

Action Plan

Grantee: Surprise Town, AZ

Grant: B-11-MN-04-0506

LOCCS Authorized Amount:	\$ 1,329,844.00
Grant Award Amount:	\$ 1,329,844.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,134,555.00
Total Budget:	\$ 2,464,399.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

City of Surprise will utilize the NSP funds for a number of activities. Funds will be used for Administration costs which result in homebuyer education, counseling, marketing and salary for the Program Coordinator. Down payment assistance will be distributed to low income residents of Surprise who complete the homebuyer education courses and meet all other requirements. Funds will also be reserved for property improvements when necessary and home purchase. The homes purchased with NSP funds will be provided to applicants who also meet all the requirements included the income guidelines and who complete the homebuyer education course.

How Fund Use Addresses Market Conditions:

Currently the city of Surprise has seen huge impacts to the neighborhoods due to the number of foreclosed and vacant homes. Surplus of homes make sale of homes a lengthy process. Due to this surplus, property values have fallen as much as 75% in some areas in the city. As of February 27, 2011, there are 1,663 (6%) pending foreclosure and 921 (4%) bank owned homes in the city per RealtyTrac.com. The MLS system also lists 733 properties being delinquent with their mortgages.

As a result of the affordable pricing of virtually new homes with many upgraded amenities, purchase programs such as the one Surprise is proposing under this amendment is both affordable and attractive to potential buyers. The ability to work with programs such as the Fannie Mae First Look Program has allowed the city the ability to purchase homes as they come on the market without the need of competing with the investor market and to purchase at a discount that is then transferred to the home buyer as an additional benefit.

Ensuring Continued Affordability:

Surprise will ensure affordability for proposed homebuyer activities through 100% of recapture of funds secured through Deeds of Trust and Forgivable Loan Agreements with the homebuyer identifying the period of affordability as outlined by the table below. Assistance will be provided to homebuyers in the form of monetary assistance given to qualified individuals through a no-interest soft second mortgage that is due on sale or refinance during the affordability period. Recaptured funds will be used to continue funding of eligible activities under the NSP program through June 1, 2014 (or 36 months from entering into funding agreement), or other date as determined by HUD.

Assistance Amount	Minimum Periods of Affordability
Under \$15, 000	5 years
\$15,000 to \$40,000	10 years



Over \$40,000
New Construction

15 years
20 years

Definition of Blighted Structure:

Surprise will use the blighted structure definition from the IPMC (International Property Maintenance Code), Chapter 2, Section 202, Definitions, which the Surprise adopted through Chapter 105 of the Surprise Municipal Code, which states:

BLIGHT OR BLIGHTED: Unsightly conditions of a building, structure, accessory building fence, landscaping or property characterized by neglect, lack of maintenance, damage or any other similar conditions of disrepair, or deterioration. Examples include but are not limited to the accumulation of debris, wood, scrap iron or other metal, boxes paper, vehicle parts, tires, inoperable equipment or vehicles, discarded appliances or any items that may harbor insect or vermin infestation or create a fire hazard; landscaping that is overgrown, dead or damaged; fences that are broken, rotted, damaged or leaning; buildings or structures exhibiting general disrepair or dilapidation including but not limited to deteriorated shingles, peeling paint, broken doors or windows or any other evidence of neglect or lack of maintenance.

Definition of Affordable Rents:

No rental activities are currently proposed. Surprise uses the following definition:

Affordable Rent: Rents that do not exceed 30% of gross household income for families earning at or below 50% Area Median Income for Maricopa County as determined by HUD with adjustments for number of bedroom units as more particularly described in 24CFR Part 92.252.b.1.

Housing Rehabilitation/New Construction Standards:

Surprise will use the HUD approved Minimum Basis Housing Rehabilitation Standards of the Maricopa County HOME Consortium. Surprise will incorporate green building, emergency efficiency, and visibility components as feasible (enclosed in Tab 5).

Vicinity Hiring:

The city of Surprise will include in its requests for bids their preference per program design to provide, to the greatest extent feasible, hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the NSP 3 target area.

Procedures for Preferences for Affordable Rental Dev.:

Not Applicable

Grantee Contact Information:

Deb Perry -deborah.perry@surpriseaz.gov/623.222.1623/16000 N. Civic Center Plaza, Surprise AZ 85374
Seth Dyson -seth.dyson@surpriseaz.gov/623.222.1620/16000N. Civic Center Plaza, Surprise AZ 85374

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP3 - 01 - LMMI	Acquisition/Rehabilitation	NSP 3 Acquisition/Rehab LMMI	Acquisition/Rehabilitation
NSP3 - 02 - LMMI	Down Payment Assistance	NSP 3 DPA LMMI	Homebuyer Assistance
NSP3 - 03 - 25%	Down Payment Assistance 25%	NSP3 DPA 25%	25% Homebuyer Assistance
NSP3 - 04 - Admin	Administration	NSP3 Administration	Administration
NSP3 - 05 - 25%	New Construction 25%	NSP - 05 - 25%	New Construction 25%
NSP3 - 1A - 25%	Acquisition/Rehabilitation	NSP3 Acquisition/Rehab 25%	Acquisition/Rehabilitation



Activities

Project # / NSP3 - 01 - LMMI / Acquisition/Rehabilitation

Grantee Activity Number: NSP 3 Acquisition/Rehab LMMI
Activity Title: Acquisition/Rehabilitation

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 NSP3 - 01 - LMMI

Projected Start Date:
 03/09/2011

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

Activity Status:
 Under Way

Project Title:
 Acquisition/Rehabilitation

Projected End Date:
 03/09/2021

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,264,283.65

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,264,283.65

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	5		3	60.00
# of Households	5		3	60.00

Proposed Accomplishments	Total
# of Singlefamily Units	5
# of Housing Units	5
# of Properties	5



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Surprise2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Surprise2

Organization Type

Local Government

Proposed Budget

\$ 1,264,283.65

Location Description:

NSP3 Target Area General Boundaries:

- Bell Road (North)
- Peoria Avenue (South)
- Perryville Road (West)
- Dysart Road (East)
- Original Townsite
- Kingswood Park HOA
- See Attached Map

Activity Description:

Surprise will purchase and/or rehabilitate (if necessary) foreclosed and/ or abandoned homes to be subsequently sold to three qualified buyers earning up to 120% AMI. Approximately five homes will be assisted in the target areas. Homes will be purchased at a minimum discount of 1% from appraised values per home. These homes will be sold at a price not to exceed the Fair Market Value or NSP investment whichever is less.

Environmental Assessment: UNDERWAY

Environmental None

Activity Supporting Documents



Project # / NSP3 - 02 - LMMI / Down Payment Assistance

Grantee Activity Number: NSP 3 DPA LMMI
Activity Title: Homebuyer Assistance

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP3 - 02 - LMMI

Projected Start Date:

03/09/2011

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

Activity Status:

Under Way

Project Title:

Down Payment Assistance

Projected End Date:

03/09/2021

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 109,854.11

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 109,854.11

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

of Households

	Total	Low	Mod	Low/Mod%
# Owner Households	18		15	83.33
# of Households	18		15	83.33

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Surprise2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Surprise2

Organization Type

Local Government

Proposed Budget

\$ 109,854.11



Location Description:

NSP3 Target Area General Boundaries:

- Bell Road (North)
- Peoria Avenue (South)
- Perryville Road (West)
- Dysart Road (East)
- Original Townsite
- Kingswood Park HOA
- See Attached Map

Activity Description:

Surprise will provide homebuyer assistance in the form of either down payment assistance, closing cost assistance, interest-rate buy down, or a combination of these. The assistance will be provided in the form of a soft second with benefits being given to households at or below 120% AMI.

Environmental Assessment: EXEMPT

Environmental None

Project # / NSP3 - 03 - 25% / Down Payment Assistance 25%

Grantee Activity Number: NSP3 DPA 25%
Activity Title: 25% Homebuyer Assistance

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

Project Number:
NSP3 - 03 - 25%

Projected Start Date:
03/09/2011

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:
Down Payment Assistance 25%

Projected End Date:
03/09/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:	\$ 8,282.74
Most Impacted and Distressed Budget:	\$ 0.00
Other Funds:	\$ 0.00
Total Funds:	\$ 8,282.74



Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

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

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Surprise2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Surprise2	Local Government	\$ 8,282.74

Location Description:

NSP3 Target Area General Boundaries:

- Bell Road (North)
- Peoria Avenue (South)
- Perryville Road (West)
- Dysart Road (East)
- Original Townsite
- Kingswood Park HOA
- See Attached Map

Activity Description:

Surprise will provide homebuyer assistance in the form of either down payment assistance, closing cost assistance, interest-rate buy down, or a combination of these. The assistance will be provided in the form of a soft second with benefits being given to 24 households at or below 50% AMI.

Environmental Assessment: EXEMPT

Environmental None

Activity Supporting Documents



Project # / NSP3 - 04 - Admin / Administration

Grantee Activity Number: NSP3 Administration
Activity Title: Administration

Activity Type:

Administration

Project Number:

NSP3 - 04 - Admin

Projected Start Date:

03/09/2011

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)

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/09/2021

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 198,346.14

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 198,346.14

Benefit Report Type:

NA

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Surprise2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Surprise2

Organization Type

Local Government

Proposed Budget

\$ 198,346.14



Location Description:

Administrative Office for the NSP 3 funding:

- City of Surprise, Community and Economic Development
- 16000 N. Civic Center Plaza
- Surprise, AZ 85374

Activity Description:

NSP funds will be used to pay reasonable program administration costs related to the planning and execution of the activities listed previously. This includes costs related to staffing for overall program management, coordination, monitoring, reporting, and direct and indirect charges.

In 2017 a PI transfer was requested and approved but later denied by HUD. A copy of the approval letter was uploaded to the action plan.

Environmental Assessment: EXEMPT

Environmental None

Project # / NSP3 - 05 - 25% / New Construction 25%

Grantee Activity Number: NSP - 05 - 25%
Activity Title: New Construction 25%

Activity Type:

Construction of new housing

Project Number:

NSP3 - 05 - 25%

Projected Start Date:

10/19/2018

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:

New Construction 25%

Projected End Date:

06/30/2021

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 709,969.75

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 709,969.75

Benefit Report Type:



Direct (Households)

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

Proposed Accomplishments	Total
# of Singlefamily Units	2
# of Housing Units	2

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Surprise2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Surprise2	Local Government	\$ 709,969.75

Location Description:

NSP3 Target Area
Bell Rd (North), Peoria Ave (South), Perryville Rd (West), Dysart Rd (East), Original Townsite, Kingswood Parke HOA

Activity Description:

Invest in new construction for affordable housing to buyers with incomes of less than 50% AMI.

Environmental Assessment:

Environmental None

Project # / NSP3 - 1A - 25% / Acquisition/Rehabilitation

Grantee Activity Number: NSP3 Acquisition/Rehab 25%
Activity Title: Acquisition/Rehabilitation

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP3 - 1A - 25%

Projected Start Date:

06/01/2011

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:

Acquisition/Rehabilitation

Projected End Date:

06/30/2021

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 120,000.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 120,000.00**Benefit Report Type:**

Direct (Households)

Proposed Beneficiaries

Owner Households

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

Proposed Accomplishments

of Singlefamily Units

of Housing Units

of Properties

Total

1

1

1

Activity is being carried out by

No

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

City of Surprise2

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

City of Surprise2

Organization Type

Local Government

Proposed Budget

\$ 120,000.00



Location Description:

NSP3 Target Area General Boundaries:

- Bell Road (North)
- Peoria Avenue (South)
- Perryville Road (West)
- Dysart Road (East)
- Original Townsite
- Kingswood Park HOA
- See Attached Map

Activity Description:

Surprise will purchase and/or rehabilitate (if necessary) a foreclosed and/or abandoned home to be subsequently sold to one (1) qualified buyer earning up to 50% AMI. Homes will be located within the identified target area and will be purchased at a minimum discount of 1% from appraised values per home. These homes will be sold at a price not to exceed the cost of acquisition, rehabilitation, and delivery of the homes, but purchase price will be listed at a maximum of appraised value.

Environmental Assessment: UNDERWAY

Environmental None

Activity Supporting Documents

Document NSP 3 Target Area Map.pdf

Action Plan Comments:

Reviewer - Approved Action Plan modification to reallocate PI.

Reviewer - 3/2/14 Marilee Hansen: AP approved with minor comments.

Action Plan History

Version	Date
B-11-MN-04-0506 AP#1	07/07/2011
B-11-MN-04-0506 AP#2	08/22/2012
B-11-MN-04-0506 AP#3	03/02/2014



B-11-MN-04-0506 AP#4	06/26/2014
B-11-MN-04-0506 AP#5	10/28/2014
B-11-MN-04-0506 AP#6	04/03/2015
B-11-MN-04-0506 AP#7	01/14/2016
B-11-MN-04-0506 AP#8	01/30/2018
B-11-MN-04-0506 AP#9	01/28/2019
B-11-MN-04-0506 AP#10	07/31/2019

