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**TULSA DEVELOPMENT AUTHORITY  
STAFF REPORT**

**MEETING DATE:** April 5, 2018  
**TO:** CHAIRMAN & BOARD MEMBERS  
**FROM:** O.C. Walker  
**SUBJECT:** Down Payment Assistance for East Latimer Project  
**LOCATION:** East Latimer Street, between North Boston Avenue  
and North Main Street, Tulsa, Oklahoma

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**Background:**

<b>Redeveloper:</b>	Tulsa Development Authority
<b>Owner:</b>	Tulsa Development Authority
<b>Location:</b>	East Latimer Street, between North Boston Avenue and North Main Street, Tulsa, Oklahoma
<b>Size of Tract:</b>	2.21 Acres
<b>Fair Market Value:</b>	\$140,000.00
<b>Zoning:</b>	Single Family Residential
<b>Development Area:</b>	Brady Heights Neighborhood
<b>Fair Market Value</b>	N/A
<b>Executive Director:</b>	O.C. Walker

**Relevant Info:** This is a request for the TDA Board of Commissioner's to consider Down Payment Assistance versus the Temporary Loan Program for the East Latimer Project. The Redeveloper believes the zero-interest temporary loan mechanism currently provided by TDA does not blend well with the traditional home financing methods and offers limited value to home buyers for various reasons as follows:

- The funds' loan status cannot be treated as true down payment assistance
- The funds have to be repaid
- The temporary nature of the loan versus grant for down payment assistance
  - The Builder is losing families

The Redeveloper further requests that the TDA Board of Commissioners authorize the transfer of the remaining down payment assistance funds in the amount of \$32,000.00 from TDA's Fund No. 712 (Rehab Loan and Grant Fund) to the Housing Partners of Tulsa, solely for the use as Down Payment Assistance for home buyers for the East Latimer Project, with the stipulation that the homes must be Owner-Occupied.

The Redeveloper is also requesting that the TDA Board of Commissioner's approve the funds as grants, allowing home-owners to use the money toward their down payment.

In the past, Fund No. 712, formerly known as 3104, has been used with the tornado relief program that was offered in 2016. In 2009, TDA provided the WINs department a substantial amount of funds to continue the HOME loan program when HUD funds were not received. These funds date back to the 1970's Model Cities funds to help under-served areas.

**Attachments:** A letter from Capital Homes dated March 19, 2018  
Site Plan

**Recommendation:** Staff recommends this item be approved as presented.

**Reviewed By:** O.C. Walker



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March 19, 2018

Mr. Roy Peters, Chairman  
O.C. Walker, Executive Director  
Tulsa Development Authority

Re: Down Payment Assistance for East Latimer Project

Dear Mr. Peters and Mr. Walker,

We appreciate the time that you and the Board of Commissioners have spent considering our request for down payment assistance. As discussed, this assistance can be the single-most motivating factor in a buyer's decision to purchase. It allows projects in the City of Tulsa to be competitive with suburban options where loan programs like Rural Development allow buyers to purchase a home without a down payment. As we work to bring home ownership to the City's historic neighborhoods, we hope you will consider our request outlined below.

Like most public/private partnerships, certain administrative components must be accomplished successfully in order to best serve homebuyers and remain focused on our collective goal of providing down payment assistance to incentivize home ownership. As we know, the down payment assistance has been challenging to administer through the Tulsa Development Authority. Simply put, the TDA is not set up to administer small grants/assistance to individual homebuyers.

As mentioned in previous correspondence, we recently learned of Housing Partners of Tulsa (HPT), a 501(c)(3) that works under the guidance of the Tulsa Housing Authority. HPT is able to collect funds from another organization and administer them efficiently according to predetermined criteria. Additionally, HPT is a HUD and FHA approved program, meaning that any down payment assistance provided can count toward the 3.5% down payment required for a standard FHA loan. In short, we believe that HPT is the right non-profit partner to successfully administer down payment assistance.

Capital Homes respectfully requests the following:

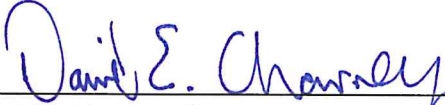
- 1) The TDA Board of Commissioners authorizes Executive Director O.C. Walker and legal counsel Jot Hartley to utilize funds from the 3104 Account within the TDA budget for the purposes of down payment assistance. It is our understanding that the funds in this account are available for use in programs such as down payment assistance grants.
- 2) Transfer in the amount of \$32,000 from Tulsa Development Authority to the Housing Partners of Tulsa, solely for the use as Down Payment Assistance for homebuyers in East Latimer, with the stipulation that the homes must be Owner Occupied.
- 3) The TDA Board of Commissioners approves that the funds are to be used as grants rather than loans, allowing home owners to use the money toward their down payment.

We are excited about continuing to improve the way we provide down payment assistance to homebuyer. It is a critical part of our effort to increase homeownership throughout our city.

Thank you for your time and consideration,

Sincerely,

CAPITAL HOMES RESIDENTIAL GROUP, LLC

By   
David E. Charney, Owner