

**Grant Number:**  
B-09-CN-AZ-0050

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**Grantee Name:**  
 Phoenix, AZ

**Grant Amount:**  
 \$60,000,000.00

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
ADM	Administration and Planning	<a href="#">ADM</a>	<a href="#">Administration &amp; Planning</a>
MF	Multi Family Strategies	<a href="#">MFACQ</a>	<a href="#">Multi Family Acquisition</a>
		<a href="#">MFREH</a>	<a href="#">Multi Family Rehab</a>
		<a href="#">PRE</a>	<a href="#">Preservation of Foreclosed Multi Family Structures</a>
SF	Single Family Strategies	<a href="#">DEMO</a>	<a href="#">Demolition</a>
		<a href="#">HIPHA</a>	<a href="#">Home Improvement Program DPA</a>
		<a href="#">HIPREH</a>	<a href="#">HIP Rehab</a>
		<a href="#">MIRACQ</a>	<a href="#">Move- In Ready Acquisition</a>
		<a href="#">MIRHA</a>	<a href="#">Move In Ready Homeownership Assistance</a>
		<a href="#">MIRREH</a>	<a href="#">Move In Ready Rehab</a>
		<a href="#">REDEV</a>	<a href="#">Redevelopment/Subdivisions</a>

**Status:** Reviewed and Approved

**Executive Summary:**

The City of Phoenix, with our consortium members and partners, is working to implement a comprehensive neighborhood stabilization program that expands existing community

development efforts in the NSP2 Target Area, and includes support services that do not require NSP2 dollars. Independently, the proposed NSP2 strategies will work to arrest decline and stabilize neighborhood housing markets. When these NSP2 strategies are combined with ongoing community revitalization endeavors and non-NSP2 funded support services, the impact on the Phoenix community will be positive and long-lasting.

The target area today is experiencing declining home values which is placing many homeowners in the position where their mortgage loan balances are well above the value of their homes. The large number of high cost/high leverage loans in the Target Area means that many of these homeowners face losing their homes since they cannot refinance. As these foreclosures occur, investors have stepped up their purchasing activity, leading to a large number of absentee owners in many neighborhoods. Overall, this is a destabilizing force that could have long term consequences for the Target Area.

The consortium plans a multi-pronged Single-Family and Multi-Family Housing Strategies to arrest decline and restore stability to Target Area neighborhoods:

The single-family housing strategy has five major components designed to anchor long-term homeownership in neighborhoods most significantly impacted by foreclosure, including:

- Home Improvement Program (Down Payment Assistance with Housing Rehabilitation)
- Move-In Ready Program (Acquisition/Rehabilitation/Resale)
- Subdivision Acquisition/Rehabilitation/Resale
- Redevelopment/re-use of vacant land (subdivisions and post demolition)
- Demolition on a limited bases and as a last resort in support of other NSP2 efforts

The multi-family housing strategy includes two major components:

- Acquisition/Rehab of Foreclosed Multi-family Properties
- Preservation of Affordable Units Created with Federal Funding

Both activities are undertaken to (1) stabilize the multi-family housing market in the NSP2 Target Area and regionally as appropriate; (2) ensure adequate availability of long term affordable housing for low and very low income households; and, (3) pilot a streamlined loan program for portfolio private acquisitions across jurisdictional boundaries.

### **Target Geography:**

The City of Phoenix, and the consortium members, has defined the NSP2 Target Area based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). The specific census tracts, need factor scores and map are included in Appendices A and B. In addition to the Phoenix Target Area, the consortium will coordinate with other jurisdictions in the region to address the foreclosure crisis. This may include identifying some multi-family properties in eligible tracts outside Phoenix but within the cities of Glendale, Chandler or other areas within Maricopa County in coordination with the local jurisdiction.

**Market Factors Contributing to Target Area Selection.** In the first five months of 2009, foreclosures in Maricopa County are still increasing, averaging 8,770 notices of trustee's sale per month compared to an average of 6,280 per month for 2008. More than 45,000 foreclosure actions are still pending or unresolved.

The NSP2 Target Area exceeds the region in many distress factors, including:

- 91% foreclosure and pre-foreclosure sales, vs. 78% in the metropolitan area
- 13.3% unemployment, vs. 9.4% in Maricopa County
- \$78,800 median housing value, vs. \$118,800 in the metropolitan area
- 22% of all mortgages are high cost/high leverage, vs. 12% for Maricopa County
- 50% investor sales vs. the historic average of 18.6% for Greater Phoenix

**Program Approach:**

The City of Phoenix and their consortium members will implement a comprehensive neighborhood stabilization program that expands existing community development efforts in the NSP2 Target Area, and includes support services that do not require NSP2 dollars.

Independently, the proposed NSP2 strategies will work to arrest decline and stabilize neighborhood housing markets. When these NSP2 strategies are combined with ongoing community revitalization endeavors and non-NSP2 funded support services, the impact on the Phoenix community will be positive and long-lasting.

The Target Area today is experiencing declining home values which is placing many homeowners in the position where their mortgage loan balances are well above the value of their homes. The large number of high cost/high leverage loans in the Target Area means that many of these homeowners face losing their homes since they cannot refinance. As these foreclosures occur, investors have stepped up their purchasing activity, leading to a large number of absentee owners in many neighborhoods. Overall, this is a destabilizing force that could have long term consequences for the Target Area.

**Consortium Members:**

Foundation for Senior Living

FSL Holding Properties, LLC

National Farm Workers Service Center

NFW AZ Housing Development, LLC

Labor's Community Service Agency

Housing Our Communities, Inc

Neighborhood Housing Services of Phoenix

ASU Stardust Center

Local Initiatives Support Center

Leadership Center

Neighborhood Economic Development Corporation

**How to Get Additional Information:**

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**View Activities**

**Grantee Activity Number:** ADM

**Activity Title:** Administration & Planning

**Activity Type:**  
Administration

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Project #/Project Title:** ADM /  
Administration and Planning

**Activity Status:**  
Under Way

**Projected Start Date:**  
02/10/2010

**Total Budget, Program Funds:**  
\$6,000,000.00  
**Other Funds Total:** \$0.00  
**Total Funds Amount:** \$6,000,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**  
 Blocked by Grantee  
 Blocked/Restricted by HUD

**Activity is being carried out by the Grantee:** Yes  
**Activity is being carried out through:** Grantee Employees and Contractors  
**Organization carrying out Activity:** City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget Amount</b>
City of Phoenix	Local Government	\$6,000,000.00

**Location Description:**

The administrative offices of the City of Phoenix, 200 and 251 W. Washington Street, Phoenix, AZ

**Activity Description:**

NSP funds will be used to pay reasonable program administration costs related to the planning and execution of the activities listed previously. This includes costs related to staffing for overall program management, coordination, monitoring, and reporting.

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**Grantee Activity Number:** DEMO

**Activity Title:** Demolition

**Project #/Project Title:** SF / Single Family Strategies

**Activity Type:**  
Clearance and Demolition

**Activity Status:**  
Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:**

\$300,000.00

**Projected Start Date:**

02/10/2010

**Other Funds Total:** \$0.00**Total Funds Amount:** \$300,000.00**Projected End Date:**

02/10/2013

**Block Drawdown:**

Blocked by Grantee

Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	30		
# of Households benefitting	0		

**Activity is being carried out by the Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$300,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

Demolition is included to assist with unforeseen problems with properties acquired through the single-family strategies but could also include a limited and very strategic number of homes that are identified by the Partners or community as both infeasible to rehabilitate and representing a barrier to

neighborhood revitalization. This strategy will be employed only as a last resort and when necessary to improve neighborhood health and support adjacent NSP2 activities.

**Grantee Activity Number:** HIPHA

**Activity Title:** Home Improvement Program DPA

**Project #/Project Title:** SF / Single Family Strategies

**Activity Type:**  
Homeownership Assistance to low- and moderate-income

**Activity Status:**  
Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:**  
\$4,000,000.00

**Projected Start Date:**  
02/10/2010

**Other Funds Total:** \$0.00

**Total Funds Amount:** \$4,000,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**

- Blocked by Grantee
- Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of housing units	197		
# of Households benefitting	197		

**Activity is being carried out by the Grantee:**  
No

**Activity is being carried out through:**

**Organization carrying out Activity:**  
City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$4,000,000.00



**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The City will provide homeownership in the form of subordinate mortgages to assist homebuyers purchase and occupy foreclosed or abandoned single-family homes in the NSP2 Target Area. In addition, the program includes a deferred payment loan for housing rehabilitation to assure foreclosed homes meet defined housing and energy standards upon re-sale. The terms of these services are included in Factor 3, Section (b) of the NSP2 application. Through the Home Improvement Program (HIP), buyers may select a property within strategic areas, working with the developer dedicated to that area. Participants must be income-eligible, FHA creditworthy, must complete the NSP2-required housing counseling, and maintain the property as their principal residence.

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**Grantee Activity Number: HIPREH****Activity Title:** HIP Rehab**Project #/Project Title:** SF / Single Family Strategies**Activity Type:**  
Rehabilitation/reconstruction of residential structures**Activity Status:**  
Under Way**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Projected Start Date:**  
02/10/2010**Total Budget, Program Funds:**  
\$9,000,000.00**Other Funds Total:** \$0.00**Projected End Date:****Total Funds Amount:** \$9,000,000.00

02/10/2013

**Block Drawdown:**

- Blocked by Grantee
- Blocked/Restricted by HUD

<b>Accomplishment</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>
<b># of Properties</b>	197		

<b>Activity is being carried out by the Grantee:</b> Yes	<b>Activity is being carried out through:</b> Grantee Employees and Contractors	<b>Organization carrying out Activity:</b> City of Phoenix
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**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget Amount</b>
City of Phoenix	Local Government	\$9,000,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The program includes a deferred payment loan for housing rehabilitation to assure foreclosed homes meet defined housing and energy standards upon resale. The terms of these services are included in Factor 3, Section (b) of the NSP2 application. In addition, the City will provide homeownership assistance (an NSP Financing Mechanism) in the form of subordinate mortgages to assist homebuyers purchase and occupy foreclosed or abandoned single-family homes in the NSP2 Target Area. Through the Home Improvement Program (HIP), buyers may select a property within strategic areas, working with the developer dedicated to that area. Participants must be income-eligible, FHA creditworthy, must complete the NSP2-required housing counseling, and maintain the property as their principal residence.

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**Grantee Activity Number:** MFACQ

**Activity Title:** Multi Family Acquisition

**Project #/Project Title:** MF / Multi Family Strategies

**Activity Type:**  
Acquisition - general

**Activity Status:**  
Under Way

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget, Program Funds:**

\$5,000,000.00

**Projected Start Date:**  
02/10/2010

**Other Funds Total:** \$0.00

**Total Funds Amount:** \$5,000,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**

- Blocked by Grantee  
 Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	186		

**Activity is being carried out by the Grantee:**  
Yes

**Activity is being carried out through:**  
Grantee Employees and Contractors

**Organization carrying out Activity:**  
City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$5,000,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis,

ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The city will either acquire properties for its own portfolio or make loans to for-profit or not-for-profit entities to preserve and create long-term affordable rental housing. Activities under this program will satisfy the requirement that at least 25% of the city’s NSP2 grant be spent to provide affordability to households at or below 50% of median income, but may also serve tenants up to 120% AMI.

**Grantee Activity Number:** MFREH

**Activity Title:** Multi Family Rehab

**Project #/Project Title:** MF / Multi Family Strategies

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Activity Status:**  
Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:**  
\$7,960,000.00

**Projected Start Date:**  
02/10/2010

**Other Funds Total:** \$0.00  
**Total Funds Amount:** \$7,960,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**  
 Blocked by Grantee  
 Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	186		

**Activity is being carried out by the Grantee:** Yes  
**Activity is being carried out through:** Grantee Employees and Contractors  
**Organization carrying out Activity:** City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget Amount</b>
City of Phoenix	Local Government	\$7,960,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD’s foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The city will either acquire properties for its own portfolio or make loans to for-profit or not-for-profit entities to preserve and create long-term affordable rental housing. Activities under this program will satisfy the requirement that at least 25% of the city’s NSP2 grant be spent to provide affordability to households at or below 50% of median income, but may also serve tenants up to 120% AMI.

**Grantee Activity Number:** MIRACQ

**Activity Title:** Move- In Ready Acquisition

**Project #/Project Title:** SF / Single Family Strategies

**Activity Type:** Acquisition - general

**Activity Status:** Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Projected Start Date:**  
02/10/2010

**Total Budget, Program Funds:**  
\$9,000,000.00  
**Other Funds Total:** \$0.00  
**Total Funds Amount:** \$9,000,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**  
 Blocked by Grantee  
 Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	147		

**Activity is being carried out by the Grantee:**  
Yes

**Activity is being carried out through:**  
Grantee Employees and Contractors

**Organization carrying out Activity:**  
City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$9,000,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The Move-In Ready Program engages the services of Consortium Members and developer partners to acquire and rehabilitate foreclosed homes and sell them to qualified buyers in move-in ready condition that complies with NSP2 housing rehabilitation standards which include:

- Housing Quality Standards/Health and Safety/City's Neighborhood

Preservation Ordinance

- Lead based paint standards
- Energy efficiency improvements
- Front yard landscaping/curb appeal

In addition, the program will provide homeownership assistance (an NSP Financing Mechanism) in the form of subordinate mortgages to assist homebuyers purchase and occupy foreclosed or abandoned single-family homes in the NSP2 Target Area

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**Grantee Activity Number:** MIRHA

**Activity Title:** Move In Ready Homeownership Assistance

**Project #/Project Title:** SF / Single Family Strategies

**Activity Type:** Homeownership Assistance to low- and moderate-income

**Activity Status:** Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:** \$2,600,000.00

**Projected Start Date:** 02/10/2010

**Other Funds Total:** \$0.00

**Total Funds Amount:** \$2,600,000.00

**Projected End Date:** 02/10/2013

**Block Drawdown:**

Blocked by Grantee

Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of housing units	147		
# of Households benefitting	147		

<b>Activity is being carried out by the Grantee:</b> Yes	<b>Activity is being carried out through:</b> Grantee Employees and Contractors	<b>Organization carrying out Activity:</b> City of Phoenix
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**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget Amount</b>
City of Phoenix	Local Government	\$2,600,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The Move-In Ready Program engages the services of Consortium Members and developer partners to acquire and rehabilitate foreclosed homes and sell them to qualified buyers in move-in ready condition that complies with NSP2 housing rehabilitation standards which include:

- Housing Quality Standards/Health and Safety/City's Neighborhood Preservation Ordinance
- Lead based paint standards
- Energy efficiency improvements
- Front yard landscaping/curb appeal

In addition, the program will provide homeownership assistance (an NSP Financing Mechanism) in the form of subordinate mortgages to assist homebuyers purchase and occupy foreclosed or abandoned single-family homes in the NSP2 Target Area.



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**Grantee Activity Number:** MIRREH

**Activity Title:** Move In Ready Rehab

**Project #/Project Title:** SF / Single Family Strategies

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Activity Status:**  
Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:**

\$5,000,000.00

**Projected Start Date:**  
02/10/2010

**Other Funds Total:** \$0.00

**Total Funds Amount:** \$5,000,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**

Blocked by Grantee

Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	147		

**Activity is being carried out by the Grantee:**  
Yes

**Activity is being carried out through:**  
Grantee Employees and Contractors

**Organization carrying out Activity:**  
City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$5,000,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median

housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The Move-In Ready Program engages the services of Consortium Members and developer partners to acquire and rehabilitate foreclosed homes and sell them to qualified buyers in move-in ready condition that complies with NSP2 housing rehabilitation standards which include:

- Housing Quality Standards/Health and Safety/City’s Neighborhood Preservation Ordinance
- Lead based paint standards
- Energy efficiency improvements
- Front yard landscaping/curb appeal

In addition, the program will provide homeownership assistance (an NSP Financing Mechanism) in the form of subordinate mortgages to assist homebuyers purchase and occupy foreclosed or abandoned single-family homes in the NSP2 Target Area.

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**Grantee Activity Number:** PRE

**Activity Title:** Preservation of Foreclosed Multi Family Structures

**Project #/Project Title:** MF / Multi Family Strategies

**Activity Type:** Rehabilitation/reconstruction of residential structures

**Activity Status:** Under Way

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Projected Start Date:**

**Total Budget, Program Funds:**

02/10/2010

\$8,640,000.00

**Other Funds Total:** \$0.00

**Projected End Date:**

**Total Funds Amount:** \$8,640,000.00

02/10/2013

**Block Drawdown:**

- Blocked by Grantee
- Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	122		

**Activity is being carried out by the Grantee:** Yes

**Activity is being carried out through:** Grantee Employees and Contractors

**Organization carrying out Activity:** City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$8,640,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

The goal of this activity is to preserve affordable units created with federal funds by using financial mechanisms that will buoy the new owners during the current economic crisis, which has resulted in a high vacancy rate. This will ensure that the previous federal investment and affordability is not lost through foreclosure.

**Grantee Activity Number:** REDEV

**Activity Title:**  
Redevelopment/Subdivisions

**Project #/Project Title:** SF / Single  
Family Strategies

**Activity Type:**  
Rehabilitation/reconstruction of  
residential structures

**Activity Status:**  
Under Way

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget, Program Funds:**  
\$2,500,000.00

**Projected Start Date:**  
02/10/2010

**Other Funds Total:** \$0.00  
**Total Funds Amount:** \$2,500,000.00

**Projected End Date:**  
02/10/2013

**Block Drawdown:**

- Blocked by Grantee
- Blocked/Restricted by HUD

Accomplishment	Total	Low	Mod
# of Properties	160		

**Activity is being carried out by the Grantee:** Yes  
**Activity is being carried out through:** Grantee Employees and Contractors  
**Organization carrying out Activity:** City of Phoenix

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget Amount
City of Phoenix	Local Government	\$2,500,000.00

**Location Description:**

The Phoenix Partners have defined the NSP2 Target Area (Target Area) based on HUD's foreclosure related need factor scores, a detailed market analysis, ongoing community investment initiatives, median housing values, and proximity to mass transit. More than 90% of the Target Area includes census tracts scoring 18-20 on one or both of the need factors. It contains median housing values below \$200,000, and is largely populated with those earning no more than 120% of Area Median Income (AMI). Appendices A and B in

the Phoenix Partners NSP2 application shows the NSP2 Target Area.

**Activity Description:**

With NSP2, the City of Phoenix will employ a new acquisition / rehabilitation / resale strategy that focuses on foreclosed subdivisions. The specific subdivisions may include those where: (1) single-family home construction was just beginning and most of the lots remain vacant and abandoned; (2) the development is largely built out but there remains a small number of vacant lots that are an eyesore and maintenance problem, and (3) there are clusters of foreclosed homes for resale. Focusing on several strategically located subdivisions allows the Phoenix Partners the critical mass necessary to influence and stabilize neighborhood housing markets.

The large number of foreclosed homes in certain subdivisions has created a succession of further foreclosures as home values decline and homeowners fear that their neighborhood will deteriorate. Many are unable to refinance their homes as adjustable rate mortgages reset. Homeowners Associations (HOAs) are affected as delinquent accounts mount and there are fewer homeowners to share in subdivision maintenance costs. The result could be rising HOA fees at a time when homeowners are stretched just to make a mortgage payment. A HOA component (non-federally funded) is included to bridge this added neighborhood need and is described below.

Mandalay Communities has experience working in all three of these circumstances and with struggling HOAs. Services from Fennemore Craig, P.C., CSG Advisors and Elliott D. Pollack and Company will assist in underwriting these projects through selection to financial assistance and will ensure that the assistance is needed to break through a redevelopment barrier and that market impacts are meaningful.

This foreclosure scenario is not unique to Phoenix and this program will result in a compelling demonstration case study of the following:

- resolving large, complex tracts of platted land;
- creating quality mixed-income communities;
- solving complex HOA and common area financing and investment

problems;

- involving and supporting local school districts in planning, outreach and support of academic achievement; and,
- piloting green community initiatives.