

# Action Plan

**Grantee: Mohave County, AZ**

**Grant: B-11-UN-04-0503**

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<b>LOCCS Authorized Amount:</b>	\$ 1,990,744.00
<b>Grant Award Amount:</b>	\$ 1,990,744.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 1,500,000.00
<b>Total Budget:</b>	\$ 3,490,744.00

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## Funding Sources

Funding Source	Funding Type
NSP 3	Other Federal Funds

## Narratives

### Summary of Distribution and Uses of NSP Funds:

NSP3 GRANTEE INFORMATION Jurisdiction: Mohave County Arizona Jurisdiction Web Address: [www.MohaveCounty.us](http://www.MohaveCounty.us) NSP Contact Person: Dave Wolf, Housing and Community Revitalization Manager Address: PO Box 7000 Kingman, AZ 86402 Telephone 928-753-0723 Fax: 928-753-0776 E-mail: [Dave.Wolf@MohaveCounty.us](mailto:Dave.Wolf@MohaveCounty.us) Public comments were accepted on this draft Plan from January 14, 2011 through February 1, 2011. Introduction and Executive Summary On October 14, 2010 HUD published in the Federal Register its Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants. Mohave County received a Neighborhood Stabilization Program 3 (NSP3) formula allocation of \$1,990,744. NSP3 funds are distributed based on funding formulas for such amounts established in accordance with the Housing and Economic Recovery Act of 2008 (HERA). Mohave County received NSP3 funding based on: 1. The number and percentage of home foreclosures. 2. The number and percentage of homes financed by a subprime mortgage. 3. The number and percentage of homes in default or delinquency. The NSP3 allocation is a one-time allocation; Mohave County must expend at least 50% of the allocated funds within two years and 100% within three years. The purpose of NSP3 funds is to assist in the redevelopment of abandoned and foreclosed homes. Mohave County must use the funds to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned. HUD requires that Counties not receiving a direct allocation of Community Development Block Grant (CDBG) funds prepare and submit an Abbreviated Consolidated Plan, which serves as the application for NSP3 resources. This Abbreviated Consolidated Plan describes market conditions in Mohave County and each of the County's three NSP3 "areas of greatest need." It further describes how the County will utilize its NSP3 resources to address market conditions, and provides important definitions for understanding how NSP3 activities will be implemented. The County will target NSP3 resources in three areas of Kingman, Lake Havasu City, and Bullhead City. These areas have been identified by Mohave County as the areas of greatest need. Within these areas, the County will undertake the following two activities: 1 Acquisition, rehabilitation and resale of foreclosed or abandoned/vacant housing units for occupancy by homeowners combined with down payment and closing cost assistance and direct loans for households with incomes 50% or less of the county median income. 2 Program administrations and planning. Using NSP3 resources, the County will acquire, rehabilitate and resell up to 20 homes for occupancy by homeowners. Buyers purchasing NSP3 acquired and rehabilitated properties must earn less than 120% of the County median income. At least 25% of NSP3 resources (approximately \$500,000) will assist homebuyers with incomes 50% or less of the County median income. All buyers will receive down payment and closing assistance of 5% of the after-rehabilitation resale (purchase) price; Buyers with incomes 50% or less of the County median income eligible for direct loans. The budget for this program is \$1,990,744.00. The breakdown for this is \$1,791,670.00 for acquisition and rehabilitation for resale, combined with down payment and closing cost assistance and direct loans, this is a total of 20 homeownership units targeting all areas. The amount \$199,074.00 will be used for administration of all activities. AREAS OF GREATEST NEED Maps: NSP3 Areas of Greatest Need Maps for each of the three Mohave County NSP3 Areas of Greatest Need are included as Attachment 1. Mohave County Geographic, Socio-economic



and Housing Profile Mohave County is located in the northwestern corner of Arizona. According to the US Census Bureau, the County is the fifth largest in the contiguous United States with a total area of 13,4

### **How Fund Use Addresses Market Conditions:**

The housing-related activities of Mohave County are primarily governed by the County's Comprehensive Plan, which includes a Housing Element and the housing activities of the Mohave County Community Services Department. According to the County's Comprehensive Plan Housing Element, the goals of the County relative to neighborhood stabilization and low-to-moderate income households are: 1 Identify substandard housing and promote the revitalization and rehabilitation of these structures in urban areas as a first priority. 2 Encourage the development of low and moderate income housing to meet the needs of current and future residents in proportion to employment growth in the local economy. 3 Support efforts to provide very low, low and moderate income households with housing in a variety of locations, housing types and price ranges. 4 Support the use of quality manufactured housing, consistent with County Code, as a means to provide affordable housing to very low, low and moderate income households. 5 Promote mixed use developments as a means of reducing housing costs. Neighborhood Stabilization Program 3 (NSP3) eligible activities are to: A Use financing mechanisms for purchase and redevelopment B Purchase and rehabilitate for sale, rental, or redevelopment C Establish and operate land banks D Demolish blighted structures E Redevelop for housing Mohave County will undertake, in combination, the following NSP3 Eligible Activities to assist homebuyers in the identified target areas. A Purchase and rehabilitate for resale; and B Use financing mechanisms for purchase. The goals of the NSP3 activities are to: 1 Attract new owner-occupants to target areas, thereby increasing the homeownership rate and leveraging opportunities for private lending. 2 Improve properties, thereby improving property values and stabilizing the tax base. 3 Remove blighting influences. Given these goals, Mohave County will not invest NSP3 resources in rental housing. Acquisition, Rehabilitation, Resale. Mohave County will acquire properties in each of the three NSP3 target areas. Properties may be acquired through the FHA First Look Program or through other mechanism. Properties acquired through the FHA First Look Program may be acquired at up to a 10% discount. Foreclosed properties acquired through other mechanisms will be purchased at a 1% or greater discount, while abandoned/vacant properties will be acquired at the maximum possible discount given the current market appraised value of the home or property, taking into account its current condition and ensuring that purchasers are paying below-market value for the home or property. Properties will be evaluated for rehabilitation and brought into compliance with the County's rehabilitation standards. The County will prepare a rehabilitation work write-up and rehabilitate acquired properties utilizing local contractors. The County maintains a list of qualified contractors through a constantly-open solicitation. Contractors from each of the local areas are included on the prequalified list, and many are small businesses owned and operated by persons residing in the vicinity of the areas of greatest need. Still, the target areas are very small and residential, and the possibility of hiring contractors located in the target areas is extremely limited. Contractors will be selected through a competitive process. The work write-up and rehabilitation will include energy efficiency and green building standards. Upon completion of rehabilitation, properties will be sold to income-eligible buyers who must own occupy the property. Properties will be actively marketed to eligible buyers through local real estate agents and the Multiple Listing Service. All buyers shall receive a minimum of 8 hours of HUD-certified homebuyer counseling and education through a HUD-certified housing counseling agency. There are two HUD-certified housing counseling agencies operating in Western Arizona-Housing American Corporation and Western A

### **Ensuring Continued Affordability:**

In order to insure continue affordability buyers with incomes 50% or below the area median income, the County will coordinate outreach activities to participants in the County's Section 8 home ownership program. Buyers with incomes 50% or less of the area median income may receive direct loans from Mohave County to purchase acquired and rehabilitated properties. All buyers must own occupy properties and contribute 3% of the purchase price, with a minimum of 1% from their own funds. Mohave County will contribute down payment and closing cost assistance equal to 5% of the purchase price. Direct loans shall ensure debt ratios of not more than 31/43. Direct loans help ensure affordability by eliminating the cost of mortgage insurance that adds 1% or more of the total loan in monthly payments. Direct loans shall be for a period of up to 30 years, at an interest rate of 4% and secured by a promissory note and deed of trust executed by the County. The promissory note and deed of trust shall require repayment of the remaining principal balance plus any unforgiven amount of the down payment and closing cost assistance upon resale or noncompliance with any terms of the deed of trust during the affordability/forgiveness period. The County may utilize non-traditional sources of credit to ensure that buyers are creditworthy. A Title Company will be contracted to manage all aspects of Direct Loan servicing.

### **Definition of Blighted Structure:**

The State of Arizona does not define "blighted structure" but defers to the code enforcement standards of local government. Accordingly, Mohave County has defined a blighted structure as follows: "A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare."

### **Definition of Affordable Rents:**

The County defines affordable rents as consistent with the definition adopted for the State of Arizona Housing Fund Program. Affordable rents are the lesser of the Mohave County Fair Market Rent (FMR) or Mohave County 50% Rent Limit for the HOME program, including utilities, based on the number of bedrooms in the unit. Mohave County will not utilize NSP3 resource for rental housing activities.

### **Housing Rehabilitation/New Construction Standards:**

Mohave County has adopted the State of Arizona housing rehabilitation standards. The standards may be found online at [http://new.azhousing.gov/azcms/uploads/HOMEOWNERSHIP/State\\_Rehabilitation\\_Standards.pdf](http://new.azhousing.gov/azcms/uploads/HOMEOWNERSHIP/State_Rehabilitation_Standards.pdf).



In addition the County will incorporate green building and energy-efficiency standards into all work write-ups. For all gut rehabilitation or new construction, design will meet the standards for Energy Star Qualified Homes. For other rehabilitation, the County will incorporate energy-efficiency specifications to ensure Energy Star-labeled products are installed. Water efficient toilets, showers, and faucets will also be installed. In addition to rehabilitation standards, properties shall meet all local codes and ordinances.

**Vicinity Hiring:**

Mohave County will give preference in hiring and construction contracting to qualified low income individuals/Section 3 firms that reside in the NSP targeted areas and Mohave County.

**Procedures for Preferences for Affordable Rental Dev.:**

The County defines affordable rents as consistent with the definition adopted for the State of Arizona Housing Fund Program. Affordable rents are the lesser of the Mohave County Fair Market Rent (FMR) or Mohave County 50 % Rent Limit for the HOME program, including utilities, based on the number of bedrooms in the unit. Mohave County will not utilize NSP3 resources for rental housing activities.

**Grantee Contact Information:**

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 Director  
 700 W. Beale St. PO Box 7000  
 Kingman, AZ 86402-7000  
 928-753-0723 x 4139  
 dave.wolf@mohavecounty.us

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title
1	Administration	1	General Administration
2	Program	2	Acquisition/Rehab/DPCC Assistance 50% AMI
		3	Acquisition/Rehab/DPCC Assistance-LMMI
9999	Restricted Balance	<i>No activities in this project</i>	



# Activities

**Project # / 1 / Administration**

**Grantee Activity Number: 1**  
**Activity Title: General Administration**

**Activity Type:**

Administration

**Project Number:**

1

**Projected Start Date:**

03/16/2011

**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)

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

03/16/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 307,657.62

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 307,657.62

**Activity is being carried out by**

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

Mohave County

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

**Responsible Organization**

Mohave County

**Organization Type**

Local Government

**Proposed Budget**

\$ 307,657.62

**Funding Source Name**

NSP 3

**Matching Funds**

No

**Funding Amount**

\$ 0.00



**Location Description:**

Mohave County  
Neighborhood Stabilization Program  
Administered by Community Services Department  
700 W. Beale St. Kingman AZ 86401

**Activity Description:**

Mohave County, Community Services Department administers the daily operations and administrative activity. NSP Coordinator with assistance from Housing Rehab and Finance departments oversees daily reports and functions. NSP Coordinator tracks all property related reports, data, billings, expenses and program income on DRGR and internal data bases.

**Environmental Assessment:** EXEMPT

**Environmental** None

**Project # / 2 / Program**

**Grantee Activity Number:** 2  
**Activity Title:** Acquisition/Rehab/DPCC Assistance 50% AMI

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Project Number:**  
2

**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.

**Activity Status:**  
Under Way

**Project Title:**  
Program

**Projected End Date:**  
03/31/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,660,558.40

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 1,660,558.40



**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Owner Households

**Total**

**Low**

**Mod**

**Low/Mod%**

14

14

100.00

# of Households

14

14

100.00

**Proposed Accomplishments**

**Total**

# of Singlefamily Units

14

# of Housing Units

14

# of Properties

14

**Activity is being carried out by**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Mohave County

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

**Responsible Organization**

Mohave County

**Organization Type**

Local Government

**Proposed Budget**

\$ 1,660,558.40

**Funding Source Name**

NSP 3

**Matching Funds**

No

**Funding Amount**

\$ 0.00

**Location Description:**

NSP 3 Targeted Neighborhoods within Mohave County.

**Activity Description:**

Acquisition, Rehabilitation, Resale of Single Family Homes to Very Low Income Buyers. Mohave County will acquire properties in each of the three NSP3 target areas. Properties may be acquired through the FHA First Look Program or through other mechanisms. Properties acquired through the FHA First Look Program may be acquired at up to a 10% discount. Foreclosed properties acquired through other mechanisms will be purchased at a 1% or greater discount, while abandoned/vacant properties will be acquired at the maximum possible discount given the current market appraised value of the home or property, taking into account its current condition and ensuring that purchasers are paying below-market value for the home or property. Upon completion of rehabilitation, properties will be sold to income-eligible buyers who must owner occupy the property. Properties will be actively marketed to eligible buyers through local real estate agents and the Multiple Listing Service. All buyers shall receive a minimum of 8 hours of HUD-certified homebuyer counseling and education through a HUD-certified housing counseling agency. There are two HUD-certified housing counseling agencies operating in Western Arizona-Housing American Corporation and Western Arizona Council of Governments. Mohave County will contract with one or both agencies to ensure buyer access to homebuyer counseling and education services.

Direct Homebuyer Assistance-Down Payment and Closing Costs. Buyers, who must owner occupy purchased units, may acquire 30-year, fixed-rate financing through a lender of their choice. Financing shall be based on qualifying ratios not to exceed 31/43. All buyers must contribute 3% of the purchase price, with a minimum of 1% from their own funds. Mohave County will contribute down payment and closing cost assistance equal to 5% of the purchase price.



NSP3 down payment and closing cost assistance shall be made in the form of a 0% forgivable loan, secured by a promissory note and deed of trust executed by the County. The promissory note and deed of trust shall require repayment of any unforgiven amount of the down payment and closing cost assistance upon resale or noncompliance with any terms of the deed of trust during the affordability/forgiveness period.

**Low-income Targeting**

**Direct Homebuyer Assistance-Direct Loans.** Mohave County must utilize at least 25% of NSP3 resources or \$497,686 to assist households with incomes below 50% of the County median income. In order to reach buyers with incomes 50% or below the area median income, the County will coordinate outreach activities to participants in the County's Section 8 homeownership program.

Buyers with incomes 50% or less of the area median income may receive direct loans from Mohave County to purchase acquired and rehabilitated properties. All buyers must owner occupy properties and contribute 3% of the purchase price, with a minimum of 1% from their own funds. Mohave County will contribute down payment and closing cost assistance equal to 5% of the purchase price. Direct loans shall ensure debt ratios of not more than 31/43.

Direct loans shall be for a period up to 30 years, at an interest rate of 4% and secured by a promissory note and deed of trust executed by the County. The promissory note and deed of trust shall require repayment of the remaining principal balance plus any unforgiven amount of the down payment and closing cost assistance upon resale or noncompliance with any terms of the deed of trust during the affordability/forgiveness period. The County may utilize non-traditional sources of credit to ensure that buyers are creditworthy. A Title Company will be contracted to manage all aspects of Direct Loan servicing.

**Environmental Assessment:** COMPLETED

**Environmental** None



**Grantee Activity Number:** 3  
**Activity Title:** Acquisition/Rehab/DPCC Assistance-LMMI

**Activity Type:**  
 Rehabilitation/reconstruction of residential structures

**Activity Status:**  
 Under Way

**Project Number:**  
 2

**Project Title:**  
 Program

**Projected Start Date:**  
 05/01/2011

**Projected End Date:**  
 03/16/2022

**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

**Total Budget:** \$ 1,522,527.98

**Most Impacted and Distressed Budget:** \$ 0.00

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

**Other Funds:** \$ 0.00

**Total Funds:** \$ 1,522,527.98

**Benefit Report Type:**  
 Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Owner Households	10		10	100.00
# of Households	10		10	100.00

**Proposed Accomplishments**

	Total
# of Singlefamily Units	10
# of Housing Units	10
# of Properties	10

**Activity is being carried out by**  
 No

**Activity is being carried out through:**

**Organization carrying out Activity:**  
 Mohave County

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

Responsible Organization	Organization Type	Proposed Budget
Mohave County	Local Government	\$ 1,522,527.98

Funding Source Name	Matching Funds	Funding Amount
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**Location Description:**

Targeted NSP 3 Neighborhoods within Mohave County.

**Activity Description:**

Acquisition, Rehabilitation, Resale of Single Family Homes to LMML buyers. Mohave County will acquire properties in each of the three NSP3 target areas. Properties may be acquired through the FHA First Look Program or through other mechanisms. Properties acquired through the FHA First Look Program may be acquired at up to a 10% discount. Foreclosed properties acquired through other mechanisms will be purchased at a 1% or greater discount, while abandoned/vacant properties will be acquired at the maximum possible discount given the current market appraised value of the home or property, taking into account its current condition and ensuring that purchasers are paying below-market value for the home or property.

Properties will be evaluated for rehabilitation and brought into compliance with the County's rehabilitation standards. The County will prepare a rehabilitation work write-up and rehabilitate acquired properties utilizing local contractors. The County maintains a list of qualified contractors through a constantly-open solicitation. Contractors from each of the local areas are included on the prequalified list, and many are small businesses owned and operated by persons residing in the vicinity of the areas of greatest need. Still, the target areas are very small and residential, and the possibility of hiring contractors located in the target areas is extremely limited. Contractors will be selected through a competitive process. The work write-up and rehabilitation will include energy efficiency and green building standards.

Upon completion of rehabilitation, properties will be sold to income-eligible buyers who must owner occupy the property.

Properties will be actively marketed to eligible buyers through local real estate agents and the Multiple Listing Service.

All buyers shall receive a minimum of 8 hours of HUD-certified homebuyer counseling and education through a HUD-certified housing counseling agency. There are two HUD-certified housing counseling agencies operating in Western Arizona-Housing American Corporation and Western Arizona Council of Governments. Mohave County will contract with one or both agencies to ensure buyer access to homebuyer counseling and education services.

Direct Homebuyer Assistance-Down Payment and Closing Costs. Buyers, who must owner occupy purchased units, may acquire 30-year, fixed-rate financing through a lender of their choice. Financing shall be based on qualifying ratios not to exceed 31/43. All buyers must contribute 3% of the purchase price, with a minimum of 1% from their own funds. Mohave County will contribute down payment and closing cost assistance equal to 5% of the purchase price.

NSP3 down payment and closing cost assistance shall be made in the form of a 0% forgivable loan, secured by a promissory note and deed of trust executed by the County. The promissory note and deed of trust shall require repayment of any unforgiven amount of the down payment and closing cost assistance upon resale or noncompliance with any terms of the deed of trust during the affordability/forgiveness period.

**Environmental Assessment:** COMPLETED

**Environmental** None

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**Action Plan Comments:**



Reviere, County completed Tier 1 ERR and changed status of Activies #1 and #2 to underway.

Reviere, AP approved. Updated direct benefit data and breakout of expected goals.

Reviere, With TA guidance, AP was modified to reflect projected program income.

Reviere, Action Plan was not modified.

Reviere, County edited AP and adjusted unit accomplishments between LH25 and LMMI activities.

Reviewer - 12/19/13 Marilee Hansen: Plan approved without review per Grantee request.

Reviewer - Reviewed and approved. Comments provided to grantee - narratives are fraught with typos. PDF should be carefully proofed.

## Action Plan History

Version	Date
B-11-UN-04-0503 AP#1	06/29/2011
B-11-UN-04-0503 AP#2	12/20/2011
B-11-UN-04-0503 AP#3	06/06/2012
B-11-UN-04-0503 AP#4	09/21/2012
B-11-UN-04-0503 AP#5	11/28/2012
B-11-UN-04-0503 AP#6	12/19/2013
B-11-UN-04-0503 AP#7	01/21/2014
B-11-UN-04-0503 AP#8	04/03/2015
B-11-UN-04-0503 AP#9	12/28/2015
B-11-UN-04-0503 AP#10	07/19/2016
B-11-UN-04-0503 AP#11	09/13/2017
B-11-UN-04-0503 AP#12	01/30/2018
B-11-UN-04-0503 AP#13	09/14/2020

