

Action Plan

Grantee: Avondale City, AZ

Grant: B-11-MN-04-0501

LOCCS Authorized Amount:	\$ 1,224,903.00
Grant Award Amount:	\$ 1,224,903.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 361,311.38
Total Budget:	\$ 1,586,214.38

Funding Sources

Funding Source	Funding Type
Private Financing	Other Private Funds

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Avondale is submitting to the U.S. Department of Housing and Urban Development (HUD), Phoenix office this amendment to its 2010/2011 Annual Action Plan for the purpose of requesting \$1,224,903 in Neighborhood Stabilization Program (NSP3) funds. The City of Avondale proposes to use NSP3 funds to redevelop foreclosed homes and residential properties within the City of Avondale in areas which have been identified as having the greatest need. In order to identify which neighborhoods are most vulnerable and stimulate recovery and stabilization, Avondale conducted its needs assessment at the neighborhood level. To make this determination, data was gathered from various sources including HUD Data Sets, the HUD Mapping Tool, PolicyMap.org, Trulia.com, Realtytrac and Information Market, a real estate data provider. The information was then analyzed to define the areas of greatest need based on the following criteria: 1) number/percentage of foreclosed homes; 2) number/percentage of subprime loans as determined by high interest rates; 3) number/percentage of delinquent mortgages; 4) HUD needs scores; 5) location of blighted foreclosed homes; and 6) areas where greater than 50% of the households earn less than 120% of the HUD Area Medium Income (AMI). The targeted areas were selected at the neighborhood level, within four census tracts, based on the above criteria and have a combined HUD index score of 18.94. These neighborhoods were identified as those most likely to face a significant rise in the rate of home foreclosures. The Neighborhood ID Numbers as provided by the HUD Mapping Tool are as follows: 1198028, 9123291, 1112884, 2003601, 4133300, and 1132659.

The City of Avondale proposes to use the funds within the targeted areas to carry out the following activities; \$673,697 (55%) to be used for Acquisition, Rehabilitation and Sale of Homes including direct homeownership assistance to buyers with household incomes between 51% - 120% Area Median Income (AMI); \$306,226 (25%) to be used for Acquisition, Rehabilitation and Sale of Homes including direct homeownership assistance to buyers with household incomes at or below 50% AMI - this activity will satisfy the statutory requirement for the LH 25% set-aside; \$122,490 (10%) to be used for acquisition and demolition of one blighted, vacant and foreclosed property; and \$122,409 (10%) to be used for administration.

Public Comment Period:

The City of Avondale published a draft of this amendment on its website for the required 15-day public comment period beginning on February 4, 2011 and extending through February 20, 2011. On February 4, 2011 the City of Avondale published a display advertisement in the West Valley View describing the NSP3 Program, detailing the City's proposed use of NSP3 funds, where a printed copy of the NSP3 Amendment could be obtained for review and inviting comments on the NSP3 Amendment. The City also involved the Neighborhood and Family Services Commission in the development of the amendment.

No comments were received from the general public.

1st AMENDMENT TO NSP3 ACTION PLAN



Since February 2011, when Avondale's original NSP3 Plan was developed, the City has experienced a considerable decrease in the number of foreclosures and delinquencies. Whfinately positive for our community, thres ahge to our original program design. At this time, two changes will be made to the program.

Expansion of Target Area:

Expansion of the target areas to increase the availability of NSP3 eligible properties is necessary. The decrease in foreclosures and the competitiveness of the market from outside investors has caused a shortage of NSP3 eligible properties to be available for potential buyers. In January of this year, only eight properties were available within current target areas. Staff used the HUD Mapping Tool to ensure that the areas being added met or exceeded the minimum needs threshold score for the state of Arizona (17). The summary provided by the mapping tool gave combined score for all areas of 17.88, with individual areas ranging from 17.37 to 19.40.

Change in Loan Terms (Continued Affordability):

The City of Avondale is committed to ensuring continued affordability and will exceed the minimum required standards as set forth by the HOME Investment Partnership Program as follows:

Homebuyer assistance will be provided as a no-interest, soft-second mortgage to be:

- Less than 20 years - Due upon sale; refinance, if refinance does not result in a lower monthly payment or if there is any cash out; or if the home is no longer the primary residence of the owner, or
- At 20 years, 100% forgiven

The City shall be listed as the beneficiary for all loans. All down payment loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure affordability through recapture of down payment assistance funds, as stipulated above, to be used to assist subsequent qualified low, moderate and middle income households.

The City held a 15-day public comment period which began on March 2, 2012 and continued through March 17, 2012. Information regarding the amendment was posted to the city website and a notice encouraging comments was published in the West Valley View on March 2, 2012. Additionally, two meetings were held allowing the public to hear discussion of the proposed changes and to comment as follows; the Neighborhood and Family Services Commission reviewed and recommended approval of the proposed changes on February 22, 2012, and the City Council also discussed and approved the changes on March 19, 2012. Both meetings were posted according to public meeting laws. If there was public present, calls were made to the public, however; no comments were received.

2nd AMENDMENT TO NSP3 ACTION PLAN

Since February 2011, when Avondale's original NSP3 Plan was developed, the City has submitted one prior amendment in March 2012 which expanded target areas and changed the loan terms for homebuyer assistance activities. The City continues to experience a limited number of available REO properties on the market and competition from other buyers is high. While this is positive for our community, these market conditions warrant an additional amendment to the City's current program design. These changes will better enable the City to meet the required NSP3 expenditure deadlines while still meeting the needs of the community. At this time, the folwiggagewllbmade to the NSP3 Action Plan.

The Addition of Redevelopment as an Activity

The addition of redevelopment as an activity will allow for the new construction of six (6) units of housing. The purpose of this new development is to provide high quality, well-designed housing units incorporating known sustainability strategies while increasing the available housing stock for NSP-eligible homebuyers. Once these units are completed and ready for occupancy, the units will be made available to NSP eligible homebuyers thus eliminating the competition from other parties. Of the units built, some will be reserved to help meet the required 25% set aside for households at or below 50% of area median income as per the Neighborhood Stabilization Program. Any program income generated by the subsequent sale of these properties will then be allocated to assist other homebuyers through the existing NSP3 homebuyer assistance program or be used for an eligible NSP3 expense/activity. The addition of this activity also requires a reallocation of funding per activity.

Change in Loan Terms (Continued Affordability):

The City of Avondale is committed to ensuring continued affordability and will, at a minimum, meet the minimum required standards as set forth by the HOME Investment Partnership Program. Homebuyer assistance will be provided as a no-interest, soft-second mortgage in which the City shall be listed as the beneficiary for all loans. All down payment loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure continued affordability through recapture of the down payment, principle buy-down and closing costs assistance to the homebuyer, as stipulated above, to be used to assist subsequent qualified low, moderate and middle income households.

The City held a 15-day public comment period which began on September 7, 2012 and continued through September 22, 2012. Information regarding the amendment was posted to the city website and a notice encouraging comments was published in the West Valley View on September 7, 2012. Additionally, two meetings were held allowing the public to hear discussion of the proposed changes and to comment as follows; the Neighborhood and Family Services Commission reviewed and recommended approval of the proposed changes on September 26, 2012, and the City Council also discussed and approved the changes on October 1, 2012. Both meetings were posted according to public meeting laws. Calls were made to the public, however; no



comments were received.

3rd AMENDMENT TO NSP3 ACTION PLAN

This amendment eliminates the Acquisition and Demolition activity and redirects those funds to the Redevelopment activity and to Acquisition/Rehab and Sale of Homes activities for regular and very low-income buyers. This amendment also redirects a portion of the Administration funds to the Redevelopment activity. Finally, it increases the allocations to Acquisition/Rehab and Sale of Homes to moderate-income buyers and Acquisition/Rehab and Sale of Homes for very low-income buyers (those with incomes at or below 50% of Area Median Income).

Since the completion of the last Action Plan Amendment, the number of blighted properties that can be classified as vacant and abandoned under the Neighborhood Stabilization Program regulations has decreased, and there are limited properties in need of demolition that qualify under NSP3. To qualify as abandoned, and therefore eligible for demolition with NSP3 funds, the property would have to have mortgage or tax foreclosure proceedings initiated, or no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days. These thresholds have been difficult to meet and document. Consequently, the City did not expend the funds allocated to demolition. However, there was a need for additional funds under the Redevelopment activity, as the costs involved in constructing high quality, well-designed homes combined with the infrastructure costs of the project exceeded initial estimates.

There also is a need to align the allocations with actual expenditure under the Acquisition/Rehab and Sale of Homes. During the time period when the second NSP3 Action Plan Amendment was in process, there were NSP3 buyers whose home purchases were in process prior to the approval of the amendment. The City made a decision to allow those buyers to complete their purchases under the NSP3 program. Those purchases exceeded the original estimate and consequently, the allocation amounts. The goals of the City's NSP3 Action Plan were met through those purchases.

Final allocations for NSP3 activities completed are as follows: Acquisition/Rehab/Resale (up to 120% AMI) - \$204,413; Acquisition/Rehab/Resale (up to 50% AMI) - \$83,000; Administration - \$82,490; LMMI New Housing Construction - \$427,500; LH25 New Housing Construction - \$427,500, for a total of \$1,224,903 in NSP3 funds. The City also expects to receive approximately \$500,000 in NSP3 program income from the sale of the four newly constructed homes. These funds will be used in the construction of additional owner-occupied units at adjacent sites.

The City held a 15-day comment period that commenced on February 7, 2014 and ended on February 22, 2014. Information regarding the amendment was posted to the City website and a notice encouraging public comments was published in the West Valley View on February 7, 2014. A Public Hearing was held on March 3, 2014 and a call the public made. No comments were received. Upon closure of the public hearing, City Council discussed and approved the changes to the Action Plan. Both meetings were advertised and conducted per open meeting laws.

How Fund Use Addresses Market Conditions:

Avondale is the product of the housing boom with housing units nearly doubling in a matter of approximately five years. When the housing market crashed, the effect on Avondale was severe as many homes were lost to foreclosure with some subdivisions experiencing foreclosure rates as high as 21%. Oversupply followed by foreclosures caused housing values to plunge even further thereby accelerating more foreclosures. The consequences of which have threatened to undermine the stability of many Avondale neighborhoods for the last few years. In part, as a result of the efforts made through the use of the first round of NSP funding, many of these subdivisions have realized a decrease in their foreclosure rate, however; there is still work to be done to stabilize the neighborhoods hardest hit. Of the 21,318 single family housing units in Avondale, 558 (2.62%) are in foreclosure and an additional 1,101 (5.16%) are pending foreclosure. While Avondale has realized a dip in foreclosures from the peak of the crisis, there remains a substantial amount of bank owned properties and foreclosure starts throughout the city. Many subdivisions are still experiencing combined foreclosure/pre-foreclosure rates over 11%. Additionally, rental vacancies are also high at approximately 12% while home sales have remained steady for the last 3 months at over 500 per month. With steady home sales, a median purchase price of \$106,000, most homes virtually new and new amenities and infrastructure in place, the Avondale market is both affordable and attractive for the potential homebuyer. Due to this attractive and steady buyers' market and given the rental vacancy rate, the city will focus its efforts on furthering the impact that was made with the first round of NSP funding by creating more owner occupied housing through both acquisition/rehab/resale as well as new construction activities, ensuring continued affordability and serving as a catalyst to stabilizing the City's neighborhoods. As a secondary strategy those homes which are acquired and rehabilitated that do not sell after having been on the market for nine months will be converted to affordable rental until which time the market will allow for resale.

Ensuring Continued Affordability:

Continued affordability for NSP3 assisted projects will be ensured by adhering to the HOME program standards at 24 CFR Part 92, as appropriate for each activity. Homebuyer assistance will be provided as a no-interest, soft-second mortgage that is due upon sale; refinance, if refinance does not result in a lower monthly payment or if there is any cash out; or if the home is no longer the primary residence of the owner. The City shall be listed as the beneficiary for all loans. All down payment loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure affordability through a 100% recapture of down payment assistance funds to be used to assist subsequent qualified low, moderate and middle income households.

1st AMENDMENT TO NSP3 ACTION PLAN

Change in Loan Terms (Continued Affordability):

The City of Avondale is committed to ensuring continued affordability and will exceed the minimum required standards as set forth by the HOME Investment Partnership Program as follows:



Homebuyer assistance will be provided as a no-interest, soft-second mortgage to be:

- Less than 20 years - Due upon sale; refinance, if refinance does not result in a lower monthly payment or if there is any cash out; or if the home is no longer the primary residence of the owner, or
- At 20 years, 100% forgiven

The City shall be listed as the beneficiary for all loans. All down payment loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure affordability through recapture of down payment assistance funds, as stipulated above, to be used to assist subsequent qualified low, moderate and middle income households.

2nd AMENDMENT TO NSP3 ACTION PLAN

Change in Loan Terms (Continued Affordability):

The City of Avondale is committed to ensuring continued affordability and will, at a minimum, meet the minimum required standards as set forth by the HOME Investment Partnership Program. Homebuyer assistance will be provided as a no-interest, soft-second mortgage in which the City shall be listed as the beneficiary for all loans. All down payment loans will be secured by a Promissory Note and Deed of Trust recorded against the assisted property. The City will ensure continued affordability through recapture of the down payment, principle buy-down and closing costs assistance to the homebuyer, as stipulated above, to be used to assist subsequent qualified low, moderate and middle income households.

3rd AMENDMENT TO NSP3 ACTION PLAN

The third amendment does not alter the existing affordability terms established by previous amendments.

Definition of 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.

Definition of Affordable Rents:

Avondale will comply with HOME rent limits as described in 24 CFR 92.252 and in accordance with the Neighborhood Stabilization Program requirements as follows: the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area as determined by HUD, with adjustments for number of bedrooms in the unit.

Housing Rehabilitation/New Construction Standards:

All NSP assisted residential properties will be rehabilitated or constructed to the extent necessary to comply with applicable laws, codes, and other requirements. All construction activities will address all issues relating to housing safety, quality, and health, in order to sell or rent the assisted homes. Avondale will use the Minimum Basic Housing Rehabilitation Standards adopted by the Maricopa County HOME Consortium as the minimum standard for all rehabilitation and new construction activities. Additionally, Avondale will strive to include improvements that result in increased energy efficiency, where feasible. Energy efficient improvements made will be cost effective, further ensure long term affordability, increase homeowner sustainability and improve the overall appeal of the assisted home and neighborhood by replacing older obsolete products and appliances with Energy Star-46 and WaterSense labeled products.

Vicinity Hiring:

The City of Avondale and/or its sub-recipients will include in its requests for bids their preference to provide, to the greatest extent feasible, hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project(s).

Procedures for Preferences for Affordable Rental Dev.:

An analysis of home prices within Avondale's areas of greatest need supports that home prices are currently affordable, home sales remain steady, and rental vacancies are high at over 12%. There are currently no available eligible multi-family properties thus a rental program would require a single family scattered site approach. Through Avondale's homebuyer assistance program, funded by the first round of NSP, 60% of the renter households succeeded in lowering their monthly housing cost an average of 20% by purchasing. Furthermore, reasonable access to transit, employers and services, coupled with a pipeline of eligible and interested homebuyers demonstrate a strong probability for a successful homebuyer assistance program. Many Avondale neighborhoods have from 5% to as high as 17% rentals; this number is believed to be higher as these percentages only account for those homes which are registered with the Maricopa County Assessor's Office as rental properties. There also seems to be a correlation between those neighborhoods determined to have the greatest need and those with the higher percentages of rental properties. Based on this, Avondale will strive to increase the number of units that are owner-occupied to provide a more significant impact of stability for the neighborhood overall; however, Avondale will, as a secondary strategy, acquire and rehabilitate homes that may be converted to affordable rentals provided an owner-occupant is not identified within a reasonable amount of time.



Grantee Contact Information:

PRIMARY:

Mr. Matthew Hess, CDBG Program Manager
1007 South Third Street
Avondale, AZ 85323
623-333-2726
mhess@avondale.org

SECONDARY:

Ms. Stephanie Small, Neighborhood and Family Services Director
623-333-2711
ssmall@avondale.org

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Rehabilitation of Residential	1	Homebuyer/Rehab - LMMI
2	Homebuyer Assistance (LH25)	2	Homebuyer/Rehab - 50% AMI
3	Acquisition and Demolition		<i>No activities in this project</i>
4	Administration	4	Administration
5	Redevelopment	5	LMMI New Housing Construction
		6	LH25 New Housing Construction
9999	Restricted Balance		<i>No activities in this project</i>
9999	Restricted Balance		<i>No activities in this project</i>



Activities

Project # / Title: 1 / Rehabilitation of Residential Structures

Grantee Activity Number: 1
Activity Title: Homebuyer/Rehab - LMMI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 1

Projected Start Date:
 05/01/2011

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

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Rehabilitation of Residential Structures

Projected End Date:
 04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 204,413.00
Other Funds: \$ 0.00
Total Funds: \$ 204,413.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	9		9	100.00
# of Households	9		9	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	9
# of Housing Units	9
# of Substantially Rehabilitated Units	3
#Low flow toilets	3
#Replaced hot water heaters	3
#Replaced thermostats	3
# of Properties	9



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	Organization Type	Proposed Budget
City of Avondale	Local Government	\$ 204,413.00
Neighborhood Housing Services of Phoenix	Non-Profit	\$ 0.00

Location Description:

This activity will be targeted to the following Census 2000 Tracts and Block Groups within the City of Avondale:

- Census Tract: 612.00, Block Groups 2,3,4
- Census Tract: 614.00, Block Groups 1,2,3,4
- Census Tract 820.13, Block Groups 1,2,3,4,5
- Census Tract 820.14, Block Groups 1,2,3,4
- Census Tract: 820.14, Block Groups 1,2,3 and 4
- Census Tract: 822.01, Block Groups 1 (only Avondale portion) and 3
- Census Tract: 822.02, Block Groups 1 and 2

Activity Description:

Avondale will enter into contracts with one or more non-profit agencies (Agencies) to operate an acquisition/rehabilitation and resale (the Program). The Program will provide the resources necessary to convert vacant foreclosed single-family properties into new homeownership opportunities for moderate and middle income persons with household incomes up to 120% AMI. The Agency (s) may perform the following activities in the conduct of the Program: 1) acquisition; 2) rehabilitation; 3) down payment and closing cost assistance for the buyer; and 4) resale of property.

Approximately nine (9) foreclosed properties will be converted to owner-occupied homes in the NSP3 targeted areas. Homes will be purchased by the Agency (s) or homeowners (with homeownership assistance) from the banks at a discount of at least 1% below the current market appraised value for individual properties.

Each homeowner will be required to complete an 8-hour homebuyer education class provided by a HUD approved counseling agency, one-on-one housing counseling and occupy the home as their primary residence. Homebuyers will obtain a mortgage loan from the lender of their choice provided the lender agrees to comply with the NSP program policies and bank regulators guidance for non-traditional mortgages and must be 30-year fixed mortgages at prevailing rates. Debt to income ratios will not be allowed to exceed 30% for the house payment and 43% total debt. Monetary assistance will be in the form of a no-interest, no-payment soft second mortgage for the amount of the down payment assistance to be recaptured at 100% at the time of sale, refinance (if interest rate and monthly payment are not reduced) or at which time the home is no longer the primary residence of the homebuyer. Closing costs or rehabilitation funds will be in the form of a grant.

Homes acquired by the agency will be sold to moderate-middle income persons at a price no greater than the cost of acquisition and rehabilitation (including delivery costs) or at a 1% discount of the current market appraised value; whichever is lower. Each homeowner will have the same requirements of those receiving direct homeownership assistance. Monetary assistance provided will be in the form of a no-interest, no-payment, soft second mortgage which will be recaptured 100% at the time of sale, refinance or at which time the home is no longer the homeowners primary residence. Homes acquired and rehabilitated by the agency that remain unsold after having been on the market for nine months will be used for affordable rental properties until which time the market will allow for resale to a low-moderate-middle income buyer.

Recaptured funds will be used to assist subsequent Homebuyers for the purpose of meeting the long term affordability provisions of the HOME Program as stipulated in 24 CFR 91.254.

Eligible Use B: Acquisition and Rehabilitation

Correlating CDBG Activity: 24 CFR570.201 (a) Acquisition (b) Disposition (i) Relocation (n) Direct Homeownership

assistance as modified by NSP. 24 CFR 570.202 eligible rehabilitation and Preservation activities for homes and other residential properties that may include counseling for those seeking to take part in the activity.

Project # / Title: 2 / Homebuyer Assistance (LH25)

Grantee Activity Number: 2
Activity Title: Homebuyer/Rehab - 50% AMI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Activity Status:
 Completed

Project Number:
 2

Project Title:
 Homebuyer Assistance (LH25)

Projected Start Date:
 05/01/2011

Projected End Date:
 04/30/2014

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

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.

Total Budget: \$ 83,000.00
Other Funds: \$ 0.00
Total Funds: \$ 83,000.00

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	5	5		100.00
# of Households	5	5		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	5
# of Housing Units	5
# of Substantially Rehabilitated Units	5
#Low flow toilets	5
#Replaced hot water heaters	5
#Replaced thermostats	5



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	Organization Type	Proposed Budget
City of Avondale	Local Government	\$ 83,000.00
Neighborhood Housing Services of Phoenix	Non-Profit	\$ 0.00

Location Description:

This activity will be targeted to the following Census 2000 Tracts and Block Groups within the City of Avondale:

- Census Tract: 612.00, Block Groups 2,3,4
- Census Tract: 614.00, Block Groups 1,2,3,4
- Census Tract 820.13, Block Groups 1,2,3,4,5
- Census Tract 820.14, Block Groups 1,2,3,4
- Census Tract: 820.14, Block Groups 1,2,3 and 4
- Census Tract: 822.01, Block Groups 1 (only Avondale portion) and 3
- Census Tract: 822.02, Block Groups 1 and 2

Activity Description:

Avondale will enter into contracts with one or more non-profit agencies (Agencies) to operate a homeownership program (the Program). The Program will provide the resources necessary to convert vacant foreclosed single-family properties into new homeownership opportunities for low income households with incomes up to 50% AMI. Approximately five (5) foreclosed properties will be converted to owner-occupied homes in the NSP3 targeted areas. Homes will be purchased by the Agency (s) or homeowners (with homeownership assistance) from the banks at a discount of at least 1% below the current market appraised value for individual properties.

Each homeowner will be required to complete an 8-hour homebuyer education class provided by a HUD approved counseling agency, one-on-one housing counseling and occupy the home as their primary residence. Homebuyers will obtain a mortgage loan from the lender of their choice provided the lender agrees to comply with the NSP program policies and bank regulators guidance for non-traditional mortgages and must be 30-year fixed mortgages at prevailing rates. Debt to income ratios will not be allowed to exceed 30% for the house payment and 43% total debt. Monetary assistance will be in the form of a no-interest, no-payment soft second mortgage for the amount of the down payment assistance to be recaptured at 100% at the time of sale, refinance (if interest rate and monthly payment are not reduced) or at which time the home is no longer the primary residence of the homebuyer. Closing costs or rehabilitation funds will be in the form of a grant.

Homes acquired by the agency will be sold to low-moderate-middle income persons at a price no greater than the cost of acquisition and rehabilitation (including delivery costs) or at a 1% discount of the current market appraised value; whichever is lower. Each homeowner will have the same requirements of those receiving direct homeownership assistance. Monetary assistance provided will be in the form of a no-interest, no-payment, soft second mortgage which will be recaptured 100% at the time of sale, refinance or at which time the home is no longer the homeowners primary residence. Homes acquired and rehabilitated by the agency that remain unsold after having been on the market for nine months will be used for affordable rental properties until which time the market will allow for resale to a low-moderate-middle income buyer.

Recaptured funds will be used to assist subsequent Homebuyers for the purpose of meeting the long term affordability provisions of the HOME Program as stipulated in 24 CFR 91.254.

Eligible Use B: Acquisition and Rehabilitation



Correlating CDBG Activity: 24 CFR 570.201 (a) Acquisition (b) Disposition (i) Relocation (n) Direct Homeownership assistance as modified by NSP. 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties that may include counseling for those seeking to take part in the activity.

Project # / Title: 4 / Administration

Grantee Activity Number: 4
Activity Title: Administration

Activity Type:

Administration

Project Number:

4

Projected Start Date:

10/19/2010

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)

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

Administration

Projected End Date:

04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 82,490.00

Other Funds: \$ 0.00

Total Funds: \$ 82,490.00



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

\$ 82,490.00

Location Description:

City of Avondale.

Activity Description:

General administration of all NSP3 funded activities.

Correlating CDBG Activity: 24 CFR 570.205 and 206 as amended by NSP to allow 10% of grant for administration.

Project # / Title: 5 / Redevelopment

Grantee Activity Number: 5

Activity Title: LMMI New Housing Construction

Activity Type:

Construction of new housing

Project Number:

5

Projected Start Date:

08/15/2012

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

Environmental Assessment:

COMPLETED

Activity Status:

Completed

Project Title:

Redevelopment

Projected End Date:

04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 629,566.00

Other Funds: \$ 0.00

Total Funds: \$ 629,566.00



Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	3		3	100.00
# of Households	3		3	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	3
# of Housing Units	3
#Units exceeding Energy Star	3
#Units with bus/rail access	3
#Low flow showerheads	6
#Low flow toilets	6

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	Organization Type	Proposed Budget
City of Avondale	Local Government	\$ 629,565.00
City of Avondale2	Local Government	\$ 0.00

Location Description:

Project is located on the 300 block of east Hill Drive. This neighborhood is found in the Historic Avondale neighborhood which is part of the City's Revitalization area and also part of the NSP areas of greatest need.

Activity Description:

The purpose of this activity is to construct new, high quality, well designed housing units incorporating known sustainability strategies while increasing the available housing stock for NSP eligible homebuyers. Construction on three new single family units has been completed and the home resold to NSP-eligible first-time homebuyers.



Grantee Activity Number: 6
Activity Title: LH25 New Housing Construction

Activity Type:
 Construction of new housing

Project Number:
 5

Projected Start Date:
 08/15/2012

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.

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Redevelopment

Projected End Date:
 04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 225,434.00
Other Funds: \$ 0.00
Total Funds: \$ 225,434.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	1	1		100.00
# of Households	1	1		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	1
# of Housing Units	1
#Units exceeding Energy Star	1
#Units with bus/rail access	1
#Low flow showerheads	2
#Low flow toilets	2

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



City of Avondale	Local Government	\$ 650,000.00
City of Avondale2	Local Government	\$ 0.00

Location Description:

Project is located on the 300 block of east Hill Drive. This neighborhood is found in the Historic Avondale neighborhood which is part of the City's Revitalization area and also part of the NSP areas of greatest need.

Activity Description:

The purpose of this activity is to construct one new, high quality, well designed housing units incorporating known sustainability strategies while increasing the available housing stock for NSP eligible homebuyers. Construction on one new single family units has been completed and resold to an NSP-eligible first-time homebuyer.

Activity Supporting Documents

- Document** Amendment No. 2 to NSP3 Action Plan.pdf
- Document** City of Avondale NSP3 Third Amendment.pdf

Action Plan Comments:

- Reviewer - AP approved. City expanded target areas and redefined loan terms for continued affordability.
- Reviewer - AP approved. City updated activities to underway from planned, and adding NHS Phoenix as a responsible organization for the homebuyer activities.
- Reviewer - AP approved. Edited for amendment.
- Reviewer - AP approved. City made corrections/revisions to activities and adjusted budgets and obligations.
- Reviewer - Action Plan approved. Activity budget modification.
- Reviewer - Action Plan has been reviewed and approved. Modified budgets to accommodate draws.
- Reviewer - 7/31/14 Marilee Hansen: Plan approved without review to allow for submission of old QPRs.
- Reviewer - 10/25/14 AP is approved with comments.

Action Plan History

Version	Date
B-11-MN-04-0501 AP#1	10/05/2016
B-11-MN-04-0501 AP#2	07/28/2015

B-11-MN-04-0501 AP#3	10/25/2014
B-11-MN-04-0501 AP#4	07/31/2014
B-11-MN-04-0501 AP#5	04/28/2014
B-11-MN-04-0501 AP#6	09/27/2013
B-11-MN-04-0501 AP#7	07/25/2013
B-11-MN-04-0501 AP#8	01/25/2013
B-11-MN-04-0501 AP#9	10/29/2012
B-11-MN-04-0501 AP#10	07/26/2012
B-11-MN-04-0501 AP#11	04/02/2012
B-11-MN-04-0501 AP#12	04/05/2011

