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**MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR13-013**

**DATE:** APRIL 10, 2013

**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 SUPERVISOR *BB*

**SUBJECT:** PUBLIC HEARING ON FISCAL YEAR 2013-2014 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 \$273,684 for Fiscal Year 2013-2014 in HOME funds. HOME funds are administered by the U.S. Department of Housing and Urban Development. Eligible activities utilizing HOME funds include: homeowner rehabilitation, homebuyer activities, rental housing, and tenant-based rental assistance.

DISCUSSION: As a part of the Fiscal Year 2013-2014 social service allocations process, staff announced the availability of HOME funding to area nonprofit housing organizations. Two applications for HOME funding were received totaling \$575,000. 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 3, 2013 and are summarized in Attachment A. In addition, the proposed funding amounts for Chandler’s Fiscal Year 2013-2014 HOME program have been incorporated as a part of the City’s Fiscal Year 2013-2014 Annual Action Plan and are summarized on page 14 of the Plan.

The City’s allocation of HOME funds for Fiscal Year 2013-2014 was reduced by five percent (5%) from Fiscal Year 2012-2013 funding levels due to the federal budget sequestration.

RECOMMENDATION: Federal regulations and Chandler’s Public Participation Plan requires the City Council to hold a public hearing to collect input regarding Chandler’s proposed allocation of Fiscal Year 2013-2014 HOME funds. The final recommendations will be made as an action item at the May 9, 2013 City Council meeting.

**MAYOR'S STATEMENT:** The Public Hearing regarding Chandler's proposed Fiscal Year 2013-2014 HOME Investment Partnership funding allocation is now open for discussion.

Attachment: A- Fiscal Year 2013-2014 HOME Funding Program Descriptions and Funding Recommendations

**ATTACHMENT A**

**CITY OF CHANDLER  
FISCAL YEAR 2013-2014 HOME FUNDING PROGRAM DESCRIPTIONS  
AND FUNDING RECOMMENDATIONS**

**1. Newtown Community Development Corp. – Community Land Trust - Acquisition, Rehabilitation, Resale**

Funding Request: \$425,000  
Recommendation: \$185,441  
Number to be Served: 3 households

Newtown CDC will acquire and rehabilitate up to three single family homes in the City of Chandler that after rehab will be sold to low and moderate income first time homebuyers. A Note and Deed of Trust is recorded after closing to secure the City's HOME funds invested into the house until the property is sold to an eligible buyer. Upon resale the improvement only are sold to the income eligible first time homebuyer, and resale and occupancy restrictions are secured by the CLT ground lease. Newtown has a significant pipeline of eligible buyers and would expect to complete three units before December, 2014.

**2. Habitat for Humanity of Central Arizona – Housing Reconstruction**

Funding Request: \$150,000  
Recommendation: \$71,138  
Number to be Served: 1 households

Habitat for Humanity will provide housing reconstruction for properties that require extensive rehabilitation. The program will utilize up to \$50,000 in HOME funding per household and Habitat will fund the shortfall. The shortfall is the difference between the \$50,000 the City will provide and the total development cost. Habitat will offer a 0% interest mortgage to qualified buyers. The City will manage the relocation of the family during the temporary period the home is being reconstructed. Referrals to the program will come from the City of Chandler's housing rehabilitation programs.