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MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR11-019

DATE: APRIL 14, 2011

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, ACTING CITY MANAGER *RD*
PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

FROM: CARL MORGAN, CDBG PROGRAM SUPERVISOR *cm*

SUBJECT: PUBLIC HEARING ON FISCAL YEAR 2011-2012 HOME PROGRAM ALLOCATIONS.

BACKGROUND: The City of Chandler receives Federal HOME Investment Partnership funds annually through the Maricopa HOME Consortium. Chandler will receive an estimated \$436,453 for FY 2011-2012. HOME Investment Partnership funds are administered by the U.S. Department of Housing and Urban Development (HUD). Eligible activities utilizing HOME funds include: homeowner rehabilitation, homebuyer activities, rental housing, and tenant-based rental assistance.

Staff announced the availability of HOME funding to area housing nonprofit organizations. No applications were received for City HOME funds. The Housing and Human Service Commission has reviewed and recommended Council approve the staff request to utilize 2011-2012 HOME funds for the City's Housing Rehabilitation Program.

Since 1982, the City of Chandler has operated a Housing Rehabilitation Program. Staff recommends that the entire FY 2011-12 funding amount be allocated to this program to provide rehabilitation loans to low and moderate-income families in owner-occupied homes in targeted and other neighborhoods within Chandler.

DISCUSSION: Applications are currently being accepted for the Housing Rehabilitation Program. A waiting list for future applications may be established for the program, depending on the number of rehabilitation applications received, the estimated cost to complete the rehabilitation projects, and the availability of funding.

Eligible work items under the Housing Rehabilitation Program include, but are not limited to replacement and/or repair of: windows, doors, plumbing, electrical, HVAC systems, roofs, structural repair, mitigation/abatement of lead-based paint hazards, and removal and/or repair of any

code violations. The City provides up to \$50,000 in deferred loan assistance for these repairs. The City secures its investment with a lien (Deed of Trust) equal to the value of the loan, which is repaid in monthly installments by the homeowner over the period of approved loan terms, or paid in full upon sale, transfer or alienation of the property. The loan may be partially or entirely forgiven based on the applicant's income eligibility.

RECOMMENDATION: A Public Hearing regarding these funds is necessary. The final recommendations will be made as an action item at the May 12, 2011 City Council meeting. Federal regulations and Chandler policy requires the City Council hold a public hearing to collect public input regarding Chandler's FY 2011-12 HOME funding allocation.

MAYOR'S STATEMENT: The Public Hearing regarding Chandler's proposed 2011-12 HOME Investment Partnership funding allocation is now open for discussion.