

Action Plan

Grantee: Avondale City, AZ

Grant: B-08-MN-04-0501

LOCCS Authorized Amount:	\$ 2,466,039.00
Grant Award Amount:	\$ 2,466,039.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 211,543.59
Total Budget:	\$ 2,677,582.59

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

The City of Avondale (Avondale) is submitting to the U.S. Department of Housing and Urban Development (HUD), Phoenix Office this amendment to its 2008/2009 Annual Action Plan for the purpose of requesting \$2,466,039 in Neighborhood Stabilization Program (NSP) funds. The City of Avondale proposes to use NSP funds to redevelop foreclosed homes and residential properties within the City of Avondale in areas which have been identified as having the greatest need. The following information was used to determine areas of greatest need: 1) number and percentage of foreclosed homes; 2) number and percentage of subprime loans as determined by high interest rates; 3) number and percentage of delinquent mortgages; 4) Location of blighted foreclosed homes; and 6) areas where greater than 50% of the households earn up to 120% of the HUD Area Median Income (AMI). Avondale is a product of a housing boom gone bust, the consequences of which threaten to undermine neighborhood stability on a large scale basis. Between the years 2000 and 2005, 9,942 new owner occupied and 1,844 new rental units were built. Extensive commercial development was built in conjunction with the new housing, forming a "new" city characterized by modern design standards, street design and landscaping. During these 5 years the number of housing units in Avondale almost doubled from 10,635 to 18,187 units and the population grew commensurately from 35,802 to 63,100. An additional 4,895 housing units were built between 2005 and 2007 at which time oversupply collided with foreclosures causing housing values to plunge thereby accelerating more foreclosures. Of the 23,073 single family housing units in Avondale, 1,696 (7.4 %) are in foreclosure and an additional 891 (4%) have delinquent mortgages. While it is expected that overall Avondale will see at least a 12% average foreclosure rate, this fact in itself is not indicative of the more serious problem of neighborhood destabilization. Some neighborhoods have foreclosure rates as high as 21% where one in five homes currently sit vacant. These same neighborhoods also have the highest current delinquency rates, some as high as 10%. This means in some areas over the next one to two years 1 out of every 3 homes will be vacant. Homeowner Associations which traditionally "clean and lien" problem properties are going broke from the lack of dues and the problems is being passed up to local governments, which are themselves strained financially. Vandalism, theft, and squatting rates are on the rise with no foreseeable end in sight. In an effort to identify which neighborhoods are most vulnerable and arrest further decline, Avondale conducted its needs assessment on a neighborhood level. Table 1 below lists all Avondale neighborhoods. The shaded neighborhoods are the neighborhoods that Avondale will target for use of NSP funds (Target Neighborhoods). The following data was used to select the Target Neighborhoods: 1) above average (8.4%) percentage of foreclosures; 2) the highest percentage of homes financed by a subprime mortgage related loan; 3) neighborhoods identified as likely to face a significant rise in the rate of home foreclosures; 4) neighborhoods with destabilizing influences such as of developer default; and 3) Neighborhoods with the highest number of foreclosed, blighted properties.

NEIGHBORHOOD	NAME	DIqnt	FcUnits	Built	%Fclsd	%DIqnt	Combined	F&D1	Waterford	Square	21	46	217	2003	21.2%	9.7%	30.9%
2	Rio Crossing	22	69	345	2004	20.0%	6.4%	26.4%	3	Fieldcrest	21	55	279	2000	19.7%	7.5%	27.2%
4	Littleton Manor	4	18	109	2001	16.5%	3.7%	20.2%	5	Cambridge Estates	28	92	565	2000	16.3%	5.0%	21.2%
6	Starlight Trail&am																



Distribution and Uses of Funds:

NSP Funds will be used to assist individuals and families earning no greater than 120% AMI with a minimum of 25% of the funds being used to assist individuals and families earning no greater than 50% AMI. All activities will meet the HUD Low and Moderate Income benefit objective as redefined by HUD for the NSP to 120% AMI. Avondale will distribute NSP funds to the geographic areas (See Target Areas map located at the end of this narrative) within its jurisdiction with the greatest need. Table 2 provides Avondale’s proposed activities and allocation amounts.

Table 2: Allocation of NSP Funds

Units	Allocation	Acquisition, Rehabilitation and Sale of Homes to 120% AMI	Acquisition, Rehabilitation/Construction of Rental
homeowners	40	\$1,230,000	Demolition of Foreclosed, Vacant and
Housing to 50% AMI renters	4		\$616,510
Blighted Residential Properties and Redevelop into Housing or Public Facilities	3		
\$372,925	Administration	sp;	&

Definitions and Descriptions:

(1) Definition of “blighted structure” in context of state or local law.

Response:

Blighted Structure: Residential structures which exhibit objectively determinable signs of deterioration and constitute a serious and growing menace, injurious and inimical to the public health, safety and welfare of the residents of the Avondale and the existence of this property contributes substantially and increasingly to the spread of disease and crime, necessitating excessive and disproportionate expenditures of public funds for the preservation of the public health and safety.

(2) Definition of “affordable rents.” Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

Affordable Rent: Rents that do not exceed 30% of gross household for families earning 50% AMI for Maricopa County as determined by HUD with adjustments for number of bedrooms in the unit as more particularly described in 24 CFR Part 92.252.b.1.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

For homeownership activities Avondale will ensure affordability through a 100% recapture of funds. Assistance will be provided to homeowners as a no-interest soft-second mortgage that is due on sale or refinancing. Recaptured funds will be used to assist subsequent qualified low-moderate income buyers. For rental activities Avondale will provide assistance to owners of rental properties as a no-interest soft-second mortgage which is due and payable if compliance with the affordability periods for the HOME program stipulated in 24 CFR Part 91.252 is not met as indicated below.

Table 3: Minimum Periods of Affordability for Rental Activities

Assistance Amounts	Minimum Period of Affordability in years
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years
New Construction	20 years

NSP assistance provided to rental properties will be recaptured on a prorated basis.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

Avondale will use the Minimum Basis Housing Rehabilitation Standards of the Maricopa County HOME Consortium attached hereto as Exhibit A.

Low Income Targeting:

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$ __616,510__.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

Avondale proposes to use \$616,510 (25%) of its NSP allocation to purchase blighted foreclosed residential properties for redevelopment into rental housing for households earning up to 50% AMI. This activity will produce approximately 4 rental housing units.

Amendment #1 to Action Plan

With the elimination of rental activities, the City will meet its 25% setaside requirement to assist households at 50% AMI or less through the homeownership activities.

Acquisition and Relocation:

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ? 80% of area median income).

If so, include:

* The number of low- and moderate-income dwelling units—i.e., ? 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.



* The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ? 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).

* The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

Avondale proposes to use \$372,925 of its NSP allocation to demolish blighted homes. Avondale will demolish approximately 3 blighted properties and reuse the land for a CDBG eligible use. Property reused as a result of acquisition is expected to benefit 8 low-income (50%) AMI households or provide an area benefit for low-income areas where at least 51% of its residents earn up to 80% AMI.

Public Comment:

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

The City of Avondale published a draft of this Amendment to 2008/2009 Annual Action Plan on its website at <http://www.avondale.org/index.asp?NID=1112> on October 22, 2008 for a 15 day comment period which ended on November 7, 2008. In addition, there were three meetings open to the public which afforded additional opportunity for public comment held on October 16, 22 and 29, 2008. The following comments have been received to date:

Public Comment: None received.

Amendment #1 to Action Plan

The City of Avondale published a draft of this Amendment #1 on its website at <http://www.avondale.org/index.asp?NID=1112> on September 20, 2009 for a 30-day comment period which ended on October 20, 2009. In addition, there were two meetings open to the public which afforded additional opportunity for public comment held on October 14 and 19, 2008. The following comments have been received to date:

Public Comment: None received.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Homebuyer Assistance	1	Homeownership Assistance
2	Administration	2	Administration
4	Clearance and Demolition	4	Demolition of Foreclosed and Blighted Properties
5	50% AMI Homeownership	5	50% AMI Homeownership
6	Redevelopment	6	Redevelopment
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 1 / Homebuyer Assistance

Grantee Activity Number: 1
Activity Title: Homeownership Assistance

Activity Type:
 Homeownership Assistance to low- and moderate-income

Project Number:
 1

Projected Start Date:
 03/19/2009

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Completed

Project Title:
 Homebuyer Assistance

Projected End Date:
 08/15/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,471,648.15

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,471,648.15

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	42	6	30	85.71
# of Households	42	6	30	85.71
Proposed Accomplishments	Total			
# of Housing Units	42			

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 Housing Our Communities

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Avondale2	Local Government	\$ 541,321.42



Location Description:

Target Neighborhoods Pursuant to NSP Action Plan.

Activity Description:

Provide homebuyer education, down payment and closing cost assistance to low-mod-middle income persons towards the purchase of foreclosed homes. Provide rehabilitation of purchased home as necessary to meet Housing Quality Standards and to improve the energy efficiency of the home. Eligible properties must be located within the City of Avondale's identified targeted neighborhoods. For detailed information please visit the City's website at <http://www.avondale.org/index.aspx?NID=1112>

Environmental Assessment: COMPLETED

Environmental Reviews: None

Project # / Title: 2 / Administration

Grantee Activity Number: 2
Activity Title: Administration

Activity Type:

Administration

Project Number:

2

Projected Start Date:

03/19/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Activity Status:

Completed

Project Title:

Administration

Projected End Date:

08/15/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 123,391.14

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 123,391.14



Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Avondale

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Avondale

Organization Type

Local Government

Proposed Budget

\$ 123,391.14

Location Description:

The City of Avondale

Activity Description:

General Program Administration

Environmental Assessment:

Environmental Reviews: None

Project # / Title: 4 / Clearance and Demolition

Grantee Activity Number: 4

Activity Title: Demolition of Foreclosed and Blighted Properties

Activity Type:

Clearance and Demolition

Activity Status:

Completed

Project Number:

4

Project Title:

Clearance and Demolition

Projected Start Date:

03/19/2009

Projected End Date:

08/15/2015



Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 301,983.42

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 301,983.42

Benefit Report Type:

Area Benefit (Census)

Proposed Beneficiaries

of Persons

Total	Low	Mod	Low/Mod%
11867	5087	3234	70.12

Proposed Accomplishments

of Properties

Total
3

LMI%:	70.12
-------	-------

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Avondale

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Avondale

Organization Type

Local Government

Proposed Budget

\$ 301,983.42

Location Description:

Target Neighborhoods Pursuant to NSP Plan.

Activity Description:

Acquire blighted foreclosed properties for demolition.

Environmental Assessment:

COMPLETED

Environmental Reviews:

None



Project # / Title: 5 / 50% AMI Homeownership

Grantee Activity Number: 5
Activity Title: 50% AMI Homeownership

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

5

Projected Start Date:

09/23/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Completed

Project Title:

50% AMI Homeownership

Projected End Date:

08/15/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 668,660.83

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 668,660.83

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

	Total	Low	Mod	Low/Mod%
# Owner Households	6	6		100.00
# of Households	6	6		100.00

Proposed Accomplishments

of Housing Units

Total

6

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Housing Our Communities

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
--------------------------	-------------------	-----------------



Location Description:

Target Neighborhoods within the City of Avondale

Activity Description:

As provided for under NSP eligible use B, both direct homeownership assistance and acquisition, rehabilitation and disposition activities were performed as part of the required 25% set-aside for households at or below 50% of area median income (AMI). 6 households were provided homeownership education, counseling, down payment and closing cost assistance. Rehabilitation of homes purchased was completed as necessary to meet housing quality standards and to improve the energy efficiency of the homes. Eligible properties must be located within one of the City's designated target neighborhoods. A map of the targeted neighborhoods or more detailed information may be found by visiting the city's website at <http://www.avondale.org/index.aspx?NID=1112>

Of the 6 homes purchased through this activity, one home was acquired, rehabilitated and subsequently sold to a below 50% AMI household. The acquisition and rehabilitation costs of this home were approximately \$145,675.

Environmental Assessment:

Environmental Reviews: None

Project # / Title: 6 / Redevelopment

Grantee Activity Number: 6
Activity Title: Redevelopment

Activity Type:

Land Banking - Acquisition (NSP Only)

Project Number:

6

Projected Start Date:

07/01/2014

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective

Activity Status:

Completed

Project Title:

Redevelopment

Projected End Date:

08/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 111,899.05

Most Impacted and Distressed Budget: \$ 0.00



for NSP Only

Other Funds: \$ 0.00
Total Funds: \$ 111,899.05

Benefit Report Type:

Area Benefit (Census)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# of Persons	2000	1500	200	85.00

Proposed Accomplishments

	Total
# of Singlefamily Units	2
# of Housing Units	2
# of Properties	2

LMI%:

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Avondale2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Avondale2	Local Government	\$ 111,899.05

Location Description:

300 Block of East Hill Drive in Historic Avondale.

Activity Description:

Per attached HUD-approved proposals, the City will use recaptured NSP1 funds to supplement activities at the NSP3-funded Legacy Avondale project. NSP1 funds will be used for acquisition, demolition and relocation activities at two sites adjacent to the existing project site. An additional 2-4 single-family units will be constructed and sold to income-eligible homebuyers.

Environmental Assessment: COMPLETED

Environmental Reviews: None



Activity Supporting Documents

Document NSP Action Plan Amendment 3 approval.pdf

Action Plan Comments:

- Reviewer - AP approved. No modifications; accomplishment data previously adjusted.
- Reviewer - AP reviewed and approved; made adjustments to activity budgets. Total PF and PI - \$2,573,771.09
- Reviewer - 7/31/14 Marilee Hansen: AP approved without review to allow grantee to submit QPR.
- Reviewer - 10/24/14 Marilee Hansen - The AP was approved to allow the grantee to submit the next QPR on time. However, major clean-up is needed. The grantee should revise any tables inserted in the narrative sections as they do not read well in DRGR or on the PDF that the public and elected officials will see.

Action Plan History

Version	Date
B-08-MN-04-0501 AP#1	05/26/2010
B-08-MN-04-0501 AP#2	10/26/2011
B-08-MN-04-0501 AP#3	10/29/2012
B-08-MN-04-0501 AP#4	02/27/2013
B-08-MN-04-0501 AP#5	04/30/2014
B-08-MN-04-0501 AP#6	07/31/2014
B-08-MN-04-0501 AP#7	10/24/2014
B-08-MN-04-0501 AP#8	04/27/2017
B-08-MN-04-0501 AP#9	11/06/2017

