

Action Plan

Grantee: Tucson, AZ

Grant: B-11-MN-04-0507

LOCCS Authorized Amount:	\$ 2,083,771.00
Grant Award Amount:	\$ 2,083,771.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 800,000.00
Total Budget:	\$ 2,883,771.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

January 08, 2013: Substantial amendment approved by City of Tucson Mayor and Council (and forwarded and approved by HUD field office) to add the following census tracts, increasing the target area with the greatest need:

4019004104 AZ
4019002505 AZ
4019002506 AZ

How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- code enforcement efforts (within the department is a Code Enforcement Division)
- HOME dollars (proposals could be sought for rental or homeownership projects)
- Human services program funding (both CDBG and City funding)
- Home rehabilitation funding (federal funding sources)
- Historic preservation efforts (the City's Historic Preservation Office is within this department)
- Down payment assistance (federal sources)

The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson EI Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits



equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance and Redevelopment (1471). (2) and (18)"Blighted Area" and "Slum Area". The City of Tucson will not set aside any NSP 3 funding for demolition.

Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

Housing Rehabilitation/New Construction Standards:

The City of Tucson's NSP Rehabilitation Standards can be found at the following link: <http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>
In addition, the City will, at a minimum, meet the City's Bronze certification for green rehabilitation, which meets all HUD requirements. See link here to City of Tucson Residential Green Building Rating System: <http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

Vicinity Hiring:

The City of Tucson will follow the Section 3 regulations and the City's Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

Grantee Contact Information:

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520-837-5345

Joyce M. Alcantar
Project Coordinator
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310 N. Commerce Park Loop
Tucson, AZ 85745
520-837-5329

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
0001	Administration	9123	NSP3 Administration
0002	Acquisition/Rehab for Rental	9540	Acquisition Rehab for Rental
0003	Acquisition/Rehab for Resale	9541	Acquisition Rehab Resale
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / 0001 / Administration

Grantee Activity Number: 9123
Activity Title: NSP3 Administration

Activity Type:

Administration

Project Number:

0001

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:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 270,277.08

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 270,277.08

Benefit Report Type:

NA

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Tucson2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Tucson2

Organization Type

Local Government

Proposed Budget

\$ 270,277.08

Location Description:



Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

Environmental Assessment: EXEMPT

Environmental None

Project # / 0002 / Acquisition/Rehab for Rental

Grantee Activity Number: 9540
Activity Title: Acquisition Rehab for Rental

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 0002

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:
 Acquisition/Rehab for Rental

Projected End Date:
 03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 880,053.77

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 880,053.77

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	4	4		100.00

# of Households	4	4	100.00
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Proposed Accomplishments

	Total
# of Singlefamily Units	4
# of Housing Units	4
# of Properties	4

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Tucson - El Portal Rental Program, managed by The Advantage Real Estate and Investment Company (TAREIC)1

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Tucson - El Portal Rental Program, managed by The Advantage Real	Local Government	\$ 880,053.77

Location Description:

The target area that is proposed for the NSP 3 grant meets all three objectives – it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

- The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);
- The proximity to the University of Arizona.
- The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
- The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;
- The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City’s El Portal program for permanent rental

Environmental Assessment: UNDERWAY



Environmental

None

Project # / 0003 / Acquisition/Rehab for Resale

Grantee Activity Number: 9541
Activity Title: Acquisition Rehab Resale

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
0003

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/Rehab for Resale

Projected End Date:
03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,727,112.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,727,112.50

Benefit Report Type:
NA

Proposed Accomplishments

of Properties

Total

12



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Pima County Community Land Trust (PCCLT)5

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Pima County Community Land Trust (PCCLT)5	Non-Profit	\$ 1,727,112.50

Location Description:

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Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

Environmental Assessment: UNDERWAY

Environmental None



Action Plan Comments:

- Reviewer - AP approved. City amended Plan to add additional target areas.
- Reviewer - AP approved. City added census tracts, increasing the target area with the greatest need: 4019004104 AZ,4019002505 AZ,4019002506 AZ; approved substantial amendment 01182013.
- Reviewer - AP reviewed and approved; responsible organizations were updated.
- Reviewer - Action Plan not modified.
- Reviewer - 12/9/13 Marilee Hansen: Plan approved without review to allow grantee to submit past due QPR and then it will be resubmitted.
- Reviewer - 10/26/14 Marilee Hansen: AP approved with comments sent to grantee.
- Reviewer - AP approved without review to allow grantee to submit the next QPR.
- Reviewer - Approved. Grantee stated Action Plan was submitted in error and no changes were made.

Action Plan History

Version	Date
B-11-MN-04-0507 AP#1	05/11/2011
B-11-MN-04-0507 AP#2	07/26/2012
B-11-MN-04-0507 AP#3	02/06/2013
B-11-MN-04-0507 AP#4	02/13/2013
B-11-MN-04-0507 AP#5	02/13/2013
B-11-MN-04-0507 AP#6	02/14/2013
B-11-MN-04-0507 AP#7	12/09/2013
B-11-MN-04-0507 AP#8	10/27/2014
B-11-MN-04-0507 AP#9	10/14/2015
B-11-MN-04-0507 AP#10	01/27/2016
B-11-MN-04-0507 AP#11	07/19/2016
B-11-MN-04-0507 AP#12	10/05/2016
B-11-MN-04-0507 AP#13	08/05/2019



