

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, 67th Avenue on the east and 75th 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 [The Cromford Report](#)
- Selected other sources

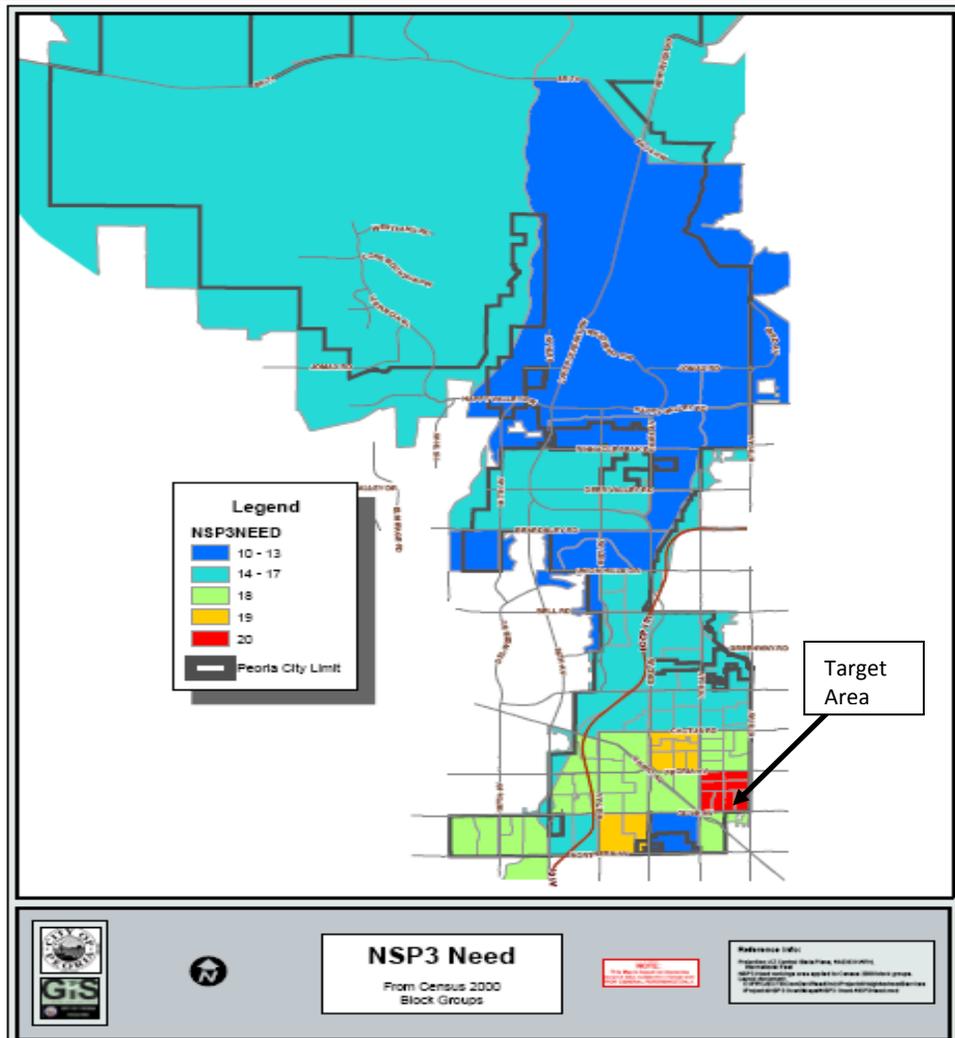
Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

NSP3 target areas were selected by the City of Peoria using two primary factors: (1) the incidence of current and projected foreclosure activity/property abandonment/vacancy derived from the NSP3 foreclosure need scores in the region; and, (2) 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).

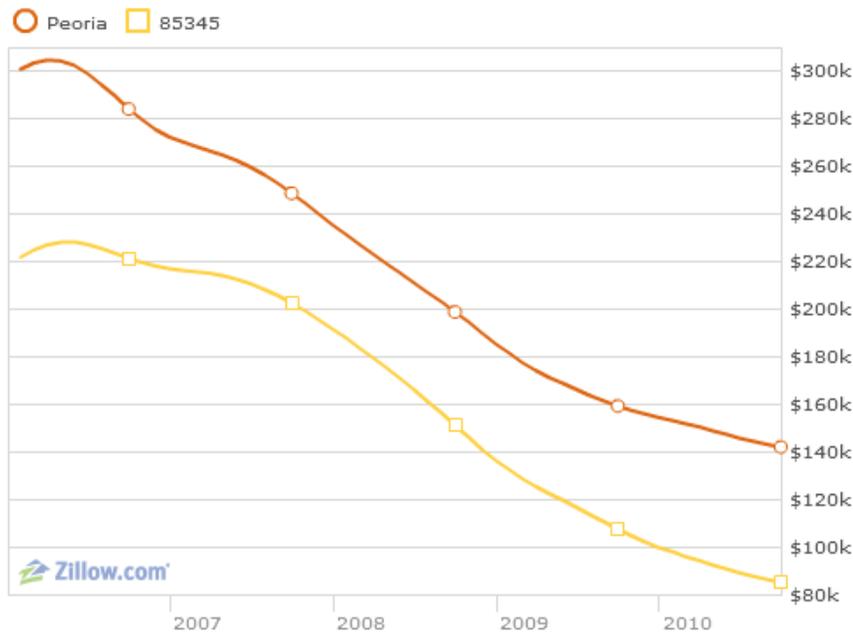
City of Peoria GIS staff generated the following map from the NSP3 foreclosure need scores provided by HUD. The area colored in red contains the highest foreclosure needs scores (20) in the community and was selected as the NSP3 Target Area (census tract 719.04). Again, the area is bounded by Peoria Avenue on the north, Olive Avenue on the south, 75th Avenue on the west and 67th Avenue on the east.



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 [Central Peoria Revitalization Plan Update](#) prepared in 2008, 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%)
- ✓ 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.

 Crystal+Company 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 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>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.</p> <p>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.</p> <p>c) The building or structure is infested by rodents, insects or other noxious pests, rendering it uninhabitable.</p> <p>d) The building or structure exhibits conditions that present actual hazards or dangers.</p> <p>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.</p> <p>f) The building or structure or their contents represents an imminent health or fire hazard.</p>
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> <ol style="list-style-type: none"> 1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or 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.

Descriptions

Term	Definition
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>Affordability Period for Activities</p> <p>Assistance Amounts Affordability Period</p> <p><\$15,000 5 Years</p> <p>>\$15,000 to \$40,000 10 Years</p> <p>>\$40,000 15 Years</p> <p>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>
Housing Rehabilitation Standards	<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.

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.

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): **32% of the total**

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)?	No
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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.

The summary of public comments received is included as an attachment.

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.

Activity Number 1	
Activity Name	(Enter the name of Activity Number 1) : Acquisition, Rehabilitation & Resale
Uses	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" 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
CDBG Activity or Activities	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.
National Objective	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
Activity Description	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. Peoria will utilize the services of Habitat for Humanity Central Arizona and CPLC as a developers to execute the following: <i>Acquisition activities:</i> <ul style="list-style-type: none"> • Work with realtors and lenders to identify potential properties. Current foreclosure lists and vacant FHA properties will be targeted. • Prior to acquisition, titles will be cleared. • Preliminary inspections will be performed to determine rehabilitation needs. • Purchase prices will be negotiated below appraised value, at least one percent below per NSP3 guidelines. • Secure and maintain the properties.

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.

	(Area or possible areas of greatest need where activity is being undertaken) 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.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$1,078,902
	City HOME Resources	\$197,788
Total Budget for Activity		\$1,276,690
Performance Measures	The purchase and renovation of at least (3) foreclosed/abandoned homes for income eligible buyers earning less than 50% of the AMI and the purchase of at least six (6) 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.	
Projected Start Date	May 15, 2011 (estimated)	
Projected End Date	May 15, 2014 (estimated)	
Responsible Organization	Name	City of Peoria Planning and Community Development
	Location	8401 W. Monroe Street, Peoria, AZ 85345
	Administrator Contact Info	Ms. Carin Imig, Neighborhood and Revitalization Administrator, Carin Imig [Carin.Imig@peoriaaz.gov], 623-773-7381

Activity Number 2		
Activity Name	Administration & Planning	
Uses	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		
CDBG Activity or Activities	n/a	
National Objective	n/a	
Activity Description	Planning and administration activities associated with the implementation of the NSP3 City of Peoria program.	
Location Description	Refer to Activity 1 above.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$119,878 (plus share of program income)
	Other Resources	Leveraged HOME resources within applicable regulations.
Total Budget for Activity		\$119,878

Performance Measures	(Enter all performance measures here) n/a	
Projected Start Date	May 15, 2011	
Projected End Date	May 15, 2014	
Responsible Organization	Name	City of Peoria Planning and Community Development
	Location	8401 W. Monroe Street, Peoria, AZ 85345
	Administrator Contact Info	Ms. Carin Imig, Neighborhood and Revitalization Administrator, Carin Imig [Carin.Imig@peoriaaz.gov], 623-773-738

APPENDIX

- (1) Executed SF 424
- (2) Executed Certifications
- (3) Peoria NSP3 Citizen Participation Documentation
- (4) PeoriaTarget Area (Map and HUD generated data)

AFFIDAVIT OF PUBLICATION

COPY

STATE OF ARIZONA)
)
COUNTY OF MARICOPA) ss.

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:



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,
040130719041001, 040130719041002, 040130719042000, 040130719042002, 040130719042001,
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