



#8
APR 30 2015



MEMORANDUM COMMUNITY AND NEIGHBORHOOD SERVICES DEPARTMENT CNS15-096

DATE: APRIL 15, 2015

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
 JENNIFER MORRISON, COMMUNITY & NEIGHBORHOOD SERVICES DIRECTOR *JM*

FROM: BARBARA BELLAMY, CDBG SUPERVISOR *BB*

SUBJECT: RESOLUTION NO. 4851 OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING AN APPLICATION FOR AND USE OF FISCAL YEAR 2015-2016 HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS FROM THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT PROVIDED THROUGH THE MARICOPA COUNTY HOME CONSORTIUM; AND AUTHORIZING THE CITY MANAGER TO SIGN ALL RELATED DOCUMENTS

STAFF RECOMMENDATION: Mayor and City Council are requested to adopt Resolution No. 4851 of the City of Chandler, Arizona, authorizing an application for and use of fiscal year 2015-2016 Home Investment Partnership Program (HOME) funds from the Cranston-Gonzalez National Affordable Housing Act provided through the Maricopa County HOME Consortium and authorizing the City Manager to sign all related documents.

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 previously 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 \$17,706 for program administration leaving a balance of \$491,147 for allocation to nonprofit

housing program providers. The Housing and Human Services Commission (HHSC) recommendations are included as Attachment A.

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 allocations 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 application and a presentation by each nonprofit, the Housing and Human Services Commission (HHSC) made funding recommendations. These recommendations were finalized and two Public Hearings were held on the recommendations. First, a Public Hearing was held by the HHSC at their meeting on March 25, 2015 and the City Council held a second Public Hearing on the matter at the City Council meeting on April 16, 2015.

FINANCIAL IMPLICATIONS: Funding for the HOME program is provided from HUD through the Maricopa County Consortium and does not require repayment.

RECOMMENDATION: Mayor and City Council are requested to adopt Resolution No. 4851 of the City of Chandler, Arizona, authorizing an application for and use of fiscal year 2015-2016 Home Investment Partnership Program (HOME) funds from the Cranston-Gonzalez National Affordable Housing Act provided through the Maricopa County HOME Consortium; and authorizing the City Manager to sign all related documents.

Attachments: Resolution No. 4851

A: Fiscal Year 2015-2016 HOME Funded Program Descriptions and Funding Recommendations

RESOLUTION NO. 4851

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND APPROVING AN APPLICATION FOR AND USE OF FISCAL YEAR 2015-2016 HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS FROM THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT PROVIDED THROUGH THE MARICOPA COUNTY CONSORTIUM.

WHEREAS, the City of Chandler anticipates receiving a Fiscal Year 2015-2016 annual allocation through the Maricopa County Consortium by its entitlement from the U.S. Department of Housing and Urban Development to use for the City's Fiscal Year 2015-2016 HOME Program; and

WHEREAS, Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act") makes available funds in Fiscal Year 2015-2016 to assist the City of Chandler in creating a more viable community; and

WHEREAS, decent, safe, affordable housing is at the core of family stability and strong neighborhoods; and

WHEREAS, since 1982, the HOME program has expanded the supply of decent, safe, affordable housing; strengthened public-private partnerships; improved the lives of low-and moderate-income people; and strengthened neighborhoods; and

WHEREAS, the HOME program provides no interest loans and/or grants for the rehabilitation of existing low income homeowner properties; and

WHEREAS, the HOME program is cost effective and strengthens public-private partnerships by leveraging additional private resources to HOME projects; and

WHEREAS, the City Council has examined the proposed program and received input from citizens of the community in public hearings, and has deliberated on the needs, goals, and programs specified for Community Development funding; and

WHEREAS, City staff has prepared an Annual Action Plan for the use of Community Development resources for Fiscal Year 2015-2016;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Chandler, Maricopa County, Arizona, as follows:

Section 1. The Mayor of the City of Chandler is hereby authorized and approved to make, on behalf of the City, the submittal of an application to the U.S. Department of Housing and Urban Development, through the Maricopa County Consortium, for funds for the City's HOME program for Fiscal Year 2015-2016.

Section 2. The City Manager of the City of Chandler, or the City Manager’s designee, is hereby authorized and directed: (a) to submit with the application all documents, submissions, plans and materials required by the Act; and (b) to prepare, submit, negotiate and execute all contracts for services and use of the funds to be made available to the City under Title II of the Act for financing and implementation of all referenced City programs and projects.

Section 3. The City Manager, or the City Manager’s designee, is hereby authorized 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 under federal law in 24 CFR Part 92, Subpart K, Section 92.504 (c) (2) HOME Investment Partnerships Program.

Section 4. The City Manager, or the City Manager’s designee, is hereby authorized to take those actions necessary and prudent to implement the City’s HOME program for Fiscal Year 2015-2016, including, but not limited to, 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 HOME program can be carried out in a timely and effective manner, including but not limited to the establishment of administrative procedures not inconsistent with federal, state or local law.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this _____ day of _____, 2015.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4851 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

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.