

Grantee: Mesa, AZ

Grant: B-11-MN-04-0504

January 1, 2019 thru March 31, 2019 Performance Report

| | | |
|---|---|--|
| Grant Number: B-11-MN-04-0504 | Obligation Date: | Award Date: |
| Grantee Name: Mesa, AZ | Contract End Date: | Review by HUD: Reviewed and Approved |
| Grant Award Amount: \$4,019,457.00 | Grant Status: Active | QPR Contact: Raymond Thimesch |
| LOCCS Authorized Amount: \$4,019,457.00 | Estimated PI/RL Funds: \$4,500,000.00 | |
| Total Budget: \$8,519,457.00 | | |

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

There are many areas in the City that need the assistance that this program has to offer; however, these smaller areas are being targeted in order to make a notable impact to the neighborhood. A majority of the targeted areas are included in the designated CDBG Target Area identified in the City of Mesa's Annual Plan as well as the NSP1 Substantial Amendment. Many businesses and non-profit organizations have invested much time and resources into this area. Thus, the City wishes to build upon the ongoing efforts to revitalize and develop this significant and vital core of our City, which includes the downtown area. By re-establishing home owners to these neighborhoods that are close to the City's downtown area, it will help bring new patrons to existing downtown and surrounding businesses struggling in this current economy. The addition of new patrons will also spur new business opportunities to the downtown area. The targeted neighborhoods also have very close proximity to major bus routes, including the Metro Light Rail. The City of Mesa is currently working on extending the Metro Light Rail to Mesa Drive, and if possible, to Gilbert Road. These transportation means are vital to the ongoing stability of the neighborhoods. The existing twenty (20) mile Metro Light Rail has had a significant economic impact on the areas within a mile along its route by spurring \$5.9 billion in completed or planned private investment. All of the targeted neighborhoods will be within one mile of the proposed extension. The City of Mesa is currently working on the Mesa Central Main Plan, which focuses on the development along the Metro Light Rail from Extension Road to beyond Gilbert Road. More information can be found at: http://www.mesaaz.gov/bettermesa/downtown_focus/cmsplan.aspx The targeted neighborhood in census tract 04013422102 is across the street (Broadway Road) from a proposed 291,000 square foot Crescent Crowns Beverage Distribution Center, a business that is expected to bring up to four hundred (400) jobs to the area with an average salary of \$48,500.00. In partnership with Maricopa County Workforce Development, a \$100,000.00 Workforce Training Grant is also being provided to this business. In addition, this neighborhood is in close proximity to several major retail centers, including Fiesta Mall and Mekong Plaza. The city expects to purchase, rehabilitate, and resell six (6) or more vacant homes in the neighborhood located in census tract 04013422102. An additional six (6) vacant homes and eighteen (18) vacant rental units will be purchased and rehabilitated in the remaining identified census tracts, building upon the momentum achieved under CDBG, NSP1, and the local business and non-profit investment. Mesa will limit the distribution and use of NSP3 funds to those census tracts and block groups shown in the activities below that have been identified as areas of greatest need within the City of Mesa. In accordance with Section 2301(c)(2) of HERA, as amended by the recovery act and the Dodd-Frank Act, those areas have been targeted because they have the highest percentage of foreclosures, the highest percentage of homes with a high cost mortgage, and are likely to face a significant rise in the rate of home foreclosures. Mesa will engage in the following activities within the outlined census tracts as part of its NSP3 activities: Acquire and rehabilitate hom

Summary of Distribution and Uses of NSP Funds:

es and residential properties that are vacant and have been abandoned or foreclosed upon in order to sell, rent, or redevelop such homes and properties Provide Down Payment Assistance and Housing Counseling Mesa will further attempt to focus the majority of its efforts within the above census tracts by targeting contiguous areas through the expertise of the City of Mesa Planning Department. To accomplish the activity of homebuyer counseling and the management of rental properties, the City of Mesa

How Fund Use Addresses Market Conditions:

For the purpose of the Neighborhood Stabilization Program (NSP3), the City of Mesa has identified the following census tracts and block groups as defining its "area of greatest need" based upon the high percentage of foreclosures, the highest percentage of homes with high cost mortgages, and those likely to face a significant rise in the rate of home foreclosures. Utilizing the HUD provided dataset, Mesa focused on census tracts and block groups with a foreclosure abandonment risk score of twenty (20) (with 20 being the highest score possible), a foreclosure rate of twenty (20%) percent or higher, and



those with a high cost mortgage greater than, or equal to, thirty (30%) percent. In addition, according to the data from NCST, several of these census tracts have a high vacancy rate and mortgage delinquency rate. Therefore, the area of greatest need for Mesa's Neighborhood Stabilization Program (NSP3) includes the following census tracts and block groups: Census Tract # Block Groups #

| Foreclosure/ Abandonment Risk Score | Census Tract # | Percentage of Homes 90+ Days Delinquent of in Foreclosure | Foreclosure Starts in Past Year | Percentage of Homes with High Cost Mortgage | Block Groups # |
|---|----------------|--|------------------------------------|--|----------------|
| 04013422102 | 1,2,3 | 20 | 24.0% | | 33 |
| 04013421502 | 1,2 | 20 | 21.3% | | 46.2% |

How Fund Use Addresses Market Conditions:

; 63 37.7% 04013421601 1,2

Procedures for Preferences for Affordable Rental Dev.:

Total low-income set-aside percentage must be no less than twenty-five (25%) percent.
 Total funds set aside for low-income individuals = \$1,004,865.00
 The estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed fifty (50%) percent of area median income: \$1,004,865.00.
 This amount will be made available through the Acquisition/Rehabilitation/Rental program for individuals or families at or below fifty (50%) percent of area median income. NSP3 will work closely with the Section 8 program to ensure compliance with this regulation.
 These funds will help to improve and increase the city's need of rental property for households earning at or below fifty (50%) percent of the area median income as identified in the City of Mesa Consolidated Plan, FY 2010-2014, Section 91.215(b) as well as meet HUD's requirement for the use of twenty-five (25%) of the funds for individuals or households, whose income is fifty (50%) percent or below the area median income.

Ensuring Continued Affordability:

The City of Mesa will ensure continued affordability for NSP3 assisted housing by long-term monitoring. As outlined in all funding contracts and Declaration of Covenants, Conditions, and Restrictions (CC&Rs), rental property owners/managers are required to maintain complete files to comply with program reporting requirements and to make their records available to authorized agents of the local and federal government. Desk reviews and on-site monitoring will provide an on-going assessment to assure the rental units assisted with NSP3 funds are being utilized in accordance with all laws, regulations, and policies that govern the program. City of Mesa staff will be responsible for reviewing information from property owners/managers as it relates to laws, regulations, and policies.
 Throughout the compliance period, property owners/managers must complete and submit an Annual compliance Report. The report will update staff on the status of the NSP3 assisted units and property. Staff will schedule on-site monitoring visits annually.
 The length of the compliance period is determined by the amount of NSP3 funds invested per unit in the project. The compliance period, also known as the affordability period, is determined at the time of the initial commitment. The length of the compliance period is also outlined in the legal documentation filed on the property.

| Activity | NSP Per Unit Investment | Minimum Affordability Period |
|-----------------------------|-------------------------|------------------------------|
| Acq./Rehab (Home Ownership) | Regardless of Amount | Fifteen (15) Years |
| Acq./Rehab (Rental) | Regardless of Amount | Twenty (20) Years |

The on-site monitoring visits will be to determine compliance with tenant income eligibility requirements, maximum allowable rental rates, physical property standards, and affirmative fair marketing laws.

Definition of Blighted Structure:

Unightly conditions including the accumulation of litter or debris; buildings or structures exhibiting holes, breaks, rot, crumbling, cracking, peeling, or rusting; landscaping that exhibits uncontrolled growth, lack of maintenance, damage, or is dead or decayed; and any similar conditions of disrepair and deterioration regardless of the condition of other properties in the vicinity or neighborhood.

Definition of Affordable Rents:

Rents that follow the maximum HOME rent limits. The maximum HOME rents are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 88.8.111; or
2. A rent that does not exceed thirty (30%) percent of the adjusted income of a family whose annual income equals sixty-five (65%) 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. Initial rent schedule and utility allowances. The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (1) or (2) of this section. For all units subject to the maximum rent limitations in paragraphs (1) or (2) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

Housing Rehabilitation/New Construction Standards:

Standards for NSP3 assisted activities will be held to the City of Mesa Housing Rehabilitation Program standards. The Housing rehabilitation Program standards look at the general conditions, workmanship standards and materials standards.
 All materials used shall be new, of good quality, and meet all applicable standards. Existing custom made items such as, but not limited to, kitchen cabinets, vanities, fixtures, built-ins, and all other custom items, will be replaced with stock items. All items will either be replaced or repaired as determined by the City of Mesa Rehabilitation staff. All plumbing fixtures shall be replaced with water saving models.
 All workmanship shall meet the minimum standards set forth in the City of Mesa Housing Rehabilitation Program rehabilitation standards guidelines, with priority given to the following: Gas lines and gas appliances to eliminate safety hazards; electrical system and hazards; heating and cooling systems; plumbing leaks, faulty fixtures and/or related items; roofing; lead based paint abatement; termite control; windows and doors; attic insulation; and other safety and health hazards, as determined by the City of Mesa Rehabilitation staff.
 All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three (3) stories must be designed to meet the standard for Energy Star Qualified New Homes.
 All gut rehabilitation or new construction of mid-or high-rise multifamily housing must be designed to meet American society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus twenty (20%)

percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed. There relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires). The complete City of Mesa Housing Rehabilitation Standards guidelines can be found on our website at <http://www.mesaaz.gov/housing/Rehab.aspx>.

Vicinity Hiring:

With the help of the City's Economic Development Department, the city will reach out to small businesses in the "vicinity" of the targeted areas to acquire services needed for the implementation of the program. The city will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. We will work closely with these businesses to reach out to the local workforce as their need for additional employees arises.

Grantee Contact Information:

- City of Mesa, Housing and Community Development, 20 East Main Street, Suite 250, Mesa, Arizona 85211-1466
- Mr. Raymond Thimesch, NSP Development Project Coordinator, ray.thimesch@mesaaz.gov

| Overall | This Report Period | To Date |
|--|--------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$7,518,457.00 |
| Total Budget | \$0.00 | \$7,518,457.00 |
| Total Obligated | \$0.00 | \$7,224,457.00 |
| Total Funds Drawdown | \$0.00 | \$6,277,877.82 |
| Program Funds Drawdown | \$0.00 | \$4,003,613.70 |
| Program Income Drawdown | \$0.00 | \$2,274,264.12 |
| Program Income Received | \$0.00 | \$2,634,550.95 |
| Total Funds Expended | \$12,820.53 | \$6,316,808.94 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Target | Actual |
|---|----------------|----------------|
| Overall Benefit Percentage (Projected) | | 0.00% |
| Overall Benefit Percentage (Actual) | | 0.00% |
| Minimum Non-Federal Match | \$0.00 | \$0.00 |
| Limit on Public Services | \$602,918.55 | \$0.00 |
| Limit on Admin/Planning | \$401,945.70 | \$428,606.81 |
| Limit on Admin | \$0.00 | \$428,606.81 |
| Most Impacted and Distressed Threshold (Projected) | \$0.00 | \$0.00 |
| Progress towards LH25 Requirement | \$2,129,864.25 | \$1,222,647.75 |

Overall Progress Narrative:

The City has the last property for sale and is working on the close out of the grant. The City continues to work with HUD on the property transfer of the two rental properties.



Project Summary

Project #, Project Title

| Project #, Project Title | This Report | To Date | |
|--------------------------|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| ADMIN1, Administration | \$0.00 | \$499,255.00 | \$140,307.52 |
| HO1, Home Ownership | \$0.00 | \$6,219,457.00 | \$3,336,947.81 |
| RH1, Rental Housing | \$0.00 | \$800,745.00 | \$526,358.37 |



Activities

Project # / ADMIN1 / Administration

Grantee Activity Number: B-11-MN-04-0504-004
Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

ADMIN1

Project Title:

Administration

Projected Start Date:

03/14/2011

Projected End Date:

07/31/2019

Benefit Type:

()

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Mesa, Arizona

| Overall | Jan 1 thru Mar 31, 2019 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$499,255.00 |
| Total Budget | \$0.00 | \$499,255.00 |
| Total Obligated | \$0.00 | \$499,255.00 |
| Total Funds Drawdown | \$0.00 | \$428,606.81 |
| Program Funds Drawdown | \$0.00 | \$140,307.52 |
| Program Income Drawdown | \$0.00 | \$288,299.29 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$11,966.17 | \$448,970.00 |
| City of Mesa, Arizona | \$11,966.17 | \$448,970.00 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

Administration cost to administer the NSP3 program and ensure compliance with regulations will be ten (10%) percent of the total allocated amount.

Location Description:

2/18/2014 - In November 2012, the City of Mesa expanded the area of greatest need to include the following census tracts: 4212.01, 4212.02, 4211.01, 4211.02, 4213.01, 4213.02, 4214, 4205.01, 4205.02, 4209.01, 4209.02, 4208, 4221.03, 4221.04, 4221.05, 4221.06, 4221.07, 4220.01, 4220.02, 4215.01, 4219.01, 4218.01, 4222.05, 4222.03, 4223.01, 4223.02, 4222.13, 4222.15, and 4222.17

For the purpose of the Neighborhood Stabilization Program 3 (NSP3), the City of Mesa will focus its efforts it the following census tracts and block groups:

- Census tract 04013422102; Block Groups 1,2 & 3.
- Census tract 04013421502; Block Groups 1 & 2.
- Census tract 04013421601; Block Groups 1 & 2.



- Census tract 04013421602; Block Groups 1 & 2.
- Census tract 04013421802; Block Groups 1 & 2.
- Census tract 04013421902; Block Groups 1 & 2.

Activity Progress Narrative:

The City continually works toward the close out of the grant. The last house is for sale and applications are still being accepted and processed.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Project # / HO1 / Home Ownership

| | |
|---------------------------------|--|
| Grantee Activity Number: | B-11-MN-04-0504-003 |
| Activity Title: | Acquisition/Rehabilitation - Home Ownership |

Activity Category:
Rehabilitation/reconstruction of residential structures

Project Number:
HO1

Projected Start Date:
03/14/2011

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Under Way

Project Title:
Home Ownership

Projected End Date:
07/31/2019

Completed Activity Actual End Date:

Responsible Organization:
City of Mesa, Arizona

| Overall | Jan 1 thru Mar 31, 2019 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$5,243,457.00 |
| Total Budget | \$0.00 | \$5,243,457.00 |
| Total Obligated | \$0.00 | \$4,949,457.00 |
| Total Funds Drawdown | \$0.00 | \$4,626,623.26 |



| | | |
|--|----------|----------------|
| Program Funds Drawdown | \$0.00 | \$2,908,504.88 |
| Program Income Drawdown | \$0.00 | \$1,718,118.38 |
| Program Income Received | \$0.00 | \$2,559,215.76 |
| Total Funds Expended | \$116.00 | \$4,642,722.37 |
| City of Mesa, Arizona | \$116.00 | \$4,642,722.37 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

The Acquisition Rehabilitation - Home Ownership activity will focus strategically on neighborhoods with a high percentage of foreclosed or abandoned residential properties within the targeted census tracts. Properties will be acquired at a minimum of one percent (1%) below appraised value. The City of Mesa will acquire, rehabilitate, and resale the properties at fair market value in order to arrest the decline in home values and eliminate and reduce the inventory of vacant and abandoned residential properties in the area. The long term goal is to increase sales and median market values of residential and real estate property in the targeted neighborhood. The activity will partner with counseling agencies to provide the minimum eight (8) hours of homebuyer counseling and down payment assistance when necessary to complete the sales transactions. This activity will benefit individuals and households up to and including one hundred twenty (120%) percent of area median income. This activity will adhere to the affordability period as outlined in this Amendment to the Action Plan. The affordability period for all home owners shall be fifteen (15) years as established by legal documentation filed on the property.

Duration or term of assistance: The duration for the rental activity could extend for an indefinite period of time; at a minimum occurring until March, 14, 2014.

Tenure of Beneficiaries: The tenure of benefits for NSP participants (renters) will be based upon the activity, at a minimum until March 14, 2014.

Commencement of the acquisition/rehab activity will commence upon notification from HUD of availability of NSP3 funds. However, the identification of potential properties has already begun. It is expected that properties will be acquired and the rehabilitation will be in progress by July 1, 2011.

With the help of the City's Economic Development Department, the City will reach out to small businesses in the "vicinity" of the targeted areas to acquire services needed for the implementation of the program. The City will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. We will work closely with these businesses to reach out to the local workforce as their need for additional employees arises. The City will do this through advertisements in newspapers and flyers in the mail.

Performance measures:

- Twelve (12) vacant homes to be acquired and rehabilitated for home ownership. 12 homes X \$150,416.00 (Acquisition & Rehabilitation costs) = \$1,805,000.00
- Down payment assistance = \$165,000.00
- Housing counseling = \$48,547.00

Location Description:

2/18/2014 - In November 2012, the City of Mesa expanded the area of greatest need to include the following census tracts: 4212.01, 4212.02, 4211.01, 4211.02, 4213.01, 4213.02, 4214, 4205.01, 4205.02, 4209.01, 4209.02, 4208, 4221.03, 4221.04, 4221.05, 4221.06, 4221.07, 4220.01, 4220.02, 4215.01, 4219.01, 4218.01, 4222.05, 4222.03, 4223.01, 4223.02, 4222.13, 4222.15, and 4222.17

For the purpose of the Neighborhood Stabilization Program 3 (NSP3), the City of Mesa will focus its efforts in the following census tracts and block groups:

- Census tract 04013422102; Block Groups 1,2 & 3.
- Census tract 04013421502; Block Groups 1 & 2.
- Census tract 04013421601; Block Groups 1 & 2.
- Census tract 04013421602; Block Groups 1 & 2.
- Census tract 04013421802; Block Groups 1 & 2.
- Census tract 04013421902; Block Groups 1 & 2.

Activity Progress Narrative:

The last house is for sale and applications are being taken and processed.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 17/12 |



| | | |
|----------------------------------|---|-------|
| #Energy Star Replacement | 0 | 17/12 |
| #Additional Attic/Roof | 0 | 17/12 |
| #High efficiency heating plants | 0 | 17/12 |
| #Efficient AC added/replaced | 0 | 17/12 |
| #Replaced thermostats | 0 | 17/12 |
| #Replaced hot water heaters | 0 | 17/12 |
| #Light Fixtures (indoors) | 0 | 17/12 |
| #Light fixtures (outdoors) | 0 | 17/12 |
| #Refrigerators replaced | 0 | 17/12 |
| #Clothes washers replaced | 0 | 0/12 |
| #Dishwashers replaced | 0 | 17/12 |
| #Units with solar panels | 0 | 0/0 |
| #Low flow toilets | 0 | 17/12 |
| #Low flow showerheads | 0 | 17/12 |
| #Units with bus/rail access | 0 | 17/12 |
| #Units exceeding Energy Star | 0 | 17/0 |
| #Sites re-used | 0 | 17/12 |
| #Units deconstructed | 0 | 0/0 |
| #Units & other green | 0 | 17/12 |
| Activity funds eligible for DREF | 0 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 17/12 |
| # of Singlefamily Units | 0 | 17/12 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|------|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 0/0 | 5/12 | 17/12 | 29.41 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 5/12 | 17/12 | 29.41 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |



| | |
|---------------------------------|--|
| Grantee Activity Number: | B-11-MN-04-0504-005 |
| Activity Title: | Acquisition/Rehab - 25% Set-Aside Homeownership |

Activity Category:
Rehabilitation/reconstruction of residential structures

Project Number:
HO1

Projected Start Date:
03/14/2011

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LH - 25% Set-Aside

Activity Status:
Under Way

Project Title:
Home Ownership

Projected End Date:
07/31/2019

Completed Activity Actual End Date:

Responsible Organization:
City of Mesa, Arizona

| Overall | Jan 1 thru Mar 31, 2019 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$975,000.00 |
| Total Budget | \$0.00 | \$975,000.00 |
| Total Obligated | \$0.00 | \$975,000.00 |
| Total Funds Drawdown | \$0.00 | \$459,680.42 |
| Program Funds Drawdown | \$0.00 | \$428,442.93 |
| Program Income Drawdown | \$0.00 | \$31,237.49 |
| Program Income Received | \$0.00 | \$75,335.19 |
| Total Funds Expended | \$0.00 | \$459,680.42 |
| City of Mesa, Arizona | \$0.00 | \$459,680.42 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

The Acquisition Rehabilitation - Home Ownership activity will focus strategically on neighborhoods with a high percentage of foreclosed or abandoned residential properties within the targeted census tracts. Properties will be acquired at a minimum of one percent (1%) below appraised value. The City of Mesa will acquire, rehabilitate, and resale the properties at fair market value in order to arrest the decline in home values and eliminate and reduce the inventory of vacant and abandoned residential properties in the area. The long term goal is to increase sales and median market values of residential and real estate property in the targeted neighborhood. The activity will partner with counseling agencies to provide the minimum eight (8) hours of homebuyer counseling and down payment assistance when necessary to complete the sales transactions. This activity will benefit individuals and households up to and including one hundred twenty (120%) percent of area median income. This activity will adhere to the affordability period as outlined in this Amendment to the Action Plan. The affordability period for all home owners shall be fifteen (15) years as established by legal documentation filed on the property.

Duration or term of assistance: The duration for the rental activity could extend for an indefinite period of time; at a minimum occurring until March, 14, 2014.

Tenure of Beneficiaries: The tenure of benefits for NSP participants (renters) will be based upon the activity, at a minimum until March 14, 2014.

Commencement of the acquisition/rehab activity will commence upon notification from HUD of availability of NSP3 funds. However, the identification of potential properties has already begun. It is expected that properties will be acquired and the rehabilitation will be in progress by July 1, 2011.

With the help of the City's Economic Development Department, the City will reach out to small businesses in the "vicinity" of the targeted areas to acquire services needed for the implementation of the program. The City



will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. We will work closely with these businesses to reach out to the local workforce as their need for additional employees arises. The City will do this through advertisements in newspapers and flyers in the mail.

Performance measures:

- Three (3) vacant homes to be acquired and rehabilitated for home ownership. Three homes X \$123,000.00 (Acquisition & Rehabilitation costs) = \$369,000.00

Location Description:

2/18/2014 - In November 2012, the City of Mesa expanded the area of greatest need to include the following census tracts: 4212.01, 4212.02, 4211.01, 4211.02, 4213.01, 4213.02, 4214, 4205.01, 4205.02, 4209.01, 4209.02, 4208, 4221.03, 4221.04, 4221.05, 4221.06, 4221.07, 4220.01, 4220.02, 4215.01, 4219.01, 4218.01, 4222.05, 4222.03, 4223.01, 4223.02, 4222.13, 4222.15, and 4222.17

For the purpose of the Neighborhood Stabilization Program 3 (NSP3), the City of Mesa will focus its efforts it the following census tracts and block groups:

- Census tract 04013422102; Block Groups 1,2 & 3.
- Census tract 04013421502; Block Groups 1 & 2.
- Census tract 04013421601; Block Groups 1 & 2.
- Census tract 04013421602; Block Groups 1 & 2.
- Census tract 04013421802; Block Groups 1 & 2.
- Census tract 04013421902; Block Groups 1 & 2.

Activity Progress Narrative:

There is no additional activity to report this quarter.

Accomplishments Performance Measures

| | This Report Period Total | Cumulative Actual Total / Expected Total |
|----------------------------------|-----------------------------|---|
| # of Properties | 0 | 5/3 |
| #Energy Star Replacement | 0 | 5/3 |
| #Additional Attic/Roof | 0 | 5/3 |
| #High efficiency heating plants | 0 | 5/3 |
| #Efficient AC added/replaced | 0 | 5/3 |
| #Replaced thermostats | 0 | 5/3 |
| #Replaced hot water heaters | 0 | 5/3 |
| #Light Fixtures (Indoors) | 0 | 5/3 |
| #Light fixtures (outdoors) | 0 | 5/3 |
| #Refrigerators replaced | 0 | 5/3 |
| #Clothes washers replaced | 0 | 0/0 |
| #Dishwashers replaced | 0 | 5/3 |
| #Units with solar panels | 0 | 0/0 |
| #Low flow toilets | 0 | 5/3 |
| #Low flow showerheads | 0 | 5/3 |
| #Units with bus/rail access | 0 | 5/3 |
| #Units exceeding Energy Star | 0 | 5/0 |
| #Sites re-used | 0 | 5/3 |
| #Units deconstructed | 0 | 0/0 |
| #Units w/ other green | 0 | 5/3 |
| Activity funds eligible for DREF | 0 | 0/0 |
| # ELI Households (0-30% AMI) | 0 | 0/0 |
| # of Substantially Rehabilitated | 0 | 5/3 |

| | This Report Period Total | Cumulative Actual Total / Expected Total |
|-------------------------|-----------------------------|---|
| # of Housing Units | 0 | 5/3 |
| # of Singlefamily Units | 0 | 5/3 |



Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 5/3 | 0/0 | 5/3 | 100.00 |
| # Owner Households | 0 | 0 | 0 | 5/3 | 0/0 | 5/3 | 100.00 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Project # / RH1 / Rental Housing

| | |
|---------------------------------|--|
| Grantee Activity Number: | B-11-MN-04-0504-001 |
| Activity Title: | Acquisition/Rehabilitation - Rental-25% Set Aside |

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

RH1

Projected Start Date:

03/14/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Rental Housing

Projected End Date:

07/31/2019

Completed Activity Actual End Date:

Responsible Organization:

City of Mesa, Arizona

Overall

| | Jan 1 thru Mar 31, 2019 | To Date |
|---|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$800,745.00 |
| Total Budget | \$0.00 | \$800,745.00 |
| Total Obligated | \$0.00 | \$800,745.00 |
| Total Funds Drawdown | \$0.00 | \$762,967.33 |
| Program Funds Drawdown | \$0.00 | \$526,358.37 |
| Program Income Drawdown | \$0.00 | \$236,608.96 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$738.36 | \$765,436.15 |



| | | |
|--|----------|--------------|
| City of Mesa, Arizona | \$738.36 | \$765,436.15 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

2/18/2014 - This activity will include a group home where tenants will have an individual lease for a minimum of a one year for the room they rent. Tenants will have shared access to all common areas of the house.

The Acquisition Rehabilitation - Rental activity will focus strategically on neighborhoods with a high percentage of foreclosed or abandoned residential properties within the targeted census tracts. Properties will be acquired at a minimum of one percent (1%) below appraised value. The City of Mesa will acquire, rehabilitate, and lease the properties to local non-profits in order to reduce and eliminate vacant and abandoned residential properties in the area. The non-profits will manage and maintain the properties according to the affordability and maintenance standards set by the City of Mesa. From the rents, reserve funds will be established for future maintenance and rehabilitation of the properties, thus establishing self-sufficiency in their operation of the properties. Because not all families will qualify for homeownership, this activity will be cause for a high rate of neighborhood stabilization for long term tenants. The acquisition/rehabilitation activity for rentals will be used to meet the low income housing requirements for those at or below fifty (50%) percent of area median income as well as increase and improve housing for these households as identified in the city of Mesa Consolidated Plan. The acquisition/rehabilitation activity for rentals will serve as workforce housing for individuals and families striving to one day become homeowners. The rentals will also be incorporated with other housing to provide mixed income housing to the area. This activity will adhere to the affordability period as outlined in this Amendment to the Action Plan. At a minimum, affordable rents shall be established for twenty (20) years as established by legal documentation filed on the property.

Duration or term of assistance: The duration for the rental activity could extend for an indefinite period of time; at a minimum occurring until March, 14, 2014.

Tenure of Beneficiaries: The tenure of benefits for NSP participants (renters) will be based upon the activity, at a minimum until March 14, 2014.

Commencement of the acquisition/rehab activity will commence upon notification from HUD of availability of NSP3 funds.

However, the identification of potential properties has already begun. It is expected that properties will be acquired and the rehabilitation will be in progress by July 1, 2011.

To meet the requirement to benefit households, whose income is at fifty (50%) percent or less of area median income, the City of Mesa expects to make available a minimum of twelve (12) rental units for households whose income does not exceed fifty (50%) percent of less of area median income with the \$1,004,865.00 in NSP3 funds.

With the help of the City's Economic Development Department, the City will reach out to small businesses in the "vicinity" of the targeted areas to acquire services needed for the implementation of the program. The City will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. We will work closely with these businesses to reach out to the local workforce as their need for additional employees arises. The City will do this through advertisements in newspapers and flyers in the mail.

Performance measures:

- Twelve (12) vacant units to be acquired and rehabilitated for households at or below 50% of area median income.
- Two (2) of the twelve (12) units will be ADA compliant.

Location Description:

2/18/2014 - In November 2012, the City of Mesa expanded the area of greatest need to include the following census tracts: 4212.01, 4212.02, 4211.01, 4211.02, 4213.01, 4213.02, 4214, 4205.01, 4205.02, 4209.01, 4209.02, 4208, 4221.03, 4221.04, 4221.05, 4221.06, 4221.07, 4220.01, 4220.02, 4215.01, 4219.01, 4218.01, 4222.05, 4222.03, 4223.01, 4223.02, 4222.13, 4222.15, and 4222.17

For the purpose of the Neighborhood Stabilization Program 3 (NSP3), the City of Mesa will focus its efforts it the following census tracts and block groups:

- Census tract 04013422102; Block Groups 1,2 & 3.
- Census tract 04013421502; Block Groups 1 & 2.
- Census tract 04013421601; Block Groups 1 & 2.
- Census tract 04013421602; Block Groups 1 & 2.
- Census tract 04013421802; Block Groups 1 & 2.
- Census tract 04013421902; Block Groups 1 & 2.

Activity Progress Narrative:

The City is continuing the process for the property transfer of the last two rental properties.

Accomplishments Performance Measures

No Accomplishments Performance Measures



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

