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MAY 8 2014

Chandler



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**MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR14-013**

**DATE:** APRIL 22, 2014

**TO:** MAYOR AND MEMBERS OF THE CITY COUNCIL

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

**FROM:** JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

**SUBJECT:** RESOLUTION NO. 4758 APPROVING AN INTERGOVERNMENTAL AGREEMENT (IGA) FOR THE MARICOPA COUNTY HOME CONSORTIUM FOR THE REALLOCATION OF \$184,251 IN FISCAL YEAR 2013 HOME INVESTMENT PARTNERSHIP FUNDS FROM THE TOWN OF GILBERT TO THE CITY OF CHANDLER AND AUTHORIZING THE CITY MANAGER TO SIGN THE IGA

**RECOMMENDATION:** Staff recommends that Council approve Resolution No. 4758 approving an Intergovernmental Agreement (IGA) for the Maricopa County HOME Consortium for the reallocation of \$184,251 in Fiscal Year 2013 HOME Investment Partnership funds from the Town of Gilbert to the City of Chandler and authorizing the City Manager to sign the IGA.

**BACKGROUND:** The City of Chandler receives federal HOME Investment Partnership Program (HOME) funds through the Maricopa County Consortium which is comprised of the cities/town of Avondale, Chandler, Gilbert, Glendale, Peoria, Scottsdale, Surprise and Tempe. On March 20, 2014 the Consortium voted to reallocate \$184,251 of HOME Program funds from the Town of Gilbert to the City of Chandler, specifically for the funding of Tenant Based Rental Assistance (TBRA) activities. This funding was originally allocated to the Town of Gilbert who was unable to expend the funds for the program initially intended. In order to facilitate the transfer of these funds, Chandler and Gilbert must enter into an Intergovernmental Agreement.

**FINANCIAL IMPLICATIONS:** The City will receive an additional \$184,251 in HOME program funding to finance TBRA activities. One hundred percent of the funding is subsidized through the U.S. Department of Housing and Urban Development and does not require repayment.

**PROPOSED MOTION:** Move to approve Resolution No. 4758 approving an Intergovernmental Agreement (IGA) for the Maricopa County HOME Consortium for the reallocation of \$184,251 in Fiscal Year 2013 HOME Investment Partnership funds from the Town of Gilbert to the City of Chandler and authorizing the City Manager to sign the IGA.

Attachments: Exhibit A – Intergovernmental Agreement  
Exhibit I – Minutes of Maricopa County HOME Consortium Meeting March 20, 2014

RESOLUTION NO. 4758

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT (IGA) FOR THE MARICOPA COUNTY HOME CONSORTIUM FOR THE REALLOCATION OF \$184,251 IN FISCAL YEAR 2013 HOME INVESTMENT PARTNERSHIP FUNDS FROM THE TOWN OF GILBERT TO THE CITY OF CHANDLER AND AUTHORIZING THE CITY MANAGER TO SIGN THE IGA

WHEREAS the Cities/Town of Avondale, Chandler, Gilbert, Glendale, Peoria, Scottsdale, Surprise and Tempe, and Maricopa County have previously entered into an Intergovernmental Agreement (IGA) to form the Maricopa HOME Consortium to receive, distribute and administer HOME Investment Partnerships Funds (HOME) funds, and

WHEREAS the U. S. Department of Housing and Urban Development (HUD) has established statutory and regulatory encumbrance and expenditure deadlines for the HOME funds, and the Maricopa HOME Consortium has explicitly encouraged transfers among Consortium members to avoid HUD recapture of funds, and

WHEREAS Section 8 of the above-referenced IGA specifies that “The funding which is allocated to each Consortium Member under the pro rata formula may not be allocated to, encumbered by or expended by any other participating Consortium Member within 18 months of each HOME Program grant agreement (July 1) without express written authorization of the Consortium Member whose funds will be allocated, encumbered or expended.”

WHEREAS the Town of Gilbert wishes to allocate \$184,251 in Fiscal Year 2013-2014 HOME funding to the City of Chandler, and

WHEREAS the City of Chandler wishes to receive and expend these HOME funds for affordable housing,

WHEREAS the City Manager is authorized to sign the Intergovernmental Agreement on behalf of the City of Chandler,

NOW, THEREFORE, BE IT RESOLVED that the City of Chandler does hereby enter into the attached IGA, hereby incorporated in its entirety by reference, constituting the express written authorization as required by the existing Consortium IGA referenced above.

PASSED AND ADOPTED by the Mayor and Council of the City of \_\_\_\_\_, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

**CERTIFICATION**

I HEREBY CERTIFY that the above and foregoing Resolution No. 4758 was duly passed and adopted by the City Council of Chandler, Arizona, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY GAB

## EXHIBIT A

### INTERGOVERNMENTAL AGREEMENT

SUBJECT: Allocation of HOME investment Partnership Funding from Gilbert to Chandler

BY AND BETWEEN: Town of Gilbert, Arizona and City of Chandler, Arizona

DATE: April 15, 2014

AS MEMBERS of the Maricopa HOME Consortium, the City of Chandler and the Town of Gilbert seek to utilize a regional and cooperative approach to meeting housing goals and priorities throughout the Consortium's operating area. To further these objectives, the Town of Gilbert and the City of Chandler propose to enter into a mutually beneficial reallocation of HOME funds.

Pursuant to the provisions of the existing Maricopa HOME Consortium Intergovernmental Agreement (IGA) between the cities/town of Avondale, Chandler, Gilbert, Glendale, Peoria, Scottsdale, Surprise and Tempe, and Maricopa County effective for the federal fiscal years 2012 through 2015, on March 20, 2014 the Consortium voted to reallocate \$184,251 of HOME Program tenant based rental assistance (TBRA funds to the City of Chandler from the Town of Gilbert). Minutes are attached herein as Exhibit 1. Pursuant to the Consortium IGA, the City of Chandler and the City of Gilbert hereby enter into an express written agreement for the reallocation of HOME funding as follows:

1. Both the City of Chandler and the Town of Gilbert are current members of the Maricopa HOME Consortium governed by the IGA referenced above.
2. In accordance with Sections 8 and 18 of the IGA, both parties agree to a mutual reallocation of funding.
3. The Town of Gilbert has the following allocations of HOME funds which they have not committed. The Town of Gilbert wishes to reallocate these funds to the City of Chandler for their tenant based rental assistance (TBRA) program.

a. FY 2013	\$184,251
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4. The City of Chandler has an active TBRA program, and wishes to receive the above referenced HOME funds from the Town of Gilbert for use in funding their program.
5. The Town of Gilbert does not expect nor does the City of Chandler commit to any future repayment of these funds under the HOME program.
6. The Town of Gilbert and the City of Chandler mutually agree that the recipient of the reallocated funds will be responsible for obtaining and documenting any required match as the reallocated HOME funds are expended.

7. The City of Chandler will be responsible for meeting all of the regulatory requirements governing the use of the HOME funds, and will be responsible for the administration and monitoring of the reallocated funds as they are expended.
8. This agreement will terminate when the Town of Gilbert has reallocated all of its funds under this agreement, and the City of Chandler has expended all of the FY2013 HOME funds under this agreement in accordance with the HOME TBRA requirements.
9. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511.

IN WITNESS THEREOF, the parties have executed this Intergovernmental Agreement on the year and day first above written.

TOWN OF GILBERT

CITY OF CHANDLER

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Attorney *EAB*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## EXHIBIT I

### Minutes of the Maricopa HOME Consortium Public Hearing and Meeting March 20, 2014 9:30 a.m.

**Present:** Matt Hess, City of Avondale  
Jennifer Morrison, City of Chandler  
Jessica Fierro, Town of Gilbert  
Gilbert Lopez, City of Glendale  
Jaime Gonzales, City of Peoria  
Diane Mahinthorathep, City of Scottsdale (Telephonically)  
Christina Ramirez, City of Surprise  
Craig Hittie, City of Tempe  
Amy Jacobson, Maricopa County  
Tia LaFrambois, Maricopa County

**Guests:** Rich Thomason, HUD  
Cristina Campoy, Guadalupe CDC  
Gary Smith, Guadalupe CDC  
Allen Carlson, Newtown CDC  
Mona Francis, City of Glendale  
Michael Cardenas, City of Avondale

1. **Call to Order and Roll Call** – At 9:35 a.m., Amy Jacobson called to order the 3-20-14 Maricopa HOME Consortium Public Hearing and Meeting held at the Security Building in Seminar 2, Floor 1-A at 222 North Central, Floor 3, Phoenix, Arizona. The Roll was called and a quorum was established.
2. **Annual Action Plan: Public Hearing** – Amy notified everyone that the County is now soliciting comments for the 2014-15 Annual Action Plan for the Maricopa HOME Consortium and CDBG funds for housing activities.

Amy also mentioned that she has distributed the strategic objectives to everyone and now that we've received our allocation amounts she'd like everyone to complete the strategic objectives table.

3. **FY 2014-15 CHDO Application Presentations: Public Hearing** – Amy announced that Newtown CDC and Guadalupe CDC would be presenting their applications for 2014-15 CHDO activity. Craig Hittie joined the meeting. Tia noted that the official 2014-15 CHDO allocation is \$500,960.00.

Allen Carlson presented for Newtown CDC, explaining that Newtown is requesting \$460,000.00 for Acquisition / Rehab for Homebuyer Assistance for 5 homes located in Tempe. The Newtown project has an anticipated start date of July 2014 and an expected closeout date of December 2015. Allen also mentioned that the minimum amount needed would be \$184,000.00 for 2 units.

Cristina Campoy presented for Guadalupe CDC, detailing that Guadalupe CDC focuses on New Construction rather than Rehab and their application requested \$262,000.00 for Acquisition / New Construction for Homebuyer Assistance for 4 units located in the Town of Guadalupe. The Guadalupe CDC project has an anticipated start date of April 2014 and an expected closeout date of December 2015.

4. **Approval of Minutes (1/16/14 & 2/20/14)** – Amy asked for approval of the January 16, 2014 Consortium Meeting Minutes. Matt Hess moved to approve the minutes, the motion was seconded and passed unanimously.

Amy then asked for approval of the February 20, 2014 Consortium Meeting Minutes. Jennifer Morrison raised a question regarding a statement from Gilbert Lopez in the February Minutes pertaining to the reprogramming of the Town of Gilbert funding to TBRA administered by the City of Chandler for the entire Consortium in order to assist in the reduction of homelessness. Jennifer clarified that the intent is not to take clients throughout the County, but rather house some Chandler clients throughout the County. Gilbert Lopez moved to approve the minutes, the motion was seconded and passed unanimously.

5. **Action Item: FY 2014-15 CHDO Funding Recommendations** – Amy reminded everyone that the 2014-15 CHDO allocation is \$500,960.00, so the Consortium will have to choose how much to fund one or both projects. Tia recommended that Guadalupe CDC be funded fully at \$262,600.00 for 4 units and Newtown CDC for \$276,000.00 for 3 units to total \$538,600.00. That would leave a deficit of \$37,640.00 which could be covered by unallocated Maricopa Urban County HOME entitlement. Gilbert Lopez supported the recommendation and reminded the Consortium of the great housing need within Guadalupe. Jennifer Morrison asked for confirmation that the County's Urban County allocation could support the deficit, Amy and Tia both confirmed that possibility.

Jennifer Morrison motioned to approve funding Newtown CDC for \$276,000.00 and Guadalupe CDC For \$262,600.00, with the balance of funds less the 2014-15 CHDO allocation to be covered by the Maricopa Urban County HOME funds. The motion was seconded and passed unanimously.

6. **Action Item: Allocation of Maricopa HOME Consortium Funds for TBRA Housing to City of Chandler** – Amy reminded everyone that Chandler administers the only TBRA program in the Consortium, therefore it's proposed to allocate \$184,251 to the City of Chandler for Tenant Based Rental Assistance to assist approximately 18 households in Chandler and Consortium-wide, if available, through a contract with Community Bridges Inc. The funding will be coming from the Town of Gilbert 2013-14 HOME allocation that was given to the County to run a TBRA program. The County does not currently run a TBRA program and felt it would be beneficial to maintain the expected TBRA activity within the Consortium. To do so, it would be easiest to allow Chandler to utilize that money with the current program they're already administering.

Jennifer Morrison also added that their current TBRA contract is already fully leased. She also mentioned that if this is approved, Chandler is ready to go to Council May 8<sup>th</sup> and will be under contract shortly thereafter.

Gilbert Lopez motioned to approve the measure as presented. The motion was seconded and passed unanimously.

7. **IGA and Automatic Renewal Provision** – Amy informed everyone that the IGA renewal clause has been enacted for Federal Fiscal Years 2015, 2016 and 2017. Letters have been sent to each of the city managers. Responses to be included or not included in the Maricopa HOME Consortium are due April 1<sup>st</sup>. Amy also mentioned that Process Improvement Planning will be implemented to figure out areas where the County can improve in administering HOME funds and that the County is committed to making changes if there are some changes that need to be done. Gilbert Lopez asked if a formal letter was needed to confirm inclusion in the Consortium and Craig Hittie stated that a non-response also serves as confirmation of inclusion.

Craig asked Amy about his previous inquiry regarding choosing to leave the Consortium. Amy explained that her previous notification to the city managers served to solicit responses from each Consortium member of inclusion or exclusion for the 2015-2017 certification period. The deadline to submit the list of inclusion to HUD is June 15, 2014 with all of the documentation. Richard Thomason provided clarification that the 3-year agreement is regulatory through HUD for recertification. Richard also stated that any Consortium Member that chooses to leave the Consortium within the 3-year period cannot become their own PJ until the recertification period has expired for the County Consortium.

Richard proceeded to inform everyone that the only Consortium Members that are quasi-eligible to leave the Consortium to receive their own HOME entitlement are the City of Glendale and Maricopa County. Both would be required to provide General Funds to meet the \$750,000.00 threshold to be their own entitlement.

Jennifer Morrison asked that when the time for automatic renewal approaches, the Consortium should be informed of options including what it would take for a Consortium Member to leave the Consortium and receive their own HOME entitlement.

Rich explained that there are two thresholds to meet to receive HOME funding apart from the Consortium. First you have to receive a HOME allocation exceeding \$500,000.00. Then, to be able to do any projects, you must have your program funded to at least \$750,000.00, the difference between \$750,000.00 and the HOME allocation must be met with General Funds.

Rich also noted that he has had meetings with the County, with Bruce Liggett and Amy, and he believes the County is committed to making any improvements. Rich also mentioned that he would like to see the Maricopa HOME Consortium be more unified rather than working individually. Rich believes the County has the capacity to make needed improvements and Rich has made himself available to provide as much T.A. as possible. Although HUD can't force the Consortium to stay together, HUD would like to see the Consortium stay together and he's available for any questions.

Gilbert Lopez added that Glendale has spoken with their leadership and they find more value in participating in the Consortium than being on their own. He acknowledged that it would take a lot of ramping up to take on administering the program on their own, and their staff is lean.

Craig Hittie asked for the opportunity to further discuss the continued membership with the Consortium and possibly renegotiating the IGA – if not the renewal period than the

5% Admin split. Amy stated that she's open to a discussion about it.

Jennifer Morrison proposed that there be more transparency to show how the County HOME Admin allocation is being allocated, spent, and any balances remaining. Craig suggested that even if the Admin allocation structure is maintained at what it is currently, the County could do a year-end reconciliation and rebate back any funding, like the Accounting position that has been open for months.

Amy then distributed the FY 2014-15 HOME Allocation. Amy also mentioned that Carol Norris would be joining the Consortium at the next meeting in April to discuss improvements. Amy also noted that because the IGA wouldn't be effective until next year, we have time to do any necessary amendments to the IGA.

Gilbert also reminded everyone that the current 50/50 split exists because the past Admin split of 60/40 wasn't enough for the County to administer HOME for the Consortium due to the absence of General Funds for the division. If the County doesn't have money to administer the program and be lead agency, that would eliminate the Consortium.

Craig motioned that a reconciliation of the County's HOME Admin be conducted to find out if there are any reserves, and what positions the HOME Admin pays for and their associated percentages, in addition to examining the fee structure split. Jennifer also included having the opportunity to look at the potential for rebate based on the reconciliation and what Admin is available to redistribute to the Consortium Members. The motion was seconded and passed unanimously.

8. **Funding Allocation for FY 2014-15** – Amy announced that funding allocations have been distributed, so everyone should know the amounts they're working with for the Annual Action Plan.
9. **Subrecipient Agreements Timeframe for FY 2014-15** – Amy updated everyone that the new subrecipient agreements are something she will be addressing with the Attorney to avoid any unnecessarily long delays. Because we will be submitting the AAP on May 15th, the subrecipient agreements will be going out at the end of May. Amy also reminded everyone that HUD does not consider written agreements as commitments of funds. HUD only considers funds committed once the set ups are done in IDIS.
10. **Consolidated Plan** – Amy announced that the Five-year Con Plan is going to be due next year, and she would like to issue an RFP and have a consultant complete the Con Plan and get it out by August or September. If anyone has any referrals for good consultants, Amy asked that they let her know.
11. **Process Improvements Planning** – Amy inquired from everyone how long the Consortium would like the improvement planning to go at the April meeting. Christina asked that the main meeting go from 9 a.m. to noon. Christina also asked that anyone with specific issues could meet with Carol after for individual meetings.
12. **Peer Review Monitoring Schedule** – Tia distributed the peer review schedule and asked that everyone let her know when they're scheduling their monitorings so she can attend. Tia also informed everyone that she hasn't received her list of 2012-13 expenditures from Finance yet, so she was guessing on who would be required to

monitor the CHDOs. If anyone is listed that shouldn't be or isn't listed and should be, they should contact her.

Jennifer Morrison stated that Chandler would like to opt out of the peer review monitoring and pay the \$1,000.00 to do so, if that option is still available. Amy responded by letting Jennifer know that the County has a list of vendors for monitoring and she would look into it. Gilbert Lopez reminded everyone that the point of the peer review was to get everyone working together, as Rich had mentioned earlier. Craig Hittie and Jennifer mentioned concern over the knowledge and the experience of the Consortium with the HOME Program capping out far sooner than a Consultant that deals with the program for a living.

Amy asked if the County was in attendance at each monitoring. Tia confirmed that the reason for revising the Monitoring Policy to split the Consortium in half and do each half every other year was for the purpose of making it easier on the County to participate in each monitoring.

13. **Single Audits and CAFRs** – Tia announced that so far she's received Single Audits and CAFRs for Peoria, Surprise, and Scottsdale. Tia also reminded everyone that the deadline for receiving the Single Audits and CAFRs is the end of the month. If anyone isn't able to meet the deadline, they can send Tia an email letting her know an expected date.
14. **HOME 2012-13 Shortfall** – Amy informed everyone that the County received a letter from HUD stating that the County is \$1.3M short of meeting the 2012-13 commitment deadline. It's imperative that the County receive everyone's set up reports to commit funds. Tia updated everyone that the latest shortfall report as of Thursday, March 20<sup>th</sup> was just over \$1M, so the shortfall was reduced approximately \$300,000.00.
15. **Encumbrance Deadlines** – Tia distributed financial reports to everyone for reference. Tia informed everyone that the amounts highlighted in gold are the amounts that are remaining to be committed. Tia reiterated that the 2012-13 encumbrance deadline is July 31<sup>st</sup>. She also mentioned that under 2013-14 subrecipient agreements, the encumbrance deadline is July 31<sup>st</sup>, 2014. Tia then noted an addition to the meeting's agenda regarding 2007-2008 HOME funds, any left unexpended will be swept in September. Tia also mentioned another expenditure deadline for 2009 HOME money for June 30<sup>th</sup>, 2014.
16. **Financials** – Tia also asked that anyone with corrections should email them to her. Amy also mentioned that the County is working to get the Consortium financial report to match our Fund Balance Report as closely as possible, so Amy requested to be copied on any corrections requested.
17. **CHDO Activity** – Tia announced that the County is currently working on an amendment to the 2012-13 Guadalupe CDC contract to extend the encumbrance and expenditure deadline.

Regarding revised CHDO agreements, Amy added that they'll be examined for revisions. Jennifer informed Amy that Chandler currently has \$340,000.00 in CHDO funding that they're holding because they don't have a CHDO agreement template.

Gilbert inquired about the Release of Funds for the 2013-14 projects. Amy and Tia said they would look into it.

Mona Francis asked about using program income, based on the financial report it doesn't look like Glendale is spending their money because their program income isn't reflected on the report. Mona agreed to submit Glendale's program income schedule to the County for entry into IDIS.

- 18. Announcements and Information** – Amy invited everyone to attend the Fair Housing Partnership meeting on April 11<sup>th</sup> at the Disability Empowerment Center.

Matt Hess asked about an update to the IDIS access. Amy stated that the information had been submitted to HUD and she's just waiting to receive the green light that the requests have all been approved.

- 19. Call to the Public** – Call to the Public is an opportunity for the public to address the Consortium concerning a subject that is not on the agenda. Public comment is encouraged. At the conclusion of an open call to the public, individual members of the Consortium may respond to criticism made by those who have addressed the Consortium, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the Consortium shall not discuss or take legal action on matters raised during an open Call to the Public unless the matters are properly noticed for discussion and legal action. **No response from the public.**

- 20. Adjournment** – There being no other business, the Chair entertained a motion for adjournment by Matt Hess. Motion was seconded and passed unanimously. The meeting was adjourned at approximately 11:13 a.m. The next scheduled public meeting will be April 17, 2014.

Respectfully submitted,

Tia LaFrambois  
Recording Secretary