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INTRODUCTION AND RESOURCES

A Framework for Strategic Implementation

The Five-Year Consolidated Plan provides the framework for implementation of the City mission and goals utilizing HUD funding. It is designed to guide HUD-funded housing, homeless and community development policies and programs over the five-year period beginning July 1, 2015 and ending June 30, 2020. The plan provides a comprehensive overview of federal, state and local programs that address identified needs.

The Annual Action Plan describes City allocations during the coming year. These allocations fund activities to address goals for each of the Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Special Needs and Citizen Participation.

Federal and Local Resources

The City of Chandler's Community and Neighborhood Services Department (CNSD) manages funding numerous nonprofit organizations and may fund other City departments. The nonprofit organizations and City departments that undertake activities are selected annually through a competitive request for proposals process.

Consolidated Plan goals are implemented with the following U.S. Department of Housing and Urban Development (HUD) fund and City general funds. HUD, Community Development Block Grant (CDBG), and Housing



Investment Partnership Program (HOME) funding have remained fairly level over the past three years.

Expected Annual Resources				
HUD Entitlement Programs				
Community Development Block Grant (CDBG) HOME (through Maricopa Consortium Agreement)	\$ 1,227,635 \$ 273,223			
HUD Public Housing Programs				
Section 8 Housing Choice Vouchers Public Housing Public Housing Capital Funds	\$ 5,600,000 \$ 2,325,000 \$ 850,000			
Local Funds				
Acts of Kindness Social Services Funding Youth Enhancement Program Veteran's Transportation	\$ 56,666 \$ 421,465 \$ 629,491 \$ 10,000			

HUD, CDBG and HOME Funds

The City receives two allocations of HUD funding. The Community Development Block Grant program is provided through the federal Office of Community Planning and Development within the U.S. Department of Housing and Urban Development Department. Due to its size and composition, the City of Chandler is classified as an 'entitlement community' under the CDBG program. This means that Chandler does not apply for the CDBG program, but is awarded the grant at a funding level based on a HUD formula involving population and demographics. In order to receive CDBG funds, the City must complete a Consolidated Plan every five years and an Annual Action Plan that annually details the uses of funds.

The City also receives HOME funding as a member of the Maricopa County HOME Consortium. The Consortium is a legal entity created through an intergovernmental agreement between Maricopa County, the Cities of Avondale, Chandler, Glendale, Peoria, Scottsdale, Surprise, Tempe and the Town of Gilbert for the purpose of receiving HOME Investment Partnerships Program (HOME) funds from HUD. Each Consortium member receives a pro rata share of funds and uses them to meet the needs of their community. The County's Five-Year Consolidated Plan and Annual Action Plans also include the housing needs and activities of Chandler.

Local Funds

Numerous local resources leverage HUD funding to address the needs of Chandler residents.

- Social Service Fund. The City dedicates general funds to meeting the needs of low-mod households and special populations, including homeless individuals and families.
- Acts of Kindness Program. The Acts of Kindness (AOK) donation program was developed in July 2000 to give residents an opportunity to voluntarily contribute with their utility payment each month. AOK supports human service programs that provide basic needs such as food, shelter, clothing, medical services and transportation to low income Chandler residents.
- Youth Enhancement Program. The City dedicates general funds to youth activities, with a focus on low-mod and at-risk youth.
- Veteran's Transportation. The Veteran's Transportation Program funds agencies that provide transportation for lowincome Veterans to services centers and other locales.





The City of Chandler Community and Neighborhood Services Department is the lead agency for the Consolidated Plan. In September 2014 and in recognition of Chandler's shift from build-out and new construction to preservation, renovation and sustainability, the City created the Community and Neighborhood Services Department to strengthen service and administrative efficiencies. The department develops and implements comprehensive strategies to address neighborhood capital needs as well as social and recreational needs. The goals of CNSD are to strengthen and enrich the community by providing high quality services and resources through: neighborhood revitalization; diverse, innovative and affordable leisure and recreational opportunities; high quality parks, sports fields and green space; resident empowerment; promotion and celebration of diversity; code enforcement; and quality housing assistance. CNSD includes:

Housing and Redevelopment Division. This Division oversees, manages and facilitates affordable housing programs, and operates and links to other supportive services for those living in affordable and federally subsidized housing. The primary focus is to provide affordable rental housing, yet developing, operating and linking to homeownership activities for families that earn less than 80% of the area median income is also a Division activity. HUD provides funding for the core of the City's Public Housing operating budget, modernization program, youth after school programs, family self-sufficiency opportunities, Section 8 Housing Choice Voucher program, and other federally funded supportive



housing programs. The Division is the clearinghouse for tax credit proposals to the Arizona State Department of Housing and serves as the City's liaison to the Industrial Development Authority on projects pertaining to affordable housing. Through these and other resources, this predominantly grant- funded division provides affordable/subsidized housing opportunities and supportive services for low and moderate-income families in Chandler. The Division's two primary programs are:

- · Section 8 Housing Choice Voucher Program. Under this program, a family's rent is subsidized based on their monthly-adjusted income level. Participants in this program pay 30 percent of their monthly-adjusted income toward rent in participating, private market rental units, while HUD, through the city, pays the balance of the rent amount.
- Public Housing Program. Under this program, a family's rent is subsidized based on their monthly adjusted income level. Participants in this program pay 30 percent of their monthly income toward rent. The rental units in this program are owned and operated by the City of Chandler for the benefit of HUD.

<u>Community Development</u>. The Community Development Division administers funds and programs that promote the improvement of quality of life for low- to moderate-income families and assist in the stabilization of Chandler neighborhoods. The Division implements affordable housing programs by partnering with non-profit and faith-based agencies and City departments to address basic and critical human needs. Programs include:

- · Housing Rehabilitation to provide low- and moderate-income homeowners with assistance necessary to improve their living conditions and elevate neighborhoods.
- · Volunteer Income Tax Assistance (VITA) Program. In conjunction with local nonprofit organizations, the VITA program is possible because of community volunteers who offer free tax preparation services to low and moderate income taxpayers, and the elderly and people with disabilities.
- Fair Housing Program. The goal of Fair Housing is to ensure that residents are informed of their rights to Fair Housing and provided a resource when they feel their rights have be violated. In addition to specific Fair Housing activities, the City provides links to information and hotlines on its website.

<u>Code Enforcement</u> keeps neighborhoods and commercial properties free from unsightly or hazardous conditions that are blighting and lead to further deterioration. In addition to enforcing neighborhood standards, special events, land use and zoning and sign codes, code enforcement works with other city departments, county and state agencies, and neighborhood groups to resolve problems.

<u>Neighborhood Programs</u> encourage partnerships to strengthen Chandler's neighborhoods and build strong community relationships. It delivers the HOA and Traditional Neighborhood Academies to build successful and sustainable HOAs and neighborhoods, and works with registered neighborhoods to ensure residents have opportunities for engagement and access to City information and periodic grant funding.

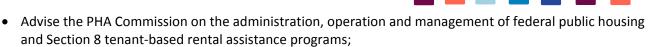
The City's <u>Diversity Office</u> works closely with the Chandler Human Relations Commission to develop diversity programs and events. Their mission is to promote mutual respect and inclusion in Chandler, working towards the elimination of prejudice and discrimination; and promoting amicable relations among all racial, cultural, religious, age, gender, disabled, socio-economic, and national groups within the community.

By the end of 2018, Chandler will have 52 neighborhood <u>Parks</u> in addition to 11 community parks and one regional park. The mission of having one neighborhood park per square mile of residential land in Chandler will be complete, making play easily accessible for the entire community. Chandler also has several specialty facilities including four dog parks, three spray pads, one bike park, one skate park, two disc golf courses, two urban fishing lakes, a Desert Tortoise habitat and more than 44 walking and biking trails.

Recreation opportunities are a reality for each member of the community through safe and affordable programming. Socialization and preschool programs for toddlers, tennis lessons for the entire family, free community events, environmentally friendly programs or classes for adults and seniors Chandler Recreation are just some of the programs provided to residents.

<u>Aquatics</u> facility amenities vary by location, but include: zero depth pools, slides, diving boards and lazy rivers. In addition to providing the community with a safe place to beat the heat, Aquatics offers extensive programs including: swim teams, year-round swim lessons in heated water, adult group practice, lap swim and aqua fit classes.

The CNSD works with multiple commissions. The <u>Housing and Human Services Commission</u> (HHSC), an eleven member advisory body appointed by the Mayor and approved by City Council, plays an important role in Consolidated Planning activities. The powers and duties of the HHSC are to:



 Advise City Council regarding the: administration, operation and management of federal public housing, rental assistance or low cost housing programs; development of City housing projects as defined in A.R.S.
 Section 36-1401; and welfare of low and moderate income citizens;

- Assess the human service needs of the community, determine any gaps in service and utilize this information in developing the priorities for social service funding, youth enhancement funds, acts of kindness funds and any other grant or social service funds that may become available;
- · Recommend the annual allocation of CDBG funds and local human services funds to the City Council; and
- Assume such other powers and/or duties as may from time to time be approved by the City Council.

The City works closely with For Our City Chandler, a network of nonprofit and faith-based organizations, local government, business groups and Chandler residents. The goal of For Our City Chandler is to foster partnerships between local government and community volunteers to increase the effectiveness of people helping people. The City is also a member of the MAG Continuum of Care and participates in an annual street count of homeless people, working with neighboring jurisdictions to assess the needs of homeless people and target resources to effectively reduce homelessness.



NEEDED SERVICES ARE SUCCESSFULLY DELIVERED

The Institutional Structure and Delivery System delivers homeless prevention, street outreach and supportive services to a range of populations, including homeless people and people with special needs. The City's relationships with For Our City Chandler, the MAG Continuum of Care, and the Interfaith Homeless Emergency Lodging Program (I-HELP) ensure that resources effectively reach people in need, including homeless people. There are no services directly targeted to persons with HIV/AIDS; however, regional services are available for this population. Mobile clinic services are not available for homeless persons; however, For Our City Chandler and I-HELP offer periodic services.

I-HELP partners with local churches in Chandler and Gilbert to provide a safe place to sleep at night and a warm meal to eat. Individuals and families engaging with I-HELP are offered HOME tenant-based rental assistance coupled with case management services. The local Community Action Program provides eviction and foreclosure prevention assistance and utility and security deposits to assist households to maintain housing. The City also supports numerous regional emergency and transitional housing facilities that provide short-term and long-term shelter combined with case management services.

During the past five years, the duties and responsibilities of the Housing and Human Services Commission (HHSC) expanded to include meeting with various stakeholders, determining current service levels, assessing gaps in service, and developing priorities for funding to ensure resources are targeted to the most needy populations and neighborhoods.

The City also accomplished its goals to strengthen partnerships with neighborhoods and neighborhood organizations, providing additional opportunities for traditional neighborhoods to develop leadership and plan for their future in cooperation with the City and integrating community development planning into neighborhood leadership training.

The system is efficient and effective in delivering resources to address priority human services needs and the needs of homeless people and people with special needs. The City may however, update its human services needs assessment to capture changes since as economic recovery continues.

HUD Table 1 - Homeless Services Summary					
Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV		
	Homelessness Prever	ntion Services			
Counseling/Advocacy	X	Х			
Legal Assistance	Χ	X			
Mortgage Assistance	Χ	X			
Rental Assistance	Χ	X			
Utilities Assistance	Χ	X			
	Street Outreach	Services			
Law Enforcement Mobile Clinics	Х				
Other Street Outreach Services	Χ	Χ	Χ		
	Supportive Se	rvices			
Alcohol & Drug Abuse	Х	Х	X		
Child Care	Χ	Х	Χ		
Education	Χ	Х	Χ		
Employment/Employment Training	Х	Х			
Healthcare	Χ	Χ			
HIV/AIDS	Χ	Χ	Χ		
Life Skills	Χ	Χ	Χ		
Mental Health Counseling	Χ	X	X		
Transportation	Χ	Χ			
	Other				
Other					

Strategy to Address Gaps in Institutional Structure and Delivery System

The system is challenged by the high cost of permanent housing and insufficient supportive housing for special populations. The City is working with nonprofit organizations to identify methods of ensuring supportive housing is available for special populations; this housing may be regional. Efforts to reduce the cost of housing or develop permanent affordable housing will be implemented, including tenant-based rental assistance, permanent affordable owner housing through the City's Community Land Trust program, and examination of possible incentives to encourage additional affordable housing.

CONSOLIDATED PLAN DEVELOPMENT

In developing the Five-Year Consolidated Plan and the 2015 Annual Action Plan, the City conducted two public meetings and an online survey. Public access to the survey was available at the City website and notices were emailed directly to stakeholders and neighborhood associations. The survey provided stakeholders and residents an opportunity to prioritize populations and activities.

Stakeholder and Citizen Priorities

Consultation and citizen participation comments and surveys were collated to identify priorities in six areas.

	Pric	orities Identified through Consultation and Citizen Participation
	1.	Domestic violence victims
Populations	2.	Frail elderly
	3.	Youth, including neglected/abused children
	4.	Veterans
	1.	Employment opportunities/job training (including for special populations)
Services	2.	Meeting basic needs
	3.	Case management
	4.	Health care
	5.	Transportation
	1.	Prevention (emergency rent and mortgage assistance, job training/employment
Homelessness		opportunities)
	2.	Facilities and services for families
	3.	Permanent affordable housing
Facilities	1.	Youth, including neglected/abused children
	2.	Basic needs (food/clothing)
	1.	Housing rehabilitation and emergency repairs including energy efficiency
Housing		improvements for both owner- and renter-occupied units
	2.	Rentals for disabled/senior populations
	3.	Public housing expansion/improvements
	4.	Affordable homeownership opportunities
	1.	Public safety
Neighborhoods	2.	Demolition of unsafe/vacant structures
	3.	Code enforcement

Documents Reviewed

A variety of documents were reviewed and incorporated into the Consolidated Plan. These documents include:

- City of Chandler General Plan;
- Maricopa Association of Governments 2014 Continuum of Care application;
- City of Chandler Public Housing Authority Annual Plan;
- City of Chandler Human Services Plan;
- FY 15/16 Human Services and CDBG/HOME Funding Manuals;
- City of Chandler Capital Improvements Program.



Citizen Participation Plan and Public Comments

The City's goal for citizen participation is to ensure broad participation of both residents and service providers in planning and program development. The City followed their published Citizen Participation Plan (CPP) in consulting with the public and stakeholders. The draft Consolidated Plan was widely distributed in print and on-line. Public comment will be solicited at two public hearings during the public comment period. The public hearings will be held March 25, 2015 and April 16, 2015.

Written Comments and City Responses

Written comments received during the public comment period and the City's response to each will be included in the final Consolidated Plan submission to HUD.



COMMUNITY HISTORY AND SOCIO-ECONOMIC PROFILE

In 1891, Dr. Alexander John Chandler, the first veterinary surgeon in the Arizona Territory, settled on a ranch south of Mesa, studying irrigation engineering. By 1900, he had acquired 18,000 acres of land and began drawing up plans for a townsite on what was then known as the Chandler Ranch. The townsite office opened on May 17, 1912. By 1913, a town center had been established featuring the luxurious Hotel San Marcos, the first golf resort in the state.

Most of Chandler's economy was successfully sustained during the Great Depression, but the cotton crash a few years later had a deep impact on the city's residents. In 1941, the founding of Williams Air Force Base led to a small surge in population, but Chandler still only held 3,800 people by 1950. By 1980, it had grown to 30,000, and it has since paced the Phoenix metropolitan area's high rate of growth, with vast suburban residential areas swallowing former agricultural plots. Some of this growth was fueled by the establishment of manufacturing plants for communications and computing firms such as Microchip, Motorola and Intel. Despite the inclusion of these and other large businesses, Chandler is still often considered a bedroom community for the greater Phoenix metropolitan area.

The City of Chandler consists of approximately 71 square miles and shares boundaries with the Town of Gilbert, Cities of Mesa, Phoenix and Tempe and the Gila River Indian Community.

Introduction

Consolidated Plan priorities and strategies are based on demographic and economic conditions, as well as trends and projections. Key demographics are population, and family and household types. Key economic conditions are income and employment.

Definitions and Acronyms

In the context of the housing market, households are the primary measure of housing demand - the US Census defines a <u>household</u> as "all the people who occupy a housing unit", including both related and unrelated people.

<u>Family households</u> are people who share the same housing unit and are related by birth, marriage or adoption to the householder. A family household may contain people not related to the householder who are counted as part of the household but not as part of the family. <u>Non-family households</u> are people living alone and groups of unrelated people sharing a housing unit.

Other definitions and acronyms used frequently in the Consolidated Plan are:

- AMI Area Median Income as defined by HUD for the County
- Low-moderate income a household with income less than 80% AMI
- Very low-income a household with income less than 50% AMI
- Extremely low-income a household with income less than 30% AMI
- Low-mod households with incomes less than 80% AMI
- Cost burden paying more than 30% of gross household income for housing
- Severe cost burden paying more than 50% of gross household income for housing
- Housing problem cost burden, severe cost burden, overcrowding or substandard housing

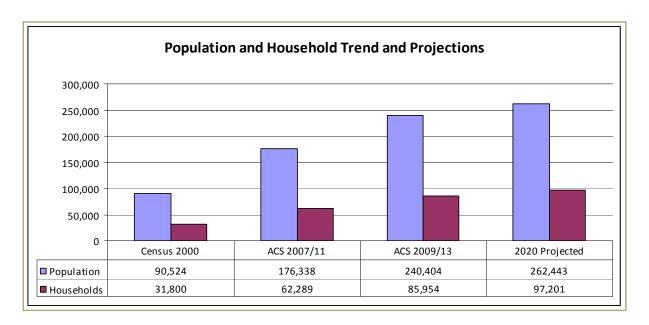


HUD DATA

The City's Consolidated Plan submission to HUD must use US Census 2011 American Community Survey (ACS) and 2011 Comprehensive Housing Affordability (CHAS) data. More current data is also available from the US Census Bureau for 2013. Throughout this document, both HUD data (2011) and 2013 ACS data are presented. When HUD data does not vary significantly from 2013 data, only HUD data is presented.

Population and Households

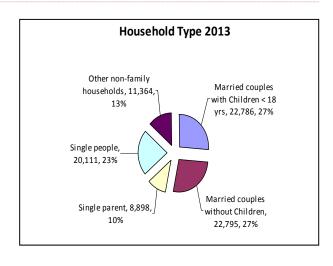
Chandler has reached its physical limits; opportunities for physical growth are focused on revitalization and preservation and continuing positive economic development. Natural growth – about 1.5% annually is anticipated through 2020; population and households will grow 14.4% to about 262,433 people living in 97,201 households, based on average household size of 2.7 people.



One-third of Households a Single Person or Single Parent

In 2013, there were 20,111 single person and 8,898 single-parent households in Chandler. Of single-person households, 22% (4,494) were single people age 65 or older. Single person and single-parent households generally have a single income source, resulting in unique housing needs.

The number of single-person households is increasing. In 2011, there were 19,708 single-person households, including 4,175 with at least one person age 65+.



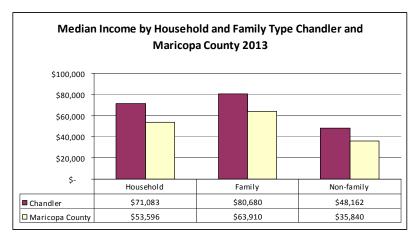
Growing Racial and Ethnic Diversity

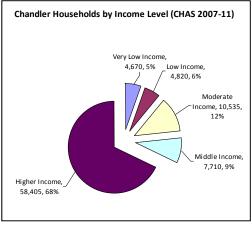
Trend in Race/Ethnicity (2008 – 2013)					
ACS 2006/08 ACS 2009/13					
While a large percentage of the population identifies as	White	81.0%	82.0%		
White, since 2008 increased	Black or African American	4.1%	6.5%		
diversity is seen among	Amer. Indian / Alaska Native	6.3%	2.3%		
Black/ African American (up 59%) and Asian (up 742%)	Asian	1.2%	10.1%		
individuals.	Other Race	10.4%	3.8%		
	Hispanic or Latino (of any race)	21.3%	22.3%		

Chandler Median Income Higher than Maricopa County

Median income is the measure by which the housing and community development industry defines low and moderate income (low-mod) households and then targets resources. Median income includes income from employment and income from other sources such as investments, retirement and public assistance. When identifying households eligible for assistance from HUD programs, the Maricopa County median income is used.

In 2013, Chandler's median income for all household and family types was higher than Maricopa County. Chandler's median household income of \$71,083 was 33% higher than the Maricopa County median. As a result of higher incomes in Chandler, fewer households will be eligible for assistance from HUD programs.





20,025 Low-Mod Households

In 2011, there were 20,025 Low-Mod Households, including 4,670 with incomes less than 30% AMI, 4,820 with incomes 30-50% AMI and 10,535 with incomes 50-80% AMI.



Families with People Age 62+ or Young Children More Likely to Be Low and Moderate Income

The rate of low-mod family households is highest among households that include at least one person age 62 or older or at least one child less than 6 years. These households are more likely to have a single income source.

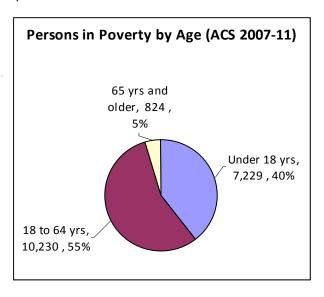
HUD Data Table - Total Households by Income Level (2007-11 CHAS)							
АМІ	0-30%	>30-50%	>50-80%	>80-100%	>100%	< 80% (Low-M	-
Small Family	1,725	2,010	4,020	3,290	32,370	7,755	18%
Large Family	589	340	880	830	5,345	1,809	23%
At least 1 person 62-74 yrs	580	945	1,840	1,170	6,500	3,365	30%
At least 1 person age 75 +	390	650	945	590	2,139	1,985	42%
At least 1 child <=6 yrs old	1,263	1,115	2,335	1,495	10,620	4,713	28%
Total Households	4,670	4,820	10,535	7,710	58,405	20,025	23%
% of Total Households	5.4%	5.6%	12.2%	9.0%	67.8%		
% of Low-Mod Households	23%	24%	53%				

Higher Homeowner Median Income

The median income of renters is \$49,544, while the median income of owners is \$87,268. Higher income households are generally able to save for a down payment, meet lender credit requirements, and take advantage of the tax benefits of homeownership.

21% of Single-Parent Female-Headed Households Lives below Poverty Level

According to ACS 2007/11, 7.9% of Chandler's population lives below the poverty level, with the highest rate (21%) among single-parent female householders. Of those in poverty, 40% are children, 5% are seniors and the remaining 55% are workingage adults. Many working age adults in poverty are those with young children and those with disabilities whose earning potential is limited. Of the 10,230 adults living in poverty, more than half (5,882) worked at least part-time in the last year, and 1,120 worked full-time year-round.

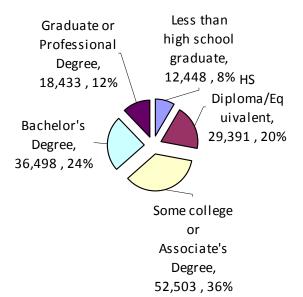


An Educated Workforce

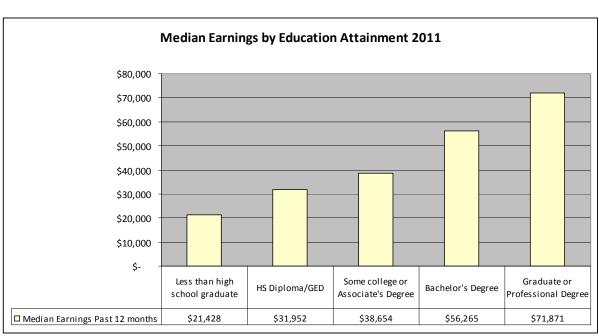
Higher education is directly related to earnings potential and 36% of Chandler residents hold a Bachelor's degree or Graduate degree and another third have some college, including an Associate's degree. Adults with no high school diploma or equivalent earn 38% of an adult with a Bachelor's degree and 29% of an adult with a Graduate or Professional degree.

8% of Chandler's working-age population does not have a HS diploma or equivalent. The majority of adults without a HS diploma or equivalent are age 65 or older (30%) or age 18 to 24 (27%). Many of the younger adults may still be in high school.

Educational Attainment 2011



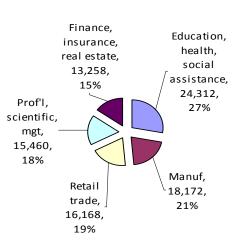




Increasing Employment

With a relatively well educated workforce and manufacturing and technology employment centers in Chandler, nearly half (47%) of the workforce is employed in education, health care and social assistance and manufacturing. While overall employment decreased by 8,862 or 6.7% from 2008 to 2013, employment is increasing with 1,066 more Chandler residents employed in 2013 than in 2011.

2013 Employment by Industry



2008 to 2013 Industry Employment Trend				
	2006/08 ACS	2007/11 ACS	2009/13 ACS	
All Industries	132,025	122,097	123,163	
Education, Health, Social Assistance	24,312	24,732	26,085	
Manufacturing	18,172	15,427	15,560	
Retail Trade	16,168	14,786	14,963	
Professional, Scientific, Management	15,460	14,187	14,807	
Finance, Insurance, Real Estate	13,258	12,049	12,025	

HUD Employment Data

The unemployment rate in Chandler is 7%. Among the employed, 43% work in management, business, science and arts occupations, and 28% work in sales and office occupations. 15% of the workforce is employed in lower-paying service occupations. One of five employed Chandler residents works in the educational services, and health care and social services industry. Other high-employment industries are manufacturing (13%), retail trade (12%), professional/scientific/management (12%), and finance, insurance and real estate (10%).

According to ACS 2007/11, one-third of employed Chandler residents work in Chandler. More than three quarters (78%) of the Chandler workforce drives to work alone. Assuming that the average workforce member drives 10,000 miles each year to and from work and that the cost of driving is 50 cents per mile, a dual earner household will spend \$10,000/year or \$833/month on work-related travel costs; a single-earner household will spend \$417/month on work-related travel costs. Low income families often cite transportation as the most significant barrier in finding and maintaining employment.

HUD Data Table Employment by Occupation (ACS 2007/11)					
	No.	%			
Civilian employed population 16 years and over	122,097				
Management, business, science, and arts	52,519	43%			
Service	18,867	15%			
Sales and office	33,784	28%			
Natural resources, construction, and maintenance	7,652	6%			
Production, transportation, and material moving	9,275	8%			

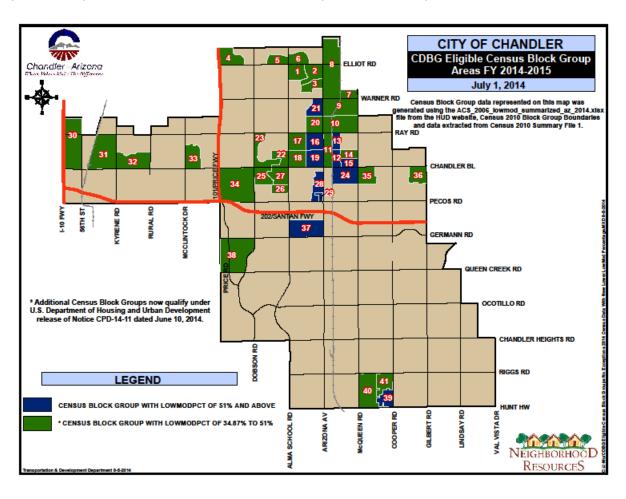
NEIGHBORHOODS AND GEOGRAPHIC TARGETING

Geographic Priority Area – North of the San Tan Freeway

Chandler's central city includes many long-established neighborhoods, and many of these neighborhoods are also home to low-income and minority populations. Community Development Target Areas are a HUD term for areas where at least 51% of the population in a Census Block Group is low-mod. However, Chandler is an "exception" community and at least 34.57% of the population in a Census Block Group must be low-mod for the area to be considered for CDBG funding.

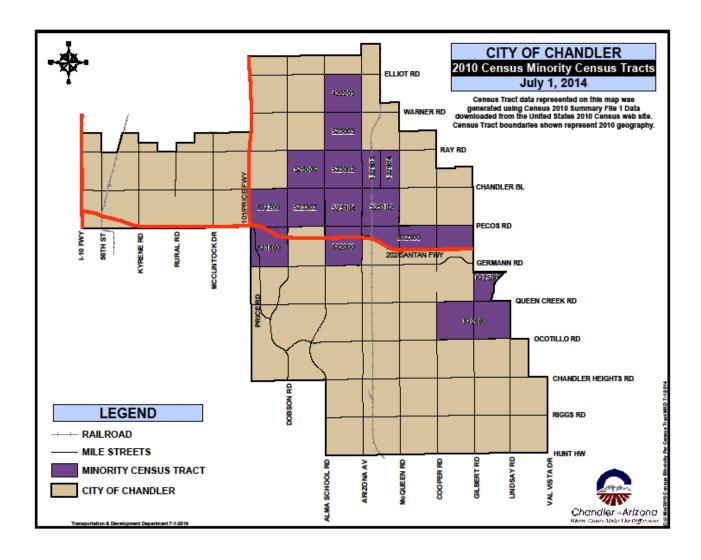
The City identified 9 Census Block Groups that meet the 51% low-mod definition and an additional 32 that meet the exception (34.57%) definition. There are 14,450 households in the 51% low-mod Census Block Groups – 10,205 (70.6%) are low-mod, 8,961 (62.0%) are Hispanic, and 6,238 (43.2%) are minorities.

The City's geographic priority area includes all eligible Census Block Groups north of the San Tan Freeway. In the event that activities are proposed in any area that does not meet the exception criteria, a special survey will be conducted to ensure the activity meets CDBG requirements.



AREAS OF MINORITY CONCENTRATION

HUD also requires the City to identify areas where the minority population exceeds the overall minority population by 10% or more. The City identified 13 Census Tracts with a higher proportion of minorities.



OTHER IMPORTANT AREAS IN THE CITY OF CHANDLER

 Commercial Historic District. In 2000, the City's Commercial Historic District was listed on the National Register. The northern portion of the City's Arizona Avenue Corridor from Chandler Boulevard to Boston Street encompasses the original historic Downtown that today includes the City government center, the San Marcos Hotel, A.J. Chandler Park and a variety of historic buildings surrounding the park.



2. Arizona Avenue Corridor Improvement

<u>Plan Area</u>. This area encompasses the commercial historic district and several areas of low-income concentration. The southern portion of the Corridor is comprised of strip commercial uses and freestanding buildings situated on small lots. A new City Hall was recently constructed to anchor revitalization in the area while preserving Chandler's historic resources. Key strategies in this plan include

- Development of high density residential along selected corridors.
- A more pedestrian-friendly environment.
- A cultural and commercial entertainment environment linked to the historic downtown square.
- Preservation and enhancement of residential neighborhoods through infill and renovation
- Attracting new businesses, employers, offices and housing to the downtown area.
- 3. Four Corners. Traffic and shopping patterns shifted as the result of new freeways, leaving challenges at several intersections in the City. In 2012, the Mayor's Four-Corner Retail Committee developed specific recommendations for strategies to help struggling retail centers overcome the challenges of a poor economy, shifting traffic patterns and aging commercial areas. Recommendations included:
 - Creating a team to support developers;
 - Examining parking ratios in revitalization areas;
 - Reviewing the code related to housing density;
 - Reviewing landscape requirements;
 - Examining the sign code;
 - Managing visibility to shopping centers;
 - Continuing to use the Commercial Reinvestment Program as a tool;
 - Evaluating mechanisms for dealing with abandoned and blighted buildings;
 - Creating a list of properties and owners to engage in redevelopment; and
 - Aggressively marketing vacant space for retail users or redevelopment.

HOUSING MARKET ANALYSIS

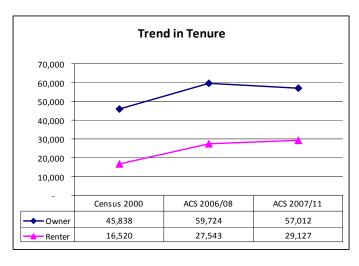
The housing market consists of housing units (supply) and the households who occupy them (demand). While the housing market is an economic market, complex variables beyond supply and demand have influence including: household composition, age of household members, access to employment and education opportunities, cost of goods and services, and preferences of residents. The three primary elements of the housing market are:

- 1. Variety the types of available housing.
- 2. Quality unit age and condition.
- 3. Affordability household income relative to the cost of available housing.

Tenure and median income by tenure are both important to understanding the housing market and structuring appropriate strategies to address needs.

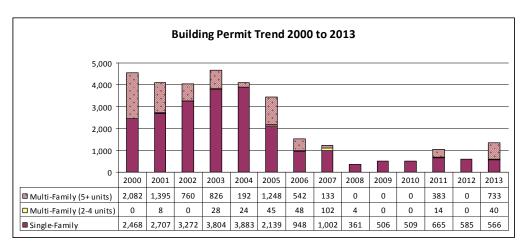
Increasing Proportion of Renters

Tenure is important to structuring appropriate strategies. Two-thirds (66%) of Chandler households are owners, yet the homeownership rate dropped 10% from 2000 to 2011, with one third of the decline occurring from 2008 to 2011. The increase in renters can be partially attributed to the high number of foreclosures in Chandler, many of which were among units built during the 2003 to 2006 housing boom.



Building Permit Trend Demonstrates Market Cycle

In general, the housing market moves roughly in line with the overall economy over the long term. A boom-bust cycle, where the housing economy is growing and strong and then stagnates or declines is common in Arizona. This market cycle was exaggerated during the recent Great Recession. The long-term trend in building permits clearly demonstrates the housing boom, housing crisis and beginning of market recovery in Chandler. Recent development reflects the demand for rental housing and the strategies employed by Chandler to provide for increased density in some areas of the City.



Minority Households More Likely to Have Housing Problems

HUD requires the City to identify the housing needs of minority households and whether those needs are disproportionately greater than housing needs of non-minority households. Citywide 24% of households have one or more housing problems. Comparatively, 37% of Hispanic, 31% of Native American and 29% of Black/African American households have one or more housing problems. Hispanic households with income <50% AMI are three times more likely to have housing problems than non-Hispanic households. Severe housing problems, including severe cost burden and severe overcrowding are more likely to be experienced by Black/African American, Hispanic and Native American households.

In general, renters and larger families, regardless of race and ethnicity, have more housing problems. Housing problems of Hispanic households may be partially attributed to larger household size and higher rates of renting among minority households. Average household sizes are: White - 2.59 people; Black/African American – 2.71 people; Native American – 3.21 people; and Hispanic – 3.42 people. Rates of renting are: White – 35%; Black/African American – 63%; Native American – 49%; and Hispanic – 46%.

Housing Variety and Number of Units

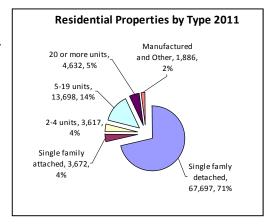
A variety of housing types is necessary to meet the diverse housing needs and desires of both owners and renters. Housing variety is driven by many factors - primarily demand for certain types of housing and amenities by households who can afford the desired type and amenities. Other factors that influence housing variety include public policy such as zoning and building requirements, the availability and cost of infrastructure, and the cost of land and construction.

Single-family 3-bedroom Detached Housing Predominates

Seven of ten (71%) Chandler residential properties are single-family detached, and 70% consist of 3 or more bedrooms. An additional 21% consist of 2 bedrooms.

Most (83%) single-family units are owner occupied, as are the majority (86%) of units with 3 or more bedrooms.

In general, higher-density structures are renter occupied while lower-density structures, including manufactured units are owner occupied. Renters are more likely to occupy smaller units; however 39% occupy 3-bedroom and larger units.





HOUSING QUALITY

Housing quality encompasses a range of issues that are central to quality of life including safety, design and appearance, maintenance and energy efficiency, and occupant and community health. The quality of the existing housing stock reflects economic prosperity and pride of community. Housing quality is often the first impression that signals the community well-being that attracts and retains employers and economic investment.

The age of the housing stock is one indicator of housing quality. While many older housing units have been well-maintained, other older housing units may have been built to outdated building codes using materials and construction techniques that are no longer considered safe or sustainable. Older units are more likely to require rehabilitation or replacement, and occupants often have higher utility costs. Some materials such as lead paint (in units built prior to 1978) may represent health hazards.

Definitions of Standard Condition and Substandard Condition but Suitable for Rehabilitation

HUD requires the City to define standard condition and substandard condition but suitable for rehabilitation. These definitions are used in determining the eligibility of a housing unit for rehabilitation.

<u>Standard</u>. Meets or exceeds HUD Housing Quality Standards (HQS); does not have any critical or major structural defects; has adequate plumbing and heating/cooling facilities; and its appearance does not create a blighting influence.

<u>Substandard Condition but Suitable for Rehabilitation</u>. Does not meet HUD HQS; has one or more major and/or critical structural defects that can be repaired for a reasonable amount. The degree of substandard is either moderate or severe according to the number of defects and the degree of deficiency.

 Moderately Substandard –less than three major defects and can be restored to a standard condition for a reasonable cost.

 Severely Substandard –three or more major defects or at least one critical defect and can be restored to a standard condition for a reasonable cost.

Units by Year Built (2011)

Before 1950,

1950-1979, 9,691, 11% 2000 or later, 24,700, 29% 1980-1999, 51,149, 59%

10,290 Units Built Before 1980

The housing stock in Chandler is relatively new, with 89% of Chandler's built after 1980 and 29% built in 2000 or later. Of the 10,290 units built before 1980; 63% are occupied by owners and 37% by renters.

2,100 Households with Young Children at Risk of Lead-based Paint Poisoning

According to HUD 2007-11 CHAS data, 2,100 structures built before 1979 are occupied by children less than 6 years of age, including 1,020 by owners and 1,080 by renters.

	979 and Occupied by Under 6 years
Owner	1,020
Renter	1,080

In June 2014 the Arizona Department of Health Services (ADHS) released its updated Targeted Lead Poisoning Screening Plan. Acknowledging that many lead sources have been eliminated or reduced in the last few decades, the plan indicated that lead poisoning continues to affect children in Arizona, primarily from paint, imported goods, food, medicines, and spices, leaded crystal and pewter, lead in dust, soil, and mining, drinking water, and occupation and hobbies. Because of

ongoing surveillance and analysis, public health professionals are able to target surveillance and intervention efforts on the children most at risk.

Based on recommendations and guidance from the CDC, Arizona has moved from universal lead screening to targeted screening. The State's 3-year goal is to increase the utility of the targeted screening plan by 1) increasing screening rates to 85% in targeted zip codes, 2) assessing the indicators used to develop the targeted high-risk zip codes, and 3) reducing the number of targeted high-risk zip codes. There are two high risk zip codes in Chandler – 85225 and 85226.

Reducing Lead-based Paint Hazards

The City has taken action to educate and inform the public regarding lead hazards. In addition, the City follows a multi-pronged approach to reduce lead hazards:

- Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances, and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The Consortium has licensed contractors who are available to perform appropriate abatement and/or removal procedures if lead-based paint is present.
- 2. Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.
- 3. <u>Public Education</u>. Lead hazard information is distributed to participants in homeownership and rental programs.



HOUSING AFFORDABILITY

Government programs define housing affordability as paying less than 30% of gross household income for total housing cost (rent plus utilities or mortgage). Households paying more than 30% of household income for housing are considered cost burdened, while households paying more than 50% of household income for housing are considered severely cost burdened. However, the definition of cost

burden is more appropriate to moderate income households than to lower income households. Simply stated, housing cost burdened lower-income households may have little remaining to pay for the essentials such as clothing, food, transportation and child care, while higher income households may choose to pay more for housing and still have plenty remaining for the essentials. Cost burdened households at all income levels impact local businesses, particularly businesses such as restaurants and recreation services that rely on discretionary spending.



Housing Cost Burden Impacts 29,100 Households - 16,000 Are Low-Mod

According to HUD CHAS data, there are 29,100 Chandler households paying more than 30% of household income for housing costs, including 15,995 low-mod households. Both owners and renters may choose to occupy housing that is disproportionately costly for any number of reasons – location, availability, public transportation and access to services or employment, anticipated income increases, and housing quality are just some of the complex factors that impact housing choice.

Nine of Ten Lowest Income Households are Housing Cost Burdened

As income increases the rate of cost burden decreases. Housing cost burden impacts 87% of households with income < 30% AMI and 85% of households with income 30-50% AMI. Half of households with incomes 80-100% AMI are cost burdened, as are 16% with incomes > 100%.

Cost Burdened Households by Income Level (2007-11 CHAS)						
Income Level Households Cost Burdened						
Zero Income	440	440	100%			
< 30% AMI	4,230	3,690	87%			
30 – 50% AMI	4,825	4,110	85%			
50 – 80% AMI	10,535	7,755	74%			
80 – 100% AMI	7,710	3,750	49%			
> 100% AMI	58,400	9,355	16%			
All Households	86,140	29,100	34%			

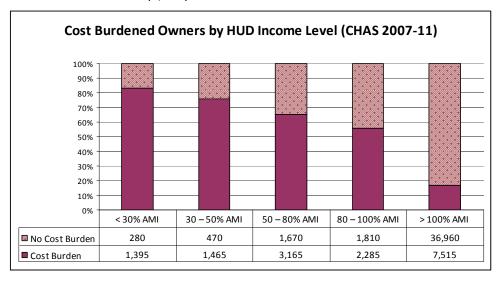


THE HOMEOWNERSHIP MARKET

HUD programs can be used to help existing homeowners to rehabilitate their homes and first-time homebuyers to enter homeownership. Housing problems of existing owners and the cost of housing are primary considerations in structuring appropriate strategies. Two thirds of Chandler households are owners and the homeownership rate is highest among married couple families and lowest among single-parent families.

6,025 Low-Mod Owners Cost Burdened

While owners at all income levels experience cost burden, the rate of cost burden is highest among the lowest income households -71% of low-mod compared to 21% of middle and higher income owners. 6,025 low-mod owners are cost burdened, including 83% (1,395) with income < 30% AMI, 76% (1,465) with income 30-50% AMI and 65% (3,165) with income 50-80% AMI.



Overcrowding and Substandard Owner Housing

Overcrowding and substandard housing are the two other HUD measures of housing problems. Overcrowding can lead to health and safety concerns, higher utility costs, and increased maintenance. According to the HUD CHAS data, 360 owners live in overcrowded conditions, including 85 extremely overcrowded. Overcrowding is most prevalent among owners with incomes less than 30% AMI and renters with incomes 50-80% AMI. Severe overcrowding is most prevalent among owners with incomes 30-50% AMI and renters with incomes 30-50% AMI.

A substandard housing unit is defined by HUD as lacking complete plumbing or kitchen facilities. According to HUD CHAS data, 110 low-mod owners occupy substandard housing in Chandler.

	HUD Data Table – Overcrowded and Substandard Owner Housing (CHAS 2007-11)					
	0-30%	30- 50%	50-80%	80-100%	Total	
Substandard	45	45	20	0	110	
Severely Overcrowded	15	35	20	15	85	
Overcrowded	140	20	75	40	275	

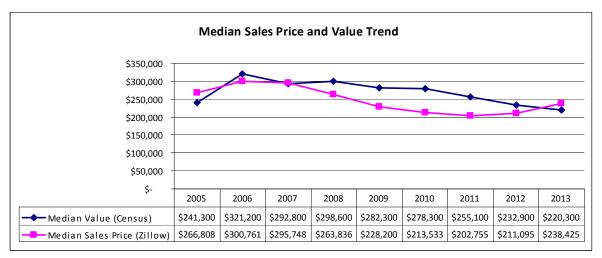
Home Prices Stabilizing

Housing values directly impact the amount of funds that a buyer can borrow as well as the amount of taxes paid. Lenders provide financing up to a percentage of the value of a housing unit and this is one factor in determining whether a buyer is able to purchase a unit. While median home values

Change in Median Home Value					
Census 2000 Median Value	\$ 135,500				
ACS 2009/13 Median Value	\$ 220,300				
Change in Median Value 2000 to 2011	\$ 84,800				
% Change in Median Value 63%					

increased 63% from 2000 to 2013, it is important to acknowledge the long market cycle.

Values are generally reflected in prices but during a time of high demand, prices can exceed values and during a time of low demand, values can exceed sales prices. According to Zillow median sales price history, sales prices at the height of the market were about 10% higher than values, while prices at the bottom of the market were about 20% lower than values. In 2013 and 2014, sales prices were stable.



Renting and Owning Costs Similar

The income needed to afford a mortgage on a median-price home and to pay fair market rent for a 3 bedroom unit is very close; both required an income well over \$50,000 in 2014. While rents and values fluctuate with market cycles, owning a home can be as or more affordable than renting



for Chandler renters who are prepared for homeownership.

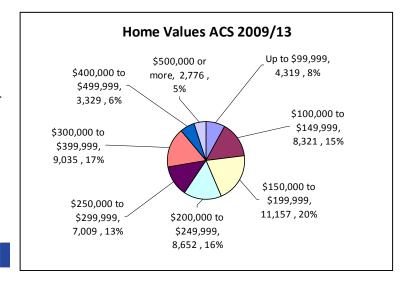
Assisting First-time and Returning Homeowners

The national goal of increasing homeownership resulted in a federal focus on assisting first-time homebuyers with the goals of family and community stability and the possibility of asset building. The foreclosure crisis and Great Recession resulted in lower rates of homeownership, unstable local and State revenues, and the loss of individual wealth. For many years strict underwriting criteria made it difficult for first-time homebuyers to purchase a home despite low home prices. Arizona's Industrial Development Authorities responded with funds to assist homebuyers, including equity contributions and mortgage revenue bonds. The secondary market (FHA, Fannie Mae, Freddie Mac) are also beginning to offer lower down payment mortgage options that will make it easier to save for homeownership; however, the high cost of mortgage insurance reduces the purchasing power of households unable to make at least a 20% down payment.

A Chandler renter with the median renter income of \$49,544 could afford to purchase a home valued at \$222,075. This assumes a 30-year fixed rate 5% mortgage and that a household has total other debt equal to 10% of gross household income, with a 43% total debt to income qualifying ratio. There are approximately 25,000 Chandler units that, if for sale, would be affordable to the renter with median renter income. To purchase a median priced home, a median income renter would need \$16,350 of assistance.

Assisting Chandler First-time Homebuyers				
2013 Median Renter Income	\$ 49,544			
Maximum Purchase Price	\$ 222,075			
2013 Median Value	\$ 220,300			
2013 Median Sales Price	\$ 238,425			
Purchase Gap – Census Median Value	\$ 0			
Purchase Gap – Zillow Median Sales Price	\$ 16,350			

Using HUD assistance to help first-time and returning homeowners is an important strategy for neighborhood stability and revitalization. However, because incomes are higher in Chandler and HUD assistance uses Maricopa County median income guidelines to determine eligibility for assistance, creative approaches are essential to assisting low-mod renters to become owners.



THE RENTAL MARKET

Renting provides opportunities for households to learn more about a neighborhood or community before making a homeownership investment and provides for mobility among the workforce. From a household perspective, renting is chosen over homeownership for a variety of reasons including:

- Renting may be less expensive than owning, especially during the first five years;
- Rental units are maintained and repaired by their owners;
- Less time spent on maintenance and repairs equals more free time;
- Renting carries less financial risk, especially in volatile markets.

Median Rent Increased

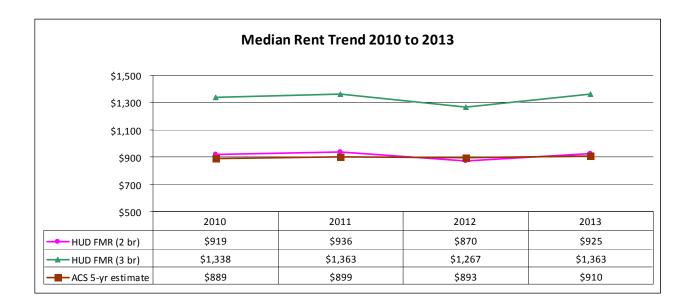
From 2000 to 2011, the median rent increased \$104/month or 13%.

HUD Change in Median Rent					
Census 2000 Median Rent	\$ 795				
ACS 2007/11 Median Rent	\$ 899				
Change in Median Rent	\$104				
% Change in Median Rent	13%				



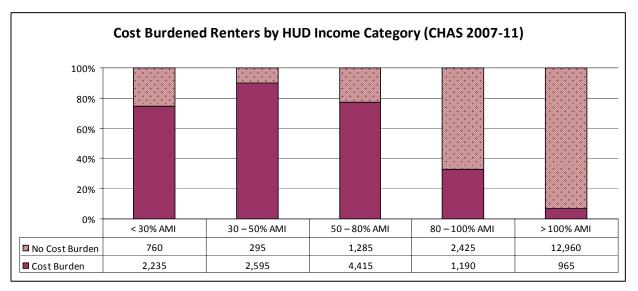
Median Rents Reflect HUD 2 Bedroom Fair Market Rent

While Census median rents reflect a small increase, other data suggests that the ACS 2007/11 median rent reflects 2-bedroom units, yet 39% of renters occupy 3 bedroom or larger units.



9,245 Low-Mod Renters are Cost Burdened

Renters at all income levels experience cost burden, yet the rate of cost burden is highest among the lowest income households – 80% of low-mod renters compared to 12% of middle and higher income renters. 9,245 low-mod renters are cost burdened, including 75% (2,235) with income < 30% AMI, 90% (2,595) with income 30-50% AMI and 77% (4,415) with income 50-80% AMI.



Overcrowding and Substandard Renter Housing

Overcrowding and substandard housing are the two other HUD measures of housing problems. Overcrowding can lead to health and safety concerns, higher utility costs, and increased maintenance. According to the HUD CHAS data, 730 low-mod renters live in overcrowded conditions, and 130 are extremely overcrowded. Overcrowding is most prevalent among owners renters with income 50-80% AMI. Severe overcrowding is most prevalent among owners with renters with income 30-50% AMI.

A substandard housing unit is defined by HUD as lacking complete plumbing or kitchen facilities. According to HUD CHAS data, 220 low-mod renters occupy substandard housing in Chandler.

HUD Data Table – Overcrowded and Substandard Renter Housing							
	0-30%	>30-50%	>50-80%	>80-100%	Total		
Substandard	75	105	40	0	220		
Severely Overcrowded	0	80	50	35	165		
Overcrowded	225	145	230	185	785		
Data Source: 2007-11 CHAS							

Subsidized Rental Units

There are 5 Low Income Housing Tax Credit (LIHTC) projects in Chandler containing 481 subsidized units. There are 262 3- and 4- bedroom units that meet the needs of Chandler's large family renters. In addition, there are five locally-funded HOME projects.

Subsidized rental housing projects have use or affordability periods that last five years or more and preserving affordable units can be a priority. Beginning in 1990, the Arizona Department of Housing required 30-year extended use agreements for all LIHTC projects; no LIHTC projects in Chandler will expire during the next 10 years.

Chandler Low-Income Housing Tax Credit Projects								
Project Name	Units	Low- Income Units	0 br	1 br	2 br	3 br	4 br	Year Expires
Colonia Del Rey	60	60	0	0	24	36	0	2026
Palm Terrace	180	180	0	0	120	60	0	2026
Chandler Gardens	80	79	0	0	20	32	28	2031
Maricopa Revitalization Partnership	35	35	0	0	6	27	2	2033
Chandler Village Apartments	127	127	0	21	29	54	23	2034
Total	482	481	0	21	199	209	53	
Source: US Department of Housing and Urban Development								

Subsidized Rental Projects with Expiring Affordability

There are two State-funded HOME projects that have expiring periods of affordability between 2015 and 2019



State-Funded HOME Projects Expiring 2015 - 2019				
Project Name	Expires			
Erie Street Apartments	8/13/2016			
Arroyo Terrace	4/28/2019			
Source: Arizona Department of Housing				

Nearly 300 Rental Units Needed for Extremely Low Income Renters

There is insufficient rental housing to meet the needs of Chandler's lowest income renters and \$14.7 million would be needed to fill the need assuming a \$50,000/unit.

Affordable Rental Units Needed for Extremely Low-income Cost Burdened Renters						
Monthly Rent	Existing Units	Affordable to Household with Income up to	% County AMI	Severely Cost Burdened Renters	Unit Gap	
<=\$399 (incl. no rent)	1,741	\$ 16,000	29%	2,035	294	

Rental Assistance Important to Low-Mod Renter Stability

Rental assistance is one method of assisting lower-income renters to afford quality units. Most rental assistance programs provide assistance that reduces the monthly rent outlay to 30% of household income for households earning less than 50% AMI. In 2013, households with income 50% AMI required assistance of \$21/month to afford the median rent unit, while households with income 30% AMI required \$377.

Trend in Median Gross Rent, Income and Subsidy Needed to Afford median Rent					
	Census 2000	ACS 2006/08	ACS 2007/11	ACS 2009/13	
Median Rent	\$ 795	\$ 1,068	\$ 899	\$ 910	
Median Income	\$ 58,416	\$ 70,294	\$ 71,343	\$ 71,083	
Rental Gap (30% AMI)	\$ 357	\$ 541	\$ 364	\$ 377	
Rental Gap (50% AMI)	\$ 65	\$ 189	\$ 7	\$ 21	

PUBLIC HOUSING

The Housing and Redevelopment Division (PHA) operates Low Rent Public Housing, Section 8 Housing Choice Vouchers, the Family Self-Sufficiency program, the Housing Youth program, the Section 8 Homeownership Program and a non-federal designated scattered-site senior affordable housing program. The PHA manages 485 Section 8 Housing Choice Vouchers, and 303 public housing units, including 103 scattered site homes, 200 apartment style units and 4 scattered site senior homes in gated adult communities.

Of the 103 scattered-site single-family homes in the inventory most were built in the late 1970's to mid 1980's, with 25 homes built in 1996. The scattered-site homes are well maintained, have limited maintenance issues and are comparable if not superior to the housing stock in the surrounding neighborhoods.

200 Aging Public Housing Units

The 200 single story apartment style units were constructed in 1972. The units are small and have a very modest level of amenities compared to market units. They are clean and in good repair, but have higher plumbing-related maintenance calls; water and wastewater systems are deteriorating and will require replacement in the near future. While significant improvements have been made to enhance livability, redevelopment is one alternative.

1,600 on Combined Waiting List

There are over 1,600 families on the combined public housing and Section 8 waiting lists. Because the PHA serves very-low and low-income tenants, a combination of factors including lack of affordable housing and other socio-economic conditions such as divorce, domestic violence, a low-level of education and sometimes substance/alcohol abuse and physical and/or developmental challenges result in highly variable needs. Most prospective tenants are not specific in accommodation or needs requests; typical requests are for accommodations for intellectual and physiological therapies that require policy or procedure exceptions, waivers or modifications.

Overall, public housing residents and Section 8 Housing Choice Voucher participants typically have larger families and very low incomes. Twenty percent of public housing residents and Section 8 participants are elderly. The race and ethnicity of both public housing residents and Section 8 participants is more diverse than Chandler's population as a whole.

Public Housing Residents and Section 8 Housing Choice Voucher Participants					
	Avg. Household Size				
Public Housing	\$14,892	4.8 years	3.5 people		
Section 8 Vouchers	\$12,676	9 years	3 people		

High Performing PHA

The Chandler Public Housing program and Section 8 program have been designated by HUD as "High Performing". The PHA will encourage public housing residents to become more involved in management and participate in homeownership in the following ways:

- Circulate newsletters and e-mail blasts and periodically schedule staff-participant meetings.
 Quarterly newsletters will include information regarding new programs, new requirements, and resident services. Additional mailings will include meeting invitations, Resident Advisory Board recruitment, and other announcements.
- Partner with Chandler Public Library's Adult Education Program and faith-based organizations to provide financial literacy classes, and with Newtown Community Land Trust to provide homeownership classes.
- Afford FSS clients an additional 3:1 down payment assistance match to their down payment made
 from a partner IDA program. FSS staff will work with clients interested in homeownership to make
 them aware of other resources available in community, including the HOME program, Federal Home
 Loan Bank, sponsors of Individual Development Accounts, and products sponsored by the Maricopa
 County Industrial Development Authority, such as mortgage revenue bonds, mortgage credit
 certificates and down-payment assistance.

REMOVING BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT

Affordable housing barriers are regulatory or financial systems that make it harder for developers to create affordable housing. Barriers to affordable housing development can occur at many levels – local, state and federal government, as well as in related industries, such as the real estate, insurance and finance industries. In recent years, Chandler has taken steps to encourage the development of affordable housing by updating its zoning ordinance and map and other land use controls.

HUD defines a regulatory barrier as "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." Based on HUD's checklist, numerous opportunities can be considered to encourage affordable housing development:

 Adoption of specific housing rehabilitation building code language that encourages rehabilitation through gradated regulatory requirements as different levels of work are performed in existing buildings.

- 2. Convening commissions or meetings or funding a study to review the impact of rules, regulations, development standards, and processes on the supply of affordable housing.
- 3. Providing density bonuses sufficient to offset the cost of building below market units as an incentive for market rate residential development that includes a portion of affordable housing.
- 4. Expediting approvals.
- 5. Allowing accessory dwelling units.
- 6. Adjusting or waiving parking.
- 7. Reducing and/or waiving development fees and/or paying in impact fees.

Strategy to Address Barriers to Affordable Housing Development

During the next year the City will be updating its General Plan, including its Housing Element. The planning process is an opportunity to examine land uses and other methods that will retain the City's current economic and social climate while expanding housing choice for households at all income levels.





Homelessness in Chandler

The Maricopa Association of Governments (MAG) Continuum of Care Regional Committee on Homelessness is a planning entity made up of local stakeholders convened for the purpose of ensuring that homeless planning is coordinated across municipalities and agencies. The City's experience is that the homeless population is either newly homeless or chronically homeless and not engaging with offered services. The Chandler 2014 point-in-time count revealed 18 unsheltered and 9 sheltered individuals; the Chandler Unified School District reported 400 homeless children in their district. The final 2015 point-in-time count numbers are pending at this time.

Homeless individuals and families in Chandler reflect the diversity, complex characteristics and special needs of all homeless people in the United States. Some homeless people require limited assistance to regain permanent housing and self-sufficiency. Others, especially people with physical or mental disabilities, require extensive and long-term support.

Almost all homeless people are extremely poor; a lack of resources for basic needs - housing, food, clothing, health care, and transportation - is common. Individuals and families with limited income and earnings potential often struggle to obtain childcare, medical care, food, and housing. In addition to people who are already homeless, and many low-income individuals and families are in imminent danger of becoming homeless. Those earning the minimum wage, especially if they have children, cannot afford rental deposits and fees. Others have poor credit or a criminal record and cannot access housing due to credit or crime-free housing policies. While many save money in emergency shelter or transitional housing, the cost of housing leaves little for the basic necessities; many continue to live paycheck to paycheck and one crisis can lead to repeat homelessness.

Homeless Facilities and Services

The City uses CDBG, HOME and general funds to support regional organizations that serve homeless individuals and families. The majority of homeless families are doubled up and many are re-housed through the local Community Action Program office. To address homelessness in Chandler, the Interfaith Homeless Emergency Lodging Program (I-HELP) was implemented in 2013 and has since served 192 unduplicated individuals. The majority of I-HELP participants are either new to the area or experiencing short-term homelessness. For several years, the City has also offered Tenant Based Rental Assistance (TBRA) with intensive case management for chronically homeless individuals and families. Most of the City's chronically homeless individuals have been assisted by this program; those on the waiting list for TBRA are working with I-HELP. A list of organizations and assistance provided to homeless individuals and families is included in Appendix 1.





NON-HOMELESS SPECIAL POPULATIONS

Special Populations as defined by HUD include:

- 1. Elderly and Frail Elderly
- 2. Persons with Severe Mental Illness
- 3. Developmentally Disabled
- 4. Physically Disabled
- 5. Alcohol/Other Drug Addicted
- 6. Persons with HIV/AIDS & their families
- 7. Public Housing Residents



Elderly

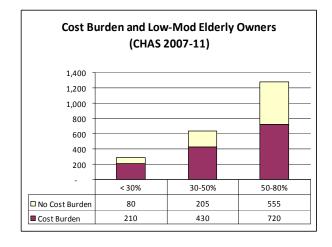
Older individuals are a valuable community resource. They can

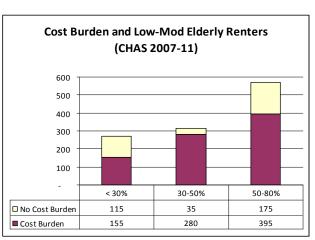
utilize their time and expertise to help others and many volunteer and/or participate in the workforce. Home repairs, including maintenance and adaptations are essential foundations for other services often needed by both elderly and people with disabilities. Many elderly and people with disabilities need daily living assistance, assistance with advocacy, transportation, and opportunities for socialization to avoid the isolation that often occurs. Grandparents raising grandchildren are a growing segment of the senior population with unique housing and related service needs.

1,360 Low-Mod Elderly Owners and 830 Low-Mod Elderly Renters are Cost Burdened

There are 10,910 Chandler households with at least one person age 62-74 and most (81%) are homeowners. 30% of elderly households are low-mod and 66% are homeowners. Six of ten low-mod elderly households is cost burdened, including 72% (210) with income < 30% AMI.

The rate of cost burden is higher among elderly renters – 72% are cost burdened, including 89% (280) with income 30-50% AMI. Higher rates of cost burden among higher income renters reflects investment by HUD and other public sources in housing with supportive services for the lowest-income renters.





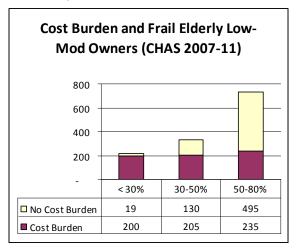
Frail Elderly - Age 75+

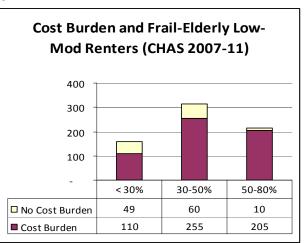
There are 4,743 Chandler households with at least one person age 75+ and 65% are homeowners. According to agencies that serve the elderly, the fastest growing segment of the aging population is individuals over 85. These are the most vulnerable older adults who tend to need long-term care and

whose numbers are expected to double by 2020. Although functional loss and disability are not necessary consequences of the aging process, both tend to increase with age due to underlying chronic disease. Fifty percent of the age 85+ population have one or more chronic conditions that require assistance with Activities of Daily Living (ADL) such as bathing, toileting, and grooming, and according to the US Census Bureau (ACS 2007/11) 53% are considered disabled.

640 Low-Mod Frail Elderly Owners and 570 Low-Mod Frail Elderly Renters are Cost Burdened

Four of ten frail elderly households is low-mod. More than half (53%) of low-mod elderly owners are cost burdened, including 91% (200) with income < 30% AMI. The rate of cost burden is higher among frail elderly renters – 83% are cost burdened, including 95% (205) with income 50-80% AMI.





Grandparents Raising Grandchildren Increasing

According to the ACS 2007/11, 1,385 Chandler grandparents are raising grandchildren under age 18, up from 374 in 2008. This growing segment of the population can experience significant challenges when caring for younger children – insufficient financial resources, inadequate housing, legal challenges, physical and health concerns for themselves, and communication barriers.

7.6% of the Population has a Disability

According to ACS 2007/11, 7.6% of the Chandler population has a disability. People with disabilities and their families have layered, complex needs that demand broad strategies and resources. The unemployment rate for people with disabilities is nearly double that for the non-disabled population and many have unrealized potential that results from inadequate economic and social supports. Individuals with disabilities experience many of the same social, economic and housing challenges as the elderly.

People with Alcohol/Other Drug Addictions

According to the Arizona Department of Health Services (ADHS) FY 2013 Report on Substance Abuse Treatment Programs, 33,370 Maricopa County individuals enrolled in public health care received substance abuse treatment services. Co-occurring mental health issues such as depression, anxiety and psychotic disorders are commonly noted with substance abuse, and ADHS reports 24% of substance abuse clients had a co-occurring General Mental Health Disorder and another 24% had a Serious Mental Illness (SMI).





















People with HIV/Aids and their Families

According to the 2014 Arizona Statewide Needs Assessment for People Living with HIV/AIDS, the Central Region is the most populated and has more access to services. Issues for the Central Region including: a large out-of-care population; refugee settlement and the added burden of languages, cultures and distrust of authority; stress of resource allocation between men and women; and a large Hispanic population. The survey conducted for the report identified outpatient ambulatory care as the top ranked need, followed by medication and nutrition assistance and support groups. The top ranked gaps in services were transportation and housing assistance. More than half (53%) of survey respondents reported renting, 19% lived with family or friends and 9% reported being homeless. 37% of survey respondents were single and 34% lived in 2-person households. Seven of ten individuals have incomes that qualify as Medicaid eligible.

Persons with Severe Mental Illness

According to the Arizona Department of Health Services FY 2014 Annual Report, 19,272 Maricopa County individuals with serious mental illness (SMI), as defined by a qualifying diagnosis and disability, are enrolled in public health care. About 1/3 of SMI individuals enrolled in the public health care system also have substance abuse issues.

The majority of enrolled SMI individuals receive case management, rehabilitation, medical and pharmacy services. About 1/3 of enrolled SMI individuals receive supported employment and living skills training. Many SMI individuals are not employed and receive SSI, which in 2014 is \$721/month; individuals with a qualifying disability may receive SSDI and the 2104 average payment is \$1,148/month. Individuals with serious mental illness are particularly vulnerable to homelessness as there are insufficient permanent supportive housing units available. For some individuals with an SMI diagnosis who are seeking housing, significant barriers exist due to crime and drug-free housing policies.

Victims of Domestic Violence

In 2014, 603 Order of Protection petitions and were reported in Chandler. In January 2006, the Chandler Police and Fire Departments implemented changes to their crisis response programs to provide crime victims with a continuum of support from the crisis period through the investigative and judicial processes. The Victim Services Program uses specially-trained volunteers to provide services to crime victims.

Public Housing Residents

The needs of public housing residents are described in the public housing narrative.

A VARIETY OF SERVICES AVAILABLE FOR VULNERABLE POPULATIONS

There are multiple nonprofit organizations that serve Chandler's most vulnerable residents, providing a broad range of services.

<u>Elderly and Frail Elderly</u>. General funds support a variety of programs that provide assistance with basic needs, including food, clothing and transportation. Chandler Alzheimer's Program offers support services through a 24/7 Helpline, Family Care Consultation Services, educational workshops, and support groups. Chandler Christian Community Center offers a Senior Nutrition Program that serves low-income seniors, disabled seniors, and the homebound frail elderly by offering hot, nutritional meals in a

dining room setting or through home delivery. The EMPACT Suicide Prevention Center offers the Senior Peer Counseling Program to address loneliness, depression and increase coping skills at the Chandler Senior Center. The City operates a Senior Center to serve its residents. Services provided range from daily meals, computer classes, social activities, including trips, etc. About Care and Neighborhoods Who Care also provide elderly homebound, disabled, and/or frail resident's safety net services to maintain independent living.

People with Physical, Mental and Developmental Disabilities. General funds and CDBG support a variety of programs for youth and adults with physical, mental and developmental disabilities. The Chandler/Gilbert ARC Independent Living and Development program provides support services to Chandler adults with any type of disability (i.e., physical, mental, or intellectual), including financial subsidies for basic needs, case management, referral services, and other services including consultation on personal living skills, use of community resources, and advocacy. Homeowners with disabilities can apply for the City's Housing Rehabilitation Program to make ADA modifications to improve accessibility. Recreation and Athletics for the Disabled (RAD) assists Chandler disabled residents pay registration fees to participate in therapeutic activities offered by the City's Parks & Recreation Department, which include softball, basketball, track & field, cheer competition, flag football, swimming, golf bowling and other sports. The American Service Animal Society offers a program for disabled veterans by matching service dogs with veterans who have a service connected physical or mental disability. Resurrection Street Ministry offers a transportation program and other supportive services for disabled and lowincome veterans. Best Buddies Arizona offers a program that brings middle and high school students with intellectual and developmental disabilities together to participate in social and recreation activities with non-disabled peers.

People with Alcohol/Other Drug Addictions. The increasing number of homeless individuals with substance abuse disorders suggests gaps in services and facilities for people with alcohol and other drug addictions. The Arizona Department of Health Services is the primary provider of services to low-mod individuals with alcohol and other drug addictions. Reductions in mental health services have created gaps in services and care. The Chandler Christian Community Center offers a 12-step recovery groups for addicts and Community Bridges provides mobile community outreach and crisis stabilization services to Chandler residents with substance abuse and behavioral health-related issues. The City has expanded its programs for the homeless through the coordination of faith-based, non-profit and private and public sector service providers. I-HELP partners with faith-based organizations and community agencies to provide a safe place to sleep, a warm meal, and case management services to homeless individuals who are struggling with alcohol and drug addiction. The National Advocacy & Training Network delivers housing, food, clothing and supportive housing services to women and children and also address substance abuse issues through case management services. Community Bridges provides extensive intervention services to Chandler's homeless population including transportation to detox facilities. Some clients receiving supportive services are referred to the City's Tenant Based Rental Assistance Program.

<u>Persons with HIV/AIDS and their Families.</u> Most persons with HIV/AIDS are Medicaid eligible and receive health care and related services through Arizona's Health Care Cost Containment System Long Term Care Services. Chandler provides general funding for five programs that offer family consultations, educational workshops, support groups, emergency shelter, meals, social activities, case management and housing assistance to persons with HIV/AIDS and their families. The agencies are Catholic Charities,

National Advocacy and Training Network, Chandler Christian Community Center, Community Bridges, and the Alzheimer's Association.

<u>Persons with Severe Mental Illness</u>. The Arizona Department of Health Services is the primary provider of services to persons with severe mental illness. Reductions in mental health services have created gaps in services and care across the state. Additional supportive housing is needed for this segment of the population. For persons with severe mental illness who are also homeless, Community Bridges provides intervention services including transportation to behavioral health facilities and detox centers.

<u>Victims of Domestic Violence</u>. National Advocacy & Training Network delivers housing, food, clothing, counseling and supportive services to women and children who are victims of domestic violence and sexual assault. They provide legal advocacy, mentoring and on the job training at the 'Cup Ó Karma' coffee shop located in Chandler's Downtown Library. The Society of St. Vincent de Paul provides food boxes, rent and utility assistance, clothing, and assistance with basic household items to DV victims and their families. My Sister's Place is a residential shelter for Chandler women and children fleeing domestic violence; their services include case management, advocacy, basic needs assistance, financial education, safety planning, counseling, legal advocacy, and other related services to women and their minor children. Child Crisis Center's Family Resource Center provides Chandler families with education and intervention to minimize family stressors that can lead to domestic violence and or child abuse. The agency offers out of home care for children who are abused and neglected and provides resources and stability until the family's issues are resolved and the child returns home or is adopted.

<u>Public Housing Residents</u> services are described in the public housing narrative.



NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

This non-housing community development needs assessment includes:

- 1. Human / Public Services services to people and economic development.
- 2. Neighborhoods public facilities and infrastructure.

Human/Public Services

Low-mod households and families and individuals living in poverty are particularly vulnerable to a host of housing, social and economic problems. Poverty-level and low-mod households can experience crisis on an on-going basis and significant community resources are targeted to crisis intervention. Policies that promote a sustainable income yet recognize the earning-potential limitations of special populations are essential to household and community stability.

In December 2007, the City completed a human services needs assessment to identify priority populations for HUD and City funding. The 2007 needs assessment sought input from a targeted sample of the Chandler human services community consisting of human services stakeholders and providers, human services recipients, human services advocates and concerned citizens. The needs assessment provided the framework for the community to come together to examine human service needs and to consider ways to better serve Chandler residents. The assessment is updated annually through public and stakeholder outreach for the Annual Action Plan.

The 2007 needs assessment identified six distinct population groups, ranked in order from the group with the greatest need for additional services to the group with the least need:

- 1. Families in crisis.
- 2. Homeless.
- 3. Elderly.
- 4. Low-mod individuals and families.
- 5. Citizens with special needs.
- 6. Youth.

In 2014, public outreach for the Consolidated Plan and Annual Action Plan identified families in crisis – neglected/abused children, domestic violence victims and human trafficking victims – as the highest priority population. Youth, people experiencing homelessness, Veterans and people with disabilities were the other high-priority groups.

The 2007 needs assessment identified the most serious gap in services as assistance for homeless individuals and families. This population remains a high priority. Moderate gaps identified in the 2007 needs assessment for all needy populations included: affordable and 24-hour child care; health care services; public transportation; assistance to residents with special needs; assistance to families in crisis (including elder abuse and victims of domestic violence); affordable care for seniors (long-term, day and respite); and employment services for un- and under-employed individuals. In 2014, public outreach for the Consolidated Plan and Annual Action Plan identified health care, food and clothing, job training and employment readiness, and transportation as the highest priorities.





















Economic Development

Chandler's Economic Development Division promotes the City as the preferred location for new and expanding businesses; their primary purpose is to enhance employment opportunities and improve Chandler's tax base by focusing on industrial, office, retail, revitalization and tourism development.

Chandler is home to some of the most notable names in manufacturing, technology, financial and business services and prides itself on having a progressive vision for success and creating a platform for possibility. The city has planned for balance by focusing on the creation of distinct employment corridors, investing in infrastructure and building quality neighborhoods.





Workers Drawn from Region

Proximity to four major freeways allows employers to easily draw workers from all over the Greater Phoenix area. According to data provided by HUD, Chandler draws a large number of workers for its education and health care services and arts, entertainment and accommodations jobs from outside the City.

HUD Businesses by Sector – Economic Development Activity					
	Workers		Jobs		Jobs Less Workers
	No	%	No	%	%
Agriculture, Mining, Oil & Gas Extraction	503	1%	217	0%	-1%
Arts, Entertainment, Accommodations	1,046	3%	8,717	18%	15%
Construction	4,559	11%	4,907	10%	-1%
Education and Health Care Services	1,444	4%	9,486	19%	16%
Finance, Insurance, and Real Estate	9,372	23%	8,310	17%	-6%
Information	2,099	5%	2,180	4%	-1%
Manufacturing	1,290	3%	2,130	4%	1%
Other Services	2,971	7%	2,304	5%	-2%
Professional, Scientific, Management Services	7,965	19%	4,516	9%	-10%
Public Administration	0	0%	0	0%	0%
Retail Trade	1,158	3%	1,160	2%	0%
Transportation & Warehousing	3,382	8%	768	2%	-7%
Wholesale Trade	5,334	13%	3,975	8%	-5%
Total	41,123		48,670		

Strong relationships with the Small Business Development Center, state universities and Chandler-Gilbert Community College help provide opportunities for innovators and entrepreneurs to access education and mentoring. Chandler also supports early stage companies by maintaining a City-funded "Innovations Science & Technology Incubator" that offers modern, turnkey facilities with wet and dry lab space. The City has partnered with Gangplank, a collaborative workspace, in order to provide free co-working space and opportunities for networking, professional development and mentoring.

Five public school districts and several private and charter schools serve Chandler's youth. These schools are among Arizona's highest rated schools and standardized test scores are well above the state and national averages.

Higher Education Means Lower Unemployment

Individuals with a Bachelors Degree or higher are more likely to participate in the labor force and to be employed. Lower rates of labor force participation and unemployment among individuals without a high school diploma or equivalent can be partially attributed to age.

HUD Educational Attainment, Unemployment and Labor Force Data 2011					
	In Labor Force	Unemp	Unemployed Not in Labor Force		
Educational Attainment		No.	%	No.	%
Less than high school graduate	5,689	666	12%	2,838	50%
High school graduate (includes equivalency)	15,801	1,451	9%	4,655	29%
Some college or Associates degree	35,250	2,640	7%	7,106	20%
Bachelors degree or higher	45,382	1,659	4%	6,587	15%

Maricopa Workforce Connections Assists Employees

While the City works to expand opportunities for businesses, Maricopa Workforce Connections analyzes labor market information to ensure that education and training opportunities meet the needs of business. The Maricopa Workforce Connections (MWC) Board approves target industries based on economic data and established that at least 80% of Adult and Dislocated Worker training funds must be expended in targeted high-growth industry clusters: Information Technology; Biosciences; Healthcare; Solar (including Manufacturing and Construction); Green Technologies; Advanced Manufacturing (including Aerospace and Defense); and Transportation, Warehousing and Logistics.

The programs overseen by the MWC are designed for the purpose of developing a competitive workforce and reducing the number of public assistance recipients. Many services are available to all individuals with no eligibility criteria, yet the MWC focuses many of their efforts on the most vulnerable populations: low-income, disabled, homeless, mature workers, youth, and Veterans. The solar, green technologies, transportation/ warehousing/ logistics sectors represent the greatest opportunities for low-mod individuals as less training and education are needed.

Maricopa County has two comprehensive One-Stop Centers – one located in the Town of Gilbert adjacent to Chandler – that features a large public computer access area, workshop rooms and classrooms, generous space for business services and recruiting/employment events, skills assessments,

youth and adult education space, and office space for One-Stop partners. MWC has partnered with DES Vocational Rehabilitation Services to create computer labs equipped with state of the art assistive technology to allow ease of access to computer-based services for individuals with disabilities. Bilingual staff is available to serve individuals with language barriers.

In addition to training, support services are provided to enable customers to successfully participate in employment and training activities. Support services may include transportation services, gas cards, child care, one-time housing assistance, certifications/licensing/testing, tools, uniforms, clothing, eye care, utilities, relocation assistance, and needs-related payments. Referrals may also be made to community based organizations that provide the identified support service.

The City's Anti-Poverty Strategy

The City's economic development initiatives described in the non-housing community development section serve to reduce the incidence of poverty. The City will also fund services that support employment including job training and employment preparation, education opportunities, transportation and child care.

While the focus of an anti-poverty strategy is to reduce the incidence of poverty, the City recognizes that stabilization of people in crisis situations is a forerunner to their movement out of poverty and crisis. Consequently, the City's anti-poverty strategy also focuses on creating a stable family and community environment. Public services that provide services to LMI, homeless persons and families are critical. These services include fresh food and hygiene items not provided through other services, support for non-traditional families and special needs populations, specialized transportation services, and activities for youth.



Anti-poverty strategies complement multiple housing activities, providing services to individuals and families receiving tenant based rental assistance, living in public housing and residing in homeless facilities. Improvements to LMI housing units reduce maintenance costs, and improvements in LMI neighborhoods increase public safety and encourage economic integration, providing models for poverty-level households.

Neighborhoods - Public Facilities and Infrastructure

The City's 2014-2023 Capital Improvement Program (CIP) is a multi-year planning instrument to identify needs and financing sources for public infrastructure improvements; it informs City residents how the City plans to address significant capital needs over the next ten years. While the majority of funding for public infrastructure improvements is from bond sales and impact fees, CDBG funds may be used in geographic priority areas to augment other available funding.

The City plans to limit planned capital expansion until it is assured that it can support both the capital funding and any resultant increases in operating costs. Capital funding from bond sales and impact fees will be a challenge as property values continue to drop and State legislation has restricted the collection

and use of impact fees. Four years of continuous decline in property values reduced debt service capacity, and the City opted not to add new General Obligation debt until there is tangible evidence of positive growth in secondary assessed values. Built environment needs include:

- 1. Community Parks and Recreation Centers
- 2. Water System Improvements
- 3. Street Improvements
- 4. Street Lighting
- 5. Transit
- 6. Senior Center Improvements/Expansion

Community parks are an investment in the future well-being of Chandler residents and neighborhoods. Each year residents make requests for improvements in many of the City's existing community and neighborhood parks. Community and Neighborhood Services Department CIP include funding for Parks, Recreation and Aquatics facilities. CIP funding allows CNSD the ability to provide the public an equitable distribution of neighborhood park improvements. Opportunities for coordination of park renovation and other revitalization efforts are prioritized. Coordination and cooperation with public- and privately-funded projects is an important opportunity to maximize resources and property target facility design. CDBG may be strategically used for parks and park improvements.



Although satellite <u>recreation centers</u> have helped meet indoor recreation demands, population increases and program growth have escalated the demand for additional centers. Reductions in school funding have caused schools to look for alternative financial resources such as the development of sports camps and community school programs. These changes as well as growth in the volume of recreation programs and uses have limited the availability of school gymnasium space for public recreation use.

As it relates to possible CDBG funding, the City's <u>Senior Center</u> programs have expanded to the point where additional space is necessary to accommodate the increased demand. As Chandler's population ages, it is anticipated that increasing number of Chandler seniors will continue to pursue recreation, education and social activities at the Center.

The <u>Water</u> CIP is used to build, upgrade, and refurbish facilities used by the City's water system. Included are programs for new and replacement water mains, water treatment plants and plant expansions, and other related capital projects. Water mains in various areas of the City are old and deteriorating, resulting in water main breaks and interrupted water service. The City has prioritized several aging areas served by pipe 30 years of age or older. These areas will be evaluated for possible replacement. Needed upgrades and repairs to the water distribution system are coordinated with street overlay, reconstruction and intersection improvements.





















Every three years the <u>Streets</u> Division inventories all streets within the City and evaluates the condition of the pavement. This data is entered into a computerized preventative maintenance tracking system to identify which streets are in need of maintenance or rehabilitation. Currently, the City system has about 2,001 lane miles of streets, and approximately 11.6%, or 232 lane miles, need repaving. The specific streets to be repaved will be evaluated each year based on known construction projects in the area (i.e., avoid repaving just prior to major residential/commercial construction) and cost effectiveness (grouping streets in a neighborhood into one larger project). As a side product, the City will recycle the asphalt millings to use on other street and alley projects.

Installation of additional <u>street lights</u> on arterial, collector, and local streets is proposed to increase lighting levels to meet City standards. The City receives several calls per year about inadequate lighting on local streets in residential areas. These requests are evaluated on a case-by-case basis. Existing poles also need to be replaced.

Chandler is investing cooperatively with the Cities of Mesa and Gilbert to fund a Valley Metro study that will result in the selection of the Locally Preferred Alternative for <u>High Capacity Transit</u> in Chandler. Valley Metro is the regional transit system in the metropolitan area and includes bus services, light rail, neighborhood circulators, and dial-a-ride and vanpool services. As Chandler moves towards improved transit connectivity, additional opportunities for transit-oriented development will emerge.



FIVE-YEAR STRATEGIC PLAN

The Consolidated Plan regulations (24 CFR 91.215) guide the development of the City's Strategic Plan related to affordable housing, homelessness, other special needs populations, barriers to affordable housing, lead based paint hazards, poverty-level households, institutional structure and coordination, and non-housing community development.

Overview

The City's central long-term community development goal is to focus resources on community needs, particularly the comprehensive revitalization of distressed neighborhoods. Assisting low-mod households throughout the City is a key community goal intended to ensure that neighborhoods not currently in distress do not become so.

The City's General Plan supports a framework of local policies that can significantly and positively impact housing needs of low-mod residents and neighborhoods. Previously focused on growth, the City is now focused on sustainability, reserving land for economic development, and urbanizing, re-using and revitalizing.

Chandler is known for residential quality through well-planned neighborhoods and exceptional community services. Affordable housing is a crucial ingredient in achieving the vision of a balanced, maturing community. Growth has been both job-driven and housing-driven. Housing-related goals of the general plan include:

- Promoting a balance of land uses, which could include mixed-use plans on larger acreage sites to discourage long distance commuting.
- Matching uses and intensities with assured accessibility and infrastructure.
- Maintaining design excellence without sacrificing land use compatibility and intensity.
- Encouraging the use of shade and environmentally-sensitive design.
- Permitting increased density and encouraging greater building heights in select locations.

Recognizing a need to reinvest in older shopping centers/retail buildings, the Chandler City Council approved a Commercial Reinvestment Program (CRP) in 2001 to encourage private reinvestment in existing centers to upgrade their appearance and lower vacancy rates. In February 2009, the City Council approved a new Infill Incentive Plan that shifts the focus of the program to projects that redevelop all or a significant portion of an existing commercial center in order to introduce new and/or additional uses such as residential and/or office components. This program rebates 50% of the impact fees for new construction that meets Energy Star standards and 100% of the impact fees for new construction that meets LEED standards.

The Arizona Avenue Corridor Improvement program is used to enhance Downtown properties and amenities to create a vibrant City Center and employment corridor. During the past five years, Chandler has invested in revitalizing its downtown, building new City facilities to anchor pedestrian-oriented amenities and services. A deterrent to revitalization could be the perception of the area as a low to moderate income area that is not attractive and therefore deters pedestrian-oriented activity. Poor property maintenance, numerous obsolete buildings and a lack of onsite parking contribute to this perception. However, significant development is now occurring in the area includes new housing and commercial development.

The City created a Traditional Neighborhood Academy and has been working with a variety of neighborhoods including low-mod neighborhoods to create a strong sense of identity and pride that will serve as the impetus for residential-area revitalization. Preserving historic and cultural assets and providing opportunities for low-mod residents are residential-area revitalization goals. Specific strategies include housing rehabilitation, addressing obsolete housing, demolishing vacant uninhabitable structures, single-family infill development, intensive code enforcement and possibly re-platting of some areas to achieve lot sizes and shapes more attractive to new single-family development.

Geographic Priorities

As Chandler matures, the need for revitalization grows, particularly in neighborhoods north of the SanTan Freeway. Affordable housing is especially needed for low-mod households, including families in crisis and unskilled workers. Adding housing units, loft and studio space to encourage young professionals to relocate, and a range of housing options close to employment centers are important revitalization strategies. Relatively small upgrades and aesthetic improvements to housing units could also result in an affordable housing alternative for many families. Conveniently located near jobs, shopping and other activities, these neighborhoods also bring savings in transportation costs and commuting time.

Chandler's oldest neighborhoods would also benefit from targeted maintenance or replacement of sidewalks and other infrastructure, demolition of uninhabitable structures, and the introduction of retrofitted amenities, such as parks or paths. Code enforcement and cooperation with schools, law enforcement, social service agencies and others are other important strategies.

Eliminating blight in unsuccessful commercial centers can also improve quality of life. Older commercial centers and buildings may have significant re-use potential. Some underutilized business properties are of sufficient size to support mixed-use office, retail, job training and service enterprises as well as residential clusters. The continued revitalization of the City's downtown will also create potential for in-town enterprises and microenterprises. The City is currently developing adaptive re-use processes and tools to assist in reuse of vacant commercial structures. The goals of the re-use tool are to preserve community character, optimize existing infrastructure, and restore properties to productive use.



Before



After

In addition to targeting resources to the geographic priority area, resources are also targeted through housing rehabilitation and neighborhood enhancement programs. Chandler's growth will be more strategic in the coming decades. Housing construction is expected to slow in comparison with business development, which will be critical to Chandler's sustainability. Designating priority locations for employment and commerce will be essential to attracting well-paying jobs. Encouraging mixed use development with shopping, job training, and workforce housing options convenient to employment centers is one strategy that will improve sustainability. Infill and revitalization in priority areas will provide new options for low-mod residents.

Priority Needs and Activities to Address Priority Needs

Public and stakeholder input, records of past funding, and the needs assessment and market analysis are used to determine the relative priority of activities and the populations who will be served. Assignment of priority does not reflect a lack of need for any particular population or activity; it merely identifies those conditions that are most likely to be addressed with limited funding. High priority activities are likely to be funded during the next five years; low priority activities may be funded as opportunities to address needs occur.

The City's Consolidated Plan Strategic Plan includes 20 needs and related goals to address each. Needs that may be addressed with HOME funds and activities that address homelessness are incorporated into the Maricopa County Consolidated Plan in the e-con planning suite system. Goals have been established in the following Consolidated Plan areas:

- 1. Owner Housing
- 2. Rental Housing
- 3. Homelessness Reduction, Human Services and Economic Opportunities
- 4. Neighborhood Revitalization

In addition to establishing goals related to priority Consolidated Plan needs, the City has established strategies to address lead-based paint hazards (page 20), barriers to affordable housing development (page 34), and the institutional structure / delivery system (page 5).





OWNER HOUSING GOALS

Need	Owner-Occupied Housing Rehabilitation for Low-Mod Households and Special Needs Populations
Goal 1 Goal 2	Improve neighborhood conditions and living conditions for low and moderate income homeowners through rehabilitation of 50 housing units Improve living conditions for low and moderate income homeowners through emergency repairs to 250 housing units
Priority Target Area Resource(s) Rationale	

Home Purchase Assistance for Low-Mod Households
Increase the homeownership rate and improve neighborhoods through acquisition, rehabilitation and resale of 15 units in need of rehabilitation
Increase the homeownership rate through direct assistance to 10 homebuyers
High
Citywide
CDBG, HOME
Renting and Owning Costs Similar.
Home Prices Stabilizing.
Stakeholder Consultation and Public Input.

Need	Owner Housing Development for Low-Mod Households
Goal	Improve neighborhood conditions and eliminate blight through development of 5 infill housing units for homeowners
Priority Target Area Resource(s) Rationale	Low North of San Tan Freeway (202) HOME, Other • Renting and Owning Costs Similar. • Home Prices Stabilizing. • Stakeholder Consultation and Public Input. • Infill Opportunities.

RENTAL HOUSING GOALS

Need	Rental Housing Rehabilitation for Extremely Low and Low-Income Households, Special Needs Populations, and Public Housing Residents
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Goal 1	Improve 10 affordable rental housing units
Goal 2	Revitalize 300 public housing units
Priority	Low
Target Area	Citywide
Resource(s)	HOME, Other
Rationale	• 10,290 Units Built Before 1980 - 37% occupied by renters.
	• 200 aging public housing units.
	Stakeholder Consultation and Public Input.
	• 2,100 Households with Young Children at Risk of Lead Paint Poisoning.

Need	Rental Housing Development for Extremely Low and Low-Income Households and Special Needs Populations
Goal	Develop 20 units of affordable rental housing
Priority	Low
Target Area	North of San Tan Freeway (202)
Resource(s)	HOME, Other
Rationale	• Over 1,600 families on the combined public housing and Section 8 waiting lists.
	 Nearly 300 Rental Units Needed for Extremely Low Income Renters.
	• 90% (2,595) of renters with income 30-50% AMI cost burdened.
	Stakeholder Consultation and Public Input.
	Infill Opportunities.

HOMELESSNESS REDUCTION AND HUMAN SERVICES GOALS

Need	Emergency Lodging for Homeless Individuals and Families
Goal	Fund agencies that will provide emergency lodging for 1,250 homeless individuals.
Priority Target Area Resource(s) Rationale	 High Citywide CDBG, Other 2014 point-in-time count -18 unsheltered and 9 sheltered individuals; Chandler Unified School District reported 400 homeless children. Interfaith Homeless Emergency Lodging Program served 192 unduplicated individuals since 2013. Majority of I-HELP participants new to the area or experiencing short-term homelessness. Majority of homeless families are doubled up. Stakeholder Consultation and Public Input
Need	Tenant Based Rental Assistance for Homeless Populations
Goal	Encourage self-sufficiency through Tenant Based Rental Assistance for 40 households
Priority Target Area Resource(s) Rationale	High Citywide HOME, SSF, AOK, YEP Over 1,600 families on the combined public housing and Section 8 waiting lists. Nearly 300 Rental Units Needed for Extremely Low Income Renters. 90% (2,595) of renters with income 30-50% AMI cost burdened. Majority of homeless families are doubled up.
Need	Emergency Rent and Mortgage Assistance for Low-Mod Households at Risk of Homelessness
Goal	Prevent Homelessness for 5,000 Persons
Priority Target Area Resource(s) Rationale	High Citywide SSF, AOK • Nearly 300 Rental Units Needed for Extremely Low Income Renters. • 90% (2,595) of renters with income 30-50% AMI cost burdened. • Families with People Age 62+ or Young Children More Likely to Be Low-Mod. • 21% of Single-Parent Female-Headed Households below Poverty Level. • Those earning the minimum wage, especially if they have children, cannot afford deposits & fees. • 83% (1,395) of owners with income < 30% AMI cost burdened. • Stakeholder Consultation and Public Input.

FY2015-2019 FIVE-YEAR HUD CONSOLIDATED PLAN		
Need	Basic Needs of Low-Mod Households, Special Needs Populations and Homeless Individuals and Families	
Goal	Fund agencies that meet the basic needs of 10,000 low and moderate income individuals and alleviate the effects of crisis through safe housing, food and clothing, and necessary medical care combined with case management.	
Priority Target Area Resource(s) Rationale	 High Citywide CDBG, SSF, AOK Lack of resources for basic needs - housing, food, clothing, health care - is common. Cost of housing leaves little for the basic necessities; one crisis can lead to repeat homelessness. Some homeless people require limited assistance. 	

Need	Case Management for Homeless Individuals and Families
Goal	Fund agencies that will provide case management services to 1,250 homeless and previously homeless individuals to improve the likelihood of self-sufficiency
Priority Target Area Resource(s) Rationale	High Citywide CDBG, SSF, AOK • 2014 point-in-time count -18 unsheltered and 9 sheltered individuals; Chandler Unified School District reported 400 homeless children. • Stakeholder Consultation and Public Input

• Stakeholder Consultation and Public Input.

Need	Job Training / Employment Preparation for Low-Mod Individuals
Goal	Fund agencies to provide job training, employment preparation, access to education, and job leads to 2,000 unemployed and underemployed residents and special needs individuals
Priority	High
Target Area	Citywide
Resource(s)	CDBG, SSF, AOK
Rationale	• The unemployment rate for people with disabilities is nearly double that for the non-disabled population.
	• 21% of Single-Parent Female-Headed Households below Poverty Level.
	 Those earning the minimum wage, especially if they have children, cannot afford rental deposits and fees.
	Stakeholder Consultation and Public Input

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FIZUIS-ZUIS	FIVE-YEAK MUD	CONSULIDATED PLAN

Need	Employment Support for Low-Mod and At-Risk Individuals
Goal	Fund agencies that provide supports to promote continued employment for 1,500 persons
Priority Target Area Resource(s) Rationale	High Citywide CDBG, SSF, AOK The unemployment rate for people with disabilities is nearly double that for the non-disabled population. 21% of Single-Parent Female-Headed Households below Poverty Level. Those earning the minimum wage, especially if they have children, cannot afford rental deposits and fees. Stakeholder Consultation and Public Input

Need	Transportation for Low-Mod Individuals, Special Needs Populations and Veterans		
Goal	Fund agencies that provide transportation services to 500 low mod, special needs		
	individuals and Veterans so they can access necessary services and supports		
Priority	High		
Target Area	Citywide		
Resource(s)	CDBG, SSF, AOK, Veteran's Transportation		
Rationale	Stakeholder Consultation and Public Input		

NEIGHBORHOOD REVITALIZATION AND PUBLIC FACILITIES AND INFRASTRUCTURE GOALS

Need	Community Parks and Facilities in Low-Mod Neighborhoods		
Goal	Improve individual health and wellness, access to quality recreation, and the appearance of neighborhoods through Parks improvements serving 10,000 people		
Priority	High		
Target Area	North of San Tan Freeway (202)		
Resource(s)	CDBG, Other		
Rationale	Capital Improvements Plan		
	Resident calls		

Need	Water System in Low-Mod Neighborhoods	
Goal	Replace aging and broken water lines serving 5,000 people	
Priority	High	
· -	North of San Tan Freeway (202)	
	CDBG, Other	
Rationale	Capital Improvements Plan	
	Aging systems	

Need	Streets in Low-Mod Neighborhoods	
Goal	Replace damaged and unsafe streets serving 5,000 people	
Target Area	High North of San Tan Freeway (202) CDBG	
` '	Capital Improvements Plan	

Street Lighting in Low-Mod Neighborhoods	
tall enhanced street lighting to improve neighborhood safety for 2,000 people	
h rth of San Tan Freeway (202) 3G	
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Need	Senior Center and Related Services and Supports for Elderly and Special Needs Populations		
Goal	Improve access to services and supports, including healthy meals for 5,000 people		
Priority	High		
Target Area	Citywide		
Resource(s)	CDBG		
Rationale	Center is at capacity		
	Aging population		

Need	Code Enforcement in Low-Mod Neighborhoods	
Goal	Improve living conditions through blight elimination and referral of needy households	
Priority	to appropriate service, serving 2,400 households High	
Target Area Resource(s)	North of San Tan Freeway (202) CDBG, Other	
Rationale	 One-half of the City's low-mod households live in 9 Census Block Groups in the oldest areas of Chandler. 	
	Stakeholder Consultation and Public Input 10.290 Units Built Refore 1980	

Need	Demolition of unsafe/vacant structures		
Goal	Eliminate neighborhood blight and improve neighborhood safety through demolition of 5 unsafe vacant structures		
Priority	Low		
Target Area	North of San Tan Freeway (202)		
HUD	Sustainability / Suitable Living Environment		
Indicators			
Rationale	Stakeholder Consultation and Public Input		

PROGRAM MONITORING

Program monitoring for CDBG regulatory compliance will occur on a continual basis during FY 2015 - 2019. The City regularly conducts internal audits of its departments to ensure that funds are being properly utilized and accounted for. The goal of monitoring is to improve the delivery of services by ensuring that activities are carried out in accordance with administrative, financial and program requirements. Monitoring begins with the application process and pre-contract training. During the year, the City performs ongoing monitoring including fiscal audits, desk audits, agency risk assessments, and formal site visits. As part of the application process, non-City agencies are required to submit information on fiscal and program capability, non-profit status, disability accessibility, and other requirements. Prior to contracting, the City conducts training sessions to explain program laws, regulations and requirements, and City monitoring standards and procedures. The City also conducts pre-contract site visits.

Written agreements are entered into with both City and non-City agencies. Written agreements with non-City agencies included measurable objectives, monthly reporting requirements and reimbursement processes. City staff reviews reports and source documents for accuracy, and cost allowability and reasonableness prior to reimbursement.

Risk assessments are based on a desk audit utilizing a Program Performance Monitoring Checklist that includes:

- 1. Program Outcomes, including progress towards stated objectives.
- 2. Accessibility for disabled persons.
- 3. Fiscal Management, including Fiscal Audit Reports and Audit Management Letters.
- 4. Procurement procedures and documentation.
- 5. Program/Client Records, including target population served, and verification of compliance with national low/moderate income objective.
- 6. Board Operations, including Board membership lists, and Board member backgrounds.

After completing the risk assessment and identifying areas for review, staff coordinates site visits. At the site visits, staff conducts an entrance discussion with key agency staff and review:

- Disability accessibility compliance, including the agency's self-evaluation, disability accessibility policy and program documents. City staff also inspects the facilities for compliance.
- Fiscal records, including transactions, procedures, internal controls, agency-wide financial statements showing budget variances, and review of financial statements by the agency governing board.
- Procurement policies and practices, including MBE/WBE outreach, bidding processes, and cost reasonableness and allowability testing.
- Board meeting minutes to verify the Board's involvement in governance and knowledge of CDBG and/or HOME regulations.

Following review, City staff conducts exit conferences to discuss preliminary findings and concerns and later prepares and delivers formal monitoring letters. The City then follows up to ensure that corrective actions are addressed.

The City requires grantees to include a performance measurement strategy in funding proposals to demonstrate that proposed services will enhance the lives of City residents. The strategy quantifies longand short-term goals, activities, outputs and outcomes. It includes client demographics, projections of

the number of individuals and households that will be served, and annual unit-of-service projections. Grantees provide quarterly reports that quantify the number of clients/households served and units of service to demonstrate progress toward their goals and objectives. The quarterly reports allow the City to continuously monitor and evaluate progress and provide technical assistance to mitigate any unforeseen barriers or challenges. Program monitoring for HOME occurs in accordance with the above procedures and the Maricopa County Consortium agreement.

CHANDLER MAYOR AND CITY COUNCIL



Front row L-R: Jack Sellers, Jay Tibshraeny, Mayor, Rick Heumann
Back Row L-R: Nora Ellen, Kevin Hartke, Vice Mayor, Terry Roe & Renè Lopez



APPENDIX 1 – HOMELESS SERVICES LOCATED IN AND/OR FUNDED BY THE CITY OF CHANDLER

Homeless services located in and/or funded by The City of Chandler			
Organization	Type of Assistance	Population Served	
Chrysalis	Emergency Shelter	DV Victims (with/without Children)	
A New Leaf – La Mesita Homeless Shelter	Emergency Shelter (Up to 4 Months)	Homeless Families With Children	
A New Leaf – East Valley Men's Shelter	Emergency Shelter	Homeless Adult Men	
Central Arizona Shelter Services	Emergency Shelter	Homeless Single Adult Men and Women (No Children)	
Chandler Christian Community Center	Emergency Shelter	Homeless Single Adult Men and Women (No Children)	
Catholic Charities – My Sister's Place	Emergency Shelter	Domestic Violence Victims	
Community Bridges, Inc.	Transitional Housing and Case Management	Homeless Individuals and Families	
National Advocacy and Training Network	Transitional Housing	Adult Women With History of Substance Abuse	
Labor's Community Service Agency	Transitional Housing	Homeless Families With Children	
House of Refuge	Transitional Housing	Homeless Families With Children	
Save the Family	Transitional and Permanent Housing	Homeless Families With Children	
UMOM New Day Centers	Emergency Shelter, Transitional Shelter, Permanent Housing	Homeless Individuals and Families	
Chandler Christian Community Center	Supportive Services (Case Management)	Homeless Individuals and Families	
Fans Across America	Supportive Services	Homeless Families With Children	