



North & East Lubbock
 Community Development Corporation
 P.O. Box 3893 Lubbock, Texas 79452
 Phone: (806) 747-5937 Fax: (806) 747-5934
 Email: mc_nelcdc@outlook.com
 HUD-Approved Housing Counseling Agency#: 83903
 Tax ID: 71-0961103

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August 28, 2017

Re: North & East Lubbock CDC Updates

The NELCDC is providing the community with updates on several areas of concern regarding the North & East Lubbock CDC. Please note the following:

NELCDC FY 16-17 Budget Was Not Request or Funded

- NELCDC did not request or receive funds from the City of Lubbock for the current 16-17 fiscal year.
- FY 15-16 funds were provided in two (2) \$181,773.50 disbursements in August and September 2016.
- In an effort to be fiscally conservative and good stewards of public funds, NELCDC opted to operate in the FY 16-17 year with the FY 15-16 funds provided in August and September 2016.
- In addition to the two large disbursements stated above, NELCDC also received two (2) \$10,000 grants from BBVA Compass Bank – one for the housing counseling program and one for community development.
- The funds stated above - \$363,547 and \$20,000 - are the only funds to-date, NELCDC has used for operating in the current FY 16-17 fiscal year.

NELCDC's Value Added to the Lubbock Tax Base

- Three (3) residential lots sold in King's Dominion - \$11,444.
- One (1) new housing project by NELCDC – construction cost - \$148,630.
- One (1) private single-family housing construction project is underway.
- Upon completion of the private construction project and the sale of the NELCDC's single-family home, the NELCDC estimates an approximate \$280,000 will be added to the Lubbock tax base. *Note appraisal and sales price will reflect the actual contribution to the tax base.*
- NELI, Inc., NELCDC's for-profit entity, partially owns and manages Parkway Place Lubbock, LLC, which is a new commercial development plaza valued at \$1,651,902. Parkway Place's 2017 proposed tax estimate is \$37,179.90.
- NELCDC is proud to be a city-funded organization that adds money back into the tax base through its housing construction projects, Parkway Place Lubbock, LLC, and its new effort to enhance the value of existing housing stock through housing rehab projects.

New Housing Construction (see costs above)

- NELCDC launched its new housing construction program in May 2017.
- NELCDC sold three (3) lots; one (1) will start construction in Sept. 2017.
- NELCDC is building one (1) home with federal funds; as of today, the home is close to 50% complete.



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- With the new construction program now underway, the NELCDC has planned to construct or sale at least four (4) homes/lots in the upcoming fiscal year, and each year thereafter. Public-private partnerships are being establish with builders to provide additional affordable housing construction opportunities in north & east Lubbock. Housing and credit counseling services are the primary avenue used by NELCDC to promote, create, and facilitate homeownership in north & east Lubbock.

Property Appraisal Underway in the King’s Dominion Subdivision

- The King’s Dominion subdivision is owned by the NELCDC.
- Lots are sold at a price that allows NELCDC to recoup development costs.
- NELCDC has an appraisal of lots in King’s Dominion underway.
- The King’s Dominion plat and deed restrictions can be found here: <http://www.nelcdc.org/king-s-dominion.html>

Adopt-a-Spot – A Housing Rehab Program

- NELCDC kicked-off two (2) projects for the Jackson-Mahon and Parkway Cherry-Point neighborhoods in January 2017.
- NELCDC created a 10-point housing assessment process to select homes for rehab projects.
- 2,059 homes were assessed (or surveyed) in Parkway Cherry-Point. Of those, 1,044 received a low assessment score and was identified as being in need of repair. Of the 1,044 homes, 588 were owner-occupied. These 588 households will receive a questionnaire to further determine eligibility for rehab, based upon criteria established by the Housing Selection Committee.
- 662 homes were assessed (or surveyed) in Jackson-Mahon. Of those, 153 received a low assessment score and was identified as being in need of repair. Of the 153 homes, 95 were owner-occupied. These 95 households will receive a questionnaire to further determine eligibility for rehab, based upon criteria established by the Housing Selection Committee.
- The Selection Committee will review the returned questionnaires and selections will be made for rehab, based upon established criteria and an inspection report.
- Through a collaborative engagement process including city staff, two (2) neighborhood action plans have been created for both neighborhoods. Pending confirmation of accurate census data, the plans will be published.

Land Acquisition

- The NELCDC Board of Directors has authorized the Executive Director to pursue the purchase of land in north Lubbock for the purpose of new housing development.



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Other NELCDC-led Projects or Initiatives

- The NELCDC has been delegated responsibility for the establishment and implementation of a *new beautification program* for north and east Lubbock. All trees and benches to-date have been privately donated. The first tree dedication celebration was held in Mae Simmons in May 2017. To-date, the NELCDC Executive Director has been responsible for developing, administering and overseeing this program.
- In partnership with a local architect firm, local engineering firm, TX-DOT, Imagine Lubbock Together and the Parkway Cherry-Point neighborhood, The NELCDC initiated the pursuit of a *gateway project at MLK and Parkway Drive* as was envisioned in the Imagine Lubbock Together plan. Working alongside the partners, NELCDC has begun to pursue public and private partnerships to fund this large-scale project. Private contributions as well as the establishment of a Public Improvement District (PID) and/or TIF for east Lubbock for the purposes of funding and maintenance following the establishment of the gateway project, are all being considered. NELCDC and its partners hosted one community visioning session at the Talkington School for Girls on August 3, 2017. The community input was used to create the first visual representation of how a gateway could appear at MLK and Parkway Drive. More meetings will be held in the near future as the team works to develop additional partnerships and raise funds for the gateway project. The NELCDC Executive Director has been responsible for administering and overseeing this comprehensive and collaborative project effort.
- The NELCDC, in partnership with other East Lubbock Community Alliance members, has been working to establish an *East Lubbock Leadership Institute* with the purpose of creating leadership from within east Lubbock. This effort began in February 2017 and is nearing completion. Please find the proposed institute overview attached below. The NELCDC Executive Director has been responsible for administering and overseeing this program including but not limited to using NELCDC private funds to purchase and donate the first 10 books being considered as the core curriculum by the Institute Planning Committee.
- The NELCDC created a *financial literacy youth initiative program in partnership with the Guadalupe Parkway Neighborhood Centers, Inc.* The organizations established a joint committee of board members and are working to determine how a collaboration of both organizations will help strengthen the overall effectiveness of each organization. The Guadalupe Parkway Neighborhood Centers, Inc. is proposing to add onto the existing the Parkway Center building located on MLK Blvd. The partnership is



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pursing the opportunity of NELCDC relocating to the Parkway Center. The NELCDC Executive Director wrote the new youth initiative program.

- As a result of the Adopt-a-Spot community engagement process kicked-off by the NELCDC, a group of Parkway Cherry-Point residents asked the CDC to work on housing and economic development opportunities. The CDC is working on housing rehab, as noted in the Adopt-a-Spot rehab section of this overview. A small group of citizens, including the NELCDC Executive Director, met with city staff to discuss the use of CDBG funds to conduct *façade improvements on existing building in east Lubbock*. The conversation also included the establishment of a Public Improvement District (PID), which will likely require significant participation from Parkway Place Lubbock, LLC.

NELCDC’s Debt Service Obligation Removed

- In October 2016, the NELCDC began working to remove the construction loan liability from the NELCDC’s balance sheet. In April 2017, the debt of \$192,385.23 was transferred to Parkway Place. The debt is now secured by the Parkway Place property and the debt is now serviced by the monthly lease income from Parkway Place. This is significant for NELCDC because all discretionary/ private funds, including but not limited to income from NELI, Inc.’s investment in Parkway Place Lubbock, LLC will now be available for community reinvestment initiatives or to support NELCDC operating expenses.

Feedback Regarding the Comprehensive Land Use Plan Update

- The NELCDC Executive Director meet with the consultants to provide draft action plans for the Jackson-Mahon and Parkway Cherry-Point neighborhoods.
- The NELCDC proposed the establishment of a Neighborhood Advisory Council to help strengthen the community-city service relationship.
- NELCDC indicated strides to improve infrastructure (roads and existing sidewalks) appear to be underway. NELCDC mentioned the city’s expansion of Erskine was a tremendous benefit to east Lubbock citizens. Consideration for city maintaining existing sidewalks was mentioned at a public engagement meeting hosted by NELCDC in conjunction with the Adopt-a-Spot revitalization project. The CDC also mentioned the TX-DOT investment in Parkway Drive between MLK and the loop is also a representation of efforts underway to improve infrastructure in east Lubbock.



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Misappropriation of Funds

As a result of the investigation into the alleged misappropriation of funds from the NELCDC in 2014, a criminal indictment by the Lubbock County District Attorney was obtained in case number 2016-408363. Additionally, the NELCDC made a claim on its crime insurance policy, and in June 2016, NELCDC recovered \$76,377.16 from that claim. The recovered funds were disclosed in NELCDC's FY 15-16 Three-Quarter Consolidated Report and in the FY 15-16 Audit, both of which were previously provided to the City of Lubbock and which are available on the NELCDC's website. Please also note that the NELCDC has previously received requests for the insurance claim information under the Public Information Act, and has received a ruling from the Attorney General of Texas that the insurance claim documents should be withheld until the criminal trial has concluded. As such, the NELCDC is not able to release the insurance claim documents until the outcome of the pending criminal trial. Additional information regarding the pending criminal trial may be available via the Lubbock County District Clerk's office.

Note:


- NELCDC was the victim
- NELCDC made the discovery
- The act occurred before the current Executive Director's tenure
- The discovery was made under current management, and steps including but not limited to the establishment of financial management policies and procedures were implemented.

NELCDC Workshop

- NELCDC is planning a workshop for September 5. Time and location are still being finalized.
- The workshop will be open to the public; a press release will be issued.
- The NELCDC will provide a comprehensive overview of its programs & services as it relates to the CDC's budget.

Please contact Monique Coleman at mc_nelcdc@outlook.com with questions.

Respectfully,


Monique Coleman, MPA, MCRP
Executive Director
North & East Lubbock CDC