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MEMORANDUM NEIGHBORHOOD RESOURCES – COUNCIL MEMO NO. NR12-031

DATE: AUGUST 29, 2012

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 JEFF CLARK, FIRE CHIEF *jc*

FROM: JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

SUBJECT: APPROVAL OF RESOLUTION NO. 4630 AMENDING THE FY 2012-2013 ANNUAL ACTION PLAN AND SUBMITTING SUBSTANTIAL AMENDMENT 1 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR ITS CONSIDERATION IN ORDER TO REALLOCATE HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS AND AMEND THE TARGET AREAS FOR THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM 3

RECOMMENDATION: Approval of Resolution No. 4630 amending the FY 2012-2013 Annual Action Plan and submitting Substantial Amendment 1 to the U.S. Department of Housing and Urban Development for its consideration in order to reallocate HOME Investment Partnership Program funds and amend Target Areas for the City's Neighborhood Stabilization Program 3.

BACKGROUND: The Annual Action Plan is the document approved by the City Council that describes the activities to be undertaken by the City for the annual expenditure of funds awarded to the City by the U.S. Department of Housing and Urban Development (HUD). The City of Chandler's Citizen Participation Plan for programs funded by HUD requires that a Substantial Amendment be submitted when there is a collective change in the use of Chandler's federal HUD funds that exceeds 20% of the grant amount and, in the case of Neighborhood Stabilization Program (NSP) funds, when there is a substantial change to the Target Areas for the operation of the program.

Staff is recommending a Substantial Amendment to the FY 2012-2013 Annual Action Plan for two purposes. First, in order to insure the timely expenditure of the City's HOME Investment Partnership Program (HOME) funds, staff is recommending a reallocation of HOME funds to two new activities from funds originally allocated to the City's Moderate Rehabilitation Housing Program. Second, staff is recommending an expansion of the current Target Areas for the Neighborhood Stabilization Program 3 (NSP3).

DISCUSSION: In reviewing the balance of unexpended funds in the City's HOME Program, staff identified \$447,434 that is available for reallocation due to slow expenditure. These funds are currently allocated to the City's Moderate Rehabilitation Program to assist single family owner occupants with up to \$50,000 for home rehabilitation. After analyzing the significant workload associated with each rehabilitation, the lack of federal funds for program administration and taking into account a shift toward prioritizing housing rehabilitations under the City's Exterior Rehabilitation Program, it was decided that to insure timely expenditure of these HOME dollars, a reallocation was called for. As a result of this decision, a Request for Proposals (RFP) regarding the availability of approximately \$447,434 in HOME funding was announced to the non-profit community in early July.

Two responses to the RFP were received; one from Newtown Community Development Corporation for funds for additional housing units under their Community Land Trust Program and a second from Community Bridges, Inc. (CBI) for the expansion of their Tenant Based Rental Assistance Program (TBRA) for homeless individuals and families. After review and ranking of the applications, Community Development staff proposes to reallocate previous unexpended HOME funds, in a total amount of \$447,434 as follows:

- ✓ \$241,522 to Newtown Community Development Corporation for the acquisition, rehabilitation and re-sale of single family homes through the Chandler Community Land Trust
- ✓ \$205,912 to Community Bridges, Inc. for the provision of a Supportive Housing Assistance Program including TBRA for Chandler individuals and families experiencing homelessness

Through this reallocation, it is anticipated that Newtown will be able to provide their program to up to three additional first time homebuyers and CBI estimates they will be able to assist up to 12 homeless individuals or families.

An additional component of the Substantial Amendment is the clarification of HOME funded projects by funding year. This clarification insures the timely expenditure of HOME funds.

The second purpose of Substantial Amendment 1 is to expand the number of Census Tracts for the operation of Chandler's NSP 3 Program. The NSP 3 Program targets foreclosed or Real Estate Owned (REO) properties as the source of housing units for the implementation of the program. Over the past six months, the number of foreclosed properties has declined significantly, shrinking the pool of housing units that can be utilized for the program. Substantial Amendment 1 calls for the addition of three new Census Tracts, including 522729, 522902 and 523102 to the Target Areas for program operation. Please see Attachment B in Substantial Amendment 1 which includes the two current Census Tracts and the three proposed Census Tracts. The expansion of the Target Areas for the NSP 3 Program will enable the City and its non-profit partners to meet the City's goal of purchasing, repairing and selling foreclosed homes to first time homebuyers utilizing NSP 3 funds.

HOUSING AND HUMAN SERVICES COMMISSION: The Housing and Human Services Commission (HHSC) held a public hearing on proposed Substantial Amendment 1 at the HHSC meeting on August 8, 2012. At this same meeting, the HHSC also unanimously approved recommending to City Council Resolution No. 4630.

FINANCIAL IMPLICATIONS: All costs associated with the reallocation of HOME funds will be paid by the U.S. Department of Housing and Urban Development and do not require repayment on the part of the City of Chandler. There is no additional program cost associated with expansion of the NSP 3 Target Areas.

PROPOSED MOTION: A motion to recommend to City Council approval of Resolution No. 4630 amending the FY 2012-2013 Annual Action Plan and submitting Substantial Amendment 1 to the U.S. Department of Housing and Urban Development for its consideration in order to reallocate HOME Investment Partnership Program funds and amend Target Areas for the City's Neighborhood Stabilization Program 3 and authorizing the City Manager to execute and submit Substantial Amendment 1 to the U.S. Department of Housing and Urban Development.

Attachments: Attachment A - Resolution No. 463
 Attachment B - Substantial Amendment 1 to the FY 2012-2013 Annual Action Plan

RESOLUTION NO. 4630

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA AMENDING THE FY 2012-2013 ANNUAL ACTION PLAN AND SUBMITTING SUBSTANTIAL AMENDMENT 1 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR ITS CONSIDERATION IN ORDER TO REALLOCATE HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS AND AMEND THE TARGET AREAS FOR THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM 3

BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

WHEREAS, as the City of Chandler is a recipient of federal funds from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS the City's Annual Action Plan establishes a plan for the implementation of the City's HUD-funded Community Development Programs and periodically the City proposes Substantial Amendments to its Annual Action Plan to effectively implement its programs, including the reallocation of funds and expansion of Target Areas; and

WHEREAS, the City of Chandler is a recipient of Home Investment Partnership Program (HOME) funds from the Maricopa County Consortium; and

WHEREAS, in order to in order to implement this program, including the timely expenditure of funds, the City proposes to reallocate HOME funds in the amount of \$447,434 from prior years HOME funding to new or expanded activities; and

WHEREAS, in January of 2011, the Chandler City Council approved Resolution No. 4489 authorizing a Substantial Amendment to the U.S. Department of Housing and Urban Development in order to receive funding under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to accept Neighborhood Stabilization Program 3 (NSP 3) funds; and

WHEREAS, the Substantial Amendment for NSP 3 that was approved by City Council and submitted to HUD designated NSP 3 Target Areas including two Census Tracts; and

WHEREAS, the City desires to expand the NSP 3 Target Areas to include additional Census Tracts in order to meet the City's goal of purchasing, repairing and selling homes with NSP 3 funds; and

WHEREAS to accomplish these modifications an amendment to the City's FY 2012-2013 Year Annual Action Plan and subsequent HUD approval of the Substantial Amendment will facilitate these changes,

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve submission of Amendment 1 of the City's FY 2012-2013 Annual Action Plan to the U.S. Department of Housing and Urban Development with all documents, submissions, plans, and materials required by the Act: and

FURTHER, that the City Manager, subject to requirements of the City Code, or his designee(s) are authorized to execute and submit the aforesaid Amendment 1 to the United States Department of Housing and Urban Development.

FURTHER, that the Amendment 1 to the FY 2012-2013 Annual Action Plan prepared pursuant to HUD requirements, a copy of which, in substantial form, is on file in office of the Director of Neighborhood Resources and is incorporated herein by reference, is hereby approved.

FURTHER, the City Manager or his designee shall have authority to provide required policy and administrative assurances including civil rights, equal opportunity, citizen participation, relocation and property acquisition policy, environmental assurances, labor standards, and others as may be specified;

FURTHER, that the City Manager or his designee be and is hereby authorized to take those actions necessary and prudent to implement the program outlined by the City Council including the signing of contracts, the expenditure of funds, the hiring of personnel and/or contractors, the scheduling of activities, the establishment of procedures for monitoring and evaluation of program activities and other steps necessary to insure that the program can be carried out in a timely and effective manner.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4630 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the _____ day of _____, 2012, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY (A.B.)



**City of Chandler
Substantial Amendment #1
to the FY 2012-2013 Annual Action Plan**



HOME Investment Partnership Program and Neighborhood Stabilization Program 3

The City of Chandler’s Citizen Participation Plan for programs funded by the Department of Housing and Urban Development requires that a Substantial Amendment be submitted when there is a collective change in the use of Chandler’s federal HUD funds that exceeds 20% of the grant amount and, in the case of Neighborhood Stabilization Program (NSP) funds, when there is a substantial change to the Target Areas for the operation of the program. The required Public Comment Period for this Amendment is outlined in Attachment F, the Notice of Public Comment, included with this document. Comments received during the Public Comment Period are also included.

The City of Chandler, upon approval of the U.S. Department of Housing and Urban Development (HUD), submits Substantial Amendment 1 to the City’s FY 2012-2013 Annual Action Plan as allowed by HUD for two purposes:

AMENDMENTS

1. HOME Program

- A. The reallocation of \$447,434 in HOME Investment Partnership Program (HOME) funds from the previous budgeted activity of the City’s Moderate Rehabilitation Program for single family homes to two new activities including the following:
 - ✓ \$241,522 to Newtown Community Development Corporation for the acquisition, rehabilitation and res-sale of single family homes through the Chandler Community Land Trust
 - ✓ \$205,912 to Community Bridges, Inc. for the provision of a Supportive Housing Assistance Program with Tenant Based Rental Assistance (TBRA) for Chandler individuals and families experiencing homelessness

- B. In order to insure the timely expenditure and tracking of HOME funds by the City of Chandler, clarification of projects by funding year is desired. These clarifications have no impact on allocations to HOME subrecipients, proposed program outcomes or estimates of number of persons to be served. The program year clarifications are as follows:

Activity	Original Funding Year	Revised Funding Year
Community Bridges, Inc. for Tenant Based Rental Assistance	2012-2013	2010-2011
Habitat for Humanity for Housing Reconstruction of Single Family Homes	2012-2013	2010-2011
City of Chandler for Homeowner Rehabilitation	2010-2011	2012-2013

2. NSP 3 Program

- A. The expansion to the Neighborhood Stabilization Program 3 (NSP 3) Target Areas to include three additional Census Tracts, 522729, 522902 and 523102. The current Target Areas include Census Tracts 422209 and 523002. The Target Areas require expansion in order to meet the City’s goal of the timely expenditure of NSP 3 funds.

HOME REALLOCATION

The City of Chandler proposes to reallocate \$447,434 in HOME funds previously allocated to single family homeowner rehabilitation to the following activities:

Project Summary

Project:	Chandler Community Land Trust
Eligibility Category:	Acquisition/Rehabilitation/Re-sale to First Time Homebuyers
Eligibility Citation:	24 CFR Part 92.205
Funding:	2010 HOME Funding \$ 87,303
	<u>2011 HOME Funding \$154,219</u>
	TOTAL \$241,522
Sponsor:	Newtown Community Development Corporation
Address:	511 W. University Dr., Suite 4 Tempe, AZ 85281
Individuals Served:	Up to 3 first time home buyers
Match Funds:	\$60,381
Source:	Federal Home Loan Bank WISH funds or IDEA funds
Site Location:	CLT homes may be purchased within the City of Chandler city limits
Benefit:	First time homebuyer assistance for low and moderate-income households

Project Description: Newtown Community Development Corporation, acting in the capacity of a developer under the HOME Program, will acquire and rehabilitate up to three (3) single family homes in the City of Chandler for sale to low and moderate-income first-time homebuyers. This is a scattered-site project. All properties will be placed in the Newtown Community Land Trust (CLT) Program and will be required to operate as affordable housing for a fifteen year HUD-mandated affordability period.

The CLT program provides affordable homeownership opportunities for low and moderate-income first time homebuyers. In addition to being affordable, CLT homes have significant rehabilitation completed prior to resale. Consequently, the homes are in good condition so they are cost effective for the future. The CLT program is designed to balance the interests of individual homebuyers with the interests of the larger community. CLT homebuyers have an opportunity to build equity through homeownership while the community investment ensures a long-term supply of affordable homeownership opportunities. Buyers purchase the improvements only (the house) and enter into a 99-year renewable ground lease; Newtown holds the land in perpetuity. The improvements are secured through buyer’s first mortgage and the buyer pays a nominal monthly fee through a Ground Lease.

The Ground Lease contains resale restrictions that comply with HOME program requirements. Properties must be occupied as a principal residence and only households with incomes below 80% of the area median income qualify for the program. The Ground Lease gives Newtown a right of first refusal and includes shared appreciation provisions which help to ensure that CLT homes are affordable to future buyers.

Project Summary

Project:	Supportive Housing Assistance Program
Eligibility Category:	Tenant Based Rental Assistance - TBRA
Eligibility Citation:	24 CFR Part 92.205
Funding:	2011 HOME Funding \$205,912
Sponsor:	Community Bridges, Inc.
Address:	1855 W. Baseline, Suite 101 Mesa, AZ 85202
Individuals/Families Served Annually:	10-12 per year for up to 24 months
Match Funds:	\$51,748
Match Funds Source:	City of Chandler Match-City General Fund purchase of lots for Habitat for Humanity
Site Location:	Rental assistance to be provided within the City of Chandler city Limits
Benefit:	Provision of tenant based rental assistance to homeless individuals and families

Project Description: Community Bridges, Inc., (CBI) will provide supportive housing for ten to twelve Chandler individuals and/or families experiencing homelessness in conjunction with CBI's Homeless Navigation services and the non-profit HOM, Inc. Homeless Navigators work for CBI and are experienced personnel who provide intensive intervention to the most vulnerable (i.e. persons with poor medical health, mental health and/or substance abuse) of Chandler's homeless population.

Once an individual or family has been determined to be homeless and vulnerable by the Navigator and has agreed to seek housing, CBI will introduce the individual to the staff of HOM, Inc. who will be responsible for qualifying the individual and families under HUD's regulations for the TBRA program. HOM, Inc. will serve as the facilitating agency for the provision of housing services to the client such as entering into a housing assistance payment contract with the landlord on behalf of the client, and inspecting the housing units to insure they meet the appropriate HUD standards. TBRA funds can pay for rent, security deposits, and in some cases utility deposits. Under the TBRA program clients can be assisted for up to 24 months per household. The CBI Homeless Navigators will serve to ensure that the individual is monitored closely during their tenancy and is provided the necessary services to achieve their highest levels of housing stability and self-sufficiency.

EXPANSION OF NSP 3 TARGET AREAS

The City of Chandler proposes to amend its plan for the Neighborhood Stabilization Program 3 (NSP3) program which was previously submitted and approved by HUD. The amendment does not introduce new activities. The purpose of this amendment is to add three Census Tracts to the current Target Areas for the operation of the City's NSP 3 program.

When the City of Chandler developed its Substantial Amendment for the NSP 3 program in early 2011, the City used HUD's methodology and data to determine the areas of greatest need for NSP 3 funding. This included an analysis of various data sources. In late 2010, there were over 370 foreclosed properties in Chandler and Arizona was one of the top ten states in the country with the highest number of foreclosures. At that time, the City of Chandler ranked sixth among Valley cities in the highest number of foreclosures.

At the time of the original NSP 3 Substantial Amendment submittal, the City utilized a HUD required Mapping Tool to assess potential NSP 3 Target Areas. Based on the City's assessment, seven Census Tracts were identified with a "Need Score" of 18 or higher. The Need Score is established by HUD and takes into account key income, housing, foreclosure and neighborhood data.

In order for the City to utilize NSP 3 funding in the most effective manner and to reduce as many foreclosures as possible and provide the greatest impact, the City of Chandler narrowed its proposed Target Areas even further. The City of Chandler proposed to concentrate NSP 3 activities within two Census Tracts, 422209 and 523002 and determined these two Census Tracts had the greatest need. Please see Attachment A which is a map of the original NSP 3 Target Areas designated in January of 2011.

Over the past nine months, the number of foreclosures in Maricopa County has declined significantly. According to the Greater Phoenix Housing Market Report¹ authored by Michael Orr, Director of Arizona State University's Center for Real Estate Theory and Practice, the following represents current trends as of March 2012:

Home Pricing

- ✓ Single family home prices are now much higher than 12 months ago
- ✓ The median sales price is up 20.4% from \$112,000 to \$134,900
- ✓ The upward pricing trend that started in late September 2011 gained strength in March 2012

Supply

- ✓ Overall supply is down 64% compared with 12 months ago (excluding homes already under contract), and distressed supply is down 82% compared with 12 months ago

Distressed Properties

- ✓ Foreclosure starts on single family and condo homes fell 3% between February and March 2012 and were down 20% from March 2011
- ✓ Recorded trustee deeds on single family and condo homes were down 6% between February and March 2012 and were down 60% from March 2011
- ✓ 76% fewer single family homes reverted to lenders at trustee sale compared with March 2011
- ✓ Bank owned homes have declined down 43%
- ✓ Fannie Mae and Freddie Mac owned homes have declined 73%

Mr. Orr's Report indicates that overall there is a significant drop in inventory of homes for sale. The Report also indicates that many owners are now pursuing short sales in lieu of foreclosure, thus continuing to decrease the supply of foreclosed homes.

Due to the decline in foreclosures and with the requirement to utilize foreclosed properties under the guidelines of the NSP 3 program, the City requests the addition of three Census Tracts to the areas where the NSP 3 program can operate in Chandler. In order to qualify as an NSP 3 Census Tract in the State of

¹ <http://wpcarey.asu.edu/finance/real-estate/upload/Full-Report-201204.pdf>

Arizona, the Tract must have a Need Score of 17 or higher. Community Development Section staff utilized the HUD Mapping Tool and the current criteria established by HUD as its basis for the expansion of the existing NSP 3 Target Areas. The three new proposed Census Tracts are identified in Attachment B and include Census Tracts 522729, 522902 and 523102. Two of the proposed Tracts have a Need Score of 18 and one of the Tracts has a Need Score of 19. Expansion of the City's NSP 3 Target Areas will enhance the City's efforts to stabilize neighborhoods that have been identified by HUD as having a high risk of foreclosure.

HUD requires that the data sheets generated from HUD's Mapping Tool be included in the submission for the Action Plan Amendment. The data sheets include the Need Score, Census Tract income information, neighborhood attributes, foreclosure estimates and other key data for the three proposed Census Tracts. The data sheets are included as Attachments C, D and E.

In addition to identifying the Census Tracts for program implementation, HUD requests that the City develop a goal for the number of housing units to be assisted in each Census Tract. This goal-setting is achieved through analyzing the "Impact Score" for each Tract. The Impact Score is a number that represents 20% of the REO or Real Estate Owned properties that are in the possession of a lender as a result of a foreclosure actions in that Census Tract in the past year. Based on HUD's data, the Impact Score for the five Census Tracts where Chandler's NSP 3 Program will be operating are as follows:

Census Tract	Impact Score
422209	28
523002	27
522729	25
522902	34
523102	19

To assist in developing goals for activities in each Census Tract, staff not only reviewed the Impact Scores but also reviewed the findings of a local realtor who queried all listings in the Multiple Listing Service in the 85225 Chandler zip code wherein all five Census Tracts are located. As of July 12, 2012 there was only one active listing of a REO property, eight listings were pending and one was closed. To provide additional information, the realtor queried the month of June to review all REO properties in Chandler. In June there were nine listings city-wide. In addition, the number of distressed properties was queried to include all properties with a Notice of Pending Trustee Sale. For the City's two current NSP 3 Census Tract and the three proposed Tracts, a total of 82 were listed as distressed and were located as follows:

Census Tract	Properties with Notice of Trustee Sale Pending
422209	19
523002	18
522729	14
522902	19
523102	12

For the purpose of determining the goals for each Census Tract to ensure maximum impact as HUD requires, the City believes that taking current market conditions into consideration is paramount. As data

from the Greater Phoenix Housing Market Report indicates, recorded trustee deeds on single family and condo homes were down 60% from March 2011 to March 2012 and 76% fewer single family homes reverted to lenders at trustee sale in March 2012, compared with March 2011. In order to insure an adequate supply of foreclosed housing units exist for the execution of the program, the Census Tracts available for program implementation require expansion.

Based on current foreclosure data and market data, the following is an estimate of NSP 3 units to be assisted in each Census Tract. This includes all NSP3 activities:

Estimated NSP 3 Units By Program					
Census Tract	Newtown Homebuyer Assistance	Newtown Acquisition/ Rehab/ Re-sale	ARM Permanent Affordable Rental	Land Bank Acquisition	Land Bank Demolition
422209	3	1	1		
523002	5	3	1	2	2
522729	6	1			
522902	2	1	1		
523102	4	1	1		

By expanding the Targeted Areas for the NSP 3 program, the City will utilize funding to impact areas of greatest need in the community while expending NSP 3 funds in a timely manner.

Attachment A: Map of Original NSP 3 Target Areas

Attachment B: Proposed NSP 3 Target Areas

Attachment C: NSP 3 Planning Data obtained from HUD, Census Tract 522729

Attachment D: NSP 3 Planning Data obtained from HUD, Census Tract 522902

Attachment E: NSP 3 Planning Data obtained from HUD, Census Tract 523102

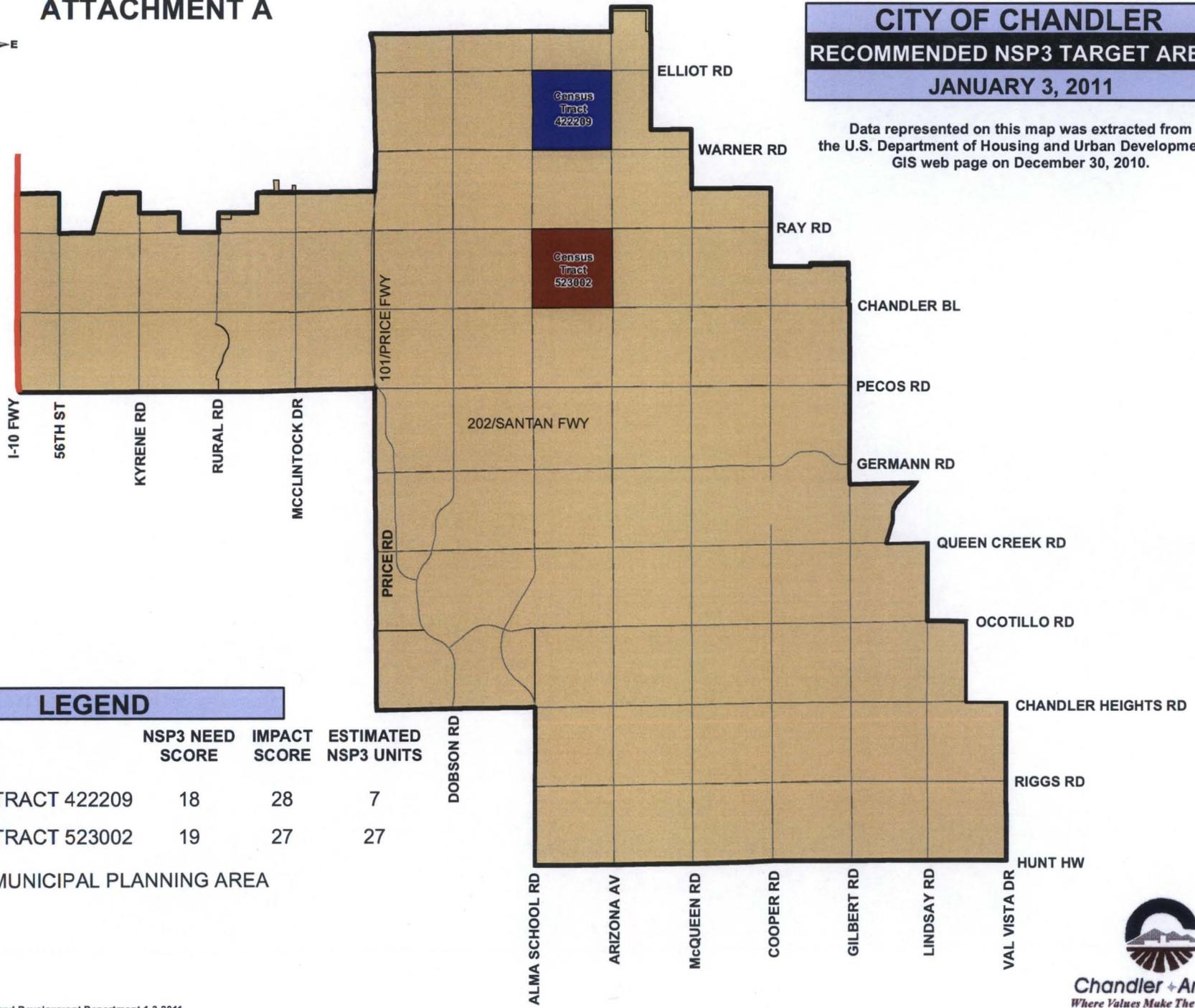
Attachment F: Notice for Public Comments and Public Hearing Regarding Substantial Amendment #1

Attachment G: Citizen Participation Public Comment

ATTACHMENT A

CITY OF CHANDLER RECOMMENDED NSP3 TARGET AREAS JANUARY 3, 2011

Data represented on this map was extracted from the U.S. Department of Housing and Urban Development's GIS web page on December 30, 2010.



LEGEND

	NSP3 NEED SCORE	IMPACT SCORE	ESTIMATED NSP3 UNITS
 TRACT 422209	18	28	7
 TRACT 523002	19	27	27
 MUNICIPAL PLANNING AREA			

C:\J-Mo\Recommended-NSP3-Target-Areas



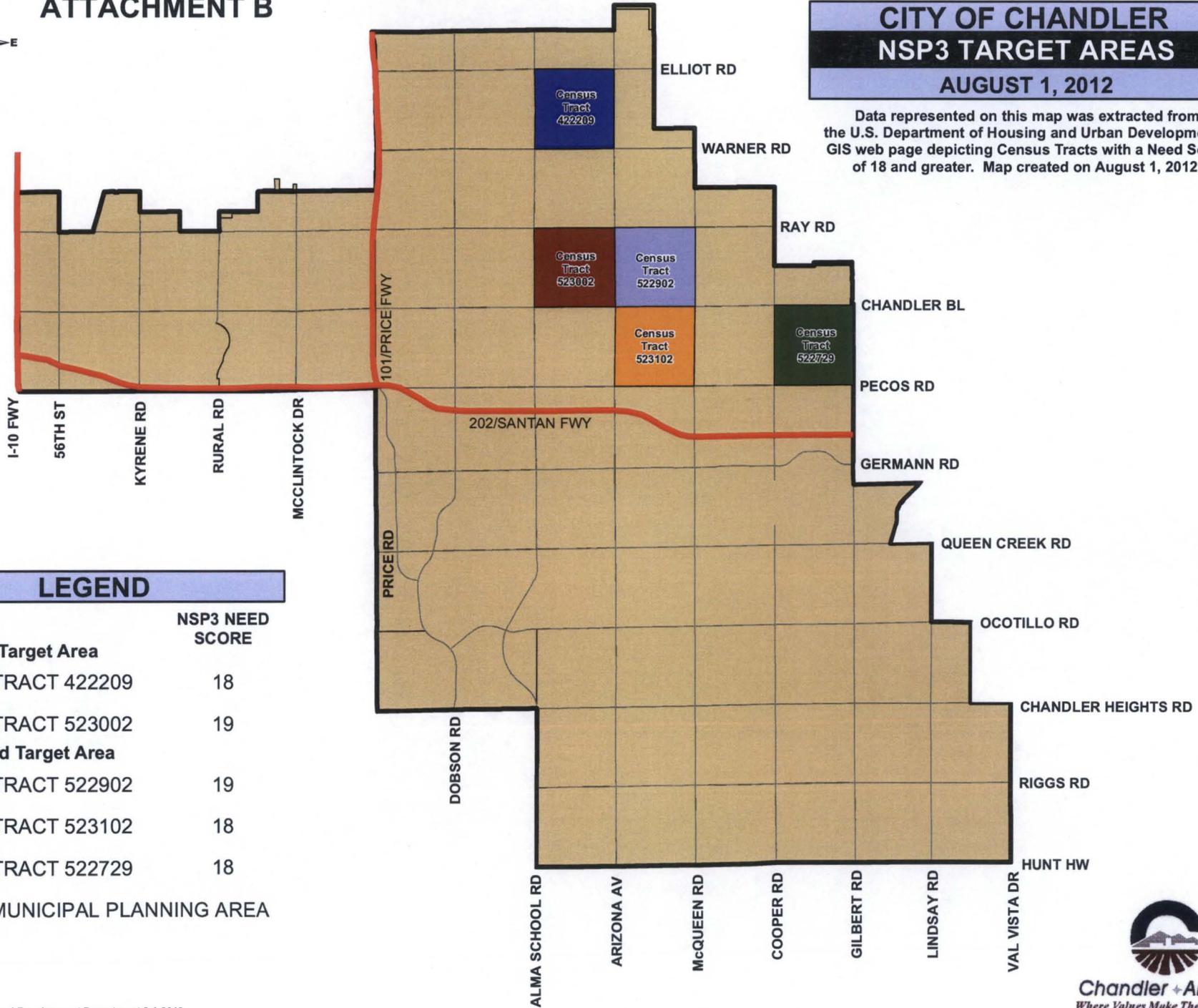
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ATTACHMENT B



CITY OF CHANDLER NSP3 TARGET AREAS AUGUST 1, 2012

Data represented on this map was extracted from the U.S. Department of Housing and Urban Development's GIS web page depicting Census Tracts with a Need Score of 18 and greater. Map created on August 1, 2012.



LEGEND

Current Target Area		NSP3 NEED SCORE	
	TRACT 422209	18	
	TRACT 523002	19	
Proposed Target Area			
	TRACT 522902	19	
	TRACT 523102	18	
	TRACT 522729	18	
	MUNICIPAL PLANNING AREA		

Neighborhood ID: 1549041

NSP3 Planning Data

Grantee ID: 0400720E,0401300C

Grantee State: AZ

Grantee Name: CHANDLER,MARICOPA COUNTY

Grantee Address: 235 N. Arizona Ave. Chandler AZ 85225

Grantee Email: jennifer.morrison@chandleraz.gov

Neighborhood Name: Census Tract 522729

Date:2012-06-18 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 1908

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 61.5

Percent Persons Less than 80% AMI: 31.84

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1880

Residential Addresses Vacant 90 or more days (USPS, March 2010): 22

Residential Addresses NoStat (USPS, March 2010): 24

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1338

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 24

Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.25

Number of Foreclosure Starts in past year: 126

Number of Housing Units Real Estate Owned July 2009 to June 2010: 82

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 25

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005: 2.99

Place (if place over 20,000) or county unemployment rate June 2010: 6.78

Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-111.807089 33.306358 -111.789751 33.306429 -111.789665 33.291866 -111.807089 33.291866

Blocks Comprising Target Neighborhood

040135227291000, 040135227291003, 040135227291004, 040135227291002, 040135227291001,
040135227291005, 040135227291007, 040135227291013, 040135227291012, 040135227291011,
040135227291010, 040135227291009, 040135227291008, 040135227291006, 040135227292000,
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040135227292015, 040135227292014, 040135227292013, 040135227292009, 040135227292016,
040135227292044, 040135227292043, 040135227292042, 040135227292040, 040135227292037,
040135227292036, 040135227292026, 040135227292025, 040135227292024, 040135227292023,
040135227292022, 040135227292021, 040135227292019, 040135227292018, 040135227292017,

Attachment D

Neighborhood ID: 2535888

NSP3 Planning Data

Grantee ID: 0400720E

Grantee State: AZ

Grantee Name: CHANDLER

Grantee Address: 235 N. Arizona Ave. Chandler AZ 85225

Grantee Email: jennifer.morrison@chandleraz.gov

Neighborhood Name: Census Tract 522902

Date:2012-06-18 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 3218

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 77.3

Percent Persons Less than 80% AMI: 56.47

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current or potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 3449

Residential Addresses Vacant 90 or more days (USPS, March 2010): 209

Residential Addresses NoStat (USPS, March 2010): 13

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1537

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 32.5

Percent of Housing Units 90 or more days delinquent or in foreclosure: 18

Number of Foreclosure Starts in past year: 170

Number of Housing Units Real Estate Owned July 2009 to June 2010: 111

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 34

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005: 2.9

Place (if place over 20,000) or county unemployment rate June 2010: 6.6

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-111.841679 33.320560 -111.841421 33.305927 -111.823997 33.306286 -111.824169 33.320631

Blocks Comprising Target Neighborhood

040135229021000, 040135229021006, 040135229021008, 040135229021011, 040135229021010,
040135229021009, 040135229021007, 040135229021005, 040135229021001, 040135229021002,
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040135229025008, 040135229025006, 040135229025004, 040135229025001,

Attachment E

Neighborhood ID: 4929534

NSP3 Planning Data

Grantee ID: 0400720E

Grantee State: AZ

Grantee Name: CHANDLER

Grantee Address: 235 N. Arizona Ave. Chandler AZ 85225

Grantee Email: jennifer.morrison@chandleraz.gov

Neighborhood Name: Census Tract 523102

Date:2012-06-18 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 1905

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 73.36

Percent Persons Less than 80% AMI: 48.63

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1763

Residential Addresses Vacant 90 or more days (USPS, March 2010): 119

Residential Addresses NoStat (USPS, March 2010): 18

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 952

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 27.5

Percent of Housing Units 90 or more days delinquent or in foreclosure: 16.5

Number of Foreclosure Starts in past year: 97

Number of Housing Units Real Estate Owned July 2009 to June 2010: 63

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 19

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005: 2.9

Place (if place over 20,000) or county unemployment rate June 2010: 6.6

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-111.841550 33.306178 -111.824040 33.306178 -111.824298 33.291938 -111.841764 33.291723

Blocks Comprising Target Neighborhood

040135231021000, 040135231021006, 040135231021008, 040135231021011, 040135231021010,
040135231021009, 040135231021007, 040135231021005, 040135231021001, 040135231021002,
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040135231024013, 040135231024014, 040135231024012, 040135231024010, 040135231024008,
040135231024006, 040135231024004, 040135231024001,



Attachment F
Notice for Public Comments and Public Hearing Regarding
Substantial Amendment 1 to the City of Chandler's FY 2012-2013
Annual Action Plan

Notice is hereby given that on Wednesday August 8, 2012 at 6:00 p.m., the City of Chandler will hold a Public Hearing for the purpose of receiving comments to the Substantial Amendment 1 to the FY 2012-13 Annual Action Plan - Home Investment Partnership Act (HOME) funds and the Neighborhood Stabilization Program 3 (NSP 3) funds as authorized by the Dodd-Frank Act of 2010. Contents of the substantial amendment will be available to the public for review and comment for 30 days from August 6, 2012 through September 6, 2012.

The City of Chandler has determined that it is in the best interest of the community to amend its FY 2012-2013 Annual Action Plan for two purposes:

1. **HOME Program:** The reallocation of \$447,434 in HOME Investment Partnership Program (HOME) funds originally budgeted for the activity of the City's Single-Family Moderate Rehabilitation Program, to two new activities; Tenant Based Rental Assistance and Housing Reconstruction.
2. **NSP-3 Program:** Expansion of the current NSP-3 Target Areas to include additional Census Tracts in Chandler.

The Public Hearing will be held 6:00pm, Wednesday August 8, 2012 at the:

Housing and Human Services Commission (HHSC) Meeting
The City of Chandler - Neighborhood Resources Office
235 S. Arizona Avenue
Chandler, AZ 85225

All interested persons are invited to attend this Public Hearing or can comment in writing. The substantial amendment is available for review online at www.chandleraz.gov/communitydev, at the City of Chandler's Neighborhood Resources Division office at the location listed above or at the Chandler Main Library located at 22 S. Delaware St., Chandler, AZ 85225. All citizen comments will be addressed. Written comments may be submitted to:

Jeanne Vega, Community Development Coordinator
The City of Chandler - Neighborhood Resources Office
PO Box 4008, Mail Stop 600
Chandler, AZ 85244-4008
jeanne.vega@chandleraz.gov

The Arizona Relay Service Provides Free Telephone Access 24-Hours for the Deaf, Hard of Hearing, Deaf-Blind and Hearing or Speech Impaired at 7-1-1. Si necesita asistencia en español, por favor llame al: (480)782-4348 or (480)782-4354. For disability related accommodations, please contact Jeanne at (480) 782-4349 or AZ Relay Service English & Spanish (TTY) 7-1-1 for any special facilities including alternative formats that may be required including assistance with English. To the extent possible, additional reasonable accommodations will be made within the time constraints of the request.



Attachment G
Citizen Participation Public Comment

Comments Received at Housing and Human Services Commission during Public Hearing on August 8, 2012

Vice Chair Kyлло asked if Newtown requests help from realtors in the community.

Allen Carlson, Newtown Executive Director explained that Newtown has an early look of foreclosed properties through a listing of the National Community Trust. Mr. Carlson also explained that the expansion of the NSP 3 Target Areas will help to insure that all federal funds allocated to the program can be expended by HUD's deadlines. He added that Newtown will continue to try and focus in their original Census Tracts but that the proposed additional Census Tracts will insure that the program's expenditure deadlines will be met.

Chair Lisonbee asked Community Bridges if they have spent any funds so far this fiscal year.

Home Inc. replied that it is typically a thirty day process from the initial date they meet the homeless individual until they are assessed and receive housing assistance.

Vice-Chair Kyлло asked HOM, Inc. if there is a formal policy of communication or a process of removal from the waiting list if a client doesn't respond.

Home Inc. stated that there is a formal policy of communication to follow before an individual is removed for the waiting list and that an administrative plan for the operation of the program is required to meet HUD's requirements for a Tenant Based Rental Assistance program.

Community Bridges explained that HOM, Inc. has a team of navigators (caseworkers) who provide outreach to the homeless individual to perform an initial assessment of that person for participation in the program. Once the person is housed, the caseworker provides ongoing support to help them stay in the program. Navigators also connect these clients to other resources.

Leah Powell stated that advocates from faith-based organizations and other non-profit agencies are working with Community Bridges to assist in identifying street homeless individuals in the area.

Commissioner Claw-Kennedy asked if Police and Fire are aware of the program so they can communicate this service to the homeless population.

Leah Powell stated that she personally went to every police station to inform Police Department staff regarding the services provided to the homeless under this program. She also stated that Community Bridges has operated a mobile program in Chandler for many years and that Fire staff is very familiar with the program.

Chair Lisonbee asked about the contractual requirements for the Tenant Based Rental Assistance program.

Ms. Morrison stated that housing assistance under the Tenant Based Rental Assistance guidelines can be provided for up to 24 months.

Commissioner Becker asked at what point an individual is considered "leased-up".

Home Inc. stated that a lease-up is when an individual signs an agreement with a landlord to rent a unit for a specified term.

Commissioner Claw-Kennedy noted that she appreciates the addition of the new Census Tracts as these are some of the locations of lowering performing Chandler schools and that home ownership stabilizes neighborhoods and families and this can have a positive impact on schools and their performance.