the 4.9% unemployment rate in January 2007. These numbers show both the burden of unemployment during this recession and the potential that Pittsburgh holds for revitalization.

Poverty and Rental Cost Burden
The poverty rate in this census tract in 2009 was 5.9%. Only 27.82% of the population are renters, with 56.3% of the renters cost-burdened and 13.12% extremely cost burdened. Many
owners in the area, 20.11%, are also cost burdened with 8.74% extremely cost burdened. Hillcrest will fulfill the area’s need for affordable rental homes for seniors in an overwhelmingly owner-occupied area with few options for seniors aging out of older, inaccessible homes.

**Interrelated Factors**
Brownsville Road is Carrick’s main commercial corridor and a primary route into Pittsburgh from the South Hills suburbs. Carrick has three main commercial clusters along Brownsville Road, serving local residents and easily accessible by transit. The commercial area around the Giant Eagle site has been harmed by the influence of the blighted former supermarket building.

**B. Market conditions and demand factors**

**Projected absorption**
There are 7 active foreclosures in Hillcrest’s 15227 ZIP Code\(^1\). Within the census tract, there are 163 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 170 units to be absorbed.

The current residential absorption rate within the census tract is 1.0 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 36 units by 2014, which means the total number of units to be absorbed will drop to 134 by 2014. These remaining vacancies do not negate the need for affordable housing in the area. They are old and inappropriate for the needs of the aging population that Hillcrest will serve.

**Factors influencing Foreclosures**
This neighborhood is overwhelmingly owner-occupied at 72.18%. One-fifth of these owner-occupants are cost-burdened, and 8.74% are extremely cost-burdened. The aging population is finding themselves unable to afford to stay in their homes, many of which are of an old housing stock.

**Income characteristics**
The poverty rate within the census tract is 5.9%. The percentage of renters who are cost-burdened is 56.3%, and barely more than a quarter of the tract’s units are renter occupied. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in Pittsburgh rose from 4.9% in January 2007 to 7.4% in February 2011.

**Relevant social, governmental, educational or economic factors**
This area is aging. It is home to an aging population with an average age above 44\(^2\) in the census tract, and a higher average age in Hillcrest’s block group. Seniors wanting to continue to live in

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\(^1\) Source: RealtyTrac

\(^2\) Source: US Census 2010
their neighborhood are at risk of being forced out as their homes decline and deteriorate because the residents do not have resources to invest in capital repairs of their homes. These seniors need affordable housing. The poverty rate for seniors over 65 is three times the census tract’s average. Roughly three-quarters of the area’s housing stock is owner-occupied, and these homes’ owners are highly cost-burdened. The housing stock is highly aged. The median year built in the census tract is 1939\(^3\). Carrick’s long-time residents need affordable and accessible housing to be able to leave costly inappropriate houses and yet still remain in their community.

**Strategy for stabilizing the target census tract**
As mentioned this vacant 1.67 acre site lies on Carrick’s central corridor at the border of the city and its South Hills suburbs. The site has been vacant for a number of years, depressing its portion of the Brownsville Road mixed-use corridor. The area also has a lack of quality rental housing for an aging population. Hillcrest will address these problems by removing a source of blight and providing affordable, quality, accessible homes that will enable the area’s seniors to remain in their neighborhood. Eliminating the largest blighting influence in the neighborhood will attract new residents who can then purchase the homes of the current seniors who are moving out.

**Factor 3: Soundness of Approach**

<table>
<thead>
<tr>
<th>Hillcrest Senior Residences</th>
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<tbody>
<tr>
<td>Pittsburgh (Allegheny County), PA</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Residential Units to Acquire: 0</td>
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<tr>
<td>Residential Units to Build: 64</td>
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</table>

The Hillcrest Senior Residences will provide 64 homes for seniors in 46 1BR and 18 2BR units. Hillcrest will be 100% affordable at a range of incomes matched to 202, LIHTC and NSP funds. Hillcrest will be a single building on the 1.76 acre site. An application is currently pending for 202 funds, and an application will be submitted for the next round of tax credit allocations.

Hillcrest will also include a community space that will be planned to house a service-related business to serve Hillcrest’s seniors and the area’s residents.

**Consultation, Outreach and Communications**
The Community Builders are working closely with District 4 City Councilor Natalia Rudiak to address this source of blight in her district. The development team also consults with local community groups including the Carrick Community Council and the Hilltop Alliance. Additionally, the proposal received support letters from the neighboring suburban communities of Brentwood and the nearby city neighborhood of Overbrook.

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\(^3\) Source: US Census 2010
Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

A. Transit Accessibility
The site is located adjacent to a bus stop which provides access to the 46A, 46A/F, 51C, 53C, and BR bus routes. These lines connect the site to downtown Pittsburgh, suburban Brentwood and Whitehall, and other destinations. Service is frequent, with ten minute headways during commute times.

The site also receives a 75 out of 100 “Very Walkable” rating from walkscore.com. In addition to transit, the area boasts a number of commercial and recreational amenities to which residents can walk.

B. Green Building
Hillcrest will be designed to a LEED Silver Standard. The Community Builders is committed to creating energy efficient homes. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

Hillcrest must be a good example of sustainable and energy-efficient design because the Carrick neighborhood takes pride in being green. In 1997, Carrick was named the first “Cool Community” in the northern U.S. by the Department of Energy. “Cool Community” is a national recognition program for energy conservation and strategic tree planting. Carrick community groups undertook weatherization projects, a planting program, and green renovations of Carrick High School to earn the award.

Factor 6: Neighborhood Transformation and Economic Opportunity

Hillcrest will benefit the neighborhood’s economy in ways reflecting priorities expressed by the Pittsburgh Partnership for Neighborhood Development⁴ and the Hilltop Alliance⁵. First, it will remove a major source of blight from Carrick’s front door. Second, it will create 64 affordable accessible rental homes for seniors in an area with an aging population, an aged housing stock, and a dearth of rental opportunities. Thirdly, it aims to create local jobs in its construction, its management, and the community service oriented business for which it will provide space. It is hoped that these direct benefits will have spillover effects to stabilize the neighborhood. Transforming a long-vacant property to active use should encourage greater investment in this mixed-use corridor. Providing opportunities for long-term residents to age in their own community will have a positive social impact on the neighborhood.

⁴ [http://www.ppnd.org/goals/goals.shtml](http://www.ppnd.org/goals/goals.shtml)
The Wood Street Corridor project is a proposed revitalization of prominent but troubled properties along Wood Street in Wilkinsburg, PA. The Black Vietnam Veterans Building at 1009 Wood St is abandoned and tax delinquent, and 1016 Wood St is vacant. Both properties lie within the Wilkinsburg Business District Revitalization Plan. The site is only about 2.5 miles east along Penn Avenue from TCB’s East Liberty Place development and TCB’s Pittsburgh office. This project is an opportunity to leverage tax delinquent, abandoned, derelict properties for significant revitalization of an historic town center. As a purchase and rehabilitation of abandoned and vacant properties for affordable housing, it is an eligible NSP2 activity.

Factor 1: Need/Extent of the Problem

A. Target Geography
Wilkinsburg is a small, 2.3 square mile borough bordering Pittsburgh just seven miles east of downtown Pittsburgh. Mid-century urban flight and the demise of the steel industry left Wilkinsburg with barely half of its peak population of approximately 30,000 during the 1940s. Wilkinsburg today is poised for a comeback, with new investment from a local community development corporation, public agencies, banks and foundations. Revitalization efforts concentrated in the borough’s business district are proceeding well, and this development would support them.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is very high at 13.96% and is 30% higher than the borough’s vacancy rate of 10.79%.

Foreclosures
In April 2011, there were 11 active foreclosures in 15221 ZIP Code. In May 2011, there were 17 in the ZIP Code.

Employment needs contributing to the decline
The Borough of Wilkinsburg is below the 25,000 person population threshold needed to obtain unemployment statistics. Unemployment for the Pittsburgh MSA rose from 7.9% to 8.9% between January 2010 and February 2011. Unemployment in Pennsylvania rose from 5% to 8.5% over the same period.

Poverty and Rental Cost Burden
The poverty rate in this census tract in 2009 was very high at 25.17%. The vast majority (70.59%) of the population are renters, with 69% of the renters cost-burdened and 25% extremely cost burdened. These numbers highlight the need for affordable housing for Wilkinsburg’s residents and for stabilization of Wilkinsburg’s troubled multifamily properties.
Interrelated Factors
Wilkinsburg suffered tremendously from the decline of the industrial economy and the flight to farther out suburbs during the 20th century. As Pittsburgh’s economy shifts and residential preferences change, it is poised for new life as a transit-oriented, walkable inner ring suburb. Wilkinsburg is undergoing a revitalization spurred by collaboration among the Wilkinsburg Community Development Corporation, the Pennsylvania Historic Landmarks Foundation, TriState Capital Bank, Federal Home Loan Bank of Pittsburg, and a number of other organizations.

B. Market conditions and demand factors

Projected absorption
There are 6 active foreclosures in the Wood Street Corridor 15221 ZIP Code\(^1\). Within the census tract, there are 139 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 145 units to be absorbed.

The current residential absorption rate within the census tract is 0.9 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 33 units by 2014, which means the total number of units to be absorbed will drop to 112 by 2014. Many of these vacancies are old, damaged, inaccessible, or for some other reason unwanted despite a strong need for affordable housing within the area.

Factors influencing Foreclosures
Fewer than a third of homes in this tract are owner-occupied (29.49%). Maintaining these homes and their value is difficult because of the high level of vacancy in the tract, the advanced age of the properties (median year built is 1941), and the incomes of the owners.

Income characteristics
The poverty rate within the census tract is very high at 25.17%. The vast majority (70.51%) of the population is renters, and the percentage of renters who are cost-burdened is 69%. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in the Pittsburgh MSA rose from 7.9% in January 2007 to 8.9% in February 2011.

Relevant social, governmental, educational or economic factors
Location and institutions form the basis for revitalization of this historic town center. The convenient location with nearby amenities and quick access to both downtown and suburban locations via transit and car matches current preferences in the rental market. Local institutions, including a number of churches, a nearby hospital, Wilkinsburg public agencies, an active new CDC are located in this area and actively engaged in its revitalization.

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\(^1\) Source: RealtyTrac
**Strategy for stabilizing the target census tract**

This area is the target of the Wilkinsburg Business District Revitalization Plan. The core of that plan is the renovation of the traditional main street area along Penn Avenue and Wood Avenue. These properties are located on the northeast corner of this key intersection. TCB’s revitalization of this block would spur neighborhood revitalization by removing blighting influences and creating attractive new mixed-income residential space appropriate to the area’s amenities. This NSP-funded revitalization would be part of a group of other investments in the area, including a $10 million, 27 unit LIHTC rehabilitation of two vacant buildings two blocks to the south of the target area by the Pittsburgh History and Landmarks Foundation (PHLF) and another TCB-led revitalization nearby at 619 Penn Ave.

**Factor 3: Soundness of Approach**

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This block is a cluster of properties located in the business district portion of Wood Street at Penn Avenue. The two-story Black Vietnam Veterans Building at 1009 Wood St consists of ground floor commercial space with two tenants and a vacant second story. The building is due for a sheriff’s sale because of tax delinquency. Rehab of this building will produce 21 units by converting the commercial spaces to ten 2BR live-work spaces on the ground floor and 11 residential units on the 2nd floor. The building at 1016 Wood St consists of ground floor retail with two floors of residential space with interior fire damage. Rehabilitation of the residential floors will produce 14 units. These two properties will produce a total of 35 units of affordable housing and 14,000 square feet of commercial space, funded separately. The residential units will consist of eighteen 1BR apartments and seventeen 2BRs, with rents restricted to be affordable to a range of incomes from 20% to 60% AMI along PHFA tax credit guidelines and a number of “unrestricted” units with rents set to be affordable to 80% of AMI.

The properties will be acquired and a 9% PHFA LIHTC application will be submitted in Fall 2011. The County has verbally expressed support of HOME/CDBG funding for this development. There is also interest from banks for conventional loans to both the residential and commercial components.

The properties are in proximity to the large investment TCB has made in the ongoing redevelopment of Pittsburgh’s East Liberty neighborhood. This project will expand TCB’s commitment to the area and will benefit from close proximity to a regional office and hundreds of TCB managed units. It will also leverage further investments in the area, including a second phase of non-NSP2 funded rehabilitation work led by TCB.
Consultation, Outreach and Communications
TCB participated in preliminary feasibility studies with the Wilkinsburg planning commission and borough officials. Both the Borough of Wilkinsburg and the Wilkinsburg CDC submitted letters in support of TCB’s proposal for the Wood Street corridor.

Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

A. Transit Accessibility
This is an opportunity for true transit- and amenity- oriented development. They are around the corner from an East Busway transit stop with direct bus rapid transit (BRT) service to downtown Pittsburgh and to the suburbs farther east. Downtown can be reached in 25 minutes via the busway. The properties are also served by a number of Port Authority local bus routes, 61A, 67, 69, 71, 71D, 78, 79, 86, P16, P71, P76, P78.

Additionally, the site scores an 85 out of 100 “Very Walkable” rating from WalkScore.com because of the properties’ close proximity to the food, shopping, recreational, educational and institutional resources in the town center.

B. Green Building
The Community Builders are committed to rehabilitating buildings to the highest practicable energy efficiency. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

Factor 6: Neighborhood Transformation and Economic Opportunity

As mentioned above, this area is the target of the Wilkinsburg Business District Revitalization Plan. The comprehensive plan in June 2010 identified the Wood Street and Penn Avenue intersection as an important node in its business district. TCB’s revitalization of these two properties along Wood Street will spur revitalization of this node with the removal of blight-inducing vacant, delinquent and damaged properties and the addition of quality, mixed-income residences with access to jobs and amenities. The planned revitalization will leverage the area’s key resources with transit oriented development in an historic town center. The effects of TCB’s work will be enhanced by the other current investments being made in the area.
The Benning Transit Oriented Development will consist of three buildings to be built in two to three phases on land across Benning Road from the Benning Metro stop on the Metro’s Blue Line. The land consists of two parcels, one with two vacant and abandoned commercial buildings and the other with only vacant land. This development is eligible for the NSP2 use of redeveloping vacant properties as multifamily affordable housing. TCB plans to purchase the two parcels with support from District of Columbia’s Department of Housing and Community Development (DHCD) to dedicate the land for mixed-income, mixed-use affordable housing. This development will anchor the revitalization of an underserved and underdeveloped portion of the District.

A. Target Geography

Benning is a residential neighborhood located in the section of Northeast Washington, D.C. east of the Anacostia River. The area is relatively low density and was initially built as a bedroom community within the District. Benning Road is a major corridor connecting the District to Prince George’s County. Benning has a high poverty rate and bears the marks of decades of disinvestment. Because of its location relative to multiple modes of transportation, it is a target for redevelopment. A planned extension of the new DC streetcar would terminate at the Benning Road Metro stop, adjacent to this site.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 9.06% which is much more than double the city’s vacancy rate of 3.56%.

Foreclosures
As of June 2011, 2 of the 19 foreclosure filings in Washington DC were in the 20019 ZIP Code. The area also had 1 of the city’s 27 foreclosures in July.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 9.4% (not seasonally adjusted), a large increase from the pre-recession 5.9% in January 2007.

Poverty and Rental Cost Burden
Nearly 1 in 4 residents of this census tract live below the poverty line, 24.68% according to the 2005-09 ACS estimate. More than half (53.67%) of the population are renters, with 68.86% of renters cost-burdened and a staggering 56.77% extremely cost burdened. Owners in the area are also cost burdened, 31.05% with 20.09% extremely cost burdened. This neighborhood is one of the few remaining areas of Washington DC open to low-income residents, and it is still highly unaffordable.
Interrelated Factors
The site is directly across from the Benning Road Metro, giving access to job centers downtown and in Northern Virginia.

B. Market conditions and demand factors

Projected absorption
There is 1 active foreclosure in the 20019 ZIP Code. Within the census tract, there are 155 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 156 units to be absorbed. The current residential absorption rate within the census tract is 6.9 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 249 units by 2014, which means supply will fall short of demand by 93 units by 2014.

Factors influencing Foreclosures
Foreclosures in the area are due to the combination of low incomes and very high housing costs.

Income characteristics
As mentioned, the poverty rate within the census tract is very high, at 24.68%. Access to quality affordable housing is a problem in the neighborhood and in the city at large. Declining employment exacerbates the problem with unemployment in Washington DC rising from 5.9% in January 2007 to 9.4% in February 2011.

Relevant social, governmental, educational or economic factors
This section of the District has historically been separated from the core of employment and services in the city center. Because of the rapid growth in the city’s economy and demand placed on its housing market, this area is ripe for revitalization. Its strategic location can accommodate much higher density than is currently present. Because high housing costs are driving many longtime DC residents out of the city, new transit-oriented affordable housing is critical to revitalizing this neighborhood without driving away its community.

Strategy for stabilizing the target census tract
The Benning Road TOD would be an anchor development, creating a center out of a transit stop and intersection in an area currently dominated by auto-centric uses. It has the potential to transform the area around the Benning metro stop and catalyze new development. It would also provide badly needed affordable housing for residents in a very high cost city.

Factor 3: Soundness of Approach

<table>
<thead>
<tr>
<th>Benning Road TOD</th>
<th>Census Tract: 110010078.03</th>
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<tbody>
<tr>
<td>Washington, DC</td>
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<td>------------------------------</td>
<td>----</td>
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<tr>
<td>Residential Units to Build:</td>
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TCB in collaboration with DHCD plans to enter the planning and design phases by year end to develop an appropriate 2 to 3 phase development plan for 200-250 units and acquire the land in the beginning of 2012. The District might also commit its NSP2 funds, and the development will apply for 9% tax credits in the District’s next funding round. The development will be 100% affordable to a range of incomes matched to QAP priorities and NSP2 requirements.

**Consultation, Outreach and Communications**

The Community Builders is collaborating with the District’s Department of Housing and Community Development on the multi-phase development of the Benning Road TOD. The City may use funds from its NSP2 program to the development. TCB and the City will collaborate with local residents and community groups to guide the planning and design phases of the development.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility:**
The site is directly across Benning Road from the Benning stop on the Metro’s blue line. This gives the site a one-seat commute to employment in downtown DC and northern Virginia. Two bus lines, the U8 and W4 also connect to the site.

Benning Road is also the planned terminal for an extension of DC’s new streetcar system. Despite failing to receive a federal Urban Circulator Grant in 2010, the District is going ahead with a study of the line. The two-mile extension would link the Benning Road Metro station – and this proposed development site – to the H Street streetcar line. The H Street line also has a planned extension to link to Union Station, Washington DC’s Amtrak, commuter rail, and subway terminal. With these links, the Benning TOD would become one of the best connected sites on its side of the Anacostia River.

The site also has access to amenities along the Benning Road and East Capitol Street commercial corridor, including groceries, an elementary school, the Benning Stoddert Recreation Center, and other services. The area only scores a 60 out of 100 “Somewhat Walkable” score from Walkscore.com because many of the area’s uses feature auto-centric designs. The multi-phase Benning TOD development is of significant enough scale to improve neighborhood walkability.

**B. Green Building:**
Benning will be designed to at least a LEED Silver Standard. The Community Builders is committed to creating energy efficient homes. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency...
heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

This neighborhood suffers from high poverty, unaffordable housing, and auto-centric development in an area centered on a transit stop. The Benning TOD will address these issues by providing badly needed quality affordable housing, bringing new activity and building proper urban scale to the area adjacent to the Metro stop. Benning will be the anchor for new development in this underserved and underdeveloped part of the District.
The Magnolia property is a gateway to the Eastview neighborhood in Richmond, a struggling area near downtown poised for large scale revitalization. The Magnolia redevelopment is also an opening stage of The Community Builders significant and long-term engagement with the rebuilding of the Eastview neighborhood, including participation in a Choice Neighborhoods Planning Grant application. The Magnolia project will be a mixed-finance redevelopment of a foreclosed and dilapidated 81-unit garden style apartment complex into an attractive mixed-income community. As a purchase and rehabilitation of a foreclosed multifamily property, it is an eligible NSP2 activity.

Factor 1: Need/Extent of the Problem

A. Target Geography
The Eastview Neighborhood is bounded by Interstates 64 and 95 on the north and west, the Mechanicsville Turnpike and Mosby Street corridor on the east, and the Martin Luther King, Jr. Bridge on the south. Over decades, the neighborhood and its residents suffered from a series of damaging public projects that suppressed property values, catalyzed disinvestment, and deteriorated the neighborhood’s livability. In 1958, the 447 unit Whitcomb Court public housing project was built in the northwest section of the target area. At the same time and into the 1970’s, the City established and operated two landfills in the neighborhood. The Mecklenburg landfill is now vacated and the Chelsea is a passive park, but neither has been environmentally remediated. In 1963, the City Jail was constructed on the west boundary of the neighborhood, separating it from downtown. In the 1970s, completion of I-64 created a barrier to Henrico County and the Highland Park neighborhood as well as to the business district downtown. Despite these historical challenges, Eastview is poised for revitalization. Its proximity to downtown employment opportunities, access to transportation corridors, large stock of owner-occupied single family homes, and the potential to secure significant parcels of land for transformational development, makes it unique among this great city’s neighborhoods. The City, community groups, local institutions, non-profits, and The Community Builders are partnering for revitalization efforts, including neighborhood planning and coordination of resources.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 8.35% which is higher than the city’s vacancy rate of 5.56%.

Foreclosures
There were 48 active foreclosures in 23223 ZIP Code of a total of 326 in the city of Richmond during June 2011, and 36 foreclosures again in the same ZIP Code of a total of 366 in the city during July 2011.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 9.2% (not seasonally adjusted). Like most of the country, Richmond’s economy has declined since 2007. However beginning in 2008, this once strongly growing sunbelt city witnessed the abrupt closing of several major employers, especially computer chip producer Quimonda responsible for 2,500 employees, Circuit City with 2,600 local employees, and financial services firm LandAmerica and its 930 local Employees. Additionally, Reynolds Packaging Group with 1,300 employees relocated its operations to Louisville, Kentucky. Many other local major employers have made cutbacks.

**Poverty and Rental Cost Burden**
This census tract has a staggering poverty rate of 59.44%. Three-quarters of the population are renters (75.75%), with 51.48% of the renters cost-burdened and 18.98% extremely cost burdened. The homeownership rate is only 24.25%, with 37.96% cost burdened and 6.73% extremely cost-burdened.

**Interrelated Factors**
Despite recent job losses, the Richmond area economy is well diversified. In addition to serving as the state capital, Richmond’s employment base also includes a number of large financial institutions, manufacturing plants and distribution centers, colleges, retailers, and service providers. Government; Trade, Transportation and Utilities; Professional and Business Services; and Education and Health Services are the largest employment sectors.

This neighborhood is incredibly convenient to the job center downtown. The Magnolia property is walkable to major hospital and government offices. There is also a retail corridor serving the neighborhood along Mechanicsville Turnpike, including a supermarket.

**B. Market conditions and demand factors**

**Projected absorption**
There are 36 active foreclosures in this area. Within the census tract, there are 128 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 164 units to be absorbed.

The current residential absorption rate within the census tract is 1.4 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 51 units by 2014, which will leave 77 units to be absorbed by 2014. Many of these vacancies are dilapidated and inappropriate for occupancy without rehabilitation. Initiatives for revitalization of the area, including the Choice Neighborhood Plan, call for significant demolition and rehabilitation of this stock to meet affordable housing needs.

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1 APPRAISAL OF REAL PROPERTY: Brookland Park Plaza Richmond, Virginia 23222
Client Reference Number: RETECHS WF-CWS-11-004379-01-1
PREPARED FOR: John R. Wichelman, Jr., Real Estate Collateral Appraiser, Wells Fargo RETECHS
February 24, 2011
2 Source: RealtyTrac
Factors influencing Foreclosures
Decline in the area is due to a high cost-burden on both owners and renters, rising unemployment, low-incomes, and the presence of properties with a detrimental impact on the neighborhood, such as the now-closed landfill. Many of these detrimental uses have been or plan to be relocated away from the neighborhood.

Income characteristics
As mentioned, the poverty rate within the census tract is very high at 59.44%. Housing in the neighborhood creates a cost-burden for 51.48% of renters and 37.96% of homeowners. Access to quality affordable housing is a problem in this low-income neighborhood. Unemployment in Richmond rose from 4.7% in January 2007 to 9.2% in February 2011.

Relevant social, governmental, educational or economic factors
The City is dedicated to revitalizing this area not far from downtown Richmond. The City is moving ahead with several projects to improve conditions and create economic development opportunities, including a substantial rehabilitation of a historic structure to be occupied by city agencies, the conversion of a city jail into a full service Criminal Justice Center, and efforts to improve the high school located at the tip of the community. These efforts will be coordinated with other public and private investments, such as the Magnolia redevelopment, via a neighborhood planning process for which a Choice Neighborhoods Planning Grant application is pending.

Strategy for stabilizing the target census tract
As mentioned above this project represents the beginning of a long-term commitment on behalf of the City of Richmond and The Community Builders to revitalizing this area of Richmond. The Eastview neighborhood is the subject of a pending Choice Neighborhood Application for which The Community Builders is the lead applicant. The neighborhood has been destabilized by a concentration of poverty and a lack of quality, affordable housing. This first redevelopment project is in a strategic location at the gateway to the community and should help catalyze future investments. The Community Builders is not alone in focusing new efforts on this community. The City and other entities are also planning redevelopment projects for the neighborhood.

Factor 3: Soundness of Approach

<table>
<thead>
<tr>
<th>Magnolia</th>
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</thead>
<tbody>
<tr>
<td>Richmond (Richmond County), VA</td>
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<tr>
<td>1901-1915 Whitcomb St</td>
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<tr>
<td>Residential Units to Acquire: 81</td>
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<tr>
<td>Residential Units to Build:</td>
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</tbody>
</table>

This development includes the acquisition of a foreclosed and dilapidated 81-unit garden style apartment complex. The Community Builders intends to develop an attractive mixed-income community using a mix of NSP, HOME, Section 108, and other funds. TCB currently holds a HUD-approved option on the property. Affordability will be preserved for a term and income
mix appropriate to the funding sources awarded to the development and to the community’s needs. The Magnolia redevelopment will happen alongside a variety of neighborhood revitalization efforts aimed at the neighborhood’s housing, educational, public safety, and commercial resources, coordinated through the neighborhood planning process.

**Consultation, Outreach and Communications**

In order to pursue the large-scale revitalization of the Eastview neighborhood, The Community Builders is collaborating with the City of Richmond and the Richmond Redevelopment Housing Authority on a Choice Neighborhood application. These partners developed Eastview Assets Renewal Network (EARN) as a comprehensive planning tool for the transformation of the targeted neighborhood. EARN will be utilized as a planning and assessment tool throughout the neighborhood planning process. It will identify, categorize and prioritize items within the priority areas of housing, people, and neighborhood, including physical assets and liabilities (housing), social services, education, employment and training (people) and infrastructure conditions, access to transportation and recreational facilities (neighborhood). EARN identified key partners to address these issues. They will establish protective factors in programs related to educational needs; social services, crime prevention, health, and workforce development. These partners include J. Sargeant Reynolds Community College, Virginia Commonwealth University, Virginia Union University, Richmond Public Schools, the City’s Office for the Deputy Chief Administrative Officer for Human Services which includes the Department of Social Services and Department of Justice Services, the Office of the Attorney General, Richmond Police Department, VCU Medical College of Virginia Hospital; and the City’s Department of Economic and Community Development Workforce Development Office in conjunction with the Workforce Investment Board and the Community College Workforce Alliance. Collectively these partners offer lifespan programs and services. They are committed to expanding and targeting these programs and services to the residents of the Eastview area. As the planning process proceeds, it is anticipated that EARN will form additional partnerships through its public outreach process.

TCB has also hired Richmond development consultant Derek McDaniels to assist in the local management of this project.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility**

The Route 4 bus on the Greater Richmond Transit Company stops at the site on Whitcomb St. The bus service has headways of 20-30 minutes and connects the site to locations around downtown Richmond.

**B. Green Building**

Magnolia will be constructed to the standard of an EarthCraft environmental certification³. EarthCraft Virginia is a state-wide program is a partnership between Southface Energy Institute the Home Builders Association of Virginia that provides a certification process for new, residential construction.

Additionally, there is potential to build solar panels on a contained landfill site in the neighborhood to supply a substantial portion of electrical needs to the built community as this neighborhood redevelopment progresses.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

The Magnolia redevelopment has great potential to catalyze large scale redevelopment and improve economic opportunity in this neighborhood near downtown Richmond. The neighborhood has strong locational resources and access to transportation and employment centers. It has been hampered by blighting influences such as an open landfill and several derelict developments that had been brought into disrepair by irresponsible landlords, such as Magnolia. With a resident-based neighborhood plan underway, public and private stakeholders entering into new commitments, and a combination of civic, commercial, and housing redevelopments, this neighborhood is well situated for positive transformation.
Brookland Park is a dilapidated and foreclosed former school building that had been converted into age-restricted affordable housing. It requires a significant amount of rehabilitation due to over one million dollars in deferred maintenance. It is adjacent to vacant land on Brookland Park Boulevard, and the redevelopment has the potential to enhance ongoing revitalization efforts along the Brookland Park Boulevard corridor. As a purchase and rehabilitation of a foreclosed multifamily property, it is an eligible NSP2 activity.

A. Target Geography
The property is located at the intersection of East Brookland Park Boulevard, 2nd and Dill Avenues, and Meadowbridge Road at what is referred to as “Six Points” in the Highland Park area in the northeast part of the City of Richmond, just west of the Henrico County line. It is east of Interstate 95 and north of Interstate 64, less than 3 miles north of Richmond's central business district. Highland Park is an older suburban area of the city with both commercial and residential elements.

Vacancy
The vacancy rate for the target census tract, as measured by the USPS, is 9.1% which is significantly higher than the city’s vacancy rate of 5.56%.

Foreclosures
Nearly 1/3 of Richmond’s foreclosures are in this ZIP Code. During May 2011, there were 41 active foreclosures in 23222 ZIP Code of a total of 143 in the city of Richmond.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 9.2% (not seasonally adjusted). Like most of the country, Richmond’s economy has declined since 2007. However beginning in 2008, this once strongly growing sunbelt city witnessed the abrupt closing of several major employers, especially computer chip producer Quimonda responsible for 2,500 employees, Circuit City with 2,600 local employees, and financial services firm LandAmerica and its 930 local Employees. Additionally, Reynolds Packaging Group with 1,300 employees relocated its operations to Louisville, Kentucky. Many other local major employers have made cutbacks.

Poverty and Rental Cost Burden
This census tract has a high poverty rate of 20.86%. Roughly half of residents are renters (45.95%), with 63.22% of the renters cost-burdened and 26.71% extremely cost burdened. The homeownership rate is 54.05%, with 55.48% cost burdened and 16.06% extremely cost-burdened.

Interrelated Factors
This development is well situated less than three miles north of the Central Business District of Richmond. In addition to serving as the state capital, Richmond’s employment base also includes a number of large financial institutions, manufacturing plants and distribution centers, colleges, retailers, and service providers. Despite recent job losses, the Richmond area economy is well diversified. Government; Trade, Transportation and Utilities; Professional and Business Services; and Education and Health Services are the largest employment sectors. Major employers in or near the area include the main U.S. Post Office, Wyeth Pharmaceuticals, and Children’s Hospital. Dabney Center Industrial Park and the Fairgrounds Distribution Center are located just outside the area.

B. Market conditions and demand factors

Projected absorption
The Brookland Park area has 36 active foreclosures. Within the census tract, there are 183 vacant residential units. As an approximate metric, combining current vacancies with current foreclosures yields 219 units to be absorbed.

The current residential absorption rate within the census tract is 6.8 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 246 units by 2014, which means that supply of vacant units will fall short of demand by 27 units in 2014. This underscores the need for the rehabilitation of Brookland Park for the creation and preservation of affordable housing.

Factors influencing Foreclosures
Recent job losses and the economic decline caused the increase in foreclosures in this area, especially for upwardly mobile middle class families who stretched to reside in this inner suburb within Richmond.

Income characteristics
As detailed above, housing cost burdens way heavily on residents of this neighborhood. Access to quality affordable housing is a problem. Job losses exacerbate the problem. Unemployment in Richmond rose from 4.7% in January 2007 to 9.2% in February 2011.

Relevant social, governmental, educational or economic factors
Poverty and educational attainment are problems in this neighborhood, but these issues are less severe in this area than in many other parts of Richmond. The area’s middle class residents provide a base of stability from which revitalization can grow.

Strategy for stabilizing the target census tract
This half empty building in disrepair and its adjacent vacant land loom over a key intersection in this important mixed-use corridor. Returning it to productive use and improving the area have the possibility of catalyzing greater investment in this census tract.
### Factor 3: Soundness of Approach

<table>
<thead>
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<th>Brookland Park</th>
<th>Residential Units to Acquire:</th>
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<td>USPS Vacant units in Tract:</td>
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</table>

Built in 1909 as a Highland Park public school, this property is eligible for historic tax credits. It was converted into apartments in the early 1990s. Today only 48% of its 77 1BR units for adults 50 yrs old and older are occupied, and the property is being foreclosed upon. The subject property was purchased by a private entity in order to be renovated and converted to condominiums but the for-sale condominium market fell into decline soon after the purchase and additional financing could not be secured. The property was renovated in 2006 and remained in apartment rental use.

At the time of purchase the subject was approximately 80% occupied. After renovations and abandoning condo conversion, occupancy increased and the property stabilized. In 2008 however, the main boiler pipe burst and flooded most of the lower level units, prompting less desirable heating and cooling options. Occupancy dropped significantly in early 2009, and has remained below stabilized levels since. The property requires approximately $1.1 million in deferred maintenance. It is also adjacent to vacant land of .615 acres which could enhance redevelopment efforts on Brookland Park Boulevard.

### Consultation, Outreach and Communications

The property is within the district of Council member Ellen Robertson who along with the city administration is very supportive of efforts to redevelop this property. TCB is collaborating closely with the City of Richmond on this development, and the city may commit funds to the project. TCB has also hired a Richmond based development consultant to assist in the local management of this project.

### Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

#### A. Transit Accessibility:
Greater Richmond Transit Company Route 4 bus provides service to the neighborhood. Buses connect the area to downtown and other parts of the city. Overall, the primary modes of transportation in the market area are the automobile and the bus.

#### B. Green Building:
The Community Builders is committed to improving the energy efficiency of buildings it rehabilitates. Brookland Park will be rehabilitated to the standard of an EarthCraft
environmental certification\textsuperscript{1}. EarthCraft Virginia is a state-wide program is a partnership between Southface Energy Institute the Home Builders Association of Virginia that provides a certification process for new, residential construction.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

This area is an aged inner suburb that benefits from its proximity to downtown Richmond. With efforts like this planned redevelopment, it is transitioning from the declining to the redevelopment stage of its life cycle. With anchor developments like this one removing blight and stabilizing the economic situation of residents severely burdened by a lack of good affordable housing options, the area is poised for a revival.

\textsuperscript{1} http://www.bainwaring.com/ECH-Single-Family-VA-Factsheet.pdf
This property represents the first of three phases of new construction beginning with the vacant site of the to-be-demolished Moton Circle public housing project. It will act as an extension and enhancement of The Community Builders’ hugely successful Broad Creek HOPE VI development. It is directly north and adjacent to Broad Creek on a vacant site where a 134-unit vacant public housing property is being demolished. No NSP funds will be used for the Demolition of the public housing. The tract scores only a 15 in foreclosure and a 16 in vacancy despite high need because the vast majority of the tract’s housing stock is rental and because most vacant units have already been demolished. It is an NSP2 eligible activity as the redevelopment of vacant property for multifamily affordable housing.

Factor 1: Need/Extent of the Problem

A. Target Geography

The Moton Circle property is located between Jamaica Ave and Cary Ave, with a few industrial buildings behind the property. The community sits on 11 acres just northwest of the Broad Creek HOPE VI development (1.5 miles east of downtown). The 59-year-old Moton Circle property has long been a target for redevelopment in the City of Norfolk. The 138-unit property failed its REAC inspection for three consecutive years. Virtually all systems were defective, units and buildings were damaged by water exposure, vandalism, soil erosion, mold, and infestation. In May of 2010, HUD approved the Norfolk Housing Authority’s request for demolition of the property and disposition of the underlying land (see attached letter). The city through its Redevelopment and Housing Authority (NRHA) is dedicated to turn Moton Circle into an extension of the Broad Creek HOPE VI project, enhancing the project’s power as an anchor for revitalizing the whole neighborhood.¹

The Norfolk Redevelopment Housing Authority filed a Demolition Plan with HUD and HUD has approved the demolition of the target site. The demolition of the Moton Circle property will not be funded with NSP2 funds. Attached is a copy of the approval of the disposition plan for the site.

The Broad Creek development began in 2000 when Norfolk obtained a $35 million HOPE VI grant and enlisted The Community Builders, Inc. to implement its vision of a revitalized neighborhood where the public housing communities of Roberts Village and Bowling Green stood. Completed in 2006, the Broad Creek Renaissance redevelopment, named after a nearby body of water, boasts over 280 affordable units and 19 market-rate units. TCB's roles at Broad Creek include master developer of three rental phases, coordination of the demolition,

¹ http://www.nrha.us/redevelopment/neighborhoods/broad-creek-0
infrastructure engineering and property management. The development includes market rate and affordable rental housing, senior apartments, homeownership and commercial uses all woven into a New Urbanist Plan. The buildings are designed in regional styles—modest four-square bungalows, shingle style two-story homes and some transitional designs with traditional porches, brick and fiber cement siding. Broad Creek’s future phases will include various types of homeownership products, including rowhouses, condo flats, and single family detached homes. The Broad Creek HOPE VI is coordinated with other investments and is spurring new development. It boasts a stop on Norfolk’s new light rail system, opened in August 2011.

**Vacancy**
The vacancy rate for the target census tract, as measured by the USPS, is 9.1% which is more than twice the city’s vacancy rate of 3.78%.

**Foreclosures**
There were approximately 20 active foreclosures in 23504 ZIP Code where Moton Circle is located of a total of 195 in the city of Norfolk during April 2011, and 18 active foreclosures in the same ZIP Code of a total of 215 in the city during May 2011.¹

**Employment needs contributing to the decline**
As of February 2011, the city’s unemployment rate was 8.6% (not seasonally adjusted). This is slightly higher than the Commonwealth of Virginia’s rate at 6.6%. Unemployment in Norfolk kept pace with the state as a whole during the recession, with both rates doubling between January 2007 and February 2011.

**Poverty and rental cost burden**
This census tract has a high poverty rate of 36.63%. A strong majority 84.4% of the population are renters, with 69.37% of the renters cost-burdened and 24.98% extremely cost burdened. Many owners in the area (42.98%) are also cost burdened with 13.31% extremely cost burdened, underlining the demand for affordable housing in the neighborhood.

**Interrelated factors**
Norfolk is the hub of the Hampton Roads metropolitan region. The waterways which almost completely surround the Hampton Roads region play an important part in the local economy. The strategic location at the mouth of the Chesapeake Bay and its protected deep-water channels serve major trade and military operations. These form the base of the city and region’s economy.

Over 35% of Gross Regional Product (which includes the entire Norfolk-Newport News-Virginia Beach MSA), is attributable to defense spending. Norfolk is the home of the world’s largest naval station. The installation in the northwest corner of the city is the current headquarters of the United States Fleet Forces Command, as well as being home port for the Second Fleet and its 62,000 active duty personnel, 75 ships, and 132 aircrafts. The base also serves as headquarters to the Allied Command Transformation (NATO) and the United States Joint Forces Command. The city of Norfolk is also home to large defense contractors in the shipbuilding and ship repair businesses.

¹ Source: RealtyTrac
After the military, the second largest industry in Norfolk is its cargo ports. It is the second busiest port on the east coast of North America by total cargo volume after the Port of New York and New Jersey.3

The military provides a stable economic base independent from the business cycle, but the area’s trade and manufacturing economies are highly susceptible to recession. Norfolk’s manufacturing in particular has declined. In 2007, Ford Motor Company shuttered the Norfolk Assembly manufacturing plant. Before it closed, the plant employed more than 2,600 people4.

B. Market conditions and demand factors

Projected absorption
There are 18 active foreclosures in this ZIP Code. Within the census tract, there are 143 vacant residential units, but 134 of the vacant units will be demolished. As an approximate metric, combining current vacancies with current foreclosures will yield 27 units to be absorbed by 2014.

The current residential absorption rate within the census tract is 1.3 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 48 units by 2014, which means the total number of units available will fall short by 21 units in 2014.

Factors influencing foreclosures
The poverty rate within the census tract is high, at 36.63% and the percentage of renters who are cost-burdened is 69.37%. Unemployment in Norfolk doubled from 4.3% in January 2007 to 8.6% in February 2011. Access to quality affordable housing is a problem in the neighborhood. Meanwhile, educational attainment in the area is low with only 5.35% with at least a bachelor’s degree, which in many cases undermines residents’ possibility to obtain employment with higher income to support their housing needs.

Strategy for stabilizing the target census tract
The redevelopment of the vacant Moton Circle property will replace the long-standing blight in this census tract with roughly 50 high quality residential units at its build-out alongside a new, state of the art elementary school. Residential units will be mixed-income, maintaining much needed affordable housing with operating support from Norfolk Redevelopment Housing Authority (NRHA), while introducing market-rate units into the community to increase its diversity and vibrancy. As the extension of the neighboring Broad Creek HOPE VI project, the redevelopment will knit this census tract more closely with the rest of the community, making it easier to achieve momentum for stabilization or even prosperity. What is more, the redevelopment of Moton Circle will be part of a multi-phase initiative for the neighborhood

4 http://content.hamptonroads.com/story.cfm?story=95163&ran=106860
planned by Norfolk, indicating the city’s long term commitment to revitalize this census tract and its surrounding communities.

**Factor 3: Soundness of Approach**

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<th>Moton Circle</th>
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<tr>
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<td>2500 Jamaica Ave</td>
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<td>Residential Units to Acquire:</td>
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</tbody>
</table>

Moton Circle will be a new, 50-unit multifamily development with a state of the art elementary school to serve its residents. The reduced number of residential units compared to the original Moton Circle property not only responds to the city’s desire to de-densify the community, but in combination with proximate properties under municipal control, will also provide vacant land for building the new elementary school and additional quality, affordable housing in subsequent phases. Affordability of the residential units will be designed to a term and income mix that maximizes the needs of the community and the requirements of funding sources. The City of Norfolk, with whom TCB is working closely on this development, is likely to provide funding to the project.

**Consultation, Outreach and Communications**

As NRHA’s developer for the three Broad Creek family rental phases, TCB has a unique and precise understanding of the project requirements for the Moton Circle property. Extensive outreach and collaboration with the city and the community completed for the HOPE VI development is continuing for the development of Moton Circle.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility**

Hampton Roads Transit provides public bus service to the neighborhood with headways of 20-30 minutes. The Route 23 bus stops .26 miles away, the Route 8 bus .36 miles, and the Route 20 bus .41 miles. These routes connect the site to many destinations, including the downtown, other employment centers, and the beach. The Route 8 and 23 buses both connect to Norfolk’s brand new light rail system “The Tide.” There are two light rail stops situated a significant walk or a quick bike ride from the Moton Circle property. The Balentine / Broad Creek stop is 1.05 miles from the site and features 97 parking spaces, while the NSU Station is 1.15 miles. The light rail system opened August 19th and connects to employment and civic centers across the city.
**B. Green Building**

Moton Circle will be constructed to the standard of an EarthCraft environmental certification\(^5\). EarthCraft Virginia is a state-wide program in partnership between Southface Energy Institute and the Home Builders Association of Virginia that provides a certification process for new, residential construction. The development will also provide residents access to parks and open space in the adjacent Broad Creek property.

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**Factor 6: Neighborhood Transformation and Economic Opportunity**

Moton Circle is an unfinished piece of a successful large-scale redevelopment of this area. New construction of quality affordable housing options on the vacant land once inhabited by dilapidated public housing will further improve the neighborhood. A staggering 69.73% of renters in the census tract are cost-burdened. Moton Circle will provide badly needed affordable housing that will allow its residents to have more stable finances and to be part of the large community built around the Broad Creek HOPE VI.

These seven properties totaling 212 units in Avondale are a large portion of the foreclosed upon New York Group OH-1 LLC portfolio in Cincinnati. The properties are clustered together on and near a 1.8 mile stretch of Reading Road, Avondale’s main corridor. The full portfolio of 17 project-based Section 8 properties was purchased by NY Group for $21.5 million in 2007 from Downtown Property Management Inc. The owners failed to maintain the properties. By July 2010, foreclosure proceedings began and the properties were placed into receivership. The properties have now suffered from years of deferred maintenance.

The Community Builders hopes to participate with the City of Cincinnati in the acquisition of these seven Avondale properties and other properties in this portfolio from Fannie Mae in order to rehabilitate the properties to return them to productive use. As a purchase and rehabilitation of a foreclosed multifamily property, it is an eligible NSP2 activity. Stabilizing these large properties clustered on and around the Avondale neighborhood’s central corridor will transform the properties from a blight on their surroundings to a source of stability for the struggling neighborhood.

Factor 1: Need/Extent of the Problem

A. Target Geography
Avondale is a struggling neighborhood three miles north of downtown. The neighborhood was the target of several urban renewal schemes that harmed the residential fabric in order to benefit downtown and nearby institutions. It is also home to a significant number of public housing units, mostly in high-rise buildings. Over the last forty years, Avondale experienced significant decline in population and owner-occupied housing units. Today, the neighborhood is suffering from significant crime and a high foreclosure rate1. It is the target of several revitalization programs from inside and outside of the community, including the City of Cincinnati’s NSP2 program.

Vacancy

1 [http://www.avondalecommunitycouncil.org/community.lasso](http://www.avondalecommunitycouncil.org/community.lasso)
The vacancy rate, as measured by the USPS, for census tract 0066.00 is 15.02%, for 0067.00 is 19.47%, and for 0068.00 is 16.58%. These vacancy rates all exceed the City of Cincinnati’s already high rate of 14.12%.

Foreclosures
The properties are in the 45229 ZIP Code, which had 7 foreclosures in April 2011 and 4 in May 2011. These are of the city’s total of 511 in April and 505 in May.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 9.3% (not seasonally adjusted). This is slightly lower than the state average of 9.8% as Cincinnati has maintained a stronger economy than some other old industrial cities and rural areas in Ohio. It is, however, a large increase over the 5.7% unemployment rate in January 2007 and a closing of the gap between the city’s unemployment numbers and the state’s as a whole.

Poverty and Rental Cost Burden
These census tracts have high poverty rates of 39.37% (0066.00); 51.42% (0067.00); and 31.30% (0068.00).

The vast majority of residents in these tracts are renters 79.95% (0066.00); 73.57% (0067.00); and 74.66% (0068.00). These renters are cost-burdened at high rates 55.45% (0066.00); 37.47% (0067.00); and 58.96% (0068.00), with very many extremely cost-burdened; 15.94% (0066.00); 20.62% (0067.00); and 21.42% (0068.00).

The homeowners in these tracts are also highly cost burdened 37.27% (0066.00); 49.17% (0067.00); and 51.67% (0068.00), with very many extremely cost-burdened 19.77% (0066.00); 13.49% (0067.00); and 12.43% (0068.00).

Interrelated Factors
The neighborhood is located between two of Cincinnati’s larger employers, University of Cincinnati and Cincinnati Children’s Hospital and houses or is adjacent to several other major institutions, including The Cincinnati Zoo, Shriner’s Hospital, Tri Health, University Hospital, the Veterans Hospital, Xavier University, and the Greater Cincinnati Urban League Office Building. These institutions provide a stable economic base from which revitalization can proceed.

B. Market conditions and demand factors

Projected absorption
Within the 45229 ZIP Code, there are a total of 9 active foreclosures. These four census tracts total 918 vacant properties. As an approximate metric, combining current vacancies with current foreclosures yields 927 units to be absorbed.

The current residential absorption rate across the four census tracts is 16.8 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the
period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 606 units by 2014, which means the total number of units to be absorbed will drop to 321 by 2014. These vacant units do not, however, negate the need for quality affordable housing in the tract. Many of the units are old, inadequate, and/or unaffordable.

Factors influencing Foreclosures
Single-family foreclosures in Avondale are the result of a high cost-burden for homeownership of an aged housing stock on a low-income population. The median year built for a home in the 45229 ZIP Code is 1944\(^2\). Multi-family foreclosures, such as the NY Group Portfolio, are linked to speculation at the height of the market and poor property and asset management.

Income characteristics
As shown by the data above, these tracts suffer from very high poverty rates and very high cost-burdens for both renters and homeowners. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in Cincinnati rose from 5.7\% in January 2007 to 9.3\% in February 2011.

Relevant social, governmental, educational or economic factors
Avondale is also a target of the City of Cincinnati’s NSP2 program. City NSP2 money is being used for acquisition, demolition, and new construction of 24 units of senior rental housing to be developed by The Model Group as well as demolition of blighted structures\(^3\).

Strategy for stabilizing the target census tract
The negative absorption rate shown above reflects an emigration from Avondale due to economic and social instability and a high cost burden placed on renters and owners. The acquisition, rehabilitation, and preservation of these troubled properties will help stabilize this situation. Better property management with The Community Builders’ added focus on the self-sufficiency needs of residents will improve social stability. Preserving quality affordable housing will provide opportunities for residents to be able to afford to stay in the neighborhood.

Factor 3: Soundness of Approach

<table>
<thead>
<tr>
<th>Avondale NY Group Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cincinnati (Hamilton County), OH</td>
</tr>
<tr>
<td>HUD scores: (19, 20) (20,20) (19,20)</td>
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<tr>
<td>Residential Units to Acquire: 212</td>
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<tr>
<td>Residential Units to Build: 0</td>
</tr>
</tbody>
</table>
The Community Builders plans to use NSP2 funds to acquire and rehabilitate these properties in order to improve the quality of housing they provide and preserve their long-term affordability. Affordability restrictions will be designed to maximize benefit to existing tenants, meet neighborhood needs, and comply with the requirements of funding sources.

Consultation, Outreach and Communications
The Community Builders are in communications with the property management team for the receiver, and with Fannie Mae, who owns the mortgages on these properties, and City of Cincinnati Department of Community Development. TCB is also communicating with Cincinnati community groups and political leaders regarding the sale of this large and important portfolio of HUD-assisted housing in the city.

Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

A. Transit Accessibility
The sites are served by a number of bus lines that connect Avondale to points throughout the city with headways ranging from 15 to 30 minutes.

- Route 1, starting in Avondale, connecting south to Clifton, Corryville, Walnut Hills, Mt. Adams, Downtown and Queensgate
- Route 43, through Avondale, connecting north to North Avondale, Norwood (out of city), Bond Hill, Roselawn, Arlington Heights (out of city), Reading (out of city), Lockland (out of city), and south to Mt Auburn
- Route 46, starting in Avondale, going west and then south, connecting with Corryville, Mt. Auburn, through Over-the-Rhine and then Downtown
- Route 51, through Avondale, connecting southwest to Clifton, and east to Evanston, Norwood, Hyde Park and Oakley

B. Green Building
Rehabilitation work on these properties will include appliance upgrades and improvements to the building envelopes in order to achieve significant improvements in energy efficiency. The Community Builders is committed to creating energy efficient homes. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

Factor 6: Neighborhood Transformation and Economic Opportunity

The Community Builder’s acquisition, rehabilitation, and preservation of these properties will complement the City of Cincinnati’s NSP2 program⁴ and housing goals outlined by the Avondale Community Council.⁵ It will prevent additional vacancy in the neighborhood by

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⁴ [http://www.cincinnati-oh.gov/cdap/pages/-39734-/]  
⁵ [http://www.avondalecommunitycouncil.org/community.lasso]
returning these buildings to productive use. It will provide needed quality affordable housing to residents.
NY Group Portfolio: Over-the-Rhine
Cincinnati, OH

Senate Apartments
216 West 12th St.
Census Tract: 39061009.00

Raffel Apartments
311 Seitz Ave
Census Tract: 390610023.00

These two properties totaling 46 units are a cluster of the foreclosed upon New York Group OH-1 LLC portfolio in the Over-the-Rhine neighborhood of Cincinnati. The full portfolio of 17 project-based Section 8 properties was purchased by NY Group for $21.5 million in 2007 from Downtown Property Management Inc. The owners failed to maintain the properties. By July 2010, foreclosure proceedings began and the properties were placed into receivership. The properties have now suffered from years of deferred maintenance.

The Community Builders intends to participate in the acquisition of these two Over-the-Rhine properties and other properties in this portfolio from Fannie Mae in order to rehabilitate the buildings and return them to productive use. As a purchase and rehabilitation of a foreclosed multifamily property, it is an eligible NSP2 activity.

Factor 1: Need/Extent of the Problem

A. Target Geography
Over-the-Rhine is a struggling but revitalizing neighborhood just north of Cincinnati’s Central Business District. The neighborhood has a very high rate of vacancy, blight, and crime. Its population stands at less than a third of its 1950 peak.

Despite its struggles, the neighborhood has “good bones.” As an older urban neighborhood, it is very walkable and has good transit connections. Over-the-Rhine was added to the National Register of Historic Places in 1983 with 943 contributing buildings because of its large collection of Italianate architecture and its intact 19th century urban form. The neighborhood has become home to a growing arts economy. It is also the target of revitalization initiatives from community groups within the neighborhood as well as the City and other public entities. It includes a City of Cincinnati TIF District

The neighborhood is home to several grassroots community groups with a list of accomplishments in housing, community development, and social services. As the neighborhood has improved and become more popular with artists, its long-time residents have become anxious
about gentrification. Preserving affordable housing and improving its quality are keys to healthy revitalization in this neighborhood.

**Vacancy**
The vacancy rate, as measured by the USPS, for census tract for 0009.00 is 31.57% and for 0023.00 is 24.58%. These vacancy rates far exceed the City of Cincinnati’s already high rate of 14.12%.

**Foreclosures**
The 45202 ZIP Code had 7 foreclosures in April 2011 and 6 in May 2011. Cincinnati as a whole had a total of 511 in April and 505 in May.

**Employment needs contributing to the decline**
As of February 2011, the city’s unemployment rate was 9.3% (not seasonally adjusted). This is slightly lower than the state average of 9.8% as Cincinnati has maintained a stronger economy than some other old industrial cities and rural areas in Ohio. It is, however, a large increase over the 5.7% unemployment rate in January 2007 and a closing of the gap between the city’s unemployment numbers and the state’s as a whole.

**Poverty and Rental Cost Burden**
These census tracts have very high poverty rates of 43.4% (0009.00) and 34.76% (0023.00).

The vast majority of residents in these tracts are renters 91.29% in 0009.00 and 67.23% in 0023.00. These renters are cost-burdened at high rates 48.41% (0009.00) and 71% (0023.00), with very many extremely cost-burdened 22.11% (0009.00); 26.47% (0023.00).

The few homeowners in these tracts are highly cost burdened 36.17% (0023.00) with very many extremely cost-burdened 14.56% (0023.00) and too small of a sample size to report in tract 0009.00.

**Interrelated Factors**
The arts form a foundation for OTR’s revitalizing economy. Besides being a historic district, the neighborhood has an arts community that is unparalleled within Cincinnati and is home to several major institutions including The Art Academy of Cincinnati, the School for Creative and Performing Arts, the Cincinnati Music Hall, and several theatres.

Findlay Market is another center of economic activity in Over-the-Rhine. It is Ohio's oldest continuously operated public market. In 2004, the City of Cincinnati completed a $16 million renovation of the market and it was 47% occupied. In 2010, the market became 100% occupied and continues to grow. Its fresh food and farmer’s markets attract a diverse group of residents from around Cincinnati. The Market is the centerpiece of economic development efforts that include market expansion and reinvestment in its surrounding businesses and residences.¹

¹ [http://www.findlaymarket.org/market-district/](http://www.findlaymarket.org/market-district/)
The corporate and philanthropic communities created the Cincinnati Center City Development Corporation (3CDC) to plan and guide transformation of the Over-the-Rhine neighborhood. TCB has met with the group and 3CDC has agreed to participate in financing the acquisition and rehabilitation of all buildings in the OTR community.

These neighborhood amenities form a foundation for revitalization, but they underline the importance of preservation of affordable housing for low-income residents who work in these industries and who may someday face displacement from gentrification pressure.

B. Market conditions and demand factors

Projected absorption
Within the 45202 ZIP Code, there are a total of 3 active foreclosures. These two census tracts total 602 vacant properties. As an approximate metric, combining current vacancies with current foreclosures yields 605 units to be absorbed.

The current residential absorption rate within the four census tracts is 17.1 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 615 units by 2014, which results in a demand for 10 additional units beyond the current vacant stock. This is a neighborhood undergoing rapid change. Preservation of affordable housing is critical to maintaining the neighborhood’s character and diversity.

Factors influencing Foreclosures
Single-family foreclosures in Over-the-Rhine are the result of a high cost-burden for homeownership on a low-income population. Multi-family foreclosures, such as the NY Group Portfolio, are linked to speculation at the height of the market and poor property and asset management.

Income characteristics
As shown by the data above, these tracts suffer from very high poverty rates and very high cost-burdens, especially for renters. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in Cincinnati rose from 5.7% in January 2007 to 9.3% in February 2011.

Relevant social, governmental, educational or economic factors
As mentioned, Over-the-Rhine is the subject of a number of revitalization efforts including those planned and implemented by neighborhood groups, City efforts, and market forces fueled by preferences for the neighborhoods cultural and locational resources. Despite these efforts, the severity of Over-the-Rhine’s issues demands even more investment. High poverty, extremely high vacancy rates, large renter cost-burdens, and low educational attainment necessitate more investment in quality affordable housing and services for residents of this neighborhood.

Strategy for stabilizing the target census tract
TCB plans to acquire, rehabilitate, and return these foreclosed multifamily properties to productive use in cooperation with local community development groups. These actions will transform these properties from being a drag on the neighborhood to being an attractive resource for preserving the neighborhood’s affordability and diversity while providing residents a safe, quality, and affordable home.

**Factor 3: Soundness of Approach**

<table>
<thead>
<tr>
<th>Over-the-Rhine NY Group Portfolio</th>
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</thead>
<tbody>
<tr>
<td>Cincinnati (Hamilton County), OH</td>
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<tr>
<td>HUD scores: 12, 17, 16, 20</td>
</tr>
<tr>
<td>Residential Units to Acquire: 46</td>
</tr>
<tr>
<td>Residential Units to Build: 0</td>
</tr>
</tbody>
</table>

The Community Builders plans to use NSP2 funds to acquire and rehabilitate these properties in order to improve the quality of housing they provide and preserve their long-term affordability. Affordability restrictions will be designed to maximize benefit to existing tenants, meet neighborhood needs, and comply with the requirements of funding sources.

**Consultation, Outreach and Communications**
The Community Builders are in communications with the property management team for the receiver, the City of Cincinnati Department of Community Development and with Fannie Mae, who owns the mortgages on these properties. TCB is also communicating with Cincinnati community groups and political leaders regarding the sale of this large and important portfolio of HUD-assisted housing in the city, including The Cincinnati City Center Development Corporation (3CDC) that is active in this neighborhood.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility**
Over-the-Rhine holds perhaps Cincinnati’s best potential as a smart growth neighborhood. It is a walkable, historic urban neighborhood with good amenities. The Senate Apartments scored a “walker’s paradise” rating from walkscore.com for its 92 out of 100 walk score, and the Raffel Apartments scored a 78 “very walkable.” The neighborhood is well served by buses, and a streetcar will soon service the neighborhood. The transit routes serving the neighborhood include:

- Route 6, through OTR, connecting west to West End and south to Downtown
- Route 17, through OTR, connecting south to Downtown, and northwest to CUF (Clifton Heights, University Heights and Fairview, contains University of Cincinnati), Clifton, Northside, College Hill, Mt. Airy, and further areas in Metro Cincinnati
- Route 19, through OTR, pretty much the same route as 17 except for areas northwest-wards outside of the city
- Route 20, through OTR, connecting south to Downtown, and north to Northside, Winton Place, further out of the city to Finneytown, Greenhills, Forest Park and Springdale
- Route 21, through OTR, connecting south to Downtown, and northwest to West End, Queensgate, South Fairmount, Westwood, further out of the city to Cheviot
- Route 46, through OTR, connecting south to Downtown, and north to Mt. Auburn, Corryville and Avondale
- Route 64, through OTR, connecting south to Downtown, and northwest to CUF, University Heights, Camp Washington, English Woods, North Fairmount, and Westwood
- Route 78, through OTR, connecting south to Downtown, and north to Corryville, St. Bernard (out of city), Bond Hill, Paddock Hills, Elmwood Place (out of city), Carthage, Hartwell, further out of city to Wyoming, Woodlawn, and Springdale
- The first Cincinnati streetcar line since the 1950s is being built and will run through Downtown and OTR.

B. Green Building
Rehabilitation work on these properties will include appliance upgrades and improvements to the building envelopes in order to achieve significant improvements in energy efficiency. The Community Builders is committed to designing developments to LEED or equivalent standards and to creating energy efficient homes. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

Factor 6: Neighborhood Transformation and Economic Opportunity

The Community Builder’s acquisition, rehabilitation, and preservation of these properties will complement the City of Cincinnati’s NSP2 program.² It will prevent additional vacancy in the neighborhood by returning these buildings to productive use. It will provide needed quality affordable housing to residents.

² [http://www.cincinnati-oh.gov/cdap/pages/-39734-/]
These three properties totaling 78 units are the Walnut Hills cluster of the foreclosed upon New York Group OH-1 LLC portfolio in Cincinnati. The properties are close to each other in the northern section of the Walnut Hills neighborhood, just across I-71 from the Avondale cluster of properties from this portfolio. The full portfolio of 17 project-based Section 8 properties was purchased by NY Group for $21.5 million in 2007 from Downtown Property Management Inc. The owners failed to maintain the properties. By July 2010, foreclosure proceedings began and the properties were placed into receivership. The properties have now suffered from years of deferred maintenance.

The Community Builders intends to acquire, with assistance from the City of Cincinnati, these three Walnut Hills properties and other properties in this portfolio from Fannie Mae in order to rehabilitate the buildings and return them to productive use. As a purchase and rehabilitation of a foreclosed multifamily property, it is an eligible NSP2 activity.

Factor 1: Need/Extent of the Problem

A. Target Geography
Walnut Hills is a diverse, redeveloping area located a ten-minute drive northeast of downtown Cincinnati. Parts of the neighborhood have high levels of poverty. Most of the neighborhood still has a high residential vacancy rate. While revitalizing areas of the neighborhood closer to downtown have significant mortgage activity and a balance of owner and renter occupied homes, these census tracts in the northern part of the neighborhood are characterized by stagnant real estate, high rates of renter occupancy and high cost-burden. The area has very good transit and walkability for Cincinnati.

Vacancy
The vacancy rate, as measured by the USPS, for census tract 0036.00 is 17.86%, for 0037.00 is 18.73%. These vacancy rates exceed the City of Cincinnati’s already high rate of 14.12%.

Foreclosures
The 45206 ZIP Code had 12 foreclosures in April 2011 and 4 in May 2011. Cincinnati as a whole had a total of 511 in April and 505 in May.

Employment needs contributing to the decline
As of February 2011, the city’s unemployment rate was 9.3% (not seasonally adjusted). This is slightly lower than the state average of 9.8% as Cincinnati has maintained a stronger economy than some other old industrial cities and rural areas in Ohio. It is, however, a large increase over the 5.7% unemployment rate in January 2007 and a closing of the gap between the city’s unemployment numbers and the state’s as a whole.

Poverty and Rental Cost Burden
These census tracts have extremely high poverty rates of 53.67% (0036.00); 50.22% (0037.00).

The vast majority of residents in these tracts are renters 81.49% (0036.00); 90.53% (0037.00). These renters are cost-burdened at high rates 60.99% (0036.00); 57.27% (0037.00), with very many extremely cost-burdened 12.62% (0036.00); 21.97% (0037.00).

The homeowners in these tracts are also highly cost burdened 44.35% (0036.00); 58.33% (0037.00), with very many extremely cost-burdened 32.31% (0036.00); 0%1 (0037.00).

Interrelated Factors
The neighborhood is marked by low educational attainment, very high poverty, and a prevalence of cost-burdened renters. The area has access to downtown as well as to education and health care related employment hubs. It is important to preserve affordable housing in the neighborhood to support residents through shifts in the economy and labor market.

B. Market conditions and demand factors

Projected absorption
Within the 45206 ZIP Code, there are a total of 11 active foreclosures. These two census tracts total 434 vacant properties. As an approximate metric, combining current vacancies with current foreclosures yields 445 units to be absorbed.

The current residential absorption rate within the four census tracts is 21.4 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied over the period from the final quarter in 2009 to the third in 2010. Projecting this absorption rate forward over the next three years will result in a demand for 771 units by 2014, which means the demand for these units will fall 326 units short of supply by 2014.

Factors influencing Foreclosures
Single-family foreclosures in Walnut Hills are the result of a high cost-burden for homeownership of an aged housing stock on a low-income population. The median year built for a home in the 0036.00 tract is 1959, and is 1948 in the 0037.00 tract2. Multi-family foreclosures, such as the NY Group Portfolio, are linked to speculation at the height of the market and poor property and asset management.

1 Inconsistent data for tract 0037.00 stems from the combination of a very small sample size of owner-occupied properties in the census tract and the ACS 2005-2009 multi-year sampling method.

2 Census 2010
**Income characteristics**
As shown by the data above, these tracts suffer from very high poverty rates and very high cost-burdens, especially for renters. There is a need for quality affordable housing in the neighborhood. This need has become stronger with declining employment and low wages. Unemployment in Cincinnati rose from 5.7% in January 2007 to 9.3% in February 2011.

**Relevant social, governmental, educational or economic factors**
Parts of Walnut Hills have been targeted for revitalization as a City of Cincinnati tax increment finance (TIF) district. The area’s location near downtown and universities yet separate from them poises it for renewal with the right strategic investments.

**Strategy for stabilizing the target census tract**
The negative absorption rate shown above reflects an emigration from Walnut Hills due to economic and social instability and a high cost burden placed on renters and owners. The acquisition, rehabilitation, and preservation of these troubled properties will help stabilize this situation. Better property management with The Community Builders’ added focus on the self-sufficiency needs of residents will improve social stability. Preserving quality affordable housing will provide opportunities for residents to be able to afford to stay in the neighborhood.

**Factor 3: Soundness of Approach**

<table>
<thead>
<tr>
<th>Avondale NY Group Portfolio</th>
<th>Cincinnati (Hamilton County), OH</th>
<th>Census Tracts: 390610036.00; 390610037.00;</th>
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<td>HUD scores: 20, 20 18, 20</td>
<td>Residual Units to Acquire: 78</td>
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<td>USPS Vacant units in Tracts: 434</td>
<td>Residential Units to Build: 0</td>
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<td>Attributable to this property:</td>
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</tr>
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</table>

The Community Builders plans to use NSP2 funds to acquire and rehabilitate these properties in order to improve the quality of housing they provide and preserve their long-term affordability. The concentration of these properties in Walnut Hills just across I-71 from the Avondale cluster of properties will allow for efficient property management. Affordability restrictions will be designed to maximize benefit to existing tenants, meet neighborhood needs, and comply with the requirements of funding sources.

**Consultation, Outreach and Communications**
The Community Builders are in communications with the property management team for the receiver and with Fannie Mae, who owns the mortgages on these properties, and the City of Cincinnati Department of Community Development. TCB is also communicating with Cincinnati community groups and political leaders regarding the sale of this large and important portfolio of HUD-assisted housing in the city.
Factor 5: Energy Efficiency Improvement and Sustainable Development Factors

A. Transit Accessibility
The sites are served by a number of bus lines that connect Walnut Hills to points throughout the city with headways ranging from 15 to 30 minutes.

- Route 1, through Walnut Hills, connecting north to Corryville, Clifton and Avondale, and southwest to Mt. Adams, Downtown and Queensgate
- Route 4, through Walnut Hills, connecting southwest to Downtown, and north to Evanston, Norwood (out of city), Kennedy Heights, Pleasant Ridge, further out of city to Silverton, Deer Park, Kenwood, Dillonvale, Rossmoyne, and Blue Ash
- Route 11, through Walnut Hills, connecting southwest to Downtown, and northeast to East Walnut Hills, Evanston, O’Bryonville, Hyde Park, Oakley, and Madisonville
- Route 24, through Walnut Hills, connecting south to Mt. Auburn and Downtown, and east to East Walnut Hills, Evanston, O’Bryonville, Hyde Park, Mt. Lookout, Linwood and Mt. Washington
- Route 31, through Walnut Hills, connecting northeast to Evanston, and west to Mt. Auburn, University Heights, CUF, Queensgate and Lower Price Hill

B. Green Building
Rehabilitation work on these properties will include appliance upgrades and improvements to the building envelopes in order to achieve significant improvements in energy efficiency. The Community Builders is committed to designing developments to LEED or equivalent standards and to creating energy efficient homes. Building systems will integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials, finishes and ventilating where possible.

Factor 6: Neighborhood Transformation and Economic Opportunity

The Community Builder’s acquisition, rehabilitation, and preservation of these properties will complement the City of Cincinnati’s NSP2 program. It will prevent additional vacancy in the neighborhood by returning these buildings to productive use. It will provide needed quality affordable housing to residents.

3 http://www.cincinnati-oh.gov/cdap/pages/-39734-/-
These additional two census tracts are an extension of the Renaissance Pointe Revitalization in Fort Wayne. HUD previously approved census tracts 180030017.00, 180030018.00, and 180030027.00 for this project. The extension in these two tracts consists of new construction of multifamily homes on vacant land, an eligibly NSP2 activity.

**Factor 1: Need/Extent of the Problem**

**A. Target Geography**

The rehabilitation and new construction project at Renaissance Pointe represents a major opportunity to have a profound stabilizing effect on the community of Fort Wayne. As evident from the indicators described below, such as vacancy, poverty level and extreme rental cost burden, the need for affordable housing here is desperate. The neighborhoods in the southeast quadrant of Fort Wayne have been plagued with high vacancy which detracts from the value, pride and image. In order to increase interest and stabilize this area, the vacant and blighted structures must be revitalized.

**Vacancy**

The vacancy rates for the target census tracts 0028.00 and 0029.00, according to the USPS data, are 26.61% and 17.84% respectively. These far exceed the overall vacancy rate for Fort Wayne, IN which is only 9.14%.

**Foreclosures**

As of June 2011, there were 5 foreclosure filings in the 46803 ZIP code encompassing these tracts with an additional 3 in July. These are of the 219 filings city wide in June and 152 in July.

**Employment needs contributing to the decline**

As of February 2011, Fort Wayne’s unemployment rate was 9.8% (not seasonally adjusted). This is slightly higher than the state unemployment rate of 9.4%. It is also a large increase over Fort Wayne’s 5.1% unemployment rate in January 2007, at which time Fort Wayne had lower unemployment than the state average of 5.4%.

**Poverty and Rental Cost Burden**

The target census tracts 0028.00 and 0029.00 have an extremely high level of poverty, with rates 50.10% and 52.51% respectively. Nearly two-thirds of renters in the tracts, 62.27% in 0028.00 and 67.86% in 0028.00 are cost-burdened. Nearly half of renters are extremely cost-burdened, 47.23% in 0028.00 and 47.19% in 0028.00. These are very high percentages and well above the already high rates of 40.91% cost-burdened and 21.15% cost-burdened in the city of Fort Wayne as a whole. This highlights the need for affordable housing in the area.

**Interrelated Factors**
The proposed affordable housing development at Renaissance Pointe represents a major part of the revitalization of the southeast neighborhood of Fort Wayne. By developing new construction and providing rehabilitation to such a large area, the extreme rental cost burden and poverty levels that plague the neighborhood will be reduced and stabilization of the southeast neighborhood of Fort Wayne will occur.

B. Market conditions and demand factors
The target area, located in the southeast quadrant of Fort Wayne, is finally entering a period of investment and reinvestment after struggling through many years of economic decline. As noted in the Southeast Area Development Strategy, “The City’s 2006 Southeast Housing Market Study indicated that up to 158 new market-rate and 47 new affordable homes could be built and sold in the City’s southeast quadrant every year in the foreseeable future.”1 Though conditions have changed, a recent market study for the area confirms the continued need for modern quality rental housing. The proposed projects in the area will bolster the city’s initiatives and continue the upswing of the southeast quadrant of Fort Wayne.

Projected absorption
Within the 46803 ZIP Code, there are currently 3 active foreclosures.2 The sum of these two census tracts’ vacant units is 443.3 As an approximate metric, combining current vacancies with current foreclosures yields 446 units to be absorbed. The current average residential absorption rate across the census tracts of Renaissance Pointe is 13.8 units/month. This is based on data from the USPS, tracking the number of vacant units that were reoccupied from Q4 2009 through Q3 2010, the most recent data available.4 Projecting this absorption rate forward over the next three years will result in a demand for 495 units by 2014. Combining this demand with current vacancies yields 52 additional units needed by 2014 to satisfy demand.

Factors influencing foreclosures
Many of the houses in the southeast quadrant of Fort Wayne were built in the 1940s and 50s and do not meet current standards. The owners were unable to sell the houses at a reasonable price and turned them into rentals. The exceptionally high rate of renters who are extremely cost burdened, along with the high rate of poverty in the target census tracts are two of the most critical factors influencing foreclosures.

Income characteristics
The poverty rates within the census tracts are very high with an average rate of approximately 51.31%. The average 2010 per capita median incomes in the census tracts are $9,594 and $9,301 which are less than half the city-wide median of $23,074.

Relevant social, governmental, educational or economic factors
As the regional center for northeast Indiana, Fort Wayne is an important city. Fort Wayne has experienced an influx of approximately 6,000 refugees from the former nation of Burma. They

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1 http://www.cityoffortwayne.org/southeast-area-development-strategy.html
2 Source: Realty Trac
3 Source: USPS
4 Source: USPS
are currently and insufficiently housed in the Victoria Acres Redevelopment area. This influx of new relocatees will create a great need for increased housing, employment opportunities and infrastructure in the city of Fort Wayne. The addition of more affordable housing will be crucial to the stabilization of the neighborhood.

**Strategy for stabilizing the target census tracts**

Renaissance Pointe is a target area for the City of Fort Wayne. The City has made a strong push for the revitalization of the southeast quadrant of Fort Wayne and has been very creative in generating ideas and support. There has been much collaboration with the City to determine how TCB’s work can fit into their neighborhood wide plans and accomplish their overall neighborhood goals of stabilization. The City continues to leverage various public funding sources in the revitalization of this and surrounding neighborhoods, including the City’s NSPI allocation. Recently completed and planned public service and community support facilities (senior center, Head Start building, YMCA, etc.) within the target area now serve and will serve as critical services infrastructure for the next phase of revitalization.

**Factor 3: Soundness of Approach**

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<th>Renaissance Pointe Revitalization</th>
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<td></td>
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<td>USPS Vacant units in Tract:</td>
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The Renaissance Pointe Revitalization area is comprised of over 300 parcels of land. Some of the homes in this area have been demolished; others have been modeled and rehabilitated. The City acquired 90% of the area’s land, and is looking to TCB to help with the continued development. TCB proposes to work with the City to create a blended neighborhood of multi-family townhouse style units and single family homes. The master plan is under review. Renaissance Pointe, when completed, will be mixed income but a number of units will house individuals and families whose income is at or below 120% AMI. The redevelopment is well under way:

- TCB has negotiated and executed a predevelopment memorandum of understanding (MOU) with the City of Fort Wayne concerning roles and responsibilities for this development effort, particularly around land acquisition and predevelopment costs.

- At TCB’s request, the City of Fort Wayne has obtained control over several strategic parcels of land in the southeast quadrant of the Renaissance Pointe project, and for several parcels, crossing Pontiac Street into the Oxford neighborhood (and into census tract 18003002800). The City will assign its site control, in the form of option agreements, to TCB at the appropriate point to allow TCB to make an application for tax
credits to the Indiana Housing and Community Development Authority by November 1, 2011.

- TCB has procured a full design team (consisting of master planning architects and a locally-based design team, as separate procurements) and surveyors to assist in the development of the project. The design team has developed an initial project concept and with the City’s support TCB has applied for rezoning and development plan review from the Plan Commission of the City of Fort Wayne. Zoning and plan approval is expected by Fall 2011.

This extension to the Renaissance Pointe revitalization pushes the neighborhood border south from Pontiac Street to Oxford Street. Hanna Street marks the western boundary and S Anthony Blvd the east. TCB proposes to partner with the City and leverage other sources of public funding—including NSP1 funds—to accelerate this important part of the southeast side revitalization.

**Consultation, Outreach and Communications**

TCB is working in collaboration with the City of Fort Wayne for the Renaissance Pointe Revitalization project. The City and TCB communicate and meet regularly with each other and with local residents and community groups in order to guide the revitalization project.

TCB staff meet on an almost weekly basis with neighborhood representatives, public officials, and broader planning groups to discuss progress on its development efforts. TCB has met several times with the HANDS [Housing and Neighborhood Development Services] board, the City’s housing policy body, and has hosted a tour of TCB’s completed developments in Louisville, Kentucky for a group of 25 members of that board, residents and public officials. TCB has also convened a project-specific stakeholder’s group that will meet monthly to help provide neighborhood input on the emerging development.

**Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

**A. Transit Accessibility:** Public transportation throughout the city of Fort Wayne is provided by the CityLink bus service. Renaissance Pointe is located near the Route 5 (Southeast Local; Purple), Route 7 (Anthony via Oxford; Blue) and Route 7A (Anthony via Creighton) bus lines.

**B. Green Building:** The city has employed some green techniques in their initial stages of the Renaissance Pointe Revitalization. These techniques will be continued and there has been consideration of the installation of a geothermal system. Green building techniques, where applicable, will be employed during construction. All will be Energy Star rated or better.

**Factor 6: Neighborhood Transformation and Economic Opportunity**

The City of Fort Wayne’s plan for the revitalization of Renaissance Pointe called for nearly 400 new homes, the rehabilitation of more than 100 existing homes, a greenway trail and improved infrastructure over a 10-year period. The project is supported by the City of Fort Wayne’s
Southeast Area Development Strategy. (http://www.cityoffortwayne.org/southeast-area-development-strategy.html) Although the City and its neighborhood partners have initiated and completed many impactful and creative aspects of the plan, such as a new YMCA and other community development activities, the economic crisis stalled residential revitalization efforts. The City is looking to collaborate with TCB to complete the residential development of Renaissance Pointe, leveraging TCB’s NSP2 program to accelerate redevelopment through the crisis.
### Current Approved Census Tracts

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<th>Project Name</th>
<th>City, State</th>
<th>Census tract</th>
<th>Census Tract Score</th>
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<th># unit</th>
<th>Tenant Incomes</th>
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### Projects for Third Substantial Amendment

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### Addressing Vacancy Scores

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<th>Project</th>
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<th>1.5 x Sum of Vacant Units to be Addressed</th>
<th># Vacancies in Census Tracts(s)</th>
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<tr>
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<td>0.00</td>
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<tr>
<td>Westport, MA</td>
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<td>Walnut Hills</td>
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<td>Over-the-Rhine</td>
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<td>602</td>
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<td>Cincinnati, OH</td>
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<td><strong>Sum</strong></td>
<td><strong>254</strong></td>
<td><strong>381</strong></td>
<td><strong>3684</strong></td>
<td><strong>0.10</strong></td>
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</table>
Q: How do I affirm my organizational capacity and submit my target geography to get my unique application number?

A: To get a unique application number, an NSP2 grantee must show or affirm two things. 1) the target geography must qualify, and 2) the applicant must affirm that it has meet the organizational capacity threshold of producing 75 units of housing (page 14, paragraph II.B.7 of the NOFA).
### Revised Budget and Activity List

<table>
<thead>
<tr>
<th>CDGB Eligible Activity</th>
<th><strong>Revised Budget Amount Based on NSP2 Award (in $)</strong></th>
<th>Revised # of Units to be Assisted Based on NSP2 Award</th>
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<tbody>
<tr>
<td>A- Financing Mechanisms For Foreclosed Homes</td>
<td></td>
<td></td>
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<tr>
<td>B- Purchase/Rehab Abandoned/Foreclosed Properties</td>
<td>$33,750,000</td>
<td>532+</td>
</tr>
<tr>
<td>Brookland Park, Richmond, VA</td>
<td>$1,500,000</td>
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</tr>
<tr>
<td>Wood St Corridor, Wilkinsburg, PA</td>
<td>$1,200,000</td>
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</tr>
<tr>
<td>NY Group Portfolio, Cincinnati, OH</td>
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</tr>
<tr>
<td>C- Establish/Operate Land Banks for Foreclosed Properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D- Demolish Blighted Structures</td>
<td>$1,080,000</td>
<td>TBD</td>
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<tr>
<td>E- Redevelop Demolished/Vacant Properties as Housing</td>
<td>$35,925,868</td>
<td>486+</td>
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<tr>
<td>School 6, Yonkers, NY</td>
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<tr>
<td>Magnolia Richmond, VA</td>
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<tr>
<td>Moton Circle, Norfolk, VA</td>
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</tr>
<tr>
<td>Hillcrest Senior Residences, Pittsburgh, PA</td>
<td>$1,500,000</td>
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</tr>
<tr>
<td>Noquochoke Village Westport MA</td>
<td>$400,000</td>
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</tr>
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<td>Mulford Gardens Yonkers NY</td>
<td>$1,500,000</td>
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</tr>
<tr>
<td>Benning TOD Washington, DC</td>
<td>$1,500,000</td>
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</tr>
<tr>
<td>Renaissance Pointe Fort Wayne, IN</td>
<td>$3,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$70,755,868</strong></td>
<td><strong>1,018+</strong></td>
</tr>
</tbody>
</table>

Note: This Revised Activity List must still comply with the NSP2 NOFA’s requirement to return a minimum of 100 abandoned or foreclosed homes back to productive use or otherwise eliminate or mitigate their negative effects on the stability of the target geography. Grantees are also reminded that the target geography in which the Grantee will carry out NSP2 activities must maintain an average combined needs index score of 18 or greater.
## City/Town Data

<table>
<thead>
<tr>
<th>Data Indicator / City</th>
<th>Norwalk, MA</th>
<th>Yonkers, NY</th>
<th>Richmond, VA</th>
<th>Norfolk, VA</th>
<th>Pittsburgh, PA</th>
<th>Wilkesburg, PA</th>
<th>Washington, DC</th>
<th>Cincinnati, OH</th>
<th>Fort Wayne, IN</th>
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</thead>
<tbody>
<tr>
<td>USPS Vacancy Rate Q3 2010 (Calculated)</td>
<td>0.00%</td>
<td>3.11%</td>
<td>5.69%</td>
<td>3.84%</td>
<td>8.46%</td>
<td>10.79%</td>
<td>3.56%</td>
<td>14.12%</td>
<td>7.61%</td>
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<tr>
<td>Total no. mortgages issued 2009</td>
<td>646</td>
<td>1998</td>
<td>4677</td>
<td>5474</td>
<td>4159</td>
<td>121</td>
<td>18006</td>
<td>6517</td>
<td>3763</td>
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<td>No. residential foreclosures in city, June 2011</td>
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<td>31</td>
<td>326</td>
<td>195</td>
<td>132</td>
<td>11</td>
<td>19</td>
<td>531</td>
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<tr>
<td>No. residential foreclosures in city, July 2011</td>
<td>3</td>
<td>32</td>
<td>366</td>
<td>215</td>
<td>151</td>
<td>17</td>
<td>27</td>
<td>614</td>
<td>152</td>
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<td>Median per capita income, 2009</td>
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<td>$28,835</td>
<td>$26,022</td>
<td>$23,294</td>
<td>$24,616</td>
<td>$19,877</td>
<td>$40,846</td>
<td>$23,551</td>
<td>$23,074</td>
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<tr>
<td>HUD 1 person HH, 30% AMI, 2010</td>
<td>$22,000</td>
<td>$15,550</td>
<td>$15,550</td>
<td>$13,300</td>
<td>$14,250</td>
<td>$14,600</td>
<td>$13,100</td>
<td>$21,800</td>
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</tr>
<tr>
<td>HUD 1 person HH, 50% AMI, 2010</td>
<td>$36,650</td>
<td>$25,950</td>
<td>$25,950</td>
<td>$22,450</td>
<td>$23,750</td>
<td>$24,350</td>
<td>$21,800</td>
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<tr>
<td>HUD 1 person HH, 60% AMI, 2010</td>
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<td>$41,500</td>
<td>$41,500</td>
<td>$35,950</td>
<td>$38,000</td>
<td>$38,950</td>
<td>$34,850</td>
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<tr>
<td>Renter rate (2009)</td>
<td>18.17%</td>
<td>56.81%</td>
<td>53.86%</td>
<td>54.45%</td>
<td>47.87%</td>
<td>58.50%</td>
<td>61.04%</td>
<td>35.96%</td>
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<tr>
<td>% renters cost-burdened (2009)</td>
<td>43.94%</td>
<td>49.92%</td>
<td>52.17%</td>
<td>49.82%</td>
<td>48.44%</td>
<td>55.20%</td>
<td>45.47%</td>
<td>47.23%</td>
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</tr>
<tr>
<td>% renters extremely cost-burdened (2009)</td>
<td>26.34%</td>
<td>21.84%</td>
<td>20.85%</td>
<td>18.65%</td>
<td>21.81%</td>
<td>19.53%</td>
<td>23.70%</td>
<td>18.43%</td>
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<td>Homeownership rate (2009)</td>
<td>81.83%</td>
<td>43.19%</td>
<td>46.14%</td>
<td>45.55%</td>
<td>52.13%</td>
<td>41.50%</td>
<td>45.10%</td>
<td>38.96%</td>
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</tr>
<tr>
<td>% owners cost-burdened (2009)</td>
<td>28.43%</td>
<td>38.04%</td>
<td>35.53%</td>
<td>36.25%</td>
<td>27.49%</td>
<td>33.10%</td>
<td>31.93%</td>
<td>31.01%</td>
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<tr>
<td>% owners extremely cost-burdened (2009)</td>
<td>12.16%</td>
<td>14.28%</td>
<td>9.89%</td>
<td>10.06%</td>
<td>9.07%</td>
<td>10.87%</td>
<td>12.70%</td>
<td>8.82%</td>
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</tr>
<tr>
<td>% with some college or associates’ degree (2009)</td>
<td>21.70%</td>
<td>21.28%</td>
<td>22.08%</td>
<td>30.47%</td>
<td>23.19%</td>
<td>30.68%</td>
<td>17.63%</td>
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<td>% with at least four-year college degree (2009)</td>
<td>25.58%</td>
<td>28.52%</td>
<td>32.52%</td>
<td>23.45%</td>
<td>33.22%</td>
<td>26.66%</td>
<td>47.14%</td>
<td>30.19%</td>
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</tr>
<tr>
<td>City unemployment rate, Jan. 2007*</td>
<td>8.50%</td>
<td>5.20%</td>
<td>4.70%</td>
<td>4.30%</td>
<td>4.90%</td>
<td>7.9% (MSA)</td>
<td>5.90%</td>
<td>5.70%</td>
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<td>State unemployment rate, Jan. 2007*</td>
<td>5.40%</td>
<td>5.00%</td>
<td>3.30%</td>
<td>5.00%</td>
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<td>6.30%</td>
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<td>City unemployment rate, Feb 2011*</td>
<td>14.80%</td>
<td>8.60%</td>
<td>9.20%</td>
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<td>7.40%</td>
<td>8.9% (MSA)</td>
<td>9.40%</td>
<td>9.30%</td>
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<tr>
<td>State unemployment rate, Feb 2011*</td>
<td>8.60%</td>
<td>8.70%</td>
<td>6.60%</td>
<td>6.60%</td>
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<td>8.50%</td>
<td>9.80%</td>
<td>9.40%</td>
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*Source: Census 2010, Policymap, USPS, BLS Local Area Unemployment Statistics

*Not seasonally adjusted
<table>
<thead>
<tr>
<th>Project</th>
<th>URA Notice</th>
<th>90 Day</th>
<th>Loan Commitment</th>
<th>QPR Reporting</th>
<th>Loan Closing</th>
<th>Const Start</th>
<th>Const Compl</th>
<th>Take out Financing</th>
<th>Stable Occupancy</th>
<th>National Objectives</th>
<th>Monthly Reporting</th>
<th>50% Exp</th>
<th>100% Exp</th>
<th>State Allocation</th>
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<td>Nov-12</td>
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<td>Dec-12</td>
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<td>Apr-13</td>
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<td>Sep-12</td>
<td>Feb-12</td>
<td>Feb-13</td>
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<td>Dec-13</td>
<td>Jun-14</td>
<td>Apr-14</td>
<td>Apr-14</td>
<td>Dec-12</td>
<td>Feb-12</td>
<td>Feb-13</td>
<td>NY 5,521,006</td>
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<td>Hillcrest Senior</td>
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<td>Aug-12</td>
<td>Oct-12</td>
<td>Nov-12</td>
<td>Oct-13</td>
<td>Apr-14</td>
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<td>Sep-12</td>
<td>Sep-12</td>
<td>Feb-12</td>
<td>PA 11,205,459</td>
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<tr>
<td>Wilkinsburg</td>
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<td>Sep-12</td>
<td>Sep-12</td>
<td>Nov-12</td>
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<td>PA 11,205,459</td>
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<tr>
<td>Benning TOD</td>
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<td>Jun-12</td>
<td>Jan-12</td>
<td>Aug-12</td>
<td>Sep-12</td>
<td>Nov-13</td>
<td>Mar-14</td>
<td>Nov-14</td>
<td>Mar-14</td>
<td>Nov-14</td>
<td>Mar-12</td>
<td>Feb-12</td>
<td>Feb-13</td>
<td>DC 1,282,654</td>
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<tr>
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<td>Aug-12</td>
<td>Aug-12</td>
<td>Sep-12</td>
<td>Jan-12</td>
<td>Nov-12</td>
<td>May-13</td>
<td>Jul-13</td>
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<td>Dec-14</td>
<td>Feb-12</td>
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<td>Brookland Park</td>
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<td>Aug-12</td>
<td>Feb-11</td>
<td>Mar-12</td>
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<td>Mar-12</td>
<td>Feb-12</td>
<td>Feb-12</td>
<td>VA 4,687,500</td>
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<tr>
<td>Renaissance Pointe</td>
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<td>Mar-12</td>
<td>Nov-11</td>
<td>Dec-11</td>
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<td>Dec-13</td>
<td>Feb-12</td>
<td>IN 14,062,500</td>
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**State Allocations and Proposed Commitments on Projects**

<table>
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<tr>
<th>State</th>
<th>Allocation</th>
<th>Proposed Projects for Amendment</th>
<th>Previously Approved</th>
<th>Total</th>
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</thead>
<tbody>
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<td>44,650,000</td>
<td>$45,050,000</td>
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<tr>
<td>Connecticut</td>
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<td>$</td>
<td>$6,800,000</td>
<td>$6,800,000</td>
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<tr>
<td>New York</td>
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<td>$16,500,000</td>
<td>3,200,000</td>
<td>$19,700,000</td>
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<tr>
<td>Pennsylvania</td>
<td>$11,205,459</td>
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<td>10,264,115</td>
<td>$12,964,115</td>
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<td>Virginia</td>
<td>$4,687,500</td>
<td>$4,500,000</td>
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<tr>
<td>North Carolina</td>
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<td>Ohio</td>
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<td>Illinois</td>
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<td>24,794,267</td>
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<td><strong>TOTAL:</strong></td>
<td>$78,617,631</td>
<td>$38,600,000</td>
<td>$102,353,668</td>
<td>$140,953,668</td>
</tr>
</tbody>
</table>
MEMORANDUM FOR: Robert L. Jennings, Program Center Coordinator, Office of Public Housing, 3PH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

SUBJECT: Approval for the Norfolk Housing Authority’s Request for the Demolition of 1 Non-dwelling Building, 21 Dwelling Buildings Containing 137 Dwelling Units and 1 Non-dwelling Unit and the Disposition of 10.33 acres of Underlying Land at Moton Park, VA0060000005.

The SAC received this application on August 13, 2009, via the Public and Indian Housing Information Center (PIC), DDA0003729. Supplemental information was received through September 24, 2009. The Environmental Assessment was performed by the City of Norfolk under 24 CFR, Part 58 on January 12, 2010 and was signed off by the Richmond Program Center on March 18, 2010.

The Richmond Program Center provided a certification stating that the submission accurately describes the current physical condition of the project proposed for demolition, and that the reasons provided by the Norfolk Housing Authority (NHA) to justify the proposed action are correct and factual.

Under 24 CFR, Part 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide “A certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part.” On July 10, 2009, the Richmond Program Center approved the NHA’s agency plan, which includes the subject action.

Description of Development

The NHA proposed the demolition of 1 non-dwelling building, 21 dwelling buildings containing 137 dwelling units and 1 non-dwelling units at and the disposition of 10.33 acres of underlying land at Moton Park, VA0060000005. Details of the proposed demolition are as follows:

Visit our World Wide Web Site http://www.hud.gov/offices/pih/centers/sac/
Reason(s) for Action (Justification)

Demolition:

The NHA proposed the demolition based on 24 CFR, Part 970.15, which requires the PHA to certify that the project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes, and no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life.

The Moton Park site, constructed in 1952, is obsolete and has failed its REAC inspection for three consecutive years. Based on this inspection, virtually all systems except the windows are defective and the site lacks market appeal with missing and damaged shingles, damaged soffits and fascia, foundations with spalling and exposed rebar, the erosion of soil, exterior walls that are cracked/damaged, exterior doors with damaged weather seals and exterior surfaces that are riddled with graffiti. In addition, unit interiors require substantial rehabilitation to address damaged and outdated kitchens and bathrooms, mold and mildew, infestation of bugs/rodents and the lack of compliance with Section 504. The NHA is proposing demolition of the entire site because it is cost prohibitive to rehabilitate based on an estimate that exceeds $22,000,000. The NHA estimates that it will take three years to accumulate sufficient CFP funds to address all needs at this site to the exclusion of other viable units in its portfolio.

The Total Development Cost (TDC) limit for the units proposed for demolition is calculated below. The Department used the TDC applicable at the time of submission of this demolition application.

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>Number of Unit</th>
<th>TDC/Unit</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-BR</td>
<td>14</td>
<td>$148,109</td>
<td>$2,073,526</td>
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<tr>
<td>2-BR</td>
<td>54</td>
<td>$175,259</td>
<td>$9,463,986</td>
</tr>
<tr>
<td>3-BR</td>
<td>42</td>
<td>$208,052</td>
<td>$8,738,184</td>
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<tr>
<td>4-BR</td>
<td>28</td>
<td>$244,841</td>
<td>$6,855,548</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$27,131,244</td>
</tr>
</tbody>
</table>
The NHA provided the cost estimate for rehabilitation based on the existing conditions of the units. The rehabilitation cost was estimated to be $22,404,000, which is 82.58 percent of the TDC limit.

We concur with the NHA’s determination that the development is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes, and no reasonable program of modifications is cost-effective to return the public housing project(s) or portion of the project to useful life.

Future Use of Property

The NHA has indicated that, after demolition, it intends to use the property on which this development was located to construct ACC and affordable rental units as well as affordable and market rate homeownership units.

Demolition Cost

The application states that it will cost approximately $1,380,000 to demolish the subject units/buildings at Moton Park, VA006000005. The NHA plans to use FY2009 CFP funds to cover the cost of demolition.

Reason(s) for Action (Justification)

Disposition:

The NHA proposed the disposition based on 24 CFR, Part 970.17, which requires the PHA to certify that the retention of the property is not in the best interests of the residents or the PHA because the PHA has otherwise determined the disposition to be appropriate for reasons that are consistent with the goals of the PHA and the PHA Plan and that are otherwise consistent with the Act.

After demolition of all structures at Moton Circle, the NHA will convey the site to the Morton Circle I Limited Partnership and the Morton Circle II Limited Partnership via a long-term ground lease for 75 years. Demolition of the site prior to disposition will facilitate the construction of affordable rental units and ensure greater affordability for the subsidized homeownership units. The Partnership I and II will construct a total of 177 units that include 62 ACC and 36 units that will be affordable to families with incomes at or below 80 percent of Area Median Income (AMI). In addition, 20 affordable homeownership units will be constructed as well as 59 market rate homes.

We concur with the NHA’s determination that the disposition is in the best interests of the residents or the PHA, is consistent with the PHA plan and will allow for the construction of new ACC and other affordable rental and homeownership units.
Appraisal

The NHA submitted an appraisal with an estimate of the Fair Market Value (FMV) with the application. The FMV of $4,500,000 was estimated by Dominion Realty Advisors, Inc. As required by 24 CFR, Part 970.19(d), we have determined that this method of valuation is acceptable to establish an estimate of the FMV for the subject properties.

Negotiated Sale/Commensurate Public Benefit

The NHA proposed the disposition via a negotiated sale at less than FMV to the Moton Circle I and II Limited Partnerships, via a 75-year ground lease at $1.00 per year. The below market transaction along with demolition of all units will ensure the affordability of 56 rental and homeownership units for families with incomes at or below 80 percent of AMI. In addition, this disposition will allow for the construction of 62 ACC units for low-income families. Therefore, although the negotiated sale price is less than FMV, because of the benefits arising from the negotiated sale, it is in the best interest of the public housing residents and the PHA, and will result in a commensurate public benefit, as required in 24 CFR, Part 970.19.

Use of Proceeds

According to the Office of the Chief Financial Officer, there is no debt for Moton Park, VA006000005. The NHA will realize proceeds from this disposition.

Relocation

When the application was developed and transmitted to the Department, 134 units proposed for demolition were occupied. The NHA has submitted certification regarding relocation as required by the 24 CFR, Part 970.21(e) (f). The NHA estimated the relocation cost for the remaining residents to be $640,998.96, which includes moving expenses and counseling/advisory services. The funds for relocation are allocated under the FY2009 and FY2010 CFP budgets. The housing resources offered will be Housing Choice vouchers and other public housing units.

Resident Consultation

1. Project(s) Specific Resident Organization(s): Moton Circle Tenant Management Corporation (TMC)

2. PHA-wide Resident Organization: Norfolk Resident Organization

3. Resident Advisory Board (RAB) in accordance with 24 CFR, Part 903.13: Resident Advisory Board
24 CFR, Part 970.9(a) requires that an application for demolition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

The NHA met with the residents on June 24, 2009, in the last of a series of meetings that were held to discuss the future redevelopment plans for the Moton site and to discuss the submission of this application. Meetings were held during the day and in the evenings during the week and weekend meetings were scheduled to accommodate a variety of work and school-related schedules and activities. The TMC provided a letter of support for the proposed demolition and disposition of Moton Circle in a letter dated August 6, 2009.

Offer for Sale to the Resident Organization

24 CFR Part 970.9(b)(1) of the regulation requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The NHA has chosen not to provide an opportunity based on the exception found in 24 CFR Part 970.9(b)(3). “A PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, mixed-finance housing under 24 CFR part 941 subpart F, or other types of low-income housing)”. We concur with the NHA’s determination that it has complied with the requirements of 24 CFR Part 970.9.

Board Resolution

As required by 24 CFR, Part 970.7(13), the NHA’s Board of Commissioners approved the submission of the application for demolition of the proposed property on August 10, 2009, via Resolution Number 8988. The last resident consultation was on June 24, 2009. The consultation with the local government took place on June 25, 2009.

Mayor/Local Government Consultation

As required by 24 CFR, Part 970.7(14) the application package includes a letter of support from the Honorable Regina V. K. Williams, Mayor of the City of Norfolk, dated June 25, 2009.

Replacement Housing

24 CFR, Part 970.31 eliminated the requirement for one-for-one replacement of public housing units. Therefore, the NHA is not required to provide for replacement housing, and the Department is under no obligation to fund replacement housing.
Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR, Part 970, including requirements related to resident consultation and relocation. Based upon our review, and finding that the requirements of 24 CFR, Part 970 and Section 18 of the Act have been met, the proposed demolition of 1 non-dwelling building, 21 dwelling buildings containing 137 units and the disposition of 10.33 acres of underlying land at Moton Park, VA006000005, as described in the application and identified previously, is hereby approved. This approval does not imply approval of a request for additional funding, which NHA must make separately under the program that makes available funding for this purpose.

<table>
<thead>
<tr>
<th>Moton Circle, VA006000005</th>
<th>Buildings: 22, Units: 138, Acres: 10.33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Units to be Redeveloped</td>
<td>Less than 80% of Area Median Income</td>
</tr>
<tr>
<td>177</td>
<td>ACC</td>
</tr>
<tr>
<td>Rental</td>
<td>62</td>
</tr>
<tr>
<td>For Sale</td>
<td>20</td>
</tr>
<tr>
<td>Acquiring Entity (Rental Units)</td>
<td>Moton Circle I Limited Partnership</td>
</tr>
<tr>
<td>Acquiring Entity (For Sale Units)</td>
<td>Moton Circle II Limited Partnership</td>
</tr>
<tr>
<td>Method of Sale</td>
<td>Negotiated Sale at less than FMV, Ground Lease for 75 Years</td>
</tr>
<tr>
<td>Lease Price</td>
<td>$1.00 per year</td>
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<tr>
<td>Purpose</td>
<td>Development of Mixed-Income Housing</td>
</tr>
</tbody>
</table>

Notwithstanding this approval, the NHA shall not proceed to enter into any long-term ground lease or disposition agreement without HUD’s approval of the documents for a mixed-finance transaction as set forth in 24 CFR 941 Subpart F. All of the documents related to Subpart F must be reviewed and approved by HUD prior to any formal disposition action. The Richmond Program Center must work with the Office of Public Housing Investments at HUD Headquarters to facilitate the completion of the process.

The approval requires that the disposition documents include a reversion clause stipulating that if the Morton Circle I Limited Partnership and the Moton Circle II Limited Partnership fails to develop the property as outlined in the application, the lease will terminate.

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated and until all demolition actions at the development (that were previously approved by HUD) are complete.

Operating Subsidy

The demolition of these units will affect the NHA’s operating subsidy eligibility significantly. The NHA was advised to contact the HUD financial analyst in the Richmond Program Center for additional information.
Housing Choice Vouchers

If the NHA is interested in applying for housing choice vouchers for relocation in connection with the units approved for demolition, it will need to submit an application to the Richmond Program Center. The NHA should submit its application in response to HUD’s current Notice outlining the application procedures.

PIC and Monitoring

The NHA must enter the “actual” dates of demolition, disposition and acres directly into the Inventory Removals sub-module in PIC, for the Richmond Program Center approval so that the status of the units in PIC is changed to “removed from inventory.”

It is the Richmond Program Center’s responsibility to monitor this activity based on its latest risk assessment. The Richmond Program Center must verify that the actual data is being entered by the NHA as the actions occur to ensure the Department is not over paying in operating subsidy, and the Capital Fund formula data is correct.

Upon completion of demolition, the Richmond Program Center has the responsibility to amend the Annual Contributions Contract and update PIC to reflect the approved action as appropriate.
Ms. Shurl Montgomery  
Executive Director  
Norfolk Housing Authority  
201 Granby Street  
Norfolk, VA 23510  

Dear Ms. Montgomery:  

The Department has reviewed the Norfolk Housing Authority’s (NHA) application for the demolition of 1 non-dwelling and 21 dwelling buildings containing 138 units and the disposition of 10.33 acres of underlying land at Moton Park, VA006000005. The Special Applications Center (SAC) received this application on August 13, 2009, via the Public and Indian Housing Information Center (PIC), Application DDA0003729. Supplemental information was received through September 24, 2009.

I am pleased to approve your request to demolish 1 non-dwelling and 21 dwelling buildings containing 138 units at Moton Park, VA006000005. In addition, approval is also provided for the disposition of 10.33 acres of vacant land, after demolition, at Moton Park, VA006000005, as identified below:

<table>
<thead>
<tr>
<th>Moton Circle, VA006000005</th>
</tr>
</thead>
<tbody>
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<td>Method of Sale</td>
</tr>
<tr>
<td>Lease Price</td>
</tr>
<tr>
<td>Purpose</td>
</tr>
</tbody>
</table>

Notwithstanding this approval, the NHA shall not proceed to enter into any long-term ground lease or disposition agreement without HUD's approval of the NHA's submission of documents for a mixed-finance transaction as set forth in 24 CFR 941 Subpart F. All of the
documents related to Subpart F must be reviewed and approved by HUD prior to any formal disposition action. Please work with the HUD Richmond Program Center to facilitate the completion of the process.

The approval requires that the disposition documents include a clause stipulating that if the Moton Circle I Limited Partnership or Moton Circle II Limited Partnership fails to develop the property as outlined in the application, the lease will terminate.

Notwithstanding this approval, the NHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated and until all demolition actions at the development (that were previously approved by HUD) is complete.

According to the Office of the Chief Financial Officer, there is no debt for Moton Park, VA006000005. The NHA will not realize proceeds from this disposition.

Approval of your application is based on the Department's understanding of your submission, as outlined in the enclosed memorandum from me to the HUD Richmond Program Center.

The HUD Richmond Program Center has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the demolition.

24 CFR, Part 970.31 eliminated the requirement for one-for-one replacement of public housing units. Therefore, the NHA is not required to provide for replacement housing, and the Department is under no obligation to fund replacement housing.

Please be aware that the demolition of these units will affect your operating subsidy eligibility significantly. Please contact your financial analyst at the HUD Richmond Program Center for additional information.

Please make sure that your annual formula characteristics report is updated properly to reflect these changes.

If you are interested in applying for housing choice vouchers for relocation in connection with the units approved for demolition, you must submit an application to the HUD Richmond Program Center Office of Public Housing for review and approval in accordance with the procedures in HUD Notice 2009-13, or HUD's current Notice outlining the application procedures.

In accordance with 24 CFR, Part 970.35 of the regulation, your agency is required to inform the HUD Richmond Program Center of the status of the project (i.e., delays, actual demolition or other problems). When the demolition/disposition has been achieved, please submit a report to the HUD Richmond Program Center confirming the action and certifying compliance with all applicable requirements. Files must be maintained which are sufficient for audit purposes and must be made available upon request.
The NHA must enter the “actual” dates of demolition, disposition and acres directly into the Inventory Removals sub-module in PIC, for the HUD Richmond Program Center approval, so that the status of the units in PIC is changed to “removed from inventory.”

As you start the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD Richmond Program Center stands ready to assist you.

Sincerely,

Ainars Rodins, P.E.
Director

Enclosure