

Action Plan

Grantee: Maricopa County, AZ

Grant: B-11-UN-04-0501

LOCCS Authorized Amount:	\$ 4,257,346.00
Grant Award Amount:	\$ 4,257,346.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 0.00
Total Budget:	\$ 4,257,346.00

Funding Sources

Funding Source	Funding Type
Developer's contribution	Financial Institution Money
City of Phoenix award	Other Federal Funds

Narratives

Summary of Distribution and Uses of NSP Funds:

Maricopa County was allocated \$4,257,346 from the third round of the Neighborhood Stabilization Program (NSP3) by the U.S. Department of HUD. These funds are available through the Wall Street Reform and Consumer Protection Act of 2010 (The Dodd-Frank Act). The implementing regulations require that the County prepare and submit a Substantial Amendment to the 2010-2014 Consolidated Plan and the 2010-2011 Annual Action Plan. This proposed amendment was made available for public comment from February 1, 2011 through February 16, 2011 at the offices of Maricopa County Human Services Department and the Housing Authority of Maricopa County, and posted electronically on the County website at:

<http://www.hsd.maricopa.gov/cd/Documents/NSP3%20Application.pdf>.

The original amendment assessed the needs of neighborhoods based on foreclosures, number of subprime loans and likelihood of further rise in foreclosures. It established a reasonable goal based on the available funding and the capacity of the County to impact neighborhood decline, while providing housing opportunities for persons of low and moderate income. The amendment proposed to achieve this through selection of a single multifamily property that, after rehabilitation, will provide safe, attractive and energy efficient housing for renters in need of supportive services in transportation, employment and consumer resources. The neighborhoods selected for NSP3 funding met all of the criteria listed above. Some areas where there is greatest need as well as an opportunity for impact for the target population are not located in the Maricopa County Urban County service area. The County made the determination that due to the county-wide need of residents for supportive housing and the lack of available multifamily units within the Urban County service area, reasonable benefits will accrue to urban county residents, whether the targeted property is located in or near the urban county service area. After the original action plan was submitted and a developer was competitively selected it became quickly evident that the market was fluid enough that a viable property was not available in the originally selected neighborhoods. After extensive search, a property was identified that met the NSP requirements for foreclosure status, neighborhood metrics, accessibility to the urban county service area and likelihood of positive impact on the market in the neighborhood. A property was located at 5104 East Thomas Road in Phoenix in a neighborhood that met the NSP3 criteria and the County amended the action plan to include the new property. The NSP3 Neighborhood ID is 3829254.

From the beginning, it was planned that this single project would address two eligible activities with the intention that to the greatest extent feasible, without displacing tenants in place at the time of acquisition, the target population would be persons with incomes below 50% of AMI (LH25). Although all new tenants would be LH25 eligible, it was not possible to identify exactly how many would be below 50% AMI at the beginning. After all of the tenants had completed intake, it was determined that all but two of the 36 units would be LH25 units. This distribution is carried out in the reporting of the two activities identified as 0111 and 0112 in this plan.



How Fund Use Addresses Market Conditions:

The requirement to address market conditions was met by selecting neighborhoods with a combined average score greater than 17 in the HUD NSP3 Planning Data web site by plotting prospective neighborhoods into the website and averaging the results. The NSP3 Planning Data sheets on the proposed neighborhoods were attached to the adopted amendment to the Action Plan and the narrative assessments in those sheets are incorporated here by reference. Factors influencing the decision on the selection of the area of greatest need include: the amount of funding available; the benchmark requirements for commitment and expenditure of funds; the needs of the target populations; the availability of eligible properties in locations that will have the highest cumulative impact on neighborhood; and population and proximity to other community resources including transportation and employment services. Current market conditions indicate a higher ratio of renters to owners, a limited number of eligible buyers and areas within the service area that may not be able to recover in the foreseeable future. This activity will address local market conditions by removing one multifamily property from the foreclosed properties inventory; rehabilitating it, thereby contributing to improvement of the neighborhood; and housing tenants who will not likely be competing with other lower income tenants in other privately held rental housing in the area.

Ensuring Continued Affordability:

Maricopa County will adopt the continued affordability standards and enforcement mechanisms within the guidelines of HOME Program Standards located at 24 CFR 92.254. Homeownership activities will have secured lien documents in place for soft seconds, down payment assistance, closing cost assistance, lease purchase and shared equity loans through the affordability period as identified in the table below. Recaptured funds will be reinvested in the program. Maricopa County will defer specific recapture provisions to non-profit partners once the affordability period is met.

Affordability Period for Activities

Assistance Amounts	Affordability Period
--------------------	----------------------

<\$15,000	5 Years
-----------	---------

>\$15,000 to \$40,000	10 Years
-----------------------	----------

>\$40,000	15 Years
-----------	----------

New Construction	20 Years
------------------	----------

A minimum of 25% of funds received by Maricopa County will be used to assist households earning less than 50% of the Area Median Income. These units must remain affordable to households whose incomes do not exceed 50% of area median income during the affordability period. Maricopa County will monitor projects to ensure income guidelines, long term affordability and all other program compliance terms are being met.

Maricopa County will require subrecipients and/or developers of multi-family projects to ensure properties will be affordable for households whose incomes do not exceed 50% percent of Area Median Income. Rental projects will be secured through lien documents or a Land Use Restriction Agreement (LURA) to ensure the period of affordability. Recaptured funds, if any, will be reinvested in the program.

If NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure, Maricopa County Human Services Department will require HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of Neighborhood Stabilization Program.

Definition of Blighted Structure:

A blighted structure or dilapidated building is any real property structure that is in such disrepair or is damaged to the extent that its strength or stability is substantially less than a new building or it is likely to burn or collapse and its condition endangers the life, health, safety, or property of the public. Dilapidated buildings shall include, but not be limited to, those buildings that meet any or all of the following criteria:

- The building or structure's interior walls or other vertical structural members, list, lean or buckle to such an extent that a plumb line passing through the center of gravity falls outside of the middle third of its base.
- The building or structure, exclusive of the foundation, has thirty-three percent or more damage or deterioration to the supporting member or members structural assembly, or fifty-percent damage or deterioration to the non-supporting enclosing or outside walls or covering.
- The building or structure is infested by rodents, insects or other noxious pests, rendering it uninhabitable.
- The building or structure exhibits conditions that present actual hazards or dangers.
- The building or structure has been vacant and unsecured for more than forty-eight (48) hours, on more than one (1) occasion, during a previous twelve (12) month period.
- The building or structure or their contents represents an imminent health or fire hazard.

*Maricopa County Abatement Ordinance No. 11

Definition of Affordable Rents:

Maricopa County will comply with HOME rent limits as described in 24CFR 92.252. (a), (c), (e) and (f) in accordance with the Neighborhood Stabilization Program requirements as outlined below:

- The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- A rent at initial occupancy for new tenants that does not exceed 30 percent of the adjusted income of a family whose annual income equals 50 percent of the median income for the area as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

Housing Rehabilitation/New Construction Standards:

Foreclosed and abandoned homes or residential properties will be rehabilitated to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

Maricopa County and its subrecipients and/or developers will use the Minimum Basic Housing



Rehabilitation Standards adopted by the Maricopa County HOME Consortium as the minimum standard for any rehabilitation activities. In addition, Maricopa County and any subrecipient or developer will include improvements whenever feasible to increase the energy efficiency of properties and to provide renewable energy source(s). Maricopa County will establish green building guidelines that can be strategically incorporated as cost effective, energy efficient improvements that ensure long term affordability, increased homeowner sustainability and improve the attractiveness of housing and neighborhoods.

Vicinity Hiring:

The activity will involve rehabilitation work and Section 3 requirements, including posting the availability of employment opportunities for people in the activity vicinity will be enforced.

Procedures for Preferences for Affordable Rental Dev.:

A minimum of 25% of the funding must benefit persons with incomes at or below 50% of AMI. For the County's allocation of \$4,257,346, the minimum target is \$1,064,337. The proposed activity will develop supportive housing rental units through acquisition and rehabilitation. The nature and type of supportive services will ensure that the substantial majority of the expenditures will benefit persons with incomes at or below 50% of AMI.

Maricopa County will provide rental opportunities for households at or below 50% of AMI in partnership with subrecipients and/or developers. To the greatest extent feasible, the entire funded activity will assist special needs populations including the formerly homeless, physically disabled, developmentally disabled, veterans and other special needs households by providing housing with supportive services. Tenants with incomes above 50% of AMI are anticipated to be few in number and incidental to the primary beneficiaries of the activity.

Grantee Contact Information:

Responsible Organization
Maricopa County Human Services Department, Community Development Division
Location
234 North Central Avenue, Third Floor, Phoenix, AZ 85004
Administrator Contact Info
Amy Jacobson, 602.372.1528, jacobsona@mail.maricopa.gov

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
0111	NSP3 Supportive Rental Acquisition	0111	NSP3 Supportive Rental Acquisition Rehab L25
0112	NSP3 Supportive Rental Acquisition	0112	NSP3 Supportive Rental Acquisition Rehab Balance
0113	NSP3 Administration	0113	NSP3 Administration
9999	Restricted Balance	<i>No activities in this project</i>	

Activities

Project # / Title: 0111 / NSP3 Supportive Rental Acquisition Rehab L25

Grantee Activity Number: 0111
Activity Title: NSP3 Supportive Rental Acquisition Rehab L25

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

0111

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:

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:

NSP3 Supportive Rental Acquisition Rehab

Projected End Date:

01/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:

\$ 1,378,118.00

Other Funds

\$ 1,250,000.00

Total Funds

\$ 2,628,118.00

Proposed Beneficiaries

Renter Households

Total

34

Low

34

Mod

Low/Mod%

100.00

of Households

34

34

100.00

Proposed Accomplishments

of Multifamily Units

Total

34

of Housing Units

34

ELI Households (0-30% AMI)

#Units deconstructed

64

#Units exceeding Energy Star

34

#Units with bus/rail access

34

#Low flow showerheads

34

#Low flow toilets

34

#Refrigerators replaced

34

#Light Fixtures (indoors) replaced

34

#Replaced thermostats

34



#Efficient AC added/replaced	34
#Energy Star Replacement Windows	34
# of Properties	1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Catholic Charities Community Services, Inc2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Catholic Charities Community Services, Inc2	Non-Profit	\$
Funding Source Name	Matching Funds	Funding Amount
City of Phoenix award	No	\$ 900,000.00
Developer's contribution	No	\$ 350,000.00

Location Description:

5104 East Thomas Road, Phoenix, Maricopa County, Arizona, 85018--

Two neighborhoods were originally selected for their combined need, available multifamily housing stock, and proximity to transportation and supportive resources. By the time that the action plan was approved and a developer was competitively selected, market conditions had changed and a suitable property was not available in either of those neighborhoods. The final decision on location was made after an extensive search using the NSP3 parameters of foreclosure status, neighborhood eligibility and the anticipated impact of the improved property on neighborhood market conditions. A property was located at 5104 East Thomas Road that met all of the criteria. The NSP3 Neighborhood ID is 3829254.

This additional neighborhood met the average combined index score of 17 as calculated on the HUD Foreclosure Need Website and was of an appropriate size to be positively impacted by a proposed multifamily rental acquisition and rehabilitation. The neighborhood is approximately one block wide and one half mile long on the north side of Thomas Road from 51st to 52nd Street and on the east side of 52nd Street from Thomas to Oak Street in Phoenix. Consistent with the regulations of the NSP3 Program published on October 19, 2010, Maricopa County Human Services informed the public of its intention to further Amend the NSP3 Substantial Amendment to the 2010 Annual Action Plan to add a third neighborhood to the two neighborhoods originally selected. Comments on this amendment were solicited for submission before April 17, 2012. This amendment to add a third neighborhood was approved by the Maricopa County Board of Supervisors in a public meeting on May 21, 2012.

Activity Description:

Maricopa County combined funding from both the LH25 Activity, 0111, and the Rental Acquisition Rehab Balance Activity, 0112, into a single multifamily project to provide rental opportunities primarily for households at or below 50% of AMI. After publication of a notice of fund availability, Maricopa County awarded a developer agreement to Catholic Charities Community Services to acquire and rehabilitate a foreclosed multifamily property in an NSP3 eligible neighborhood. To the greatest extent feasible, special needs populations including formerly homeless families, veterans and their families are targeted for housing with supportive services. Under the terms of the development agreement, all new tenants of the rehabilitated property are to have incomes less than 50% AMI at initial occupancy. Existing tenants with incomes above 50% of AMI were anticipated to be few in number and incidental to the primary beneficiaries of the activity. A property was located at 5104 East Thomas Road that met all of the criteria. The NSP3 Neighborhood ID is 3829254. The Action Plan was amended at that time to designate the particular property. This combined project was intended to address local market conditions by removing one multifamily property from the foreclosed properties roles and rehabilitating it; thereby contributing to the improvement of the neighborhood and creating housing for tenants who would not likely be competing with other lower income tenants in other privately held rental housing in the area. After the target property was chosen, it was determined that only two of the tenants had incomes above 50% AMI. The LH25 benefit has been calculated to be 94%, which translates to 34 of the 36 units that will be the final unit count in this project. It has been suggested that budgets for the two activities be amended to reflect the 94/6 ratio of the beneficiaries; but Maricopa County



has determined that such an action would require moving costs incurred in fiscal years that have already been closed and audited.

Project # / Title: 0112 / NSP3 Supportive Rental Acquisiton Rehab balance

Grantee Activity Number: 0112
Activity Title: NSP3 Supportive Rental Acquisition Rehab Balance

Activitiy Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 0112

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:

NSP3 Supportive Rental Acquisiton Rehab

Projected End Date:

01/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,767,274.00
Other Funds \$ 0.00
Total Funds \$ 2,767,274.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	2		2	100.00
# of Households	2		2	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Multifamily Units	2
# of Housing Units	2
#Units deconstructed	2
#Units exceeding Energy Star	2

#Units with bus/rail access	2
#Low flow showerheads	2
#Low flow toilets	2
#Refrigerators replaced	2
#Light fixtures (outdoors) replaced	2
#Light Fixtures (indoors) replaced	2
#Replaced thermostats	2
#Efficient AC added/replaced	2
# of Properties	1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Catholic Charities Community Services, Inc1

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Catholic Charities Community Services, Inc1	Non-Profit	\$

Location Description:

5104 East Thomas Road, Phoenix, Maricopa County, Arizona, 85018--

Two neighborhoods were originally selected for their combined need, available multifamily housing stock, and proximity to transportation and supportive resources. By the time that the action plan was approved and a developer was competitively selected, market conditions had changed and a suitable property was not available in either of those neighborhoods. The final decision on location was made after an extensive search using the NSP3 parameters of foreclosure status, neighborhood eligibility and the anticipated impact of the improved property on neighborhood market conditions. A property was located at 5104 East Thomas Road that met all of the criteria. The NSP3 Neighborhood ID is 3829254.

This additional neighborhood met the average combined index score of 17 as calculated on the HUD Foreclosure Need Website and was of an appropriate size to be positively impacted by a proposed multifamily rental acquisition and rehabilitation. The neighborhood is approximately one block wide and one half mile long on the north side of Thomas Road from 51st to 52nd Street and on the east side of 52nd Street from Thomas to Oak Street in Phoenix. Consistent with the regulations of the NSP3 Program published on October 19, 2010, Maricopa County Human Services informed the public of its intention to further Amend the NSP3 Substantial Amendment to the 2010 Annual Action Plan to add a third neighborhood to the two neighborhoods originally selected. Comments on this amendment were solicited for submission before April 17, 2012. This amendment to add a third neighborhood was approved by the Maricopa County Board of Supervisors in a public meeting on May 21, 2012.

Activity Description:

Maricopa County combined funding from both the LH25 Activity, 0111, and the Rental Acquisition Rehab Balance Activity, 0112, into a single multifamily project to provide rental opportunities primarily for households at or below 50% of AMI. After publication of a notice of fund availability, Maricopa County awarded a developer agreement to Catholic Charities Community Services to acquire and rehabilitate a foreclosed multifamily property in an NSP3 eligible neighborhood. To the greatest extent feasible, special needs populations including formerly homeless families, veterans and their families are targeted for housing with supportive services. Under the terms of the development agreement, all new tenants of the rehabilitated property are to have incomes less than 50% AMI at initial occupancy. Existing tenants with incomes above 50% of AMI were anticipated to be few in number and incidental to the primary beneficiaries of the activity. A property was located at 5104 East Thomas Road that met all of the criteria. The NSP3 Neighborhood ID is 3829254. The Action Plan was amended at that time to designate the particular property. This combined project was intended to address local market conditions by removing one



multifamily property from the foreclosed properties roles and rehabilitating it; thereby contributing to the improvement of the neighborhood and creating housing for tenants who would not likely be competing with other lower income tenants in other privately held rental housing in the area. After the target property was chosen, it was determined that only two of the tenants had incomes above 50% AMI. The LH25 benefit has been calculated to be 94%, which translates to 34 of the 36 units that will be the final unit count in this project. It has been suggested that budgets for the two activities be amended to reflect the 94/6 ratio of the beneficiaries; but Maricopa County has determined that such an action would require moving costs incurred in fiscal years that have already been closed and audited.

Project # / Title: 0113 / NSP3 Administration

Grantee Activity Number:	0113
Activity Title:	NSP3 Administration

Activity Type:

Administration

Project Number:

0113

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:

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

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

NSP3 Administration

Projected End Date:

06/30/2015

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:**

Total Budget:	\$ 111,954.00
----------------------	---------------

Other Funds	\$ 0.00
--------------------	---------

Total Funds	\$ 111,954.00
--------------------	---------------

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

Maricopa County Human Services, Community Development Division

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

Maricopa County Human Services, Community Development Division

Organization Type

Local Government

Proposed

\$ 111,954.00

Location Description:

234 North Central Avenue, Third Floor, Phoenix, AZ 85004

Activity Description:

This activity allows Maricopa County to provide for the planning and administration of the NSP3 program, including but not limited to pre-agreement costs related to the planning and preparation of the amendment to the annual action plan and other eligible costs related to activity administration.

Action Plan Comments:

- Reviewer - AP reviewed and approved. Adjusted projected goals by national objective.
- Reviewer - AP approved. County modified AP with adjustments based on amendment to their NSP3 Substantial Amendment. Further modifications will be made after DRGR training and project development.
- Reviewer - AP reviewed and approved. County amended their Plan and added a 3rd neighborhood, made minor modifications.
- Reviewer - AP approved. County updated status of the ERR, responsible organization, unit goals, proposed accomplishments and proposed beneficiaries.
- Reviewer - Action Plan reviewed and approved. Re-allocates unexpended admin funds to the LH25% set-aside activity.

Action Plan History**Version**

B-11-UN-04-0501 AP#1

B-11-UN-04-0501 AP#2

Date

03/21/2016

04/24/2015



B-11-UN-04-0501 AP#3	01/23/2015
B-11-UN-04-0501 AP#4	07/18/2014
B-11-UN-04-0501 AP#5	04/28/2014
B-11-UN-04-0501 AP#6	09/27/2013
B-11-UN-04-0501 AP#7	01/17/2013
B-11-UN-04-0501 AP#8	06/26/2012
B-11-UN-04-0501 AP#9	06/07/2012
B-11-UN-04-0501 AP#10	12/05/2011
B-11-UN-04-0501 AP#11	04/05/2011

