

Agenda Item 8

Action Plan 2009-2010 Substantial Amendment



Executive Summary

The purpose of the Annual Action Plan is to update the 5-Year Consolidated Plan and to provide the City with a basis for assessment through the Consolidated Annual Performance and Evaluation Report (CAPER). This is a Substantial Amendment to the City of Tempe's 2009/2010 Annual Action Plan and describes the activities it will undertake utilizing 2009/2010 HOME funds.

The City of Tempe is a participating jurisdiction that receives HOME entitlement funds through the Maricopa County HOME Consortium. Maricopa County serves as the lead agency for the HOME program administration for the Consortium member Cities of Avondale, Chandler, Glendale, Peoria, Scottsdale, Surprise, Tempe, the Town of Gilbert, and Maricopa County. The funds assist the City in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of affordable rental and homeownership housing units for low and moderate-income households. These funds have also leveraged other public and private funds to help make new projects feasible. Tempe received \$507,766 in HOME funds for FY2009.

Consortium Members	HOME Allocation
Avondale	\$ 157,654
Chandler	\$ 442,376
Gilbert	\$ 220,566
Glendale	\$ 702,019
Maricopa County Grant Administration	\$ 657,161
Set-aside	
Peoria	\$ 210,974
Scottsdale	\$ 367,612
Surprise	\$ 117,091
Tempe	\$ 507,766
CHDO Allocation*	\$ 642,568

- 15% of total allocation must be allocated to CHDOs. CHDO funds can be allocated anywhere in the Consortium service area

On May 9, 2009, the Tempe City Council approved the adoption of a resolution to approve the Community Development Block Grant (CDBG) and HOME Program Action Plan for Fiscal Year 2009-2010. The approved activities were as follows:

FY 2009-2010 Proposed Activities					
Activity	CDBG	HOME	HOME Match	Program Income	Section 8
Housing Rehabilitation:					
1. Owner Occupied and Rental		\$225,515		\$25,000	
2. Emergency Owner Occupied	\$525,000				
Affordable Housing:					
1. Site Acquisition	\$200,000				
2. 1 st Time Homebuyer	\$25,000	\$225,516		\$25,000	
3. Homebuyer Education	\$10,000				
4. CHDO Operating		\$25,000			
Public Services:					
Central Arizona Shelter Services	\$75,000				
Homeless Coordinator	\$61,771				
Homeward Bound	\$5,000				
HomeBase Youth Services	\$5,000				
A New Leaf-La Mesita Shelter	\$46,000				
Catholic Charities-My Sisters Place	\$5,775				
Catholic Charities-Pathways Transitional Housing	\$6,300				
Tempe Community Action Agency	\$34,059				
Total Public Services (15%)	\$238,905				
Acquisition:	\$125,000				
Redevelopment-Includes 25k in Reprogrammed 07/08 Relocation Funds					
Demolition-Reprogrammed 07/08 Relocation Funds	\$25,000				
Lead Paint Testing/Abatement	\$100,000				
Historic Preservation-Residential Rehab	\$50,000				
Historic Preservation-Non Residential-Reprogrammed 07/08 Relocation Funds	\$25,000				
Administration	\$323,630	\$31,735			
Contingency	\$45,619				
Section 8 Rental Assist.					\$8,660,008
Section FSS Grants					\$129,817
TOTALS (non inclusive of available carryover funds):	\$1,618,154	\$507,766	\$119,008	\$50,000	\$8,789,825

The City of Tempe hereby proposes to substantially amend the approved Community Development Block Grant (CDBG) and HOME Program Action Plan for Fiscal Year 2009-2010 and reallocate HOME funds as follows:

FY 2009-2010 Amended Activities					
Activity	CDBG	HOME	HOME Match	Program Income	Section 8
Housing Rehabilitation:		\$0			
1. Owner Occupied and Rental		(-\$225,515)*		\$25,000	
2. Emergency Owner Occupied	\$525,000				
Affordable Housing:					
3. Site Acquisition	\$200,000				
4. 1 st Time Homebuyer	\$25,000	\$226,031		\$25,000	
5. Homebuyer Education	\$10,000	(+\$515)*			
6. CHDO Operating		\$25,000			
7. New Construction Multifamily Rental		\$225,000			
		(+\$225,000)*			
Public Services:					
Central Arizona Shelter Services	\$75,000				
Homeless Coordinator	\$61,771				
Homeward Bound	\$5,000				
HomeBase Youth Services	\$5,000				
A New Leaf-La Mesita Shelter	\$46,000				
Catholic Charities-My Sisters Place	\$5,775				
Catholic Charities-Pathways Transitional Housing	\$6,300				
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Historic Preservation- Residential Rehab	\$50,000				
Historic Preservation- Non Residential- Reprogrammed 07/08	\$25,000				

Relocation Funds					
Administration	\$323,630	\$31,735			
Contingency	\$45,619				
Section 8 Rental Assist.					\$8,660,008
Section FSS Grants					\$129,817
TOTALS (non inclusive of available carryover funds):	\$1,618,154	\$507,766	\$119,008	\$50,000	\$8,789,825

* Indicates either a new funded activity or change in the funded amount of a previously approved activity.

The proposed funding priorities are consistent with the City's 2009/2010 CDBG and HOME program Action Plan. As stated in *Specific Housing Objectives* on page 32 of the Plan:

The City of Tempe is committed to the on-going goals of providing decent, safe, affordable housing and improving the quality of life for all residents. In its efforts to achieve this, the City of Tempe's top priorities and specific objectives in addition to resources are:

OBJECTIVE #1: Create and increase new affordable rental units that are targeted for extremely low, low and moderate-income families and individuals.

Analysis:

The City of Tempe supports the creation of new affordable rental units throughout the City. New affordable rental housing may be created through: new construction, the acquisition and conversion of non-residential structures to affordable housing, the acquisition and conversion of market-rate rental housing to affordable housing. Due to the high levels of public investment required for acquisition and development of new affordable units, nonprofit ownership is key a part of this strategy as is the use of long-term deed restrictions to ensure affordability.

Proposed New Construction Multifamily Rental Activity

The City of Tempe proposes utilizing \$225,000 in HOME funds to assist in creating a minimum of five (5) HOME assisted units in a new construction activity for low-income seniors. Total project investments from all sources are estimated to be \$10,132,559. This project is a 56-unit senior rental development in a single five-story building, with a mix of 40 1-bedroom units and 16 2-bedroom units. The 56 units have an affordability mix planned with 36% of units at 40% AMI (Area Median Income), 46% of units at 50% AMI and 18% of units at 60% AMI. Additionally the development will include parking, curb, gutter, underground utilities and all other features of a complete urban residential multi-family housing development. The project known as "Senior Housing at Farmer Arts District" is located on the east side of Farmers Avenue, between 6th and 7th Streets, in Tempe, Arizona.

The project will fully develop the site and access area infrastructure, including Tempe municipal approved sewer, water and area telephone,

electrical and gas. Site development will comply with The Americans with Disabilities Act. Landscaping appropriate to the area will be included, as will amenities such as outdoor common areas. All units will meet Tempe and Maricopa County building codes, which exceed HOME requirements of Minimum Housing Quality Standards (HQS) compliance and will meet the Uniform Physical Condition Standards (UPCS). The complete proposed activity is acquisition of vacant land, infrastructure development and new construction of residential housing.

Addressing the Need

Total Senior Population Age 55 and over in the City of Tempe indicates strong potential demand for good quality senior in the area. In fact, according to a market study conducted by Novogradac & Company dated March 12, 2010, the affordable senior housing demand in the Tempe submarket is 297 units at 40% of AMI, 370 units at 50% of AMI and 501 units at 60% of AMI.

Site Location

Positive attributes of the Subject site include its accessibility to highways, retail services, and a convenient location near major arterial streets. The site conforms to surrounding land usage, and the construction of the development will improve the Subject's neighborhood.

Citizen Participation

Citizen Participation Plan

The City of Tempe has a thorough and extensive community process that is employed for all projects. The City consistently seeks to include the input of Tempe residents in all phases and aspects of its Community Development initiatives, from the initial planning, to project and program implementation to the reporting and assessment of accomplishments. The effectiveness of this process is key in delivering the proper services and programs to the City's residents, while ensuring that the overall direction of the Community Development Department's work is consistent with residents' expectations and is responsive to neighborhood concerns. A more detailed assessment of this process is as follows:

Participation

The City encourages citizen participation in all stages of the planning process. From the drafting of the Consolidated Plan to the filing of the annual Performance Evaluation Report the City hosts Public Meetings, provides draft copies of the Plan before submission, accepts and incorporates citizen input and feedback, and holds special hearings whenever any substantial amendments are made. Notices soliciting public input are placed in the Arizona Republic, the local newspaper. In addition, a notice inviting input is placed on the City website: <http://www.tempe.gov/housing/>. Additional notices inviting public

comment and notice of the public hearing are also placed in the Community Development Department public lobby areas and the public is encouraged to submit written comments by e-mail and mail.

Public hearings are held during regularly scheduled City Council meetings. Meeting notices are posted in advance; on the Friday afternoon prior to a Thursday Council meeting. Council agendas are located in the City Clerk's office on the second floor of City Hall, the bulletin board outside of the City Council Chambers and on the internet at <http://www.tempe.gov/clerk>. Citizens are invited to submit comments in writing via the U.S. Mail, via e-mail or in person at the public hearing before the City Council.

Consistent with the Maricopa County HOME Consortium's and the City of Tempe's Citizen Participation Plan, a Public Hearing will be held on January 13, 2011 to invite the public to comment on this draft Substantial Amendment to the 2009/2010 Action Plan. This draft is also made available for a 30-day comment period.

Public Comments: Any public comments received will be incorporated into the final draft of the Substantial Amendment to the 2009/2010 Action Plan.

Efforts to Broaden Access to Information:

Public Notices

Notices included information on how to request special assistance for sight and/or hearing impaired persons at the public meetings. In addition, notices included information on who to contact for Spanish translation of the notice.

To reach a broader audience, notices of public hearing were posted on the City web site at: <http://www.tempe.gov/housing>. Notices were also published in the local newspaper, the *Arizona Republic* and in the public lobbies of the Community Development Department.

Public Hearings

Public hearings were held in conjunction with regularly scheduled City Council meetings. Meeting notices are posted approximately a week prior to the meeting. The agenda for the council meeting, which includes the public hearing information, are available from the City Clerk's office or from the City's web site at: <http://www.tempe.gov/clerk>.

The Tempe City Council meetings were broadcast live on the City's government access channel, Tempe Channel 11. In addition, the meetings were re-broadcasted on Channel 11 throughout the following week. Council meetings are also broadcast live on the internet at www.tempe.gov/tempe11/video.

All Council meetings were recorded on video and audio tape. Written minutes of the meeting are maintained by the City Clerk's Office for the permanent public record. The public may review these public

records at any time during normal City business hours. In addition, hard copies of the minutes may be obtained from the City Clerk. Videotapes of the Council meetings are available for purchase.

For sight and/or hearing impaired persons, requests for accessibility may be made 48 hours prior to the meeting.

Public Meetings

One public meeting was held.

Availability of Plan

The City has all Consolidated Plan, Annual Action Plan, Annual Action Plan Substantial Amendments and Consolidated Annual Reports available on its website in a manner convenient for on-line viewing, downloading and printing. Draft versions of all Plans are made available before they are submitted for citizens, public agencies and other interested parties to view and comment upon. Copies of final and draft Reports are available for no fee at the City's Housing office. Additionally, information that applies to these reports and the City's work in general is available. Requests for access to specific information must be made in advance and coordinated with City personnel.

The City's staff also makes themselves available to persons or interested parties who require technical assistance in understanding the Substantial Amendment, the preparation of comments and the preparation for requests of funding.

A draft 2009/2010 Action Plan Substantial Amendment was published and a notice of its availability was published in the Arizona Republic on November 15, 2010. Hard copies were made available at the Housing Services Division of the City of Tempe. Requests for copies could be made in person, by mail, e-mail or telephone. The draft was also published on the City's web site at www.tempe.gov/housing.

Citizens are invited to submit comments on the draft Plan via the U.S.Mail, e-mail or during the public hearing.

After the public hearing and approval by City Council, the 2009/2010 Action Plan Substantial Amendment will be published in final format. Hard copies will be made available from the Housing Services Division upon request. In addition, the approved Plan will be published on the City's web site at www.tempe.gov/housing.

Access to Meetings

City Council Chambers as well as all City offices are accessible to persons with disabilities. Reasonable accommodation may be requested 48 hours prior to a meeting for special circumstances.