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MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR12-019

DATE: APRIL 11, 2012

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
JEFF CLARK, FIRE CHIEF *JC*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

FROM: BARBARA BELLAMY, CDBG PROGRAM SUPERVISOR *EB*

SUBJECT: PUBLIC HEARING ON FISCAL YEAR 2012-2013 HOME PROGRAM ALLOCATIONS.

BACKGROUND: The City of Chandler receives federal HOME Investment Partnership (HOME) funds annually through the Maricopa HOME Consortium. Chandler will receive an estimated \$285,443 for FY 2012-2013. HOME 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.

DISCUSSION: As a part of the FY 2012-2013 social service allocations process, staff announced the availability of HOME funding to area nonprofit housing organizations. Two specific Requests for Proposals were issued seeking a rental assistance program for homeless individuals and families and a housing reconstruction program for single family homeowners.

Three applications for HOME funding were received totaling \$637,095. The Housing and Human Services Commission ("HHSC") reviewed and evaluated the applications and have made funding recommendations. These funding recommendations were made by the HHSC at their meeting on April 4, 2012 and are summarized in Attachment A. In addition, the proposed funding amounts for Chandler's FY 2012-2013 HOME program have been incorporated as a part of the City's FY 2012-2013 Annual Action Plan.

The City's allocation of HOME funds for FY 2012-2013 was reduced by twenty-seven percent (27%) from FY 2011-2012 funding levels. This funding reduction has been included in the HHSC's HOME program funding recommendations.

RECOMMENDATION: Federal regulations and Chandler policy requires the City Council to hold a public hearing to collect input regarding Chandler's proposed allocation of FY 2012-2013 HOME

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funds. The final recommendations will be made as an action item at the May 10, 2012 City Council meeting.

MAYOR'S STATEMENT: The Public Hearing regarding Chandler's proposed FY 2012-2013 HOME Investment Partnership funding allocation is now open for discussion.

Attachments: "A" FY 2012-2013 HOME Program Descriptions and Funding Recommendations

ATTACHMENT A

CITY OF CHANDLER FY 2012-2013 HOME FUNDING PROGRAM DESCRIPTIONS AND FUNDING RECOMMENDATIONS

1. **City of Chandler Community Development Moderate Housing Rehab- HOME**

Funding Request: \$384,139
Recommendation: \$14,647
Number to be Served: 1 household

The City of Chandler's Moderate Housing Rehabilitation Program will assist Chandler homeowners earning less than 80% of the Area Median Income (AMI) to improve the habitability of their home; at the same time elevating neighborhood standards within the City of Chandler. Up to \$50,000 in a zero interest loan will be provided for eligible owners to address specific rehab issues that improve the basic livability of their home.

2. **Community Bridges, Inc. – Supportive Housing Assistance TBRA**

Funding Request: \$102,956
Recommendation: \$102,956
Number to be Served: 5 households

Community Bridges will provide supportive housing for 5 to 6 Chandler individuals in conjunction with Homeless Navigator services to provide intensive, targeted intervention to the most chronic and medically vulnerable individuals living on Chandler's streets. The Homeless Navigator will locate and establish relationships with the medically vulnerable individuals, facilitate the voluntary relocation into housing, and provide the support and advocacy necessary to help them stay in housing. The majority of the funding will be used for rent.

3. **Habitat for Humanity – Housing Reconstruction**

Funding Request: \$150,000
Recommendation: \$150,000
Number to be Served: 3 households

Habitat for Humanity will provide housing reconstruction in partnership with the City of Chandler's Housing Rehabilitation Program. Funding is requested to complete 3 homes. Families will be referred to Habitat through the City's program. Habitat will offer a 0% mortgage loan for qualifying families, who must also participate in housing counseling.

4. **City of Chandler HOME Administration Set Aside**

Recommendation: \$17,840

These costs were defined as all staff costs, whether for overall HOME program administration or for project delivery. The following are included in the definition of administrative costs, (a) general management, oversight and coordination; (b) staff and overhead; (c) public information; (d) fair housing; (e) indirect costs; (f) preparation of the Consolidated Plan and (g) other Federal requirements.