

# **City of Peoria, Arizona**

## **Neighborhood Stabilization Program 2 Application**



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

**July 15, 2009**

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# SF-424 Form

OMB Number: 4040-0004  
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424		Version 02
<b>*1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	<b>*2. Type of Application</b> * If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation      *Other (Specify) _____ <input type="checkbox"/> Revision	
3. Date Received:		4. Applicant Identifier:
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
<b>State Use Only:</b>		
6. Date Received by State:		7. State Application Identifier:
<b>8. APPLICANT INFORMATION:</b>		
*a. Legal Name: <u>City of Peoria</u>		
*b. Employer/Taxpayer Identification Number (EIN/TIN): <u>86-6003634</u>		*c. Organizational DUNS: <u>002494128</u>
<b>d. Address:</b>		
*Street 1:	<u>8401 W. Monroe Street</u>	
Street 2:	_____	
*City:	<u>Peoria</u>	
County:	_____	
*State:	<u>Arizona</u>	
Province:	_____	
*Country:	<u>United States</u>	
*Zip / Postal Code	<u>85345-6560</u>	
<b>e. Organizational Unit:</b>		
Department Name: <u>Community Development</u>		Division Name: <u>Neighborhood Services</u>
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: _____	*First Name: <u>Glen</u>	
Middle Name: _____		
*Last Name: <u>Van Nimwegen</u>		
Suffix: _____		
Title: <u>Director, Community Development</u>		
Organizational Affiliation: <u>City of Peoria, Arizona</u>		
*Telephone Number: <u>623-773-7572</u>		Fax Number: <u>623-773-7233</u>
*Email: <u>Glen.Vannimwegen@peoriaaz.gov</u>		

# SF-424 Form (Continued)

OMB Number: 4040-0004  
Expiration Date: 01/31/2009

<b>Application for Federal Assistance SF-424</b>	Version 02
<b>*9. Type of Applicant 1: Select Applicant Type:</b> C.) City Government Type of Applicant 2: Select Applicant Type:  Type of Applicant 3: Select Applicant Type:  *Other (Specify)	
<b>*10 Name of Federal Agency:</b> Department of Housing and Urban Development	
<b>11. Catalog of Federal Domestic Assistance Number:</b> 14.256  CFDA Title: Neighborhood Stabilization Program 2	
<b>*12 Funding Opportunity Number:</b> N/A  *Title: _____	
<b>13. Competition Identification Number:</b> N/A  Title: _____	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> Target geography generally coincides with zip code 85345 in the City of Peoria, Arizona.	
<b>*15. Descriptive Title of Applicant's Project:</b> City of Peoria's NSP2 Program: acquisition, rehabilitation and resale of abandoned and foreclosed homes.	



## Program Summary

Over the last year, the City of Peoria has been aggressively taking steps to increase demand for foreclosed homes and eliminate the blight of abandoned properties. The Neighborhood Stabilization Program 2 (NSP2) represents a great opportunity for the City to receive a significant boost in its efforts.

The NSP2 targeted geography in this application represents an area where the City has been focusing its revitalization efforts for quite some time. This target area generally coincides with zip code 85345 in the City of Peoria and the average maximum score for the region is 19.29 (calculated from the HUD website per regulations). Residential foreclosure activity is high in the target geography and it is adversely affecting neighborhood residents and increasing distressed conditions. Elevated levels of subprime lending, substantial job loss, over-leveraged homeowners, and severe property devaluation causing property owners to become 'under-water', all have contributed to high foreclosure levels in the region.

Estimates of substantial pending and future foreclosure activity in the target geography are high given the incidence of 1,425 notices of trustee sales impacting a market with monthly sales of 65 units. Over the past 12 months, bank REOs (real estate owned) transactions (608) have accounted for 78% of sales activity in the targeted geography. In 2006, at the peak of the Arizona market, the average sales price of homes in the targeted geography was \$220,000. The high volume of foreclosures added to the for-sale inventory has reduced average area sales values by an astounding 55% to \$98,000 in June of 2009. The level of foreclosure activity is pervasive and unlikely to abate in the foreseeable future. Opportunities now exist to mitigate the accelerating level of neighborhood instability in the region by helping new homebuyers purchase these properties and move into the area.

The City of Peoria is a CDBG Entitlement community and we have recently been focusing our efforts on revitalizing aging and disinvested neighborhoods by providing: 1) homeownership opportunities for first-time homebuyers; and 2) housing rehabilitation in selected neighborhoods undergoing revitalization. City staff have ample expertise and experience in developing, implementing and overseeing neighborhood stabilization activities. Overall, City staff have managed both long established programs such as CDBG and developed new programs such as our Homeownership Assistance Program. We have been targeting part of this program toward the acquisition of foreclosed homes and have been aggressively educating the community on foreclosure prevention. In 2008, we created a Foreclosure Task Force to help us focus on the issue.

The proposed NSP2 activities in this application will further enhance our efforts to continue our focus on stabilizing declining neighborhoods. The overall goal of the City of Peoria's NSP2 program is to stabilize the target geography by increasing the rate of homeownership, while staving off the blight of abandoned homes. Our objectives are to:

- Transform foreclosed, distressed properties into affordable housing assets that motivate neighborhood revitalization.
- Give low- and moderate-income individuals and families an opportunity to secure the dream of homeownership.
- Ensure the long-term economic well being of the targeted neighborhoods and the households supported.

The City of Peoria is requesting a total of \$10,000,000 for its NSP2 program. We estimate that these resources will impact a minimum of 103 housing units and households and play a key role in turning the target area around. The City's NSP2 program represents a comprehensive and collaborative community development effort. It includes community-based organizations, City and County agencies, lenders, and realtors, along with financial and technical partners working together to increase affordable homeownership and eliminate blight.

The City of Peoria's proposed NSP2 program consists of three activities:

- 1) Acquisition, rehabilitation and resale of single-family properties
  - Perform directly or assist designated nonprofits to purchase and rehabilitate foreclosed or abandoned properties for resale to eligible individuals
- 2) Acquisition, rehabilitation and leasing with a potential lease/purchase option
  - Perform directly or assist designated nonprofits to purchase and/or rehabilitate foreclosed or abandoned properties for rental, giving eligible tenants an opportunity to purchase the home
- 3) Homebuyer Assistance Program – soft second loans
  - Assist eligible homebuyers to purchase foreclosed homes

The acquisition and rehabilitation activities associated with this application for resale and/or lease represent a new formal program for the City. The other major activity – down payment assistance - represents an expansion of the City's current program by assisting homebuyers with soft second loans.

The City has selected this NSP2 program mix because we believe that bolstering homeownership in the target geography represents our best chance to address the key problems causing neighborhood instability in our target geography. Our emphasis on homeownership will mitigate the conversion of ownership units into rentals by cash investors in the region. In addition, our strategic use of acquisition with rehabilitation will enable us to purchase key single-family properties in very specific areas to stop the downward spiral of the neighborhood and offer a measure of stabilization. The market viability of our approach is, without question, the most likely to make a difference and we look forward to the significant impact NSP2 funds can have on our community.

## FACTOR 1: NEED/EXTENT OF THE PROBLEM

### a. NSP 2 Target Geography Identification

The NSP2 targeted geography is noted on the following table calculated from the appropriate HUD website per regulation. This information was submitted to HUD prior to application submission to establish threshold for this application. The Need Factor Application Number is noted on the footer of this application. The average maximum score for the region is **19.29** and a listing of census tracts are noted below. This target area generally coincides with zip code 85345 in the City of Peoria.



### Need For Neighborhood Stabilization In The Target Geography

Residential foreclosure activity is high in the target geography and it is adversely affecting neighborhood residents and increasing distressed conditions. Information prepared by the Arizona State University Carey School of Business in 2008 indicated elevated levels of predatory, subprime lending (34% high cost conventional lending rate from '04 – '06 per NSP 1 factors) in the region. This has contributed to high foreclosure levels in addition to: substantial job loss, over-leveraged homeowners, and severe property devaluation causing property owners to become 'under-water' (loan values exceed property values).

Currently, both RealtyTrac and the InformationMarket estimate substantial pending and future foreclosure activity in the target geography given the incidence of 1,425 notices of trustee sale impacting a market with monthly sales of 65 units. Over the past 12 months, bank REOs (real estate owned) transactions (608) have accounted for 78% of sales activity in the targeted geography. The level of foreclosure activity is pervasive and unlikely to abate in the foreseeable future. Assistance is critically needed to mitigate the accelerating level of neighborhood instability in the region.

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

- 1) The Extreme Reduction In Neighborhood Property Values – In 2006, at the peak of the Arizona market, the average sales price of homes in the targeted geography was \$220,000. The high volume of foreclosures added to the for-sale inventory has reduced average area sales values by an astounding 55% to \$98,000 in June of 2009. 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 – This targeted geography is in the heart of the Phoenix Metropolitan Area, and it is readily accessible to all major freeway and bus transportation. Employment conditions plaguing the region 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 7.9% presently. Employment in the services, goods producing and manufacturing sectors of the metropolitan area economy are all down from 5% to 25% from 2007, while construction employment is down almost 39%. The City of Peoria is exhibiting similar trends as the entire metropolitan area, with their unemployment rate doubling since early 2007 and incurring similar losses in employment by sector.

An over-leveraged consumer, predatory lending, escalating 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 geography. This is reflected by an increase in the number of vacant homes in the target geography in addition to the 50% increase in itemized neighborhood code violations depicted below.

CITY OF PEORIA SELECTED RESIDENTIAL CODE VIOLATIONS FOR NSP2 TARGET AREA (Zip 85345)				
MAY 2007 - MAY 2009	May 07 - May 08	May 08 - May 09	Numerical Change	Percent Change
Animal Feces	13	24	11	85%
Animals	17	21	4	24%
Dead Vegetation	802	1,273	471	59%
Fence Disrepair	149	233	84	56%
Graffiti	24	28	4	17%
Graffiti Removal	23	21	-2	-9%
Illegal Land Use	19	40	21	111%
Inop/Abandoned Vehicle	937	1,037	100	11%
Material and Debris Storage	1,387	1,876	489	35%
Misc.	145	193	48	33%
Mosquitoes	2	2	0	0%
No House Numbers	112	278	166	148%
Obstruction	344	458	114	33%
Pool Maintenance	62	126	64	103%
Signs	98	171	73	74%
Water turn-off	65	88	23	35%
Weeds/Grass	2,420	3,999	1,579	65%
<b>Total</b>	<b>6,619</b>	<b>9,868</b>	<b>3,249</b>	<b>49%</b>

Source: City of Peoria.

## b. Market Conditions and Demand Factors

### Market Absorption In The Ensuing Three Years Without NSP2 Support

While market absorption, reflected by sales activity, has increased slightly from 2008, it has been stimulated by sizeable reductions in purchase price. Current sales prices are off 36% from last year alone, and the trend is continuing. Based on statistics derived from the Cromford Report, approximately 85% of the sales activity below in the past year was drawn from Bank REOs (real estate owned).

	2005	2006	2007	2008	2009	2006 - '09 Change
<b>Sales</b>	<b>2,213</b>	<b>1,381</b>	<b>762</b>	<b>619</b>	<b>400</b>	<b>-71%</b>
<b>% Change From Prior Year</b>		<b>-38%</b>	<b>-45%</b>	<b>-19%</b>	<b>-35%</b>	
<b>Average Sales/Mo.</b>	<b>184</b>	<b>115</b>	<b>64</b>	<b>52</b>	<b>67</b>	<b>-42%</b>
<b>Average Sales Price</b>	<b>\$188,000</b>	<b>\$220,000</b>	<b>\$205,000</b>	<b>\$152,200</b>	<b>\$98,100</b>	<b>-55%</b>
<b>% Change From Prior Year</b>		<b>17%</b>	<b>-7%</b>	<b>-26%</b>	<b>-36%</b>	

Source: Melissa Data, Inc, 2009.

Past experience (1,370 foreclosures for the 18 months prior to 6/08 per initial NSP allocation data) suggests that the 1,425 notices of trustee sale foreshadow sustained additions of foreclosures to the region's for-sale inventory, realizing that property-owners can move in- and out- of the legal foreclosure process over time. Trends occurring elsewhere in the nation are affecting the Phoenix metropolitan area and the targeted geography in Peoria. Increasing foreclosures are a byproduct of adverse and deteriorating economic conditions causing prime borrower foreclosure activity. In addition, adverse Option ARM resets are expected to materially increase going forward. These factors are compounded by the unbroken downward trend in area home values that has erased a vast amount of residential property owner equity further exacerbated by inordinately high levels of consumer and HELOC (home equity line of credit) debt.

At this point, no meaningful abatement of foreclosure activity is expected within the ensuing three years and prevailing levels of market absorption continue to be dominated by the steady stream of foreclosure listings added to the market inventory. The days on market to sell residential property in the targeted geography is currently at 120 or four months. Of late, investors are helping to burn off the large inventory of foreclosures throughout Arizona's urban areas. In the Peoria targeted geography, **23%** of REO (real estate owned) sales in the last quarter were attributed to investors, running slightly higher than the metropolitan-wide average of 15%. Market information from the Cromford report suggests investor activity may well be significantly higher given the incidence of cash purchases. Capitalization rates in the targeted geography are running at 7.9 with rents/sq foot at \$.65 motivating the financial viability of rental housing. As properties are converted into rentals, neighborhood instability substantially increases.

Assuming prevailing economic conditions with a modest recovery, sustained levels of foreclosure activity, a bottoming in home purchase prices and prevailing levels of investor activity, the residential market in the targeted geography would be able to absorb 44 REO sales/month which appear likely to continue over the next three years.

### **Critical Factors Motivating Abandonment and Foreclosures**

Clearly, the over-valuation and loss of employment are some of the critical factors causing residential property abandonment and foreclosure in the targeted geography. Overbuilding is not a major contributor to neighborhood distress as the region is mostly built-out with some prospects for infill.

Indicated earlier, the average sales price of homes in the targeted geography was \$220,000 in 2006 (market peak). By June of 2009, average purchase pricing declined 55% to \$98,000. This compares with reductions for Maricopa County at over 40% according to the ASU Center for Realty Studies. Coupled with the elevated incidence of subprime lending in the area, these serious reductions in homeowner equity are aggravated by over-leveraging on the part of property owners. The result has been a steady stream of foreclosure activity, property abandonment and heightened levels of

homeowners 'underwater' where loan values exceed property values and compromise the financial status of the asset.

Accessible to all major freeway and bus transportation, rising unemployment is plaguing the targeted geography. The unemployment rate in metropolitan Phoenix has doubled to 7.9% in the last two years, with major employment losses in sectors that adversely affect lower- and moderate- income residents in the target geography. Construction employment in the metropolitan area is off a staggering 39%, while other sectors are suffering too (services, good producing and manufacturing). Discussed earlier, the City of Peoria is exhibiting similar trends as the metropolitan area as their unemployment rate doubled since early 2007 with comparable losses in employment by sector.

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%)

### **Income Characteristics/Cost Burden Analysis**

According to the Central Peoria Revitalization Plan Update, note the following demographic highlights in the target geography:

- ✓ Estimated 25,400 households.
- ✓ 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.
- ✓ About 1850 owners and 605 renters resided in mobile homes, suggesting potential concentrations of distress associated with these residents.
- ✓ Of the 22,000 households in 2000, 60% were married and half of these households had kids under 18.
- ✓ 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.

By extrapolating the estimated current number of target geography households to HUD special 2000 census runs (CHAS data) generated for community planning purposes, the following results are produced:

- Of the 3,100 households earning less than 50% of the prevailing median income, approximately 71.5% are cost burdened, paying more than 30% of their income for housing;
- Of the 2,000 households earning between 51 to 80% of the area median income, approximately 52% are cost burdened, paying more than 30% of their income for housing; and,
- Of the 18,500 households earning more than 80% of the area median, only 12% are cost burdened, paying more than 30% of their income for housing.

When the current estimated median family income of both Peoria (\$65,900) and target geography (\$55,099) residents is compared to the median sales values of \$98,000, the Peoria NSP 2 program appears well equipped to penetrate current and future market demand. With NSP 2 financed program down-payment support, federal first-time homebuyer tax credits and other resources brought to the table, market penetration appears quite feasible.

 Crystal+Company 2009 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 5.65% Fixed FHA/30	Max. Home	Net Max.
							Purchase Price (FHA) At 4% Down	Purchase Price Factoring Consumer Debt Burden 1/
120% Of The Area Median	\$79,080	\$1,977	\$150	\$75	\$1,752	\$310,000	\$321,244	\$256,995
100% Of The Area Median	\$65,900	\$1,648	\$150	\$75	\$1,423	\$250,000	\$259,067	\$207,254
80% Of The Area Median	\$52,720	\$1,318	\$150	\$50	\$1,118	\$194,000	\$201,036	\$160,829
50% Of The Area Median Income	\$32,950	\$824	\$150	\$50	\$624	\$107,500	\$111,399	\$89,119
1/ Purchase price reduction of 20%.								

With capitalization rates currently at 7.9%, median rents per square foot at \$.69 and median single-family purchase prices at \$98,000, acquisition with or without rehabilitation and leasing and/or lease purchase with NSP 2 also appears very economically feasible as indicated on the following table. From a market perspective, this is demonstrated by 23% of the past quarter REO (real estate owned) purchases made by investors (for cash).

 Crystal+Company		2+ Bedroom Dwelling	2+ Bedroom Dwelling	2+ Bedroom Dwelling	2+ Bedroom Dwelling
Item	Factor 1/	Unit Sq Ft@ 1,000	Unit Sq Ft@ 1,200	Unit Sq Ft@ 1,400	Unit Sq Ft@ 1,600
Gross Rent Per Sq Ft	\$.69/sq ft	\$690	\$828	\$966	\$1,104
Est. Net Operating Income/Yr		\$7,038	\$8,446	\$9,853	\$11,261
Estimated Dwelling Purchase Price	7.90%	\$89,089	\$106,906	\$124,724	\$142,542

1/ Cap rates and rents/sq feet derived from the Cromford Report for REOs in the targeted geography.

## Key Factors Contributing To Market Conditions and To Neighborhood Distress In The Target Geography

We have discussed the economic factors at length fueling foreclosure and neighborhood instability in the target geography. Unemployment rates have doubled, and employment losses in sectors that especially adversely affect lower- and moderate-income households have sky-rocketed. With area residents primarily employed in educational, health, and social services (20.8%), retail trade (19.4%), construction (13.8%) and entertainment, accommodations, food services (10.0%), metro-wide and City of Peoria job losses of 5 – 25% off 2007 levels in the services, goods producing and manufacturing are really hurting the targeted area. Fueling the fire is the astounding metro-wide job loss of 39% (from 2007) in the construction sector. In a region heavily reliant on sustained net-in-migration and residential, commercial and industrial real estate development, no growth and depression level employment losses in construction are wreaking havoc on a macro basis and especially in areas like the targeted geography in Peoria.

The high incidence of foreclosure activity in the targeted geography, subsequent property abandonment and other code violations are contributing to the excessive decline in home values notwithstanding flow of foreclosures to the for-sale inventory. These factors are having serious affects on governments rendering services in the region. Property tax valuations have declined in-sync with home values, and collections are way off for Maricopa County, and more importantly, area schools. School budgets are extremely stressed, and services are being cut for students. State aid is unlikely given the fact the State of Arizona holds one the highest budget deficits in the United States on a per capita basis. Relying heavily on sales tax receipts and user fees/enterprise funds, the City of Peoria is in dire financial straights and also cutting critical services which contribute to neighborhood destabilization. Defaults are way up on user fees, retail and construction sales tax receipts are way down, other enterprise funding is stressed and impending losses in state-shared revenues are straining the

capacity of the general fund to finance operating costs and service outstanding debt. In fact, the City has recently had some reductions in staff.

The social consequences of foreclosure activity fueling neighborhood instability are very personal to those affected. The consequences are nasty and de-stabilizing to both the family and neighborhood alike, and they feed on each other. Foreclosure, job loss, divorce, disintegration of the family, doubling up of nuclear family members, credit problems, absenteeism in schools and crime are all distressing factors plaguing the target geography. They destabilize families, they destabilize neighborhoods and undermine the social fabric of the community.

## **NSP 2 Activities Most Likely To Stabilize The Target Geography**

We are excited about the impacts our \$10 million dollar application will have on the target geography and the City of Peoria, and grateful for the support to be provided. However, we are also realistic, and understand that the resources we secure will not come close to completely resolving our serious problems, but it will provide a significant boost. Targeting these valuable resources are key to maximizing the impact to the targeted neighborhood, its residents, City of Peoria and HUD. In reviewing our programmatic choices, we had very limited opportunities with property demolition given the comparatively recent age and nature of our housing stock in the target geography.

Our program design is built on geographically targeting resources to the physical improvements most likely to stimulate neighborhood revitalization and stability while assisting the long-term economic well-being of households supported. We have selected the NSP 2 program mix to simultaneously address the key problems causing neighborhood instability in our target geography. Our emphasis on homeownership will mitigate the conversion of ownership units into rentals by cash investors in the region in addition to assisting income-eligible first-time buyers, while our strategic use of acquisition with rehabilitation will enable us to purchase key single-family properties in very specific areas (discussed later) to stop the downward spiral of the neighborhood and offer a measure of stabilization. We know our 2000 homeownership rate of 82% in the target geography has been compromised given the high incidence of home loss due to foreclosure, significant investor acquisition activity of late, increasing code enforcement issues brought about by the major loss of property owner equity and sustained distress caused by high unemployment and job loss aggravated by inordinately high levels of debt among residents. For Peoria as whole, the aforementioned factors have contributed to a reduction in the homeownership rate of 84% in 2000 to 79% in 2007.

Our program approach incorporates the following design offering the following key impacts for the target geography:

- 1) **Acquisition, Rehabilitation and Resale of Single-Family Properties** – With \$4.8 million committed to this activity (net of administration), we anticipate assisting at least 26 properties and households. We intend to focus our strategic acquisition in the Suntown Subdivision bounded by Peoria Avenue to the south; Mountain View Rd. to the north; 71<sup>st</sup> Ave. to the west; 75<sup>th</sup> Ave. to the east. While this specific geography has been especially hard hit by the blighting influences of foreclosures, abandonment and incidence of vacant properties, we may fund anywhere in the target geography. We seek to foster increased homeownership thus enhanced pride in the properties occupied. This will have a multiplier affect on surrounding neighborhoods in the target geography and contribute to further arresting decline. Our commitment of down-payment support in addition to other support (first-time homebuyer tax credit, etc) for the ultimate purchasers of the properties acquired and refurbished will enable us to address needs at or below the 120% of area median requirement. We will seek to offer prudent and sustained homeownership opportunities to buyers who were undoubtedly priced out of the market in the bubble. The market viability of this approach is, without question, based on information provided earlier in this section;
  
- 2) **Acquisition, Rehabilitation and Leasing With a Potential Lease/Purchase Option** – With \$2.6 million committed to this activity (net of administration), we anticipate assisting at least 13 properties and households scattered throughout the target geography, since we will not concentrate our rental efforts. Our efforts here shall be directed toward assisting households earning no greater than 50% of the area median, and we will endeavor to institute a purchase program for qualified renters as an option. In this way, we will address the decent, safe and sanitary housing needs of low- income households in Peoria as well as attempt to foster homeownership for such persons at the lowest income level possible; and,
  
- 3) **Downpayment Assistance, Soft Second Loans** - With \$1.6 million committed to this activity (net of administration), we anticipate assisting at least 64 buyers and properties they purchase in the target geography. We intend to focus home purchase support on vacant, abandoned and blighted properties. In this way, we will maximize scarce resources to have the greatest impact on the neighborhood. Affordable sales values in the target geography will enable us to target a limited percentage of first-time homebuyer down-payment assistance (soft second loans) for households earning under 50% of the median (under the lease/purchase activity), while the balance of funding will be committed to those earning no greater than 120% of the median pursuant to federal rules.

## **RATING FACTOR 2: DEMONSTRATED CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF**

### **a. Past Experience of The Applicant.**

The City of Peoria is a CDBG Entitlement community and for many years now, we have been focusing our efforts on revitalizing aging and disinvested neighborhoods. Our strategic goals for our housing and revitalization efforts have been:

1. Preserve good neighborhoods so they stay healthy
2. Turn around changing neighborhoods so that they become desirable
3. Redevelop and rebuild blighted areas so that they become workable neighborhoods
4. Strengthen the ability of neighborhoods and community organizations to help plan and carry out programs for their own stabilization and improvement

The City has been following through on these goals, specifically as it relates to NSP2 by providing: 1) homeownership opportunities for first-time homebuyers, and 2) housing rehabilitation in selected neighborhoods undergoing revitalization. The City has prepared two redevelopment plans to stem slum and blight, along with a revitalization plan that includes the NSP2 target geography. Proposed NSP2 activities will further enhance our efforts to continue our focus on stabilizing declining neighborhoods.

City staff have ample expertise and experience in developing, implementing and overseeing neighborhood stabilization activities. We plan to engage seven internal staff members with over 100 years of combined relevant experience. In addition, three external organizations will be utilized to further enhance our ability to meet NSP2 goals and obligations. We have already been working with these organizations and are confident in their abilities to perform. All specific individuals and organizations involved are profiled in the next section - management structure. There you will find their relevant experience and role in the proposed NSP2 activities.

Overall, City staff have managed both long established programs such as CDBG and developed new programs such as our Homeownership Assistance Program. We have been targeting part of this program toward the acquisition of foreclosed homes and have been aggressively educating the community on foreclosure prevention. In 2008, we created a Foreclosure Task Force to help us focus on the issue. We have also established a Neighborhood Grants Program designed to promote improvement projects that will prevent further decline. In addition, we have utilized several different sources of funds including HOME, American Dream Downpayment Initiative, the Arizona Housing Trust Fund, and Federal Low Income Housing Tax Credits. We have also been working aggressively with several lenders to develop creative financing. In addition, the City regularly works with many community-based agencies, along with various regional entities including the Maricopa HOME Consortium and the Housing Authority of Maricopa County. We are also actively working with developers to encourage the production of new affordable housing.

Relevant Experience Related to Proposed NSP2 Activities

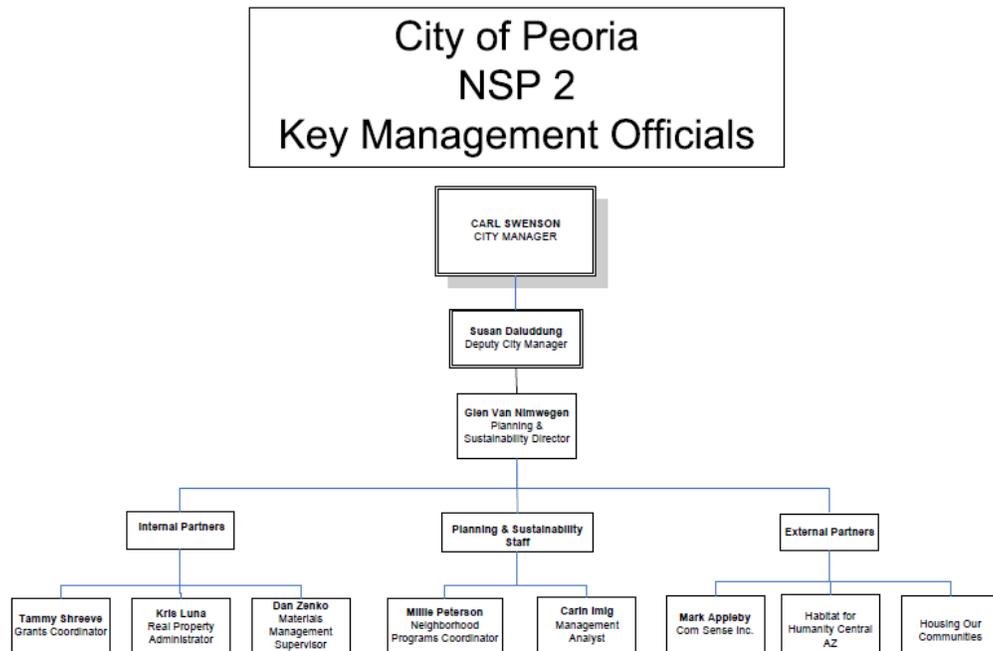
The City of Peoria has successfully carried out and completed projects well over the 75-unit threshold of NSP2 eligible activities over the last 24-months. The results of these activities are profiled below in the three areas for which the City is seeking NSP2 funding to achieve neighborhood stabilization in the target geography.

	<b>24 Month Results</b>	<b>Skills and Resources Applied</b>
<b>Acquisition, Rehabilitation and Resale Of Single-Family Properties</b>	284 properties acquired by the City's Real Property Administrator for various projects.	<p>The City maintains staff to acquire and dispose of property, along with managing owned property. Applied skills include:</p> <ul style="list-style-type: none"> <li>• Working with realtors/lenders on property identification.</li> <li>• Determining market values &amp; estimating acquisition costs.</li> <li>• Negotiating with property owners, acquiring property rights.</li> <li>• Coordinating with outside agencies.</li> <li>• Coordinating the condemnation process if needed.</li> <li>• Performing inspections and environmental reviews.</li> <li>• Developing work write-ups on needed property improvements according to standards.</li> <li>• Negotiating and ordering work with contractors.</li> <li>• Managing acquired property until possible disposition.</li> <li>• Preparing and negotiating the resale of acquired property.</li> </ul>
	113 families have been qualified and assisted with home rehabilitation.	<p>Represent activities in the following programs funded through CDBG, HOME, and local general funds:</p> <ul style="list-style-type: none"> <li>• Minor home rehabilitation through the non-profit - Arizona Bridge to Independent Living.</li> <li>• More intense single-family rehabilitation by the non-profit - Community Services of Arizona.</li> <li>• Minor home repair through the City's Peoria Assisting Residents program.</li> </ul> <p>Applied skills include:</p> <ul style="list-style-type: none"> <li>• Client intake and eligibility screening.</li> <li>• Performing inspections and environmental reviews.</li> <li>• Developing work write-ups on needed property improvements according to standards.</li> <li>• Negotiating and ordering work with contractors.</li> <li>• Monitoring regulatory compliance of work performed.</li> <li>• Client customer service and follow-up.</li> </ul>
	Leverage results from non-profit partnership with Housing Our Communities	<p>The City will partner with the non-profit - Housing Our Communities (HOC) to bolster its experience in the rehabilitation and resale of acquired homes. To date, HOC has rehabilitated over <u>350 properties</u> and resold many of them to lower-income first-time buyers. The City will specifically leverage HOC's skills and experience on the issues and tasks associated with the resale to lower-income first-time buyers.</p>

	<b>24 Month Results</b>	<b>Skills and Resources Applied</b>
<b>Acquisition, Rehabilitation and Leasing With a Potential Lease/Purchase Option</b>	<p>The City owns and manages 70 conventionally financed, federally assisted public housing units. In addition to this, the City manages 82 Section 8 vouchers.</p> <p>The Housing Authority of Maricopa County (who manages Peoria's PHA) currently has 55 families in its Family Self Sufficiency (FSS) program.</p>	<p>The Peoria Public Housing Authority. Applied skills include:</p> <ul style="list-style-type: none"> <li>• Owning and managing 70 scattered site rental homes.</li> <li>• Managing waiting lists and local preferences.</li> <li>• Client intake and eligibility screening.</li> <li>• Determining and managing rent payments.</li> <li>• On-going property maintenance.</li> <li>• Addressing tenant issues and problems.</li> <li>• Assisting families in the pursuit of self-sufficiency.</li> </ul> <p>The Peoria PHA is managed by the Housing Authority of Maricopa County (HAMC). HAMC has experience with lease-purchase related housing and will assist the City with NSP2 activities in this area. HAMC is also managing Maricopa County's current NSP1 program and FSS program participants are their focus for homeownership. In addition to the skills noted above, other relevant skills include:</p> <ul style="list-style-type: none"> <li>• Assessing service needs of residents.</li> <li>• Involving, encouraging and training residents to participate in self-sufficiency activities.</li> <li>• Negotiating FSS agreements with residents.</li> <li>• Providing case management of various supportive services such as credit counseling, budgeting, jobs, etc.</li> <li>• Reviewing case records to monitor client needs.</li> <li>• Managing resident savings accounts for future housing.</li> <li>• Assisting residents to move from subsidized housing to purchasing/renting homes.</li> </ul> <p>The City will also draw on its experience in other programs to effectively implement a lease-purchase approach.</p>
<b>Down Payment Assistance – Soft Second Loans</b>	<p>26 first-time homebuyers assisted.</p>	<p>The City's First Time Homebuyer Program funded through CDBG. This program also works in partnership with Habitat for Humanity Central Arizona. Applied skills include:</p> <ul style="list-style-type: none"> <li>• Community outreach to residents and realtors</li> <li>• Application intake and eligibility screening.</li> <li>• Offering homeownership classes and counseling.</li> <li>• Assisting in finding properties for purchase.</li> <li>• Providing down payment and closing costs assistance.</li> <li>• Working with lenders to develop low interest loans and other creative financing.</li> <li>• Determining long-term affordability restrictions.</li> <li>• Coordinating closings with lenders and title companies.</li> <li>• Providing post-purchase follow-up with buyers assisted.</li> </ul>

## b. Management Structure

There are seven key internal City staff members and three external partner organizations that will be used for our NSP2 program. The organizational chart below identifies all key positions and outlines our management structure.



These individuals are profiled below, along with their relevant experience and role in the proposed NSP2 activities.

### Planning and Sustainability Staff

Staff	Experience	NSP2 Roles and Responsibilities
Susan Daluddung, Deputy City Manager	<ul style="list-style-type: none"> <li>Recognized expert in smart growth, sustainable development, and transit oriented development.</li> <li>Prior positions: Director of Community and Economic Development (Hayward, CA), Director of Community Development (Ventura, CA), Director of Development Services (Springfield, Oregon), Chief Planner (Portland, Oregon).</li> <li>PhD. in Planning &amp; Urban Studies, and Master's degree in Urban Planning, both from Portland State, undergraduate degree from Mankato State University.</li> </ul>	<ul style="list-style-type: none"> <li>Will oversee the work of all NSP2 activities.</li> <li>Oversees the Community Services, Economic Development Services, Engineering, and Planning &amp; Sustainability departments as well as the Office of Communications.</li> </ul>

Staff	Experience	NSP2 Roles and Responsibilities
Glen Van Nimwegen, Director, Peoria Community Development Department	<ul style="list-style-type: none"> <li>• He has over 20 years of increased responsibility in Community Development.</li> <li>• Served as Assistant Director of Planning and Development for Chandler Arizona.</li> <li>• Prior to Chandler, worked in similar functions for Apache Junction and Gilbert.</li> <li>• Bachelor of Science Degree in Design and Urban Planning, and a Master of Public Administration, with an emphasis on Urban Management and Planning both from Arizona State University.</li> </ul>	<ul style="list-style-type: none"> <li>• Will assist in overseeing all NSP2 activities.</li> <li>• Directs the activities of the Community Development Department, which include planning, neighborhood services and sustainability.</li> </ul>
Carin Imig, Management Analyst	<ul style="list-style-type: none"> <li>• Serves the City of Peoria since 2000.</li> <li>• Over 7 years of experience working with and managing programs funded by HUD including CDBG and HOME.</li> <li>• Recently named the Interim Executive Director of the Peoria Housing Authority.</li> <li>• Before joining the City, over 10 years of private sector experience in auditing and finance.</li> <li>• Bachelor's Degree from the University of Northern Colorado and is a licensed Certified Public Accountant (CPA)</li> </ul>	<ul style="list-style-type: none"> <li>• Will assist in overseeing NSP2 activities.</li> <li>• Oversight responsibility for all HUD subrecipient agreements including current contracts with Habitat for Humanity and Housing Our Communities, both partnering with the City on NSP2.</li> </ul>
Millie Peterson, Neighborhood Programs Coordinator	<ul style="list-style-type: none"> <li>• Since 2005, responsible for managing Peoria's neighborhood services programs.</li> <li>• Since 1999, served in various positions in Human Resources and Finance.</li> <li>• Prior, served 25 years in various capacities for Federal agencies.</li> <li>• Six years was responsible for a Federal Relocation Assistance Program, managing activities involving replacement of housing payments, purchase supplement, rental and down payment assistance.</li> <li>• Former licensed AZ real estate agent.</li> </ul>	<ul style="list-style-type: none"> <li>• Will assist in overseeing NSP2 activities and serve as liaison by providing staff support to internal and external partners.</li> </ul>

## Internal Partners

Staff	Experience	NSP2 Roles and Responsibilities
<p>Tammy Shreeve, Grant Coordinator</p>	<ul style="list-style-type: none"> <li>• Recently hired as first Grants Coordinator.</li> <li>• Experience in grant management, both on the side of grantor and grantee.</li> <li>• Has worked in local and state government, including 17 years with the Arizona Department of Environmental Quality.</li> <li>• Masters in Public Administration from Boise State University and a Bachelor of Science Degree from Brigham Young University.</li> </ul>	<ul style="list-style-type: none"> <li>• Will assist in providing grant management support related to NSP2 activities.</li> </ul>
<p>Kristine Luna, Real Property Administrator</p>	<ul style="list-style-type: none"> <li>• Over course of career, involved in purchase and sale of residential properties on behalf of municipalities and is familiar with HUD.</li> <li>• Since 2003, has created the City's real estate program and is responsible for the acquisition, management and disposition of all real property interests for the City.</li> <li>• Prior experience as a real estate appraiser and Property Manager for the City of Glendale.</li> <li>• Arizona Real Estate Broker, an Arizona Certified General Real Estate Appraiser.</li> <li>• Bachelor of Science Degree in Real Estate from Arizona State University.</li> </ul>	<ul style="list-style-type: none"> <li>• Lead staff on the purchase and sale of residential properties on behalf of the City for NSP2 activities.</li> </ul>
<p>Dan Zenko, Materials Management Supervisor</p>	<ul style="list-style-type: none"> <li>• Oversees City's procurement staff for purchase of all commodities, services and construction.</li> <li>• Has bid out numerous housing projects in accordance to HUD requirements as well as other federal grants.</li> <li>• Over 17 years of purchasing experience.</li> <li>• Masters in Business Administration and a Master of Science in Construction from Arizona State University.</li> <li>• Certified Professional Public Buyer through the National Institute of Governmental Purchasing.</li> </ul>	<ul style="list-style-type: none"> <li>• Main contact for bidding out projects in conformance to HUD and ARRA guidelines in regards to NSP2 activities.</li> </ul>

## External Partners

Partners	Experience	NSP2 Roles and Responsibilities
<p>Mark Appleby, Consultant, Com Sense Inc.</p>	<ul style="list-style-type: none"> <li>Independent consultant on HUD program operations/compliance and development.</li> <li>Over 20 years of experience as manager/director of entitlement programs for City governments and consultant in Arizona and California.</li> <li>Extensive management experience with municipal operations, non-profits, and Federal programs.</li> </ul>	<p>Assisting with NSP2 regulatory compliance:</p> <ul style="list-style-type: none"> <li>Environmental reviews, Davis Bacon Wage Rate compliance, and Buy American Act reviews</li> <li>Field work: housing inspections, housing quality standards, project estimates and limited work with client eligibility.</li> </ul>
<p>Housing Our Communities (HOC)</p>	<ul style="list-style-type: none"> <li>Statewide Community Housing Development Organization that provides homebuyer education and one-on-one counseling; acquires and repairs existing properties for resale first time homebuyer families.</li> <li>Has helped more than 1,600 families become first-time homeowners - more than \$6 million in down payment assistance.</li> <li>Over 99% of HOC households have successfully maintained homeownership at affordable level.</li> <li>In last three years, has successfully completed 10 CDBG and HOME contracts for local entitlements.</li> <li>Working with the City of Avondale on its allocation of NSP1 funding.</li> </ul>	<p>Work in partnership, assisting the City in the following activities:</p> <ul style="list-style-type: none"> <li>Assist with marketing</li> <li>Client intake</li> <li>Housing counseling</li> <li>Acquisition of abandoned or foreclosed property</li> <li>Housing rehabilitation</li> <li>Property management</li> <li>Resale of property to eligible beneficiary</li> </ul>
<p>Habitat for Humanity Central Arizona</p>	<ul style="list-style-type: none"> <li>One of the most active affiliates and is consistently listed in the top ten among the nearly 1,600 in the U.S.</li> <li>Completed more than 739 homes in the metro Phoenix area.</li> <li>Serve families earning between 30-60% of the area median income.</li> <li>To date, have built a 17 home cul-de-sac subdivision in Peoria.</li> <li>Meets or exceeds the national standards of the for-profit building and Energy Star standards.</li> </ul>	<p>Work in partnership, assisting the City in the following activities:</p> <ul style="list-style-type: none"> <li>Assist with marketing</li> <li>Client intake</li> <li>Housing counseling</li> <li>Acquisition of abandoned or foreclosed property</li> <li>Housing rehabilitation</li> <li>Property management</li> <li>Resale of property to eligible beneficiary</li> </ul>

## References

<p>John R. Smith President, Housing Our Communities, Inc. Ph (480) 649-1335 john@housingourcommunities.org</p> <p>Stacy Neal Vice-President, Housing Our Communities, Inc. Ph (480) 649-1335 stacy@housingourcommunities.org</p>	<p>Roger Schwierjohn President/CEO Habitat for Humanity Central Arizona 9133 NW Grand Avenue, Suite 1 Peoria, AZ 85345 623-583-2417 Ext 116 602-377-4471 Cell 623-583-2705 Fax www.habitatcaz.org roger@habitatcaz.org</p>
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## Newspaper Articles

# THE PEORIA REPUBLIC

THE PEORIA REPUBLIC • WEDNESDAY, MAY 9, 2007

### Job well done

I had the pleasure of dealing with the Peoria Neighborhood Improvement Office as chair of a committee to improve the common areas of our condominium association. Since it was our first grant application, I needed a lot of guidance!

We hope to apply for another grant to reduce our water use by converting some of our green space to desert landscaping as well. The Neighborhood Improvement Program is a terrific program and a good use for our taxes. Thank you, Peoria City Council and Neighborhood Improvement staff, for a job well done.

— **Judy Tucker**, Peoria

## Program helps low-income homeowners with repairs

**Laura Houston**  
The Arizona Republic  
May. 31, 2007 07:38 AM

A federally-funded program that helps low-income Peoria homeowners cover expensive repair costs is getting a lot of requests this time of year, program director Colleen Noecker said.

This time last year, the Peoria Assisting Residents program had handled four requests for home renovations, she said. This year, the city program's request pool grew six-fold to 24, she added.

"I think the word got out," Noecker said.

Summertime is the busiest time of the year for the program. Air-conditioning work tops the list of requests as the temperature rises Valley-wide. Often, requests come from people who haven't lived in a climate-controlled home for years, Noecker said.

The program is funded by \$50,000 from the federal Department of Housing and Urban Development, and the limit allotted to applicants was recently increased to \$5,000 from \$2,000, Noecker said.

Applicants must prove financial need, live in Peoria and own their homes. They often are elderly, disabled or don't earn enough to pay for repairing or replacing defective air conditioners, getting rid of mold or patching up leaky roofs.

It took Pat Vrooman about a month to navigate the application process. She knew something had to be done when she found black mold growing on her home's air-conditioning unit.

She and her husband LeRoy Vrooman both draw disability pay and her husband is being treated for several heart and lung conditions, including pulmonary fibrosis.

Repairman John Bubar, who is contracted by the city, came in April and got rid of the black mold. Already, the couple says they can tell a difference.

"My husband says he does feel a little bit better, and that disgusting moldy-looking stuff has been removed," Pat Vrooman said.

Vrooman was so grateful for the repair work that she wrote Noecker a thank-you card saying so.

It's a common development.

"I get a lot of hugs," Noecker said. "These people are just so thankful."

## **RATING FACTOR 3: SOUNDNESS OF APPROACH**

### **a. Proposed Activities**

#### **(1) Overall Program Design**

The overall goal of the City of Peoria's NSP2 program is to stabilize the target geography by increasing the rate of homeownership, while staving off the blight of abandoned homes. Our objectives are to:

- Transform foreclosed, distressed properties into affordable housing assets that motivate neighborhood revitalization.
- Give low- and moderate-income individuals and families an opportunity to secure the dream of homeownership.
- Ensure the long-term economic well being of the targeted neighborhoods and the households supported.

The City of Peoria's NSP2 program represents a comprehensive and collaborative community development effort. It includes community-based organizations, City and County agencies, lenders, and realtors, along with financial and technical partners working together to increase affordable homeownership and eliminate blight.

Key elements of the NSP2 program include:

- Acquiring and rehabilitating 39 abandoned or foreclosed properties.
- Assisting some 26 households with the opportunity at homeownership by purchasing some of the acquired property.
- Giving 13 renters (minimum) an opportunity to purchase the home they are leasing.
- Assisting 64 buyers purchase a home by providing soft second loans.
- Leveraging the City's investment of CDBG in rehabilitation & homebuyer assistance.
- Conducting outreach to potential homebuyers in the community.
- Counseling prospective homebuyers to ensure preparedness for the responsibilities.
- Securing other sources of financing in the target geography to keep the City's NSP2 activities going well into the future.
- Working with the contractors so that the rehabilitation of the homes ensures the highest level of energy-efficiency.
- Providing post purchase follow-up with NSP2 assisted households.
- Observing real neighborhood transformation as homeownership increases and a sense of community is re-established.

The acquisition and rehabilitation activities associated with this application for resale and/or lease represent a new formal program for the City. The other major activity – down payment assistance - represents an expansion of the City's current program by assisting 64 new homebuyers with soft second loans.

As demonstrated earlier, for several years the City of Peoria has directly or indirectly sponsored programs to encourage and assist buyers to purchase homes. Ownership stabilizes housing costs over a long period of time and is recognized as an asset to neighborhoods. Neighborhoods with higher percentages of owner-occupied units have a stronger sense of permanence and stability. Pride of ownership often leads to better home maintenance. Finally, when property values rise, homeownership can give families an economic boost and sense of security that results in economic and social benefits to the surrounding community.

As stated in Factor 1, we have selected this NSP2 program mix because we believe that bolstering homeownership in the target geography represents our best chance to stabilize neighborhoods long-term in our target geography. We believe an emphasis on down payment assistance will work quickly because of the healthy absorption rate currently in the area. It will also quickly mitigate the conversion of ownership units into rentals by cash investors in the region.

In addition, our strategic use of acquisition with rehabilitation will enable us to purchase key single-family properties in very specific areas to offer a measure of stabilization. These acquisition and rehabilitation activities will also stimulate a significant number of jobs in real estate and construction, which will be important for our local economy.

The market viability of our approach is, without question, the most likely to make a difference based on information provided earlier. We believe we can achieve significant results after just three years of NSP2 activities. To monitor our effectiveness, the City of Peoria will capture, track and assess measures in the target geography including:

- Market values
- Overall sales activity and prices
- Number of vacant and abandoned residential property eliminated
- Number of public inquires
- Number of homebuyers qualified
- Number of individuals receiving homeownership counseling
- Number receiving NSP2 assistance and their demographic profile

The City of Peoria's proposed NSP2 program consists of three activities:

- 1) Acquisition, rehabilitation and resale of single-family properties
  - Perform directly or assist designated nonprofits to purchase and rehabilitate foreclosed or abandoned properties for resale to eligible individuals
- 2) Acquisition, rehabilitation and leasing with a potential lease/purchase option
  - Perform directly or assist designated nonprofits to purchase and/or rehabilitate foreclosed or abandoned properties for rental, giving eligible tenants an opportunity to purchase the home
- 3) Homebuyer Assistance Program – soft second loans
  - Assist eligible homebuyers to purchase foreclosed homes

**(2a) Use of Funds**

The City of Peoria is requesting a total of \$10 million for its NSP2 program. The City estimates that this will impact a minimum of 103 housing units and households. The amount of funds budgeted for each eligible use and activity is noted in the table below. The City of Peoria’s Community Development Department will be the responsible entity for each use and activity.

<b>NSP-Eligible Uses</b>	<b>Correlated CDBG Eligible Activities</b>	<b>Proposed Activity</b>	<b>NSP2 Funds Budgeted</b>
(A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.	As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.  Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.	Soft Second Loans	\$1,600,000  <i>Estimated persons assisted per unit: 64</i>
B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.	24 CFR 570.201 (a) Acquisition; (b) Disposition; (i) Relocation; (n) Direct homeownership assistance (as modified below);  570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).	Acquisition, rehabilitation and resale of single-family properties	\$4,800,000  <i>Estimated persons assisted per unit: 26</i>
		Acquisition, rehabilitation and leasing with a potential lease/purchase option	\$2,600,000  <i>Estimated persons assisted per unit: 13</i>
		Administration	\$1,000,000
		<b>TOTAL</b>	<b>\$10,000,000</b>

*Budget based upon the following assumptions that are subject to adjustments over time:*

- \$120,000 single family acquisition costs
- \$40,000 rehabilitation costs per housing unit
- Up to \$25,000 in down payment (soft second) assistance (\$40,000 for lease/own)

## **(2b) Description of Activities**

### **Activity #1: Acquisition, Rehabilitation and Resale of Single-Family Properties**

With \$4.8 million committed to this activity, we anticipate assisting at least 26 properties and households in the targeted geography. While this specific geography has been especially hard hit by the blighting influences of foreclosures, abandonment and vacant properties, we may fund anywhere in the target geography. The City will perform these activities directly and/or through partner non-profit agencies including Housing Our Communities and Habitat for Humanity Central Arizona. The tenure of the beneficiaries will be homeownership. To undertake this activity, we will do the following:

#### *Acquisition activities:*

- Work with local 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 NSP2 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:*

- Retain the services of licensed brokers to help sell the rehabilitated homes.
- 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 NSP2. This process is outlined later under activity #3.
- Work with lenders to find fixed rate loans tailored to the meet lower income needs.
- The City may use a portion of its NSP2 funds for downpayment (soft second) assistance if needed to help purchase the home up to \$25,000. Anyone assisted would comply with the basic requirements of the City's current First Time Homebuyer Program, including a lien on the property for continued affordability.
- If any funds are returned to the City at sale, these funds will be considered Program Income and used for other NSP2-eligible activities.
- Monitor homebuyers to ensure that homeowners comply with all NSP2 regulations during the appropriate affordability period.

## **Activity #2: Acquisition, Rehabilitation and Leasing With a Potential Lease/Purchase Option**

With \$2.6 million committed to this activity, we anticipate assisting at least 13 properties and households scattered throughout the target geography, since we will not concentrate our rental efforts. Our efforts here shall be directed toward assisting households earning no greater than 50% of the area median income, and we will endeavor to institute a purchase program for qualified renters as an option. The City's NSP2 lease-purchase option allows potential buyers to occupy a recovered, foreclosed home while they take the steps necessary to purchase it. In this way, we will address decent, safe and sanitary housing needs, as well as attempt to foster homeownership at the lowest income level possible.

The City will perform these activities directly and/or through partner non-profit agencies including Housing Our Communities, Habitat for Humanity Central Arizona and the Housing Authority of Maricopa County. The tenure of the beneficiaries will be rental with the possibility of homeownership. The City will follow the same procedures to acquire and rehabilitate foreclosed homes outlined in Activity #1. If renters qualify and agree to participate in lease/purchase option, resale activities may take place at some point during the three years of the City's NSP2 program. The tenants or prospective buyers must complete housing counseling, establish a savings, and take ownership within one to two years. To undertake this lease/purchase option, we will perform and oversee the following:

### *Lease-Purchase Activities:*

- During the NSP2 program, the City will rent these properties to eligible tenants who show promise to become prospective homeowners. This includes working with current tenants in our Housing Authority programs.
- The City will use a combination of similar intake and qualifying procedures under its Section 8 and First Time Homebuyers programs.
- The City will ensure that rents (including utilities) charged will be affordable as defined by HOME program standards at 24 CFR 92.252.
- The City will manage these properties during this period.
- Interested tenants will sign a lease/purchase option agreement to participate.
- The City will provide case management services and homeownership education to lease-purchase participants to help them overcome obstacles to homeownership.
- The City may use a portion of its NSP2 funds for downpayment (soft second) assistance if needed to help purchase the home up to \$40,000. Anyone assisted will comply with requirements, including a lien on the property for continued affordability.
- Depending on when the renter signs up, they will have one to two years to purchase the property. If all acquired/rehabilitated and leased property is not purchased by a participating tenant after 2.5 years into NSP2, the City will resale the property to a qualified buyer (under 50% of median income) as outlined in Activity #1.
- If any funds are returned to the City at sale, these funds will be considered Program Income and used for other NSP2-eligible activities.

### **Activity #3: Homebuyer Assistance Program – Soft Second Loans**

With \$1.6 million committed to this activity, we anticipate assisting at least 64 buyers and properties they purchase throughout the target geography. The City will work with interested homebuyers under this activity through its existing the First Time Homebuyer Down Payment Assistance program. The current program is funded under CDBG so all activities are conducted in compliance with HUD guidelines. The City will expand upon what it has been doing by offering an additional financing mechanism to help NPS2 eligible homebuyers acquire foreclosed single-family homes. For NSP2 activities, any eligible buyer will be considered not just first time buyers.

This program will provide down-payment assistance as a soft second loan up to \$25,000. 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. The first loan must be a fully amortized, fixed rate thirty-year mortgage. 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.

Eligible applicants will include:

- Homebuyers who will use this home as their principal residence.
- Households whose combined yearly income does not exceed 120% of the area median income (NSP2 modification) adjusted for family size.
- Borrowers who can qualify for competitive mortgage loans.
- Potential homeowners who are U.S. citizens or have legal residency.

Eligible applicants will qualify for assistance by doing the following:

- Complete eight hours of homeownership counseling. The City works with HUD-approved counseling agencies such as: Community Services of Arizona, Housing Our Communities, and Neighborhood Housing Services of SW Maricopa County. Evidence of class completion required before an application will be accepted.
- Submit an application along with required documentation.
- City will review the application for eligibility and contact applicant(s) regarding status.
- Apply to a bank or mortgage company for their home loan and meet the lender's requirements. The City will provide information on finding a lender.
- Find a home they are interested in purchasing. Given the use of NSP2 funds under this activity, the applicant(s) must find a foreclosed home in the target geography. The property purchased must also pass Housing Quality Standards (HQS) and an environmental review as required by HUD.

**(2c) Commitment of Other Funds**

The City of Peoria is limited in its ability to commit and attract other funding for its NSP2 program at this time. However, the Mayor has placed a high priority on the success of any NSP2 activity. Therefore, a fair amount of in-kind support will be provided by the City using not only the seven City staff listed in this application, but many others who will lend their professional and administrative expertise.

**(2d) Demolition and Preservation**

The City of Peoria has very limited opportunities with property demolition in the target geography given the comparatively recent age and nature of its housing stock. Therefore no demolition and preservation activities are being pursued in this application.

**b. Project Completion Schedule**

<b>Milestone</b>	<b>Critical Activity</b>	<b>Target Results/ Dollars Expended</b>
<b>Year One</b>		
October – December 2009	<ul style="list-style-type: none"> <li>• Sign agreement with HUD</li> <li>• Finalize subrecipient agreements</li> <li>• Begin marketing campaign for recruitment of program participants</li> <li>• Begin locating properties for purchase</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 1% of funds spent</li> </ul>
January – March 2010	<ul style="list-style-type: none"> <li>• Acquire/rehab 2 homes</li> <li>• Begin approving soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 5% of funds spent to date</li> </ul>
April – June 2010	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Begin signing up tenants for lease/potential own program</li> <li>• Begin re-sale to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 15 homes/households assisted to date</li> <li>• 15% of funds spent to date</li> </ul>
July – September 2010	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Sign up tenants for lease/potential own program</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 25 homes/households assisted to date</li> <li>• 25% of funds spent to date</li> </ul>

<b>Milestone</b>	<b>Critical Activity</b>	<b>Target Results/ Dollars Expended</b>
<b>Year Two</b>		
October – December 2010	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Sign up tenants for lease/potential own program</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 35 homes/households assisted to date</li> <li>• 35% of funds spent to date</li> </ul>
January – March 2011	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Sign up tenants for lease/potential own program</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 45 homes/households assisted to date</li> <li>• 45% of funds spent to date</li> </ul>
April – June 2011	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 55 homes/households assisted to date</li> <li>• 55% of funds spent to date</li> </ul>
July – September 2011	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 70 homes/households assisted to date</li> <li>• 65% of funds spent to date</li> </ul>
<b>Year Three</b>		
October – December 2011	<ul style="list-style-type: none"> <li>• Acquire/rehab 5 homes</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 80 homes/households assisted to date</li> <li>• 75% of funds spent to date</li> </ul>
January – March 2012	<ul style="list-style-type: none"> <li>• Acquire/rehab 2 homes</li> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 50 applicants received</li> <li>• 90 homes/households assisted to date</li> <li>• 85% of funds spent to date</li> </ul>
April – June 2012	<ul style="list-style-type: none"> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 25 applicants received</li> <li>• 100 homes/households assisted to date</li> <li>• 95% of funds spent to date</li> </ul>
July – September 2012	<ul style="list-style-type: none"> <li>• Re-sale homes to eligible buyers</li> <li>• Approve soft second loans</li> </ul>	<ul style="list-style-type: none"> <li>• 103 homes/households assisted to date</li> <li>• 100% of funds spent to date</li> </ul>

### **c. Income Targeting For 120 Percent and 50 Percent of Median**

With the continued downward trend in home values in the target geography since its peak in 2006, the ability to assist those at or below 120% of area median income does not appear to be a problem. The average area sales value in June of 2009 was \$98,000. In fact, the present market creates more of an opportunity to assist potential lower-income first-time homebuyers.

Therefore, the City has committed to using at least 25% of its NSP2 funding for those under 50% of area median income. Specially, it will be targeted in this proposed activity:

#### Acquisition, Rehabilitation and Leasing With a Potential Lease/Purchase Option

With \$2.6 million (26%) committed to this activity, our efforts here shall be directed toward assisting households earning no greater than 50% of the area median, and we will endeavor to institute a purchase program for qualified renters as an option. Depending on when the renter signs up, they will have one to two years to purchase the property. If all acquired/rehabilitated and leased property is not purchased by a participating tenant after 2.5 years into NSP2, the City will resale the property to a qualified buyer (under 50% of median income).

We are confident in our ability to meet these income targeting requirements, particularly if we link the above activities to other supports that are available (first-time homebuyer tax credits, etc).

### **d. Continued Affordability**

The City of Peoria will adopt the continued affordability standards and enforcement mechanisms within the guidelines of HOME Program Standards located at 24 CFR 92.254. Homeownership activities will have secured lien documents in place through the affordability period as identified in the table located below. Recaptured funds will be reinvested in the program. The table below identifies the minimum affordability periods that will be imposed on all properties developed with NSP2 funds.

<b>Assistance Amounts</b>	<b>Affordability Period</b>
<\$15,000	5 Years
\$15,000 to \$40,000	10 Years
>\$40,000	15 Years
New Construction	20 Years

The City of Peoria will monitor projects to ensure income guidelines, long-term affordability and all other program compliance requirements are being met.

## **e. Consultation, Outreach, Communications**

The City of Peoria has three broad goals in regard to its NSP2 communication efforts:

1. Ensure that the collected consultation input and feedback is considered in the development and implementation of its NSP2 program.
2. Gather continuous input and feedback through a variety of means, including public notices, community meetings, surveys and other consultation methods.
3. Communicate to raise awareness about its NSP2 program, spark interest and discussion, inform about opportunities to participate, and share results.

To do this, the City of Peoria will incorporate similar processes it uses through its Community Development Department to consult with other governmental entities and communicate with its citizens on all development issues. This is primarily driven by the development of the City's General Plan. Historically, the City of Peoria has met and exceeded its statutory requirements on communicating development issues through its General Plan and will continue this same effort through its NSP2 activities. In an effort to provide wide dissemination of information related to its NSP2 efforts, we would encourage and support constructive discussion in the community, and ensure that our activities continue to be supported by the community.

### Inter-Governmental Consultations

Since the inception of the Neighborhood Stabilization Program, the City of Peoria has been in attendance at various meetings and consulted with many other units of government regarding the possibility of a NSP2 program. The City of Peoria recognizes that communication and cooperation between governments and agencies is essential for effective problem solving and the efficient use of resources. Such communication and cooperation has been enhanced through the existence of groups such as the Arizona Housing Authority Directors Association (AHADA), Maricopa County HOME Consortium, and the Maricopa Association of Governments (MAG) to help facilitate this dialogue and exchange.

Over the past year, the City has consulted with many (noted below) and shared its intentions at various meetings and forums. These consultations will continue during the implementation of NSP2 activities, particularly with other Arizona NSP recipients.

- Arizona Housing Authority Directors Association board meetings and conferences
- The Maricopa Association of Governments, the League of Arizona Cities and Towns, the Arizona Department of Housing, and the Arizona Housing Commission
- The nine other jurisdictions that received NSP1 funding in Arizona
- The Arizona HUD office and other technical advisory groups like the Phoenix office of the Local Initiatives Support Corporation
- Internal inter-departmental meetings within the City of Peoria

## Outreach and Affirmative Marketing Actions

The City has adopted a marketing and outreach plan that will create awareness about its NSP2 program, identify target audiences, disseminate information, and maximize opportunities for program participation. The plan is designed to ensure outreach efforts are focused on reaching all possible buyers and capitalizing on existing partnerships. A special focus will be placed on marketing to military families and workers at nearby Luke Air Force Base (LAFB). Peoria enjoys a close working relationship with LAFB and we are uniquely positioned in connecting our military and their families with homeownership opportunities with NSP2 activities.

We will also work to ensure all marketing efforts are affirmative, such as targeting efforts to reach those with disabilities and limited English proficiency. Overall, our marketing efforts will ensure that we are informing and attracting eligible persons to our program without regard to race, color, national origin, sex, religion, familial status or disability.

Throughout the City of Peoria and surrounding communities, the NSP2 program will be marketed through the City's subrecipients, churches, local newspapers, schools, community groups, civic associations, various chambers of commerce, lenders and realtors, as well as through our existing First-time Homebuyer Program. Specific communication tools that will be used include:

- Peoria FOCUS - an external citizens' newsletter published quarterly
- The City's Television Station Channel 11 - community bulletin board with on-screen text providing updated NSP2 information
- News in Brief - weekly news summary to local media
- News Release or Media Advisory - Pitch NSP2 story to the news media
- Brochure/Flyer - direct-communication to targeted audience
- Neighborhood Meetings - City staff will speak to a group on NSP2 information
- Newsletters - Councilmembers quarterly newsletter by district
- Speaker's Bureau - City representatives who speak on interested topics
- The City's Website - quick access to program information

## Continuous Communication

The City will utilize the same tactics described above in its outreach efforts to provide continuous communication on NSP2 program progress and results. In addition, regular status reports will be given to the City Council along with a formal annual report shared with all Peoria residents on the status of the NSP2 program and results to date. To process any possible complaints and suggestions, the City will use its normal procedure of routing it to the proper department for a quick response, typically within 24 hours. Residents also have the opportunity to provide continuous feedback easily, by going on-line and using the City's "Comment Cards." The City's on-going outreach and communication efforts will be monitored internally on a monthly basis to evaluate effectiveness.

## **f. Performance and Monitoring**

### Monitoring Plan

The City of Peoria will adopt similar monitoring procedures it uses for its CDBG program. These review and monitoring practices apply to self-monitoring as well as subrecipient monitoring and follow a seven-step process:

1. Determine if the activity is included within the listing of eligible activities in NSP2 regulations.
2. Determine if the proposed activity falls within a category of explicitly ineligible activities despite its apparent inclusion within the listing of eligible activities.
3. Determine if the proposed activity meets the national objectives of CDBG and NSP2:
  - The primary objective of CDBG: the development of viable communities, by providing decent housing, a suitable living environment, and economic opportunity, principally for low- and moderate-income.
  - Focusing in neighborhoods that are in decline (or further decline) due to the negative effects of foreclosures by 1) arresting the decline, and 2) stabilizing the neighborhood and positioning it for a sustainable role in a revitalized community.
  - Emphasizing specific CDBG objectives for NSP2 including: 1) to foster activities in a coordinated and supportive manner; 2) a more rational use of land and other natural resources; and 3) the conservation of scarce energy resources, energy efficiency, and the provision of alternative and renewable energy sources.
4. Ensure that carrying out the activity will not result in violating the City's certification that all of the NSP2 funds be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and not less than 25 percent of NSP2 funds be used to house individuals or families whose incomes do not exceed 50 percent of area median income.
5. Review proposed costs of the activity to determine if it appears to be necessary and reasonable and will otherwise conform with a federal document called "Cost Principles Applicable to Grants and Contracts with State and Local Governments." If a non-profit organization or educational institution is involved, review of the project in the context of a federal document called "Cost Principles for Non-Profit Organizations" or "Cost Principles for Educational Institutions" is required as applicable.
6. Complete the environmental review and clearance procedures for the project of which the activity is a part. The Department of Housing and Urban Development (HUD) and the City are prohibited by law from releasing funds for a NSP2 activity until the City meets the responsibility with respect to environmental protection.

7. Actual site and activity evaluation once the project is initiated. The program evaluates progress quarterly for each activity, including on-site visits and monitoring, as necessary. These site assessments determine if the project developed an activity as described or as defined under their contract. Specific reviews are then conducted to evaluate or "test" who is being served and how effectively the service delivery is being provided. This testing includes expenditure timeliness for HUD in draw downs of funding. If the project produces a specific product, an additional evaluation is conducted on the activity quality and meeting timing/implementation goals.

Using the above guidelines the City of Peoria will monitor any subrecipient and project activities at three key points:

- At project set-up (or contract signing) for environmental clearance
- At all billings for compliance with stated project objectives
- Annually (for about 50% of the funded activities), in a formal onsite review (which follows an adopted monitoring tool)

For sub-recipients, the monitoring includes housing quality inspections of housing rehabilitation units or rental units that are assisted. Written monthly reports will be required so the City can stay informed about progress being made to expend the NSP2 funds. These reports will include activities performed, milestones reached and any timeline changes.

The City of Peoria will "self monitor" all activities conducted directly by the City through the annual Single Audit along with the NSP2 internal audit requirements described below.

#### Internal Audit Requirement

This internal audit requirement is of critical importance to the City, as it will strive to provide excellence in its NSP2 efforts. Regular feedback to continually examine potentially risky areas of program operations and management will be a high priority. The City of Peoria will meet the NSP2 internal audit requirement by using the City of Peoria's Senior Accountant from its Finance Department. The Senior Accountant will be tasked with the responsibility of reviewing all monthly/quarterly reports and periodically checking in with NSP2 staff.

As part of this internal process, the City will also use its established citizen review panel that provides project review and oversight to the CDBG and HOME proposal process. NSP2 staff and the City's Senior Accountant will provide regular reports to the panel and the City Council for their input and feedback.

## RATING FACTOR 4: LEVERAGING OTHER FUNDS, OR REMOVAL OF SUBSTANTIAL NEGATIVE EFFECTS

### Leverage

The City of Peoria is limited in its ability to commit and attract other funding for its NSP2 program at this time. However, the Mayor has placed a high priority on the success of any NSP2 activity. Therefore, a fair amount of in-kind support will be provided by the City using not only the seven City staff listed in this application, but many others who will lend their professional and administrative expertise.

### Removal of Negative Effects

The City of Peoria plans to remove destabilizing influences by acquiring and rehabilitating a total of 39 vacant residential properties in the target geography with NSP2 funding. This will make a significant dent in eliminating a good portion of the 175 vacant properties that currently exist in the target area according to the City's Police and Code Enforcement Departments.

Using the rubric noted in Appendix 3 of the NOFA\*, the City's calculated value is 33%.

$$\frac{1.5 \text{ times } (39 \text{ units acquisition \& rehab}) + (0 \text{ units demolished})}{175 \text{ units (all vacant residential properties in target area)}} = 33\%$$

*\*HUD Formula:*

*1.5 times:*

(Sum total of vacant properties proposed to be addressed through acquisition/rehab) +  
(Sum total of vacant properties to be addressed via demolition)

*Divided by:*

(Sum total of all vacant residential properties in target area)

## RATING FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT FACTORS

### a. Transit Accessibility

Valley Metro is the regional transit system in the Phoenix metro area. Valley Metro and the City offer the services noted below to residents in the target geography. While available, many employment opportunities are accessible within walking distance, as the target area exists within the downtown business district of the City.

#### Fix Bus Service

The City of Peoria/Valley Metro offer fixed route bus services Monday through Friday. These local bus routes (highlighted on the map below) provide a convenient way for riders to travel to employers and points of interest within the Valley. These routes also allow connections to many Valley Metro express routes and light rail. The target geography has three fixed bus routes. Another main line exists just south. Most stops are accessible within a short walking distance (within one mile). Bus service is available every 20 minutes during rush hour. A park & ride facility is conveniently located in the center of the target geography as well.



#### Car Pooling

ShareTheRide is Valley Metro's new matching system that allows commuters in metro Phoenix to quickly and securely find a partner for carpooling, vanpooling, biking or using bus and light rail. The service is available to all residents in the target geography.

#### Dial-A-Ride

Peoria Dial-A-Ride was formed in 1989 to provide basic transportation services for the residents of Peoria. In addition to regular service, a special program called Dial-A-Ride Plus (DAR+) allows transport of Peoria residents to medical campuses in neighboring cities. Services are offered seven days a week. Curb-to-curb service is available to all residents in the target geography.

## **b. Green Building Standards**

All abandoned and foreclosed homes purchased will be rehabilitated to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. The City of Peoria and its subrecipients will use Section 8 Housing Quality Standards (HQS) as the minimum standard for any rehabilitation activities.

In addition, the City and its subrecipients will include improvements that increase energy efficiency by meeting and exceeding the Model Energy Code and Energy Star standards. In performing rehabilitation or energy retrofits, the City and its subrecipients will purchase only Energy Star products and appliances.

We will also work to add green-building features into each rehabilitated property. The City, working with Peoria's "Sustainability Team", will establish 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. More information on the City's sustainable development practices can be found under Factor 5, section e (Other Sustainable Development Practices).

## **c. Re-use of Cleared Sites**

The City does not plan on performing any housing demolition in its NSP2 activities.

## **d. Deconstruction**

Historically, the City of Peoria has used deconstruction techniques in its demolition and reconstruction efforts, by salvaging and re-using materials in other projects, or donating them to various non-profit organizations. For example, we recycle appliances that do not meet energy efficient star rating by donating them to the Habitat for Humanity Re-Store in Peoria. We will continue these practices in our NSP2 rehabilitation activities.

## **e. Other Sustainable Development Practices**

The City of Peoria is committed to providing an environment in which its natural resources, its people, and its economy are balanced. The City aspires to make Peoria a leader that develops, promotes, and improves the quality of our community through sustainable practices. This has been demonstrated by the recent development of a Sustainability Action Plan. This Plan is the first step in the City's determination to promote and achieve sustainability in operations and business practices as well as future growth and development. To date, the City has established an interdepartmental sustainability team that involves over 40 employees across all departments (the Sustainability Team). The team has identified eight categories, each with its own list of action items to be implemented and measured over the next three years for results.

Because of this Plan, all NSP2 activities implemented by the City will endeavor to follow these policies and pursue action items noted below:

#### Energy Use

- Reduce light pollution and energy consumption.
- Be a leader in the region to reduce our carbon footprint by seeking out clean technologies and renewable energy sources.
- Develop an across the board public/private strategy to develop supply and demand.

#### Reduce, Reuse, Recycle

- Encourage green procurement standards at the City that feature recycled or environmentally friendly products.
- Expand the recycling program with business and private partners.

#### Water Resources Management

- Ensure that renewable water resources are available for future generations.
- Encourage reasonable and prudent water conservation measures.

#### Sustainable Development

- Invest in the revitalization and redevelopment of established urban centers to improve quality of life while supporting emerging industries.
- Promote neighborhood-centric activity centers that employ a smart growth development template integrating a mix of uses, multi-modal circulation options, public spaces, etc.
- Create a green building program that encourages sustainable development.
- Review, analyze, and recommend sound policy requiring solar and alternate energy installations on all new construction.

#### Transportation

- Focus on creating transit-oriented developments that address all transportation options and allow easy access to public commuting services within a close proximity.
- Encourage and support the development of a multi-modal path and trail network.
- Create opportunities for alternative modes of transportation.

#### Open Space Preservation

- Limit development in areas that may pose natural or man-made environmental hazards by researching/proposing non-destructive alternatives for sensitive areas.
- Ensure the protection of an ecologically-functioning network of critical open space areas, restore natural habitats, and accelerate urban reforestation.

#### Communication

- Investigate and communicate opportunities to Peoria residents on practical, convenient and creative solutions for increasing energy efficiency.
- Aggressively market energy strategy as well as our overarching sustainability policy.

#### Partnerships

- Form partnerships with various public/private organizations to bring a regional perspective to planning and transportation, and standardize green building.
- Partner with educational institutions such as the Global Institute of Sustainability at Arizona State University and the Peoria Unified School District.
- Transform the basis of our partnerships with APS and SRP to focus completely on alternate energy sources.

## RATING FACTOR 6: NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY

The City of Peoria certifies that its proposed NSP2 activities are consistent with many other City and regional comprehensive plans (go to [www.peoriaaz.gov](http://www.peoriaaz.gov) for City plans):

- City of Peoria General Plan, which is the fundamental policy document guiding future growth and development in the City. The Plan is used by both policymakers and staff to evaluate land use changes and review building and development practices. It is used by citizens and neighborhood groups to understand the City's long-range plans and proposals for different areas. Key to NSP2 activities are the housing and revitalization/redevelopment elements of the General Plan.
- Downtown Peoria Redevelopment Plan that is part of the NSP2 target geography. The intent of the plan is to acknowledge the culture, style and character of the area in creating an attractive and thriving business and adjacent residential community. Now that several neighborhoods are nearing 30 years or more, the City is focusing on planning that identifies neighborhoods that could benefit from reinvestment.
- City of Peoria Housing Plan which guides the implementation of efforts that will strengthen both the vitality of the City, and provide a housing sector that responds to the dynamic and growing needs of the City.
- City of Peoria Storm Water Management Plan which, when implemented, reduces the discharge of pollutants from the City's municipal storm sewer system. The plan is not just about storm water, but other issues like residential water conservation, disposal of household hazardous waste and trash.
- Maricopa County HOME Consortium that was established for the purpose of receiving federal HOME and American Dream Downpayment Initiative (ADDI) funds. The City of Peoria is a Consortium member. Peoria works with other member cities to develop its Five Year Consolidated Plan and the Annual Action Plans.

Plan	NSP2 Related Objectives	How Increases Effectiveness
<b>City of Peoria General Plan</b>	<u>Revitalization and Redevelopment Element</u> : Assist older neighborhoods with appropriate enhancements. Key objectives: <ul style="list-style-type: none"> <li>• Continue to leverage public investments within existing redevelopment/revitalization planning areas.</li> <li>• Encourage development of vacant land in adopted revitalization or redevelopment areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Infusion of \$10 million in NSP2 funding will leverage other public/private investments in target geography.</li> <li>• Stabilizing homeownership will encourage future private investment and development of vacant land in target geography and adjacent neighborhoods.</li> </ul>

Plan	NSP2 Related Objectives	How Increases Effectiveness
<b>City of Peoria General Plan (Continued...)</b>	<p><u>Housing Element</u>: Key objectives:</p> <ul style="list-style-type: none"> <li>• Encourage owner occupied housing units.</li> <li>• Encourage and promote community efforts to revitalize mature neighborhoods.</li> </ul>	<ul style="list-style-type: none"> <li>• All proposed NSP2 activities are focused on encouraging long-term owner-occupied housing.</li> <li>• The NSP2 target geography is focused on some of the City's most mature neighborhoods.</li> </ul>
<b>City of Peoria Revitalization and Redevelopment Plan</b>	<p>Key strategic objectives include:</p> <ul style="list-style-type: none"> <li>• Develop and delineate Infill Incentive Districts.</li> <li>• Prepare an Old Town Revitalization Overlay Zone in accordance with the Central Peoria Revitalization Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The infusion of \$10 million in NSP2 funding will leverage other public and private redevelopment investments and incentives in the target geography.</li> </ul>
<b>City of Peoria Housing Plan</b>	<p>Focuses on five key areas: diversity, low income housing, home ownership, revitalization, and special needs groups. Key objective:</p> <ul style="list-style-type: none"> <li>• Develop a rehabilitation and revitalization plan for existing aged housing stock and historically significant structures.</li> </ul>	<ul style="list-style-type: none"> <li>• All proposed NSP2 activities are focused on encouraging homeownership and revitalization of existing aging housing stock.</li> </ul>
<b>City of Peoria Storm Water Management Plan</b>	<p>Key strategic objectives include:</p> <ul style="list-style-type: none"> <li>• Public education</li> <li>• Water conservation practices for homeowners</li> <li>• Proper disposal of household hazardous wastes</li> <li>• Pet waste management</li> <li>• Trash management</li> </ul>	<ul style="list-style-type: none"> <li>• All residents can have a positive impact on reducing storm water pollution if they are sufficiently informed of their role. NSP2 activities represent another way to get the word out.</li> </ul>
<b>Maricopa HOME Consortium Consolidated Plan</b>	<p>Key strategic objectives include:</p> <ul style="list-style-type: none"> <li>• Increase the quality of owner-occupied housing through rehabilitation/replacement assistance for low and moderate-income households.</li> <li>• Increase the supply of affordable owner-occupied housing by providing down payment assistance/housing counseling to low and moderate-income.</li> </ul>	<ul style="list-style-type: none"> <li>• All proposed NSP2 activities are focused on encouraging homeownership and revitalization of existing aging housing stock.</li> </ul>

# **DISCLOSURES**

**&**

# **APPENDIX**

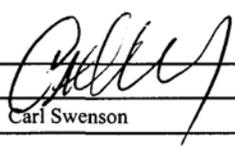
## DISCLOSURES SF-LLL Form

### DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB  
0348-0046

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input checked="" type="checkbox"/> B a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input checked="" type="checkbox"/> A a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input checked="" type="checkbox"/> A a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  City of Peoria 8401 W. Monroe Peoria, Arizona 853456-6560 <b>Congressional District, if known:</b> AZ-002	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>   <b>Congressional District, if known:</b>	
<b>6. Federal Department/Agency:</b> U.S. Department of Housing and Urban Development	<b>7. Federal Program Name/Description:</b> Neighborhood Stabilization Program 2 /FR-5321-C-01 <b>CFDA Number, if applicable:</b> 14.256	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i> KRB Consulting Inc,  913 W. McDowell Road, Phoenix, AZ 85007	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>  <div style="text-align: center;">             Signature: _____            Print Name: Carl Swenson            Title: City Manager            Telephone No.: 623-773-7572      Date: 10 July 09         </div>	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)
<b>Federal Use Only:</b>		

# DISCLOSURES HUD-2880 Form

## Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing  
and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

**Instructions.** (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

### Applicant/Recipient Information

Indicate whether this is an Initial Report  or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Carl Swenson, City Manager City of Peoria	2. Social Security Number or Employer ID Number: 866-00-3634
3. HUD Program Name Neighborhood Stabilization 2	4. Amount of HUD Assistance Requested/Received \$10,000,000.00
5. State the name and location (street address, City and State) of the project or activity: Peoria, Arizona	

### Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.
--	---

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

### Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

### Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
KRB Consulting Inc	861-02-2014	Assistance in writing grant application.	\$ 45,000

(Note: Use Additional pages if necessary.)

### Certification

**Warning:** If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: 	Date: (mm/dd/yyyy) 07/13/2009
--	----------------------------------

x

## **APPENDIX 1 Definitions**

### **Blight**

Under Peoria City Code (Sec. 17-2 Public Nuisances), “blight” or “blighted” means unsightly conditions including accumulation of debris; fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting, landscaping that is dead, characterized by uncontrolled growth, lack of maintenance or damage; buildings, structures, whether main or accessory characterized by holes, breaks, rot, crumbling, cracking, peeling, rusting or any other evidence or physical decay, neglect, excessive use or lack of maintenance; other similar conditions of disrepair and deterioration regardless of the condition of other properties in the neighborhood.

### **Affordable Rents**

The City of Peoria will comply with HOME rent limits as described in 24 CFR 92.252. (a), (c), (e) and (f) in accordance with the NSP requirements as outlined below.

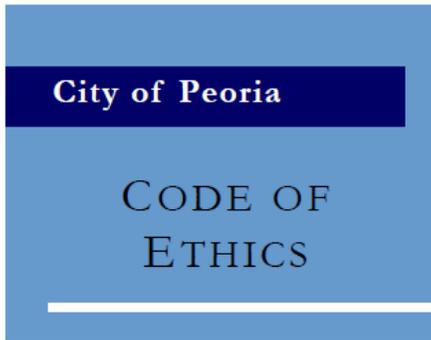
- 1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- 2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area as determined by HUD, with adjustments for number of bedrooms in the unit.

### **Housing Rehabilitation Standards**

All abandoned and foreclosed homes purchased will be rehabilitated to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. The City of Peoria and its subrecipients will use Section 8 Housing Quality Standards (HQS) as the minimum standard for any rehabilitation activities. The City will also require that NSP2 housing improvements meet the accessibility standards at 24 CFR part 8.

In addition, the City and its subrecipients will include improvements that increase energy efficiency by meeting and exceeding the Model Energy Code and Energy Star standards. In performing rehabilitation or energy retrofits, the City and its subrecipients will purchase only Energy Star products and appliances. We will also work to add green-building features into each rehabilitated property. The City, working with Peoria’s Sustainability Team, will establish 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. More information on the City’s sustainable development practices can be found under Factor 5, section e (Other Sustainable Development Practices).

# APPENDIX 2 Code of Conduct



The City of Peoria team members share a commitment to provide quality service for our community.

We are: Professional, Ethical, Open, Responsive, Innovative, Accountable

## SETTING THE STAGE

- Have you ever been asked to do a favor for a member of the public that caused you some concern?
- Has someone offered you a gift, asked for a break, or requested an exception?
- Have you seen a co-worker take something from the City?
- Are you aware of a co-worker working under the influence of drugs or alcohol?
- Are you aware of an employee treating another employee or a member of the public inappropriately?
- Have you observed situations or actions of others that may seem wrong and wondered what to do?

If you answered yes to any of these, the following information will help you to face the challenges of making the right decision.



Dear City of Peoria Staff Member:

As a public employer, the City of Peoria is entrusted with the responsibility for providing quality services to its customers and residents. Included within this mission of service is the responsibility to ensure that employee behavior is a positive and direct reflection of the mission and values of the City. As a team, all employees of the City of Peoria will do their jobs to the best of their ability and dedicate themselves and their work efforts on behalf of the City. We believe in the future of our City and our ability to do everything we can to assure quality service as the City continues to grow. The City will hire and retain employees for their talents and abilities, and motivate employees by giving them the opportunity to engage in meaningful work. As a city we are dedicated to the following general principles of behavior:

1. Employees will follow City departmental rules and procedures and accept and follow the direction and lawful orders given by supervisors.
2. Employees will demonstrate an attitude and willingness to accomplish all of their assigned duties to the best of their abilities.
3. Employees will conduct themselves on the job and off the job with the goal of bringing honor to the City and public service. Employees will treat all people with dignity and respect in all matters.

Sincerely,

Carl Swenson  
City Manager

## CODE OF ETHICS

Public service is a matter of public trust and is built upon employee commitment to the philosophy outlined in the City's mission and values. This Code of Ethics is based upon the following standards of behavior:

- |                     |   |
|---------------------|---|
| <b>Professional</b> | Continually reviewing my own behavior and questioning whether what I do is consistent with the City's and my profession's values. Maintaining the highest levels of confidentiality and honoring legal restrictions on political activity.  |
| <b>Ethical</b>      | Being honest and objective in performing my duties and deciding all matters on the merits, free from improper influences. Being guided by principle and conscience, and the desire to do the "right thing".   |
| <b>Open</b>         | Communicating truthfully and completely with others, supporting diversity and treating others with respect. Participating positively in the community.  |
| <b>Responsive</b>   | Responding to all internal and external customers in a prompt, efficient, friendly and patient manner.  |
| <b>Innovative</b>   | Seeking out opportunities to contribute to the daily and future work of the City in ways that are new and creative.   |
| <b>Accountable</b>  | Observing both the letter and the spirit of laws and rules. Engaging in only appropriate personal conduct in all matters involving conflicts of interest, acceptance of gifts and gratuities, use of City equipment, disclosing outside employment, management of finances and illegal activities. Recognizing that I am responsible for my actions, and I am willing to be held accountable. |

## APPENDIX 2 Code of Conduct (Continued)

### GUIDELINES AND EXAMPLES

#### Confidentiality -

Definition: an employee is never to use or disclose any confidential information acquired in the performance of governmental duties as a means for personal/professional gain.

Example: because of your position you have access to addresses and phone numbers. A member of the public requests that you divulge this information; agreeing to give out that information would be considered a breach of confidentiality.

#### Conflict Of Interest -

Definition: a conflict of interest occurs when an employee is no longer able to remain impartial or objective in choosing between the interest of the City and the interest of oneself.

Examples: a conflict of interest occurs when you or a member of your family can benefit directly or indirectly from a relationship with a vendor, a supplier, a customer or a competitor or other person or company who deals with the City of Peoria. This might also include special treatment because you know someone. A conflict of interest would exist if you went to extraordinary lengths for someone that you knew and would not also go to such lengths for other customers whom you didn't know.

Behavior Standard: manage your business affairs to avoid conflicts and the appearance of conflicts of interest. Immediately tell your supervisor or a manager in your area if you become involved in a situation which might cause a conflict or the appearance of a conflict.

Behavior Standard: employees may exercise their rights to be active members of the community at large and political activities in such a manner that is lawful. The City's Policies and Procedures prohibit employee involvement in elections for City elected office including soliciting or receiving funds.

#### Financial Responsibility -

Definition: employees will engage in financial behavior that reflects upon them as honest, and upstanding citizens of the greater community.

Behavior Standards: employees will use City purchasing authority/credit cards for City business only. Employees will not exert pressure to borrow money from other City employees, supervisors, or subordinates.

#### Outside Employment -

Definition: participating in another job with the authorization of the City is allowed, provided that there is no conflict of interest; the job does not interfere with the time and attention you must devote to your City job; City equipment or use of proprietary information will not be involved.

Behavior Standard: employees will notify their immediate supervisor of the intent to engage in outside employment. Employees are not to engage in outside work if they are not working due to any disability status in their City employment.

#### Personal Conduct -

Definition: Employees are expected to conduct themselves at all times in a manner that brings credit to the City.

Behavior Standard: bringing credit to the City entails: providing a full day's work for a full day's pay and performing those duties to the employee's best efforts; valuing diversity and not discriminating in any way on the basis of race, color, religion, sex, age, national origin, veteran status, handicap, marital status,

#### Gifts And Gratuities -

Definition: it is improper for a City employee to accept special treatment or gifts in exchange for the employee's favorable treatment of any individual or organization.

Behavior Standard: always decline any gift (regardless of value) for you and/or your family if it appears to be or is intended to influence decisions you make for the City of Peoria. Immediately tell your supervisor or a manager in your area if you become involved in a situation which might cause a conflict or even the appearance of a conflict. Never discriminate unfairly by the dispensing of special favors or privileges to anyone whether for money or not; and never accept, for yourself or your family, favors or benefits under circumstances which might be interpreted by reasonable persons as influencing the performance of your governmental duties.

#### Illegal Activity -

Definition: activities outside of the Arizona State law and accompanying legal standards for behavior within the State of Arizona constitute an unacceptable level of behavior. All employees will be expected to engage in only activities within the commonly accepted legal limits of behavior.

Behavior Standard: uphold the constitution, laws and legal regulations of the United States and of all governments and never engage in activities to undermine this authority. Illegal actions that occur while off-duty, will be examined on a case by case basis, and may be cause for action by the City if it reflects on the City or you as a public employee.

#### Involvement In Community And Politics -

Definition: an employee's involvement in the community shall be positive and reflect well on the City. Participating in City Council campaigns is strictly prohibited by the City Charter. Political activity at any other level of government shall comply with the applicable laws that govern that activity.

disability, sexual orientation, or any other bias prohibited by federal, state or local law.

#### Undue Influence On Subordinates -

Definition: supervisors should not exert verbal or non-verbal pressure on subordinates to grant personal favors and complete requested work while off duty, nor should they request monetary favors or contributions.

Behavior Standard: employees are expected to engage in the highest level of professional behavior when dealing with employees whom they supervise (i.e., shift assignment, working conditions, etc.)

#### Use Of City Equipment -

Definition: equipment purchased by the City for City business is not available for personal/private use by employees with the exception of approved use of computer and communication devices.

Behavior Standard: Users understand that use of City equipment is a privilege. Employees will be fully trained in the use of all City equipment that pertains both directly and indirectly to the performance of their duties; this training will be on paid work time; employees will only use City purchased equipment for City related work.

Computers or telephones may be used for infrequent personal use. Examples of 'limited personal use' includes: scheduling of personal appointments, communications regarding work related social events, including birthdays, etc., and computers to support coursework for an approved program of study filed as a part of the Employee Education Assistance Program. In no event will the use of computers or communications devices include: use for commercial or financial gain; discourteous communication to or about other persons; solicitations, including charitable campaigns, except as specifically authorized or part of an official City-sponsored event(s); issuing or forwarding chain mail and other frivolous messages, such as practical jokes; sending unauthorized mass mailings to individual mailboxes whether directly or indirectly; accessing any adult sites. Please refer to the current City of Peoria Information Technology policy for further clarification.

## APPENDIX 2 Code of Conduct (Continued)

### THE "ETHICS TEST"

When you face a situation that causes YOU to question your ethical conduct, ask yourself these questions:

- How does this situation make me feel about myself?
- How would my family react to knowing about this and my role/decision?
- Would it pass the "headline test"? How would the community react?
- How does the decision and my proposed action align with the City's mission and values?
- Will it violate a law or a City policy?
- Is my action or potential outcome/solution balanced? Will it be fair to all concerned?
- How will this affect other decisions I may be called upon to make in the future?
- Could I disclose, without reservations, my decision or action to my family, my peers, my superiors, or the community?

When you observe a situation or the actions of OTHERS that causes you to question their conduct, ask yourself these questions:

- Have I defined the ethical question/problem accurately?
- How would I define it if I stood on the other side of the fence or if I placed myself in the other's situation?
- Can I discuss this with the affected parties before I bring it to the attention of the City's Ethics Resource Officer?
- What is my intent in making the decision to alert the Ethics Resource Officer?
- What result or outcome do I expect to achieve to resolve the problem?
- How do these results compare with my intent in bringing this to the attention of the Ethics Resource Officer?
- Could my decision or action unfairly injure someone or something?

### COMMITMENTS

- The employee commits: to be open and honest; provide the information necessary to make a fair and honest determination; and, not use this forum to discuss issues that are not ethical concerns (e.g., discipline matters).
- The Ethics Resource Officer commits: to listen, gather information; check with others; refer, if necessary; keep the employee informed.
- Both the employee and the Ethics Resource Officer commit: to use the "Ethics Test" to determine the best forum for resolution.



### WHERE TO GO FOR HELP

#### Ethics Resource Officer

The Deputy City Manager for Administration and Safety has been designated by the City Manager as the City's Ethics Resource Officer. The Ethics Resource Officer and the Ethics Steering Committee, also appointed by the City Manager, are responsible for promoting an ethics based organization.

Employees wishing to discuss and/or report unethical behavior/problems or issues are encouraged to contact the Ethics Resource Officer and in this instance would not be required to follow the normal chain of command. However, an employee may request his/her supervisor present the issue to the Ethics Resource Officer on his/her behalf. **Issues that are reported from an anonymous source will not be accepted for review by the Ethics Resource Officer.** To the extent possible, information provided to the Ethics Resource Officer will be held in the strictest of confidence. The Code of Ethics and access to the Ethics Resource Officer will be available to all City of Peoria employees, but not to the general public or external contractors.

The City of Peoria is committed to developing an ethic-based organization and believes that employees should have a forum for discussing or reporting ethical concerns outside of the normal chain of command, without fear of retribution. In order to foster an ethical organization, the City will strive to create and maintain an environment of mutual trust and respect and provide a "safe" forum, where any employee can discuss issues that they perceive may be in violation of the City of Peoria Code of Ethics.

#### Contact Numbers for Ethics Dialogue

(623) 773-7318  
or  
Extension 6318



#### Special Thanks to the Ethics Task Force Members:

Brenda Brown, *Library Manager*  
 Greg Eckman, *Human Resources Director*  
 Scott Ferguson, *Deputy Fire Chief*  
 Prisila Ferreira, *Deputy City Manager*  
 Larry Fudurich, *Public Works Superintendent*  
 Chuck Foy, *Peoria Peace Officers Association President*  
 Stephen Bontrager, *Utilities Director*  
 Steve Kemp, *City Attorney*  
 David Leonardo, *Police Chief*  
 Ray Cota, *AFSCME Local 3282 President*  
 Maria Morales, *IT Technician*  
 Bill Patena, *Neighborhood Services Manager*  
 Keith Racette, *Technical Operations Supervisor*  
 Ron Singleton, *Peoria Fire Fighters Association Local 493 President*  
 Jesse Duarte, *Solid Waste Manager*  
 Jeff Tyne, *Budget Officer*

#### City of Peoria

Human Resources Department  
 8401 West Monroe Street, Rm. 110  
 Peoria, Arizona 85345

Phone: 623-773-7100  
 Fax: 623-773-7141



Reprinted Jan. 2004

**APPENDIX 3**  
**Commitment Letters (non-profit subrecipients)**



June 25, 2010

Carin E. Imig  
Management Analyst  
Neighborhood Services  
City of Peoria  
9875 N. 85<sup>th</sup> Ave.  
Peoria, AZ 85345

Re: Support Letter  
NSP II Application

Dear Ms. Imig,

Housing Our Communities (HOC) is extremely proud of its developing partnership with City of Peoria and their efforts to provide homeownership opportunities to low-income families within the City of Peoria. Our Board of Directors believes our efforts do make a difference and appreciate the opportunity to respond in support of the City of Peoria's NSP II Application.

HOC has been able to utilize a variety of programs that assist in meeting the housing needs of low-income families and individuals. NSP II funds can bring a significant resource to the City of Peoria to meet the growing demand for affordable and sustainable housing within its community. As we deal with the foreclosure crisis and its ramifications, HOC believes that the success of this application is critical to meeting the needs of those families making less than 120% of AMI in Peoria.

Even with relatively low interest rates, our families experience a significant challenge between the ever-increasing credit and economic crisis and their ability to stabilize their own families while building for their financial success. The barriers are becoming more challenging to overcome. Our future partnership with the City of Peoria, and the receipt of NSP II funds, will create the opportunity for families to become homeowners.

This NSP II application is an indication of the efforts that the City of Peoria is creating to expand its services for low-income families through flexible programs and creative answers to our challenging real estate market.

We encourage the City of Peoria to become even more aggressive in its efforts to work in the low-income and minority households. Our success, as partners, depends on our efforts to explore better ways to serve this emerging market. As a private non-profit housing development partner, HOC welcomes the opportunity to strengthen our relationship with the City of Peoria through the NSP II application. We believe that this application will provide the platform to launch an even more aggressive strategy of service and commitment.

Please do not hesitate to call me if you have any further concerns and questions.

Sincerely,

  
John R. Smith  
President  
Housing Our Communities, Inc.  
480-649-1335  
[john@housingourcommunities.org](mailto:john@housingourcommunities.org)



**Mesa Office:**

P.O. Box 4457 Mesa, AZ 85211  
251 W. Main, #2 Mesa, AZ 85201  
(480) 649-1335 • FAX (480) 649-1020

A Private, Non-Profit Housing Development Corporation  
[www.housingourcommunities.org](http://www.housingourcommunities.org) • TTY 1-800-367-8939

**Las Vegas Office:**

285 E. Warm Springs, Ste. 100  
Las Vegas, NV 89119  
(702) 270-0300 • FAX (702) 270-2195



**APPENDIX 3**  
**Commitment Letters (non-profit subrecipients)**



June 25, 2009

Ms Carin Imig  
City of Peoria  
8401 W. Monroe Street  
Peoria, AZ 85345

Dear Ms Imig:

We have learned that the City of Peoria may be applying for NSP2 funding under the American Recovery and Reinvestment Act of 2009. In the event that the City of Peoria is successful in acquiring NSP2 funds, Habitat for Humanity Central Arizona (HFHCAZ) would be interested in partnering with the City and providing assistance in the City's neighborhood revitalization efforts.

As a non-profit affordable housing builder operating since 1985 throughout Maricopa County including the City of Peoria, Habitat for Humanity Central Arizona has built and renovated over 700 homes in our service area. We are constantly looking for ways to provide positive impact on neighborhoods in need of revitalization and have proven that we have the capacity, the knowledge and the resources to assist with home renovation efforts.

In addition to being an Energy Star builder for more than a decade, HFHCAZ is a member of the US Green Build Council (USGBC) and is the first non-profit to build a LEED Platinum certified home. Our renovation efforts thus far include the removal of older inefficient HVAC systems replaced with energy efficient systems, the removal of single pane windows and doors replaced with windows and doors that are energy star rated, and replacing bathroom and kitchen fixtures with low-water-use fixtures to ensure that the homes are affordable long after the acquisition of the properties.

I would be interested in discussing possible roles that HFHCAZ could assume as a NSP2 partner with the City.

Sincerely,

A handwritten signature in black ink that reads "Roger G. Schwierjohn".

Roger G. Schwierjohn  
President

Phoenix Office: P.O. Box 20186 • Phoenix, AZ 85036 • Ph: 602.268.9022  
Peoria Office: 9133 NW Grand Avenue Ste. 1 • Peoria, AZ 85345 • Ph: 623.583.2417



ROC#251891

**APPENDIX 4**  
**Signed Certifications**

**City of Peoria, Arizona**  
**Neighborhood Stabilization Program 2**  
**Certifications**

- (1) **Affirmatively furthering fair housing.** The applicant 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 applicant will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of applicant.** The applicant 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) **Acquisition and relocation.** The applicant 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 NSP2 program published by HUD.
- (6) **Section 3.** The applicant 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.
- (7) **Citizen Participation.** The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.
- (8) **Use of funds.** The applicant will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (9) The applicant will comply with the requirement that:
  - a. All of the NSP2 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

**APPENDIX 4**  
**Signed Certifications (Continued)**

- b. It 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 NSP2 funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP2 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 NSP2 funds if the jurisdiction certifies that it lacks NSP2 or CDBG funds to cover the assessment.

- (10) **Excessive Force.** The applicant 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 non-violent 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 non-violent civil rights demonstrations within its jurisdiction.
- (11) **Compliance with anti-discrimination laws.** The applicant certifies that the NSP2 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.
- (12) **Compliance with lead-based paint procedures.** The applicant certifies that the activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- (13) **Compliance with laws.** The applicant certifies that it will comply with applicable laws.

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

13 July 09  
Date

Carl Swenson, City Manager  
City of Peoria, Arizona

**APPENDIX 5**  
**Calculation of Removal of Negative Effects**

The City of Peoria plans to remove destabilizing influences by acquiring and rehabilitating a total of 39 vacant residential properties in the target geography with NSP2 funding. This will make a significant dent in eliminating a good portion of the 175 vacant properties that currently exist in the target area according to the City's Police and Code Enforcement Departments.

Using the rubric noted in Appendix 3 of the NOFA\*, the City's calculated value is 33%.

$\frac{1.5 \text{ times (39 units acquisition \& rehab) + (0 units demolished)}}{175 \text{ units (all vacant residential properties in target area)}} = 33\%$
--

*\*HUD Formula:*

*1.5 times:*

(Sum total of vacant properties proposed to be addressed through acquisition/rehab) +  
(Sum total of vacant properties to be addressed via demolition)

*Divided by:*

(Sum total of all vacant residential properties in target area)

## APPENDIX 6 Summary of Citizens' Comments

The City of Peoria published a legal notice in the local newspaper (the Peoria Times) of its intent to apply for NSP2 funding on June 26 and July 3, 2009. The notice was also placed on the City's website and public comments were encouraged until July 14, 2009. The notice was in English and Spanish. No public comments were received. Beginning July 17, 2009, a copy of this NSP2 application was placed on the City's website at <http://www.peoriaaz.gov/content2.asp?ID=24854>.



PUBLIC NOTICE  
NEIGHBORHOOD  
STABILIZATION PROGRAM 2  
UNDER THE AMERICAN  
RECOVERY AND  
REINVESTMENT ACT, 2009

On May 4, 2009, the U. S. Department of Housing and Urban Development (HUD) published the Notice of Fund Availability (NOFA) for Neighborhood Stabilization Program 2 (NSP2). NSP2 funds will provide targeted assistance to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within our communities. The City of Peoria is applying for a grant of up to \$10 million to carry out stabilization activities in targeted neighborhoods.

Grant funds will be distributed by percentage to each stabilization activity as follows:

- Acquisition, rehabilitation and resale to income eligible families – 50 percent.
- Acquisition, rehabilitation, and rental in a "lease-to-own" or "lease" option to income eligible families – 25 percent
- Administration of a First Time Homebuyer Assistance Program- 25 percent

Targeted areas will be within the southern boundaries of Peoria identified on census tracts located to the south of W. Thunderbird Rd., to the west of 67<sup>th</sup> Avenue, to the north of W. Northern Avenue and to the east of 107<sup>th</sup> Avenue.

The City of Peoria invites citizens to comment on the above proposal. The public comment period will commence on June 26, 2009 and end on July 14, 2009. To comment, please contact Millie Peterson, Neighborhood Programs Coordinator, City of Peoria, Community Development Department, 9875 N. 85<sup>th</sup> Avenue, Peoria, AZ 85345, Phone (623) 773-5140, Option #2, Fax (623) 773-7233 or email [millie.peterson@peoriaaz.gov](mailto:millie.peterson@peoriaaz.gov).

Persons with disabilities using a TDD or TTY device may communicate by calling the Arizona Relay service by dialing 711 or TTY at 800-367-8939.



### AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA )

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  
Neighborhood Stabilization Program

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 3 consecutive week(s), as follows, to-wit:  
06/26/09  
07/03/09  
07/10/09

(s) Carolyn Castillo

Subscribed and sworn to before me, this  
10th day of July (year) 2009.

(s) Roger W. Toops  
Notary Public  
My commission expires:

