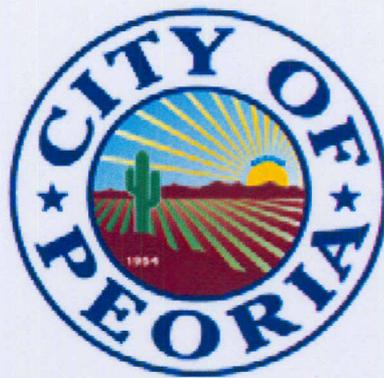


**City of Peoria, Arizona**

**Neighborhood Stabilization Program 3  
Substantial Amendment**



**Submitted to:  
The U.S. Department of Housing and Urban Development  
Office of Block Grant Assistance**

**February 28, 2011**

## 1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Carin Imig, Neighborhood & Revitalization Administrator
Email Address	Carin Imig [Carin.Imig@peoriaaz.gov]
Phone Number	623-773-7381
Mailing Address	City of Peoria Planning and Community Development, 8401 W. Monroe Street, Peoria, AZ 85345

## 2. Areas of Greatest Need

### Map Submission

Per HUD foreclosure needs data, the area bounded by Peoria Road on the north, Olive Avenue on the South, 67<sup>th</sup> Avenue on the east and 75<sup>th</sup> Avenue on the west comprises the City of Peoria NSP3 Target Area. This census tract (719.04) is the only one in the City of Peoria to contain the highest HUD foreclosure need score of 20. A map of this target and data generated by the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment and entitled 'Target Peoria.PDF'. The market feasibility of single family acquisition, rehabilitation and resale with financial support for households earning under 50% and 120% of the Area Median Income (AMI) appear quite viable as discussed later in this report.

### Data Sources Used to Determine Areas of Greatest Need

**Describe the data sources used to determine the areas of greatest need.**

Response:

The data sources used to establish the areas of greatest need include but are not limited to the following:

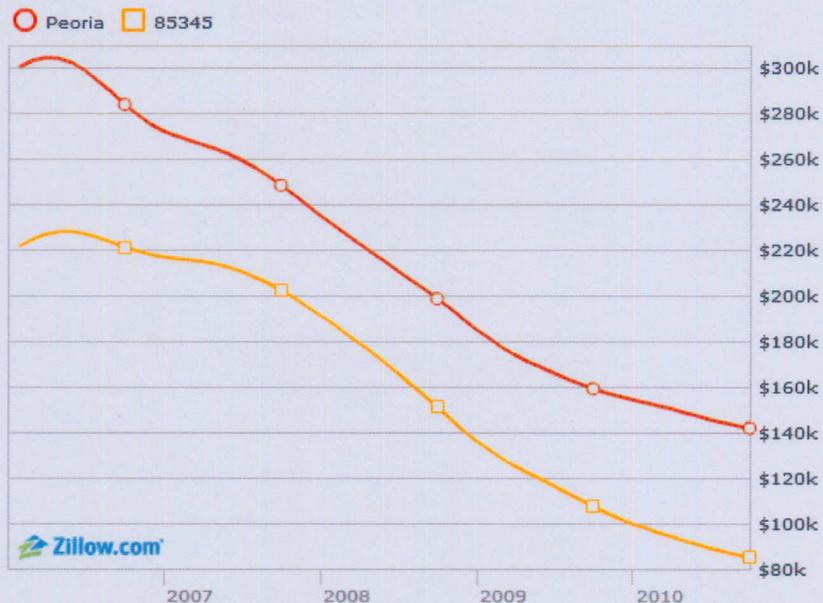
- Foreclosure data from RealtyTrac
- Sales activity from Zillow.com
- NSP3 Formula Allocations with supporting data
- NSP3 data generated by HUD for the specified Target Areas
- Information generated from PolicyMap.com
- Housing inventory and sales from the Arizona State University Real Estate Center
- 2000 US Census, 2009 American Community Survey
- Metropolitan market information from The Information Market
- Metropolitan market information from The Cromford Report
- Selected other sources



Residential foreclosure activity is high in the target geography and it is adversely affecting neighborhood residents and increasing distressed conditions. Of the estimated 1,940 mortgage originations occurring in the region from 2004 through 2007, approximately 38% were high cost (sub-prime). Approximately 20% of households in the target area were delinquent or and behind in their mortgage payments by 90 days or more accounting for 240 foreclosure starts and 156 REOs during the past year. Job loss, over-leveraged homeowners and severe property devaluation causing property owners to become 'under-water' (loan values exceed property values) continue to motivate foreclosure and property abandonment.

The high levels of foreclosure activity are causing the following key problems plaguing the targeted geography:

- 1) The Substantial Reduction In Neighborhood Property Values – Indicated in the chart below, home pricing in the target area has declined from a peak of \$220,000 In 2006 to \$80,000 currently. While this decline appears to be moderating, there is still a downward trend. These serious reductions in homeowner and landlord equity, aggravated by high levels of HELOC (home equity line of credit) and consumer debt, have often caused the debt on individual properties to exceed their fair market value. This has reinforced increased levels of foreclosure, poor property maintenance, code violations, abandonment and overall neighborhood instability; and,



- 2) Employment Issues – The targeted area is in the heart of the Phoenix Metropolitan Area and is readily accessible to all major freeway and bus transportation. Employment conditions plaguing the City of Peoria are similar to those adversely affecting most lower- and moderate- income neighborhoods throughout Maricopa County. Since 2007 the unemployment rate in the Phoenix Metro Area (Maricopa County) has doubled, rising from a seasonally adjusted rate of 3.4 % in January of 2007 to 8.9% presently. Employment in the services, goods producing and manufacturing sectors of the metropolitan area economy are all down from 5% to 35% from 2007, while construction employment is down almost 48%. The City of Peoria is exhibiting similar trends as the

entire metropolitan area, with their unemployment rate rising significantly since early 2007 and incurring similar losses in employment by sector. According to HUD, the unemployment rate in the target area has tripled since 2005, rising from 2.1% to 6.1% currently.

An over-leveraged consumer, predatory lending, high unemployment, major reductions in sales and property values and the exceptionally high incidence of foreclosure activity have served to undermine the neighborhood fabric in the target area.

#### Market Conditions and Demand Factors

While market absorption in the target area zip code region (85345), reflected by sales activity, has increased significantly from 2009, it has likely been stimulated by the availability of federal tax credits and significant reductions in purchase price. Based on statistics derived from the Cromford Report, a substantial portion of sales activity in 2009 and 2010 was drawn from Bank REOs.

	2005	2006	2007	2008	2009	2010	2006 - '10 Change
Sales	2,213	1,381	762	619	400	1,005	-55%
% Change From Prior Year		-38%	-45%	-19%	-35%	150%	
Average Sales/Mo.	184	115	64	52	67	84	-54%
Average Sales Price	\$188,000	\$220,000	\$205,000	\$152,200	\$98,100	\$80,000	n/a
% Change From Prior Year		17%	-7%	-26%	-36%	n/a	-57%

Source: Melissa Data, Inc, 2009, Zillow, 2010.

Currently, 1,192 bank owned properties are evident in the target area zip code of 85345 and 1,778 properties have had notices of trustee sale. These notices of trustee sale foreshadow sustained additions of foreclosures to the inventory. Trends occurring elsewhere in the nation are affecting the Phoenix metropolitan area and the targeted geography in Peoria. Foreclosures are likely to rise in the first half of the year in light of inventory held back last year to resolve industry discrepancies in the execution of the foreclosure process. Investors continue to invest in foreclosures throughout Arizona's urban areas and Peoria is no exception.

According to the Old Town Peoria Revitalization Plan adopted by the City Council in 2009, workers in the target geography were predominantly employed (64%) within four industries, all of which continue to experience significant job losses:

- ✓ Educational, health, and social services (20.8%)
- ✓ Retail Trade (19.4%)
- ✓ Construction (13.8%)
- ✓ Entertainment, accommodations, food services (10.0%)

The plan also notes the following characteristics of the Target Area:

- ✓ Estimated current median household income of \$55,099, about 15% less than \$65,900 for Peoria as a whole.

- ✓ By 2012 median income is projected to be \$57,398.
- ✓ The median age of residents is estimated at 31.5 years.

Drawn from the 2000 US Census, note the following characteristics of households in the target geography:

- ✓ Over 82% of all households were homeowners residing in predominantly detached single-family structures;
- ✓ Renters resided in both single-family detached homes and condo/townhomes & apartments.
- ✓ Female headed households with no spouse and children under 18 represented 7.5% of all households.
- ✓ About 6.5% of the population in 2000 fell under the poverty level.
- ✓ The median age of the housing inventory was 1985.
- ✓ Hispanics accounted for 21% of the regions population in 2000, and this is anticipated to have grown of consequence to date.

When the current estimated median family income of both Peoria (\$65,900) and target geography about (\$55,099) residents is compared to the median sales values of \$80,000, the Peoria NSP3 program appears well equipped to penetrate current and future market demand.

 2010 Maricopa County Percent Of The Median	Annual Income	Monthly Income Available For PITI	Taxes & Insurance	FHA MIP	Max. Income For Debt Service	Max. Debt At 5.0% Fixed FHA/30	Max. Home Purchase Price (FHA) At 5% Down	Net Max. Purchase Price Factoring Consumer Debt Burden 1/
120% Of The Area Median	\$79,920	\$1,998	\$150	\$75	\$1,773	\$325,000	\$342,105	\$256,579
100% Of The Area Median	\$66,600	\$1,665	\$150	\$75	\$1,440	\$265,000	\$278,947	\$209,211
80% Of The Area Median	\$53,280	\$1,332	\$150	\$50	\$1,132	\$210,000	\$221,053	\$165,789
50% Of The Area Median Income	\$33,300	\$833	\$150	\$50	\$633	\$115,000	\$121,053	\$90,789

1/ Purchase price reduction of 25%.

### 3. Definitions and Descriptions

#### Definitions

Term	Definition
Blighted Structure	Consistent with and in furtherance of Arizona Revised Statutes 36-1471, a blighted structure will be defined as real property which has been determined to have detrimental effects on the public health, safety, and/or general welfare. A blighted structure or dilapidated building is any real property structure that is in such disrepair or is damaged to the extent that its strength or stability is

	<p>substantially less than a new building or it is likely to burn or collapse and its condition endangers the life, health, safety, or property of the public. Dilapidated buildings shall include, but not be limited to, those buildings that meet any or all of the following criteria:</p> <ul style="list-style-type: none"> <li>a) The building or structure's interior walls or other vertical structural members, list, lean or buckle to such an extent that a plumb line passing through the center of gravity falls outside of the middle third of its base.</li> <li>b) The building or structure, exclusive of the foundation, has thirty-three percent or more damage or deterioration to the supporting member or member's structural assembly, or fifty-percent damage or deterioration to the non-supporting enclosing or outside walls or covering.</li> <li>c) The building or structure is infested by rodents, insects or other noxious pests, rendering it uninhabitable.</li> <li>d) The building or structure exhibits conditions that present actual hazards or dangers.</li> <li>e) The building or structure has been vacant and unsecured for more than forty-eight (48) hours, on more than one (1) occasion, during a previous twelve (12) month period.</li> <li>f) The building or structure or their contents represents an imminent health or fire hazard.</li> </ul>
Affordable Rents	<p>The City of Peoria will comply with HOME rent limits as described in 24CFR 92.252. (a), (c), (e) and (f) in accordance with the Neighborhood Stabilization Program requirements as outlined below.</p> <ul style="list-style-type: none"> <li>1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or</li> <li>2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area as determined by HUD, with adjustments for number of bedrooms in the unit.</li> </ul>

**Descriptions**

<b>Term</b>	<b>Definition</b>
Long-Term Affordability	<p>The City of Peoria shall use the continued affordability standards and enforcement mechanisms within the guidelines of HOME Program Standards delineated in 24 CFR 92.254. Homeownership activities will have secured lien documents in place for soft seconds, down payment assistance, closing cost assistance, lease purchase and shared equity loans through the affordability period as identified in the table located below. Recaptured funds will be reinvested in the program. The City of Peoria will defer specific recapture provisions to non-profit partners once the affordability period has been met. The table below identifies the minimum affordability periods that will be imposed on all properties developed with Neighborhood Stabilization Program funds.</p>

	<p><b>Affordability Period for Activities</b>  Assistance Amounts Affordability Period  &lt;\$15,000 5 Years  &gt;\$15,000 to \$40,000 10 Years  &gt;\$40,000 15 Years  New Construction 20 Years</p> <p>A minimum 25% of funds received by the City of Peoria will be used to assist households earning less than 50% of the Area Median Income. These units must remain affordable to households whose incomes do not exceed 50% of area median income during the affordability period. The City will monitor projects to ensure income guidelines, long term affordability and all other program compliance terms are being met. Recaptured funds, if any, will be reinvested in the program. If NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure, the City of Peoria will require HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of Neighborhood Stabilization Program.</p>
<p>Housing Rehabilitation Standards</p>	<p>Foreclosed and abandoned homes or residential properties will be rehabilitated to the extent necessary to comply with applicable laws, codes, federal Housing Quality Standards and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The City of Peoria and its developer/s will use the Minimum Basic Housing Rehabilitation Standards adopted by the Maricopa County HOME Consortium as the minimum standard for any rehabilitation activities. In addition, the City of Peoria and developer/s will include improvements whenever feasible to increase the energy efficiency of properties and to provide renewable energy source(s). The City of Peoria will establish and follow green building guidelines that can be strategically incorporated as cost effective, energy efficient improvements that ensure long term affordability, increased homeowner sustainability and improve the attractiveness of housing and neighborhoods.</p>

**4. Low-Income Targeting Low-Income Set-Aside Amount**

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

<p><b>Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.</b></p>
<p>Response:  Total low-income set-aside <b>percentage</b> (must be no less than 25 percent): <b>32% of the total</b></p>

**budget including administrative costs and 35% of solely programmatic expenses.**  
**Total funds set aside for low-income individuals = \$378,756**

**Meeting Low-Income Target**

**Provide a summary that describes the manner in which the low-income targeting goals will be met.**

Response: The City of Peoria will meet the low-income targeting requirement through the purchase, rehabilitation and subsequent resale of at least three foreclosed and/or abandoned properties in the target area for households earning less than 50% of the AMI. Peoria will utilize the services of Habitat for Humanity Central Arizona and Chicanos Por La Causa (CPLC) as developers to execute these services. Financial support in the form of principal reduction support will also be provided to low-income purchasers via a soft-second security instrument.

**5. Acquisition and Relocation**

**Demolition or Conversion of LMI Units**

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	<b>No</b>
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	

**6. Public Comment**

**Citizen Participation Plan**

**Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.**

Response: The City of Peoria is a member of the Maricopa HOME Consortium and as such has adopted/utilizes the FY 2010-2014 Maricopa HOME Consortium Citizen Participation Plan. The City of Peoria has executed the NSP Substantial Amendment in conformance with technical assistance, consultation, public posting, complaint procedures, public comment and future amendment procedures of its adopted Citizen Participation Plan. Pursuant to applicable NSP3 regulations, the City of Peoria posted its draft NSP3 Substantial Amendment on the internet commencing February 4, 2011 and conducted two public hearings on the NSP3 program on December 20, 2010 and February 15, 2011. Refer to the Appendix for relevant documentation.

**Summary of Public Comments Received.**

No public comments were received.

**7. NSP Information by Activity**

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled "Activity Number 4," "Activity Number 5," "Activity Number 6," and "Activity Number 7." If you are unsure how to delete a table, see the instructions [above](#).

The field labeled "Total Budget for Activity" will populate based on the figures entered in the fields above it.

Consult the [NSP3 Program Design Guidebook](#) for guidance on completing the "Performance Measures" component of the activity tables below.

<b>Activity Number 1</b>	
<b>Activity Name</b>	(Enter the name of Activity Number 1) : <b>Acquisition, Rehabilitation &amp; Resale</b>
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> <b>Eligible Use B: Acquisition and Rehabilitation</b> <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
<b>CDBG Activity or Activities</b>	24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties and 24 CFR 570.201 (a)(b)(n) acquisition, disposition and direct homeownership assistance.
<b>National Objective</b>	The Elimination of Slums and Blight and The Prevention of Blighting Influences in addition to The Conservation and Preservation of The Nation's Housing Stock Principally To Low- and Moderate- Income Persons
<b>Activity Description</b>	The City of Peoria shall acquire, rehabilitate and re-sell at least nine foreclosed and/or abandoned properties within the designated Targeted Area to households earning less than 120% AMI. No NSP3 rental activities are anticipated at this time. Peoria will utilize the services of Habitat for Humanity Central Arizona and CPLC (50/50 more or less) as developers to execute the following:  <i>Acquisition activities:</i> <ul style="list-style-type: none"> <li>• Work with realtors and lenders to identify potential properties. Current foreclosure lists and vacant FHA properties will be targeted.</li> <li>• Prior to acquisition, titles will be cleared.</li> <li>• Preliminary inspections will be performed to determine rehabilitation needs.</li> <li>• Purchase prices will be negotiated below appraised value, at least one percent below per NSP3 guidelines.</li> <li>• Secure and maintain the properties.</li> </ul>

*Rehabilitation activities:*

- Detailed work write-ups are prepared.
- Ensure that all work performed will bring the unit up to code, along with incorporating energy efficiency improvements and green building upgrades.
- Prepare bid documents and contract with contractors to rehabilitate the properties.
- Monitor the rehabilitation process.
- Ensure properties pass environmental reviews.

*Resale activities:*

- The sales price of the home will be in an amount equal to or less than the cost to acquire and rehabilitate the home.
- Potential buyers will be pre-screened and qualified. As a guide, the City's First Time Homebuyer Program eligibility process will be used, with the adjustments allowed by NSP3.
- The City will use a portion of its NSP3 funds for principal reduction secured through soft second assistance.
- If any funds are returned to the City at sale, these funds will be considered Program Income and used for other NSP3-eligible activities.
- Monitor homebuyers to ensure that homeowners comply with all NSP3 regulations during the appropriate affordability period.

Financial support will be provided to low-income purchasers for principal reduction via a soft-second security instrument. The assistance will be in the form of a deferred (no monthly payments), zero percent interest loan with a term of 5-10 years depending upon how much assistance is provided. During the loan term, the loan must be paid back if the property is no longer owner occupied or when the property is transferred, sold or refinanced. The down payment assistance will be secured by a deed of trust recorded in second position. At the expiration of the affordability period, the assistance is forgiven. The period of affordability for each assisted homeownership unit will be modeled after the HOME requirements and will be based on the amount of permanent subsidy invested into the property, with a minimum period of 5 years. Income eligible buyers will be required to complete the requisite homeownership counseling (per NSP3 regulations) as a component of their ultimate purchase. Indicated earlier in this Substantial Amendment, the \$80,000 median value of housing in the Peoria Target Area is extremely conducive to successful home purchase/renovation/re-sale in the area.

The City of Peoria and its developer/s will seek to employ individuals and/or contract with businesses that are owned and operated by persons living in the vicinity of the Target Area as/if possible.

	<b>(Area or possible areas of greatest need where activity is being undertaken)</b> The City of Peoria will acquire and rehabilitate properties within the designated Targeted Area (CT 719.04) that contains the highest foreclosure need score 20) in the community.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$1,078,902
	City HOME Resources	\$197,788
<b>Total Budget for Activity</b>		<b>\$1,276,690</b>
<b>Performance Measures</b>	The purchase and renovation of at least (4) foreclosed/abandoned homes for income eligible buyers earning less than 50% of the AMI and the purchase of at least six (10) foreclosed/abandoned homes for income eligible buyers earning less than 120% of the AMI with NSP3. An additional two eligible properties, at least, will be purchased and resold to qualified purchasers with HOME resources.	
<b>Projected Start Date</b>	May 15, 2011 (estimated)	
<b>Projected End Date</b>	May 15, 2014 (estimated)	
<b>Responsible Organization</b>	<b>Name</b>	City of Peoria Planning and Community Development
	<b>Location</b>	8401 W. Monroe Street, Peoria, AZ 85345
	<b>Administrator Contact Info</b>	Ms. Carin Imig, Neighborhood and Revitalization Administrator, Carin Imig [Carin.Imig@peoriaaz.gov], 623-773-7381

<b>Activity Number 2</b>		
<b>Activity Name</b>	<b>Administration &amp; Planning</b>	
<b>Uses</b>	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
<input type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	n/a	
<b>National Objective</b>	n/a	
<b>Activity Description</b>	Planning and administration activities associated with the implementation of the NSP3 City of Peoria program.	
<b>Location Description</b>	Refer to Activity 1 above.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$119,878
	Other Resources	Leveraged HOME resources within applicable regulations.
<b>Total Budget for Activity</b>		<b>\$119,878</b>
<b>Performance Measures</b>	(Enter all performance measures here) n/a	

<b>Projected Start Date</b>	May 15, 2011	
<b>Projected End Date</b>	May 15, 2014	
<b>Responsible Organization</b>	<b>Name</b>	City of Peoria Planning and Community Development
	<b>Location</b>	8401 W. Monroe Street, Peoria, AZ 85345
	<b>Administrator Contact Info</b>	Ms. Carin Imig, Neighborhood and Revitalization Administrator, Carin Imig [Carin.Imig@peoriaaz.gov], 623-773-738

# APPENDIX

Executed SF 424

Executed Certifications

Peoria NSP3 Citizen Participation Documentation

Peoria Target Area (Map and HUD generated data)

**APPLICATION FOR  
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>2. DATE SUBMITTED</b> February 28, 2011	Applicant Identifier
		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier UOG Code AZ40324 Peoria City

<b>5. APPLICANT INFORMATION</b>	
Legal Name: City of Peoria, Arizona	<b>Organizational Unit:</b> Department: Planning and Community Development
Organizational DUNS: 002494128	Division: Planning
<b>Address:</b> Street: 8401 W. Monroe St.	<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: Mr. First Name: Glen
City: Peoria	Middle Name
County: Maricopa	Last Name Van Nimwegen
State: Arizona Zip Code 85345	Suffix:
Country: United States	Email: glen.vannimwegen@peoriaaz.gov

<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 8 6 - 6 0 0 3 6 3 4	Phone Number (give area code) 623-773-7277	Fax Number (give area code) 623-773-7233
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<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)	<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) C - Municipal Other (specify)
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<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): CDBG 1 4 - 2 1 8	<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Investment of NSP3 allocation for the redevelopment of foreclosed, vacant or abandoned single family properties to be targeted for sale to individuals or families whose income does not exceed 120% of the Area Median Income.
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<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> City of Peoria, Arizona	<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant 2nd Congressional District b. Project 2nd Congressional District
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<b>13. PROPOSED PROJECT</b> Start Date: June 1, 2011 Ending Date: June 1, 2014	<b>15. ESTIMATED FUNDING:</b> <table border="1"> <tr><td>a. Federal</td><td>\$</td><td>1,198,780<sup>00</sup></td></tr> <tr><td>b. Applicant</td><td>\$</td><td><sup>00</sup></td></tr> <tr><td>c. State</td><td>\$</td><td><sup>00</sup></td></tr> <tr><td>d. Local</td><td>\$</td><td><sup>00</sup></td></tr> <tr><td>e. Other</td><td>\$</td><td><sup>00</sup></td></tr> <tr><td>f. Program Income</td><td>\$</td><td><sup>00</sup></td></tr> <tr><td>g. TOTAL</td><td>\$</td><td>1,198,780<sup>00</sup></td></tr> </table>	a. Federal	\$	1,198,780 <sup>00</sup>	b. Applicant	\$	<sup>00</sup>	c. State	\$	<sup>00</sup>	d. Local	\$	<sup>00</sup>	e. Other	\$	<sup>00</sup>	f. Program Income	\$	<sup>00</sup>	g. TOTAL	\$	1,198,780 <sup>00</sup>	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
a. Federal	\$	1,198,780 <sup>00</sup>																					
b. Applicant	\$	<sup>00</sup>																					
c. State	\$	<sup>00</sup>																					
d. Local	\$	<sup>00</sup>																					
e. Other	\$	<sup>00</sup>																					
f. Program Income	\$	<sup>00</sup>																					
g. TOTAL	\$	1,198,780 <sup>00</sup>																					

**17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?**  
 Yes If "Yes" attach an explanation.  No

**18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.**

<b>a. Authorized Representative</b>		
Prefix Mr.	First Name Carl	Middle Name
Last Name Swenson		Suffix
b. Title City Manager	c. Telephone Number (give area code) 623-773-7572	d. Signature of Authorized Representative
e. Date Signed 2-4-11		

## 8. Certifications

### Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
- b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

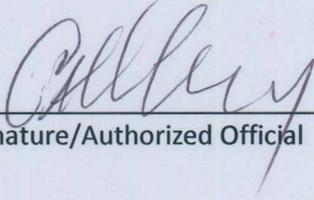
(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.



\_\_\_\_\_  
Signature/Authorized Official

2-4-11  
Date

City Manager  
Title

# AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA )  
COUNTY OF MARICOPA ) ss.

COPY

I, Carolyn Castillo of  
PEORIA TIMES

A newspaper of general circulation published and printed in the city of Glendale, County of Maricopa, State of Arizona, do solemnly swear that a copy of the notice, in the matter of

Public Notice

HUD Neighborhood Stabilization Program

3 Substantial Amendment to the Annual

Action Plan

Planning & Community Development

City of Peoria

As per clipping attached, was published weekly in the regular and entire edition of the said newspaper, and not in any supplement hereof, for a period of 1 consecutive week(s), as follows, to-wit:  
12/10/10

RECEIVED  
CITY OF PEORIA  
2010 DEC 13 PM 2:45

(s) Carolyn Castillo

Subscribed and sworn to before me, this 10th day of December (year) 2010.

(s) R. W. Toops  
Notary Public

My commission expires:









PUBLIC NOTICE



NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3) TENDERS TO THE ANNUAL ACTION PLAN

The Subsequent Amendment to the FY 2010-2011 Annual Action Plan outlines the City of Peoria's proposed use of grant funds related to the Neighborhood Stabilization Program 3 (NSP3). The program is generally for the purpose of assisting in the re-development of abandoned and foreclosed properties...

PUBLIC NOTICE



City of Peoria 8401 West Monroe Street, Peoria, Arizona 85604

The City of Peoria is soliciting the following concrete equipment at Sierra Avenue, 3570 HW Grand Avenue, Peoria, AZ 85618

Table with 2 columns: Qty and Description. Lists items like Backhoe, Excavator, Grader, etc.

"Excess Equipment" will be sold as an "as is" lot. No guarantee or warranty of any kind, expressed or implied, is made...

PUBLIC NOTICE



NOTICE OF PUBLIC MEETINGS CITY OF PEORIA, ARIZONA 2011 DISTRICTING

The City of Peoria has begun the process of reviewing the City's current electoral district boundaries. Your involvement and input is needed. We are encouraged to attend any of the public hearing held below...

Table with 3 columns: Date & Time, Location, District Represented. Lists public meeting dates and locations.

Published in the Peoria Times on February 4, 2011

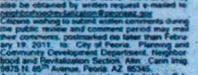
CIUDAD DE PEORIA, ARIZONA SEÑORES PUBLICOS EN ESTABLECIMIENTO DE LIMITES UNIVOCOS DE DISTRITO ELECTORAL 2011

La Ciudad de Peoria ha comenzado el proceso de evaluar límites nuevos de los distritos electorales. Su participación y comentarios son necesarios. Se les sugiere que asistan a uno o más de los eventos públicos...

Table with 3 columns: Fecha y hora, Ubicación, Distrito Representado. Lists public meeting dates and locations in Spanish.

Published in the Peoria Times on February 4, 2011

PUBLIC NOTICE



ORDINANCE NO. 2011-08

AN ORDINANCE OF THE CITY OF PEORIA, ARIZONA, DECLARING THE CITY'S INTENTION TO ORDER AN IMPROVEMENT TO THE CITY'S MAINTENANCE IMPROVEMENT DISTRICT NO. 1048...

PUBLIC NOTICE



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Public Notices from the City of Peoria

PUBLIC NOTICE



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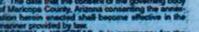
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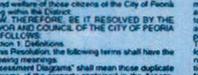
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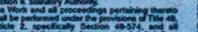
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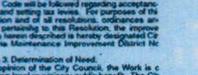
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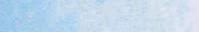
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MUNICIPAL OFFICE COMPLEX  
8401 W. MONROE STREET  
PEORIA, AZ 85345

**CITY COUNCIL:**

Mayor  
Bob Barrett

Mesquite District  
Cathy Carlat, Vice Mayor

Acacia District  
Tony Rivero

Ironwood District  
Dave Pearson

Palo Verde District  
Ron Aames

Pine District  
Carlo Leone

Willow District  
Joan Evans

City Manager  
Carl Swenson

Amendment #1 February 14, 2011

**CITY COUNCIL REGULAR MEETING  
NOTICE & AGENDA**

**Tuesday, February 15, 2011**

**7:00 PM**

**CITY COUNCIL CHAMBER**

**CONVENE:  
PLEDGE:  
ROLL CALL:**

**FINAL CALL TO SUBMIT SPEAKER REQUEST  
FORMS:**

**PROCLAMATION:**

1. Proclamation to Paul Senseman

**PRESENTATION:**

1. U.S. Flag Presentation to the Mayor and City Council
2. Presentation by Arizona Department of Transportation regarding High Occupancy Vehicle (HOV) Lanes on Loop 101

**CONSENT AGENDA**

**CONSENT AGENDA:** All items listed with "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

**CONSENT – New Business:**

**1C Grant, Neighborhood Stabilization Program 3, U.S. Department of Housing and Urban Development**

Discussion and possible action to: (a) adopt RES. 2011-19 authorizing the City Manager to accept a Neighborhood Stabilization Program 3 Grant in the amount of \$1,198,780 from the U.S. Department of Housing and Urban Development to be used by the Planning and Community Development Department to address foreclosed real estate conditions within Peoria; and (b) approve a budget amendment in the amount of \$1,198,780 from the Proposed Grants Contingency Account to various accounts in the Neighborhood Stabilization Program 3 Grant Account.

**2C Intergovernmental Agreement Amendment, State of Arizona, Traffic Signal Maintenance**

Discussion and possible action to approve Amendment No. 2 to an existing Intergovernmental Agreement with the State of Arizona for maintenance of traffic signals along US 60 (Grand Avenue).

**3C Investment Report for the Period Ended December 31, 2010**

Discussion and possible action to review and accept the Quarterly Investment Report for the period ended December 31, 2010.

**4C Neighborhood Traffic Management Program, Various Locations**

Discussion and possible action to adopt RES. 2011-20 through RES. 2011-22 to establish three additional Residential Traffic Control Areas for the Neighborhood Traffic Management Program (NTMP) as follows:

- Cibola Vista Estates – area bounded by Blackhill Road to the north, 91st Drive to the east, Jomax Road to the south and Lake Pleasant Parkway to the west;
- Desert Star – area bounded by Deer Valley Road to the north, 104th Drive to the east, 1/4 mile north of Rose Garden Lane to the south and 107th Avenue to the west; and
- Jomax Rural – area bounded by Jomax Road to the north, 91st Drive to the east, Happy Valley Road to the south and 95th Avenue to the west.



Neighborhood ID: 8579467

### **NSP3 Planning Data**

Grantee ID: 0401860E,0403240E

Grantee State: AZ

Grantee Name: GLENDALE, PEORIA CITY

Grantee Address:

Grantee Email: rich@crystco.com

Neighborhood Name: Target Peoria

Date: 2011-01-25 00:00:00

#### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 2427

#### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 70.21

Percent Persons Less than 80% AMI: 39.05

#### Neighborhood Attributes (Estimates)

##### *Vacancy Estimate*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 2419

Residential Addresses Vacant 90 or more days (USPS, March 2010): 106

Residential Addresses NoStat (USPS, March 2010): 9

### Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1939

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 37.9

Percent of Housing Units 90 or more days delinquent or in foreclosure: 20.2

Number of Foreclosure Starts in past year: 240

Number of Housing Units Real Estate Owned July 2009 to June 2010: 156

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 48

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.1

Place (if place over 20,000) or county unemployment rate June 2005: 2.7

Place (if place over 20,000) or county unemployment rate June 2010: 6.1

\*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

### Latitude and Longitude of corner points

-112.203283 33.581483 -112.203283 33.567216 -112.220106 33.567038 -112.220106 33.581340

Blocks Comprising Target Neighborhood

040130719045008, 040130719041000, 040130719041004, 040130719041010, 040130719041009,  
040130719041008, 040130719041007, 040130719041006, 040130719041005, 040130719041003,  
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