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MEMORANDUM COMMUNITY & NEIGHBORHOOD SERVICES DEPARTMENT CNS15-083

DATE: MARCH 25, 2015
TO: MAYOR AND COUNCIL
THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
JENNIFER MORRISON, COMMUNITY AND NEIGHBORHOOD SERVICES DIRECTOR *JM*
FROM: BARBARA BELLAMY, CDBG SUPERVISOR *BB*
SUBJECT: PUBLIC HEARING ON FISCAL YEAR 2015-2016 HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) ALLOCATIONS

BACKGROUND: The City of Chandler receives federal HOME funds annually from the U.S. Department of Housing and Urban Development (HUD) through the Maricopa HOME Consortium. A total of \$508,223 is available for allocation for Fiscal Year 2015-2016. This amount includes \$273,223 in Fiscal Year 2015-2016 HOME funds, as well as \$235,000 in unexpended funds from previous fiscal years. The unexpended amount of \$235,000 was originally allocated to Community Bridges, Inc., for the operation of the housing assistance program for homeless individuals and families. Of the \$508,223 available, the City will utilize \$17,076 for program administration leaving a balance of \$491,147 for allocation to nonprofit housing program providers.

Eligible housing activities for HOME funds include: homeowner rehabilitation, homebuyer activities, rental housing activities and Tenant Based Rental Assistance (TBRA).

DISCUSSION: As part of the Fiscal Year 2015-2016 allocation process, staff announced the availability of HOME funding to area nonprofit housing organizations. Three applications for funding were received totaling \$760,000. Based on staff input, a review of the applications and a presentation by each nonprofit, the Housing and Human Services Commission (HHSC) made funding recommendations. These recommendations were finalized and a Public Hearing was

held by the HHSC at their meeting on March 25, 2015. The HHSC's recommendations are included as Attachment A.

RECOMMENDATION: Federal regulations and Chandler's Public Participation Plan for federal community development programs requires the City Council to hold a public hearing to collect input regarding Chandler's proposed allocation of Fiscal Year 2015-2016 HOME funds. The final recommendations will be presented as a consent agenda item at the April 30, City Council meeting.

MAYOR'S STATEMENT: The Public Hearing regarding Chandler's proposed Fiscal Year 2015-2016 HOME funding allocation is now open for discussion.

ATTACHMENT A

CITY OF CHANDLER
FY 2015-2016 HOME FUNDED PROGRAM DESCRIPTIONS
AND FUNDING RECOMMENDATIONS

1. City of Chandler Housing & Redevelopment – Tenant Based Rental Assistance (TBRA)

Funding Request: \$235,000
Recommendation: \$235,000
Number to be Served: 15 Chandler individuals

Funding requested is to provide a tenant based rental assistance program for individuals and families experiencing homelessness in Chandler. The program will continue the rental assistance program implemented in 2012 to assist the homeless. Beginning July 1, 2015, administration of the program will transition from Community Bridges Inc., to the City's Housing and Redevelopment Division. TBRA rental assistance will be linked with TBRA case management and supportive services. Up to 15 homeless clients will be provided direct rental and utility deposit assistance to maintain housing or transition to a permanent housing source.

2. Habitat for Humanity – Housing Reconstruction

Funding Request: \$145,000
Recommendation: \$60,000
Number to be Served: 1 home reconstructed

The goal of the project is to reconstruct one owner-occupied home that requires repairs beyond the scope and maximum rehab dollar limits for the City's housing rehab programs. Housing units to be assisted under this program are typically over 50 years old and located in the City's oldest census tracts. Habitat has a HUD certified Housing and Credit Counselor with significant experience in the affordable housing market. Habitat also has bi-lingual staff to serve the Spanish speaking population. One new home has been reconstructed, one house is currently under construction and a third client has been determined eligible for the program. These funds will assist a fourth homeowner with housing reconstruction.

3. Newtown CDC – Community Land Trust – First Time Homebuyers Program

Funding Request: \$380,000
Recommendation: \$196,147
Number to be Served: 2 first time homebuyers

Funding requested is to provide affordable homeownership opportunities for up to two Chandler low income first time homebuyers who are priced out of the current housing market. Eligible buyers must complete homebuyer education classes and homeownership counseling. They also must attend an orientation where the ground lease, resale restrictions, shared equity and other provisions of the Community Land Trust (CLT) program are fully explained. The CLT ground lease contains resale restrictions required by HOME program guidelines. Properties must be kept as the homebuyer's principal place of residency and only households with incomes below 80% of the Area Median Income (AMI) are eligible to purchase a Newtown home. The ground lease gives Newtown the right of first refusal and includes a shared appreciation provision to ensure the CLT homes remain affordable.