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MEMORANDUM **Community and Neighborhood Services Council Memo CNS15-052**

DATE: JANUARY 20, 2015

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*

FROM: JENNIFER MORRISON, COMMUNITY AND NEIGHBORHOOD SERVICES
DIRECTOR *JM*

SUBJECT: APPROVAL OF RESOLUTION NO. 4834 CERTIFYING COMPLIANCE WITH
THE CONSOLIDATED PLAN AND ADMINISTRATIVE COMMITMENT BY
THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY
ARIZONA, SUPPORTING AN APPLICATION FOR FEDERAL HOME FUNDS
BY NEWTOWN COMMUNITY DEVELOPMENT CORPORATION, AN
ARIZONA NON-PROFIT CORPORATION, TO THE MARICOPA COUNTY
HOME CONSORTIUM

RECOMMENDATION: Staff recommends Council adopt Resolution No. 4834 certifying compliance with the Consolidated Plan and administrative commitment by the City Council of the City of Chandler, Maricopa County, Arizona, supporting an application for federal HOME funds by Newtown Community Development Corporation to the Maricopa County HOME Consortium.

BACKGROUND: The City of Chandler, along with seven other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administering the federal HOME Investment Partnerships Program (HOME). The HOME Program is funded by the U.S. Department of Housing and Urban Development (HUD). Of the total funds allocated to the Consortium under the HOME Program, 15% must be reserved for specific types of nonprofit organizations known as Community Housing Development Organizations (CHDOs). CHDO funds may be used to provide incentives to develop and support affordable rental housing and homeownership opportunities through activities such as acquisition, construction, reconstruction, rehabilitation, and/or various housing subsidies.

DISCUSSION: Newtown Community Development Corporation is a nonprofit that provides first time homebuyer programs to individuals and families in Tempe, Scottsdale, Glendale and Chandler. Newtown first began providing its Community Land Trust (CLT) program in Chandler

in 2009 when it received its first allocation of HUD Neighborhood Stabilization Program (NSP) funds. Since that time, the City has awarded an additional allocation of NSP funds, as well as City of Chandler HOME funds, to Newtown. Currently, Newtown has assisted a total of 46 first time homebuyers in Chandler.

The current matter before the City Council is a request for support of Newtown's application to the Maricopa HOME Consortium for HOME CHDO funding. If Newtown is awarded funding from the County, Newtown will acquire and rehabilitate four additional single family scattered site homes in the City of Chandler. These homes will be made available to low to moderate income first time homebuyers. Newtown's application to the Maricopa County Consortium is for \$400,000 or 40% of the total projected development costs for the project. Other resources that will support the project include conventional loan sources, Federal Home Loan Bank funds and Individual Development Account (IDA) funds. All properties acquired and rehabilitated with HOME funds will be placed in the Newtown Community Land Trust Program.

As part of their application, Newtown must submit a resolution of support from the governmental jurisdiction where the project is to be located. Approval of this Resolution would meet that requirement and certify compliance with the City of Chandler's Consolidated Plan. The City of Chandler is willing to administer the contract in support of Newtown's application for federal HOME funds to the Maricopa County Consortium, if the application is funded.

FINANCIAL IMPLICATIONS: All costs associated with the HOME program will be paid by HUD and do not require repayment on the part of the City of Chandler.

PROPOSED MOTION: Move to adopt Resolution Number 4834 certifying compliance with the Consolidated Plan and administrative commitment by the City Council of the City of Chandler, Maricopa County, Arizona, supporting an application for federal HOME funds by Newtown Community Development Corporation to the Maricopa County HOME Consortium.

RESOLUTION NO. 4834

A RESOLUTION CERTIFYING COMPLIANCE WITH THE CONSOLIDATED PLAN AND ADMINISTRATIVE COMMITMENT BY THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, SUPPORTING AN APPLICATION FOR FEDERAL HOME FUNDS BY NEWTOWN COMMUNITY DEVELOPMENT CORPORATION, AN ARIZONA NON-PROFIT CORPORATION, TO THE MARICOPA COUNTY HOME CONSORTIUM

WHEREAS, Newtown Community Development Corporation is a non-profit Community Housing Development Organization (CHDO) which has a history of community service in Chandler, Arizona and has among its purposes the provision of affordable housing for low and moderate income households; and

WHEREAS, Newtown Community Development Corporation has applied to the Maricopa County HOME Consortium for federal HOME Investment Partnerships Program (HOME) CHDO funding for the acquisition and/ or rehabilitation of permanently affordable single family homes in Chandler; and

WHEREAS, if funded and the properties being acquired are located within our jurisdictional boundaries, the City of Chandler will be the administrator of the contract between Newtown Community Development Corporation and the Maricopa County HOME Consortium; and

WHEREAS, the activity that Newtown Community Development Corporation proposes meets the priorities identified in the City of Chandler Consolidated Plan as approved by the City Council of the City of Chandler, Arizona,

NOW, THEREFORE, BE IT RESOLVED that the City Council of Chandler, Arizona, supports Newtown Community Development Corporation in its application to the Maricopa County HOME Consortium for federal HOME CHDO funding and recognizes that the intended use of such funds are in conformance with the City's Consolidated Plan and commits to administering the contract and approving the assignment to the City of Beneficial Interests under the loan agreement, deed of trust, promissory note and restrictive covenants, between Maricopa County and Newtown Community Development Corporation, if the CHDO activity is funded.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, THIS _____ DAY OF _____, 2015.

ATTEST:

CITY CLERK

MAYOR

CERIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4834 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of ____, 2015, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*