



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Oklahoma City Field Office, Region VI
Office of the Director
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April 30, 2009

Ms. Dafne Pharis, Director
Department of Grants Administration
City of Tulsa
175 East 2nd Street
Suite 15-051
Tulsa, OK 74103

Subject: CDBG Program Timeliness Notice

Dear Ms. Pharis:

The purpose of this letter is to remind you that as required by 24 CFR 570.902 of the Community Development Block Grant (CDBG) regulations, this office will review the City of Tulsa for compliance with the requirements for carrying out a CDBG program in a timely manner. A grantee is considered to be in compliance, if 60 days prior to the end of its program year, there is no more than 1.5 times its annual grant remaining in the line-of-credit. Tulsa has an October 1 program year start date. Pursuant to our letter to the city dated October 10, 2008, the last 60-day test was conducted on August 2, 2008, and it was then calculated that your community had a balance in its line-of-credit of 1.65 times its annual grant. Accordingly, the city was in non-compliance with the timeliness performance provision at 24 CFR 570.902. As of April 21, 2009, the city had a ratio of 3.13 times its annual grant plus program income.

As discussed in our monitoring letter dated August 29, 2008, it is apparent that the City will not be able to move forward with its \$1.5M acquisition, relocation, and disposition project until it has developed its relocation plan pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). This delay has further hindered the City's ability to reduce its 1.65 ratio by the end of September 2008 as initially discussed with this office. Additionally, as a result of HUD returning the city's repayment of \$1.49 Million in ineligible costs to the city's line of credit and Tulsa's apparent inability to thus far commit and disburse these and FY 2008 CDBG Program funds in a more timely manner, the city's drawdown ratio has further deteriorated.

The City of Tulsa should take all appropriate actions to improve the drawdown rate, including, but not limited to the development of a workout plan, timetables and schedules in order to comply with the timeliness standard. The workout plan should be submitted to HUD for review and approval within 30 days from the date of this letter.

For your information, you may download from HUD's web site a copy of the CDBG timeliness guidebook entitled, "Developing and Implementing a CDBG Workout Plan: Guidelines for Putting Your Community Development Block Grant Program on the Road to Timeliness." The guidebook provides a detailed description of each element required to be included in the workout plan. The 14-page document can be downloaded from the following site:

(www.HUD.gov/offices/cpd/communitydevelopment/library/workoutplans.pdf)

Please submit your workout plan and any additional information concerning the failure to comply with 570.902 to this office within 30 days from the date of this letter. My staff and I remain available to assist you in any way possible in your goal to reach the 1.5 threshold. Should you have any questions regarding this letter or the Department's timely performance policy, please feel free to contact Mr. Hillard Berry, CPD Representative at (405) 609-8568, Ms. Trina Tollett, Financial Analyst, at (405) 609-8426, or me at (405) 609-8569.

Sincerely,



David H. Long, Director
Office of Community Planning
and Development

cc: Honorable Kathryn Taylor, Mayor, City of Tulsa
Mr. Ronald Miles, HUD, Tulsa Area Field Office Director
Amy Polenchek, Chief of Staff, City of Tulsa
Mike Bunny, Economic Development Officer, City of Tulsa