Staff Summary Report

Tempe

Council Meeting Date: 5/01/08 **Agenda Item Number:** _____

SUBJECT: Request approval of a resolution authorizing the approval and submission of the Community Development Block Grant (CDBG) and Home Programs Action Plan for Fiscal Year 2008-2009.

DOCUMENT NAME: 20080501cdlc01 **COMMUNITY DEVELOPMENT BLOCK GRANT (0207-30)** RESOLUTION NO. 2008.34

SUPPORTING DOCS: YES

COMMENTS: N/A

PREPARED BY: Liz Chavez, Housing Services Administrator (480/350-8958)

REVIEWED BY: Chris Salomone, Community Development Manager (480/350-8294)

LEGAL REVIEW BY: Kara Stanek, Assistant City Attorney (480/350-8458)

FISCAL NOTE: All funding for the program year 2008-2009 CDBG and HOME programs are federal.

RECOMMENDATION: Approval of resolution 2008.34

ADDITIONAL INFO: The purpose of this May 1, 2008 is the adoption of the Community Development Block Grant (CDBG) and HOME programs Action Plan for Fiscal Year 2008-2009.

The U.S. Department of Housing and Urban Development (HUD) requires recipients of Community Development Block Grant (CDBG) Program funding to submit an Action Plan describing how federal resources will be spent to meet national objectives listed in the City's Consolidated Plan.

Funding activities described in the Plans were previously reviewed and approved by Council at the Issue Review Session on March 20, 2008. Pursuant to HUD regulations, one public meeting and two public hearings allowed citizens and groups an opportunity to comment on the Plan. Notice of the Plan requesting public comment has been provided in the local newspaper, at the City of Tempe Housing Services office and on the Community Development, Housing Services Division web page.

The Resolution authorizes the funding activities, approves the Plan, authorizes submission of the Plan to the U.S. Department of Housing and Urban Development (HUD) and authorizes the City Manager to execute the required certifications of compliance associated with the Plan.

RESOLUTION NO. 2008.34

A RESOLUTION OF THE CITY COUNCIL OF TEMPE, ARIZONA AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2008-2009 ACTION PLAN WITH APPROVAL OF THE FUNDING ACTIVITIES.

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has reserved approximately $1,592,703 for the City of Tempe, Arizona, for the FY 2008-2009 Community Development Block Grant (CDBG) and the Maricopa County Consortium has reserved $471,502 in HOME and $5,223 in American Dream Downpayment Initiative (ADDI). Estimated program income is $100,000 for the FY 2008-2009 in HOME Program funding; and

WHEREAS, the City of Tempe desires to participate in the CDBG and HOME Programs and pursuant to the program requirements, has held one (1) public meeting and two (2) public hearings allowing citizens and groups to participate in the determination of expenditure of the HUD funds, and

WHEREAS, the City of Tempe has held a public hearing to receive public comment on the City's CDBG/HOME Programs and Action Plan, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE ARIZONA, as follows:

Section 1: The Community Development Block Grant and HOME Program Action Plan for FY2008-2009 and proposed funding activities are herby approved

Section 2: The City Manager is authorized and directed to execute the required certifications of compliance associated with the City of Tempe's Community Development Block Grant and HOME Program Action Plan for FY2008-2009.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this 1st day of May, 2008.

_____
Mayor Hugh Hallman

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

Fourth Program Year Action Plan 2008-2009

The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 4 Action Plan Executive Summary:

The City of Tempe receives Community Development Block Grant (CDBG) as a direct entitlement from the U.S. Department of Housing and Urban Development (HUD). The purpose of the annual CDBG 1-Year Action Plan is to update the 5-Year Consolidated Plan and to provide the City with a basis for assessment through the Consolidated Annual Performance and Evaluation Reports (CAPERs). This is the City of Tempe's 4-Year Action Plan of a 5-year Strategic Plan that identifies activities it will undertake in 2008/2009. The 1-Year Action Plan describes the resources expected to be available in the coming program year from Federal, non-Federal and private sources. It includes a description of the activities that will be undertaken to meet the stated objectives in the 5-Year Consolidated Plan, including those designed to meet homelessness and other special needs.

The Action Plan also describes actions to be undertaken to address obstacles in meeting the needs of the under-served, removing barriers, and enhancing coordination in the community. The total of $11,039,403 is available for programming to carry out the Action Plans 4th Year of the 5 Year Consolidated Plan. The funds are expected to leverage a significant amount of private and public non-federal resources. The proposed activities include general administration, housing programs and activities, public improvements, economic development and public and human service programs. These include the prevention of homelessness, the reduction of lead-based paint hazards, removal of barriers to affordable housing development and addressing of underserved needs. The Action Plan outlines other housing and community development actions to be taken in accordance with the Strategic Plan. The primary strategic objectives addressed in this Action Plan are:

- **Housing**
  -Increase homeownership through first-time homebuyer and down payment assistance programs
  -Increase the quality of owner-occupied housing through housing rehabilitation assistance to low and moderate income households
  -Increase the habitability of owner-occupied housing with emergency repair assistance
  -Increase the supply of affordable owner-occupied housing through development of new housing.

- **Affordable housing:**
  -Preserve affordability of decent, safe and sanitary rental housing through the Housing Choice Voucher Program
  -Increase the supply of affordable housing by supporting agencies to develop affordable housing through site acquisition and development activities
  -Identify a comprehensive city-wide approach to develop policies and programs to assist with the community's supply on workforce Housing.

- **Homeless needs**
  -Continue to support the City's Homeless Outreach Program Effort
  -Support regional Continuum of Care activities to serve the homeless
  -Support local activities to address homelessness in Tempe

- **Community development (non-housing)**
  -Continue to support the removal of slum and blight conditions in redevelopment areas
  -Continue to support public/private partnerships for Rio Salado Marketplace, Brownfield Project

- **Special needs populations**
  -Identify and address special need populations
  -Provide financial assistance to non-profit agencies that provide services to special needs populations

In addition, Tempe receives HOME Investment Partnerships (HOME) and American Dream Downpayment Initiative (ADDI) program funds distributed through the Maricopa County HOME consortium. Maricopa County serves as the lead agency for HOME and ADDI program administration for the Consortium member Cities of Avondale, Chandler, Glendale, Mesa, Peoria, Scottsdale, Surprise, Tempe, the Town of Gilbert, and Maricopa County.

Consortium Members	HOME Allocation	ADDI Allocation
Avondale	$ 144,595	$ 1,602
Chandler	409,076	4,542
Gilbert	196,167	2,173
Glendale	651,624	7,217
Maricopa County	601,663	7,108
Grant Administration Set-aside	300,053	N/A
Mesa	1,001,608	11,094
Peoria	194,483	2,154
Scottsdale	341,128	3,778
Surprise	106,095	1,175
Tempe	471,526	5,223
CHDO Allocation*	779,827	N/A

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

City of Tempe resources to fund proposed activities during the program year are as follows:

Federal:

Community Block Grant Funds	$ 1,592,703
HOME	$ 471,526
American Dream Down Payment Initiative	$ 5,223
Section 8 Housing Choice Voucher Program	$ 8,660,008
Family Self Sufficiency Grants	$ 128,532
Total Federal Resources:	$10,857,992

Non-Federal:

HOME Match (25%)	$ 110,514
Program Income	$ 100,000
Total Non-Federal Resources:	$ 210,514

FY 08/09 CDBG Proposed Projects	
Administration	**$318,541.00**
Public Services	**$238,905.00**
Catholic Charities	$12,075.00
A New Leaf	$46,000.00
Home Base Youth Services	$10,000.00
Central AZ Shelter Services	$70,000.00
COT Homeless Coordinator	$61,771.00
Homeward Bound	$5,000.00
Tempe Community Action Agency	$34,059.00
Affordable Housing	**$385,000.00**
Acquisition: City-wide	**$100,000.00**
Demolition	**$15,000.00**
Rehabilitation	**$525,000.00**
Contingency	**$10,257.00**
TOTAL REQUEST	**$1,592,703.00**

The following sections describes federal, state, local and private funding and program resources, that the City of Tempe anticipates utilizing with HUD appropriated funds slated for the upcoming fiscal year.

FEDERAL RESOURCES

Community Development Block Grant Program -$ 1,592,703

The City of Tempe is an entitlement City that annually receives a direct allocation of CDBG funds, which is used to support a variety of programs and activities, including housing services, housing development, economic development, design and construction oversight of parks and playground renovations. A majority of the City's CDBG funds are used for housing development activities and services, such as acquisition, rehabilitation, and new construction of affordable housing units by non-profit housing development agencies in Tempe. In addition to leveraging funds for housing development, CDBG funds support a variety of housing services and activities, including case management, homebuyer education, homelessness prevention and other services for the homeless. The City's appropriation of CDBG funds among its programs reflects its strong commitment to providing decent and affordable housing, good community services, and a healthy economic base. Tempe expects to receive $1,592,703 in CDBG funds for FY2008.

HOME Entitlement Grant - $471,526
The City of Tempe is a participating jurisdiction that receives HOME entitlement funds through the Maricopa County HOME Consortium that assist in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of affordable rental and homeownership housing units for low and moderate-income households. These funds have also leveraged other public and private funds to help make new projects feasible. Tempe expects to receive $471,502 in HOME funds for FY2008.

American Dream Downpayment Initiative (ADDI) - $5,223
Signed into law on December 16, 2003, The American Dream Downpayment Initiative (ADDI) was created to increase the homeownership rate among low-income and minority households, and to revitalize and stabilize communities. ADDI will provide financial assistance for closing costs and downpayment assistance, thereby reducing the most common barriers to homeownership. The program will provide low-income families with the opportunity to build assets and share in the American dream of homeownership. A total of $5,223 in ADDI funds will be available to the City of Tempe for FY 2007/2008. The City will use its allocation in conjunction with its Community Assisted Mortgage Program (CAMP) to assist low-income households in Tempe to become homebuyers.

Section 8 Housing Choice Vouchers (Local Subsidy Housing Program) - $8,660,008
The Section 8 Program was developed to offer low-income households a chance to obtain units in privately owned buildings. This establishes more diversity among income groups and provides an alternative to large-scale, isolated, low-income developments. The program, under the aegis of the Tempe Housing Authority (THA), is successful at placing residents in units; however the waiting list is long. To facilitate its continued success, THS continues to use allowable rent levels that are at 100% of current area-wide Fair Market Rent (FMR) levels. The THS is currently over 95% utilized and has its Section 8 waiting list open. The City would support any efforts to create a submarket, where FMRs are determined using a more local standard, that is undertaken by the Housing Authority or HUD. A number of non-profits in the City are also working to preserve long-term affordability in a market in which rents are increasing rapidly. If funding for incremental vouchers/subsidies becomes available, the THS will apply for additional monies. THS has 6 Section 8 Enhanced Vouchers to protect the tenants in expiring-use buildings in the City, and does not expect any additional units.

Family Self-Sufficiency & Homeownership Grants - $128,532

The number of FSS graduates provides a quantitative measurement that can be applied to reducing the number of families in poverty status. In order to graduate, the FSS participant must have an income that will allow for self-sufficiency without dependence on public welfare assistance. In almost all cases, the graduate has full-time employment and may be eligible for first-time homebuyer assistance. Since the first FSS contract was executed in April 1994, the FSS Program has graduated 73 FSS participants, paid out $504,760 in escrow payments, and produced 27 homeowners.

NON-FEDERAL RESOURCES

HOME Match - $110,514
The HOME program requires a 25% non-federal match for the City to receive these funds. For FY2008-2009 the city's match requirement will be $110,514.

Program Income - $100,000
Program Income is received from the City's housing rehabilitation and homebuyer programs from loan repayments on previous activities. The loan repayments or net cash reserves produced are repayments by any project funded in whole or part by Community Development Block Grant (CDBG), or the HOME Investment Partnership (HOME). Federal regulation state that program income derived from federal and consortium activities may allow a member to retain PI for other HOME activities within that member's boundaries provided the member uses the PI before additional HOME funds are drawn down for use within its boundaries.

LOCAL RESOURCES

Affordable Rental and Homeownership Services
The City's of Tempe Housing Services (THS) Division maintains a database of low and moderate-income households interested in affordable housing opportunities, and provides referrals regarding available housing units. In addition to marketing affordable units created through the City's First-time Homebuyer Programs, THS also assists nonprofit and for-profit developers with locating low-income buyers and renters for their affordable units. Free homebuyer classes and counseling are also offered to residents wishing to purchase in Tempe.

PRIVATE RESOURCES

Federal Home Loan Bank Programs
The Federal Home Loan Bank (FHLB) manages a number of programs that support the acquisition and development of affordable housing projects and the Family Self-Sufficiency Programs, known as the Individual Development and Empowerment Account (IDEA) program. The City of Tempe and Tempe nonprofits have been successful at receiving these funds in the past, and have applied for additional FHLB funds in FY2008/2009.

Private Lenders
Tempe local private lenders provide acquisition, rehabilitation and construction loans to Tempe affordable housing projects.

Outputs/Outcomes

Mirroring a trend that has achieved full-steam in the Private Sector, the U.S. Office of Management & Budget (OMB) now requires recipients of Federal Funding to assess the Outputs and Outcomes of the program in question. Therefore, we are tracking measurable goals and impact vis-à-vis CDBG funded programs. We have, in the past, attempted to quantify the

effectiveness of our programs, and now this effort has been more clearly defined.

For example:

Output measurement attaches to the successful execution of a program's particular task.

Outcome measurement then tracks what BENEFIT was obtained by the successful execution of that particular task.

A focus on Outcome and Output measurements is essential in achieving and maintaining effective dollar utilization. This is key in preserving funds in our present state of economic uncertainty, as well as preserving the public's faith in our management of these funds.

Performance Measurement System

Each of the City's Divisions that receive CDBG, HOME and ADDI funds employ a Performance Measurement System specific to their function. The Performance Measurement Systems enable City staff to assess program effectiveness and efficiency in a more standardized manner and to establish productivity measures.

The Housing Division's Performance Measurement System is comprised of primary segments that capture all phases from need-assessment to production and outcome. The first segment of the Performance Measurement System is initiated by the City's nonprofit sub-recipients who provide City staff with potential cases and projects as they arise.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.

2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) during the next year and the rationale for assigning the priorities.

3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

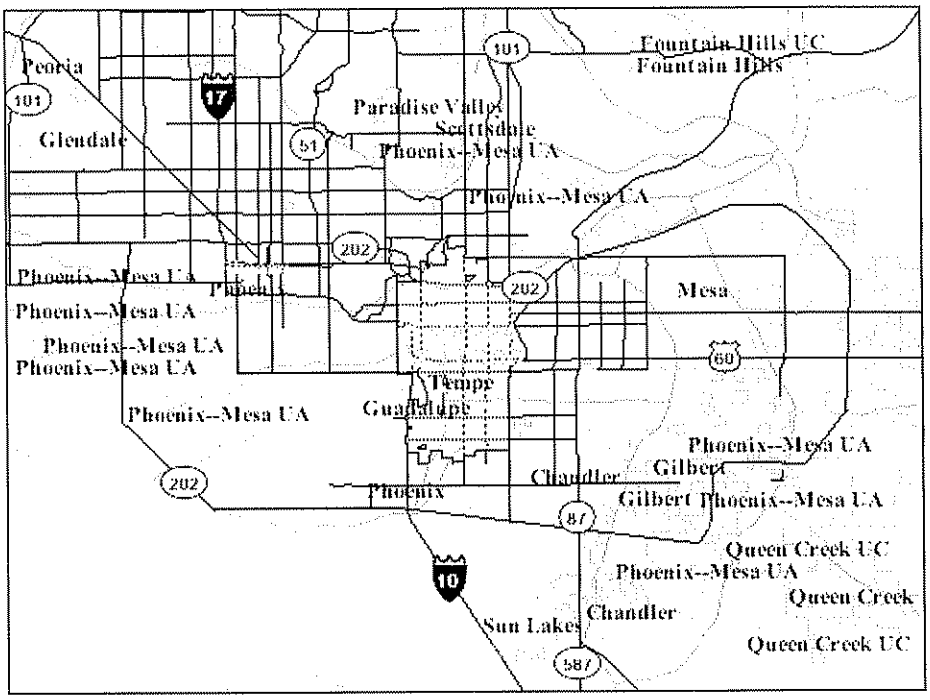
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 4 Action Plan General Questions response:

1. **The City of Tempe located in Maricopa County is in the heart of the Phoenix Metropolitan Area and is the seventh largest city in Arizona. The original settlement, known as "Hayden's Ferry", was founded in 1871. Twenty-three years later, in 1894, the "Town of Tempe" was incorporated. In 1929, Tempe was recognized as the "City of Tempe." Thirty-five years later, on October 19, 1964, Tempe became a "Charter City."**

   The City of Tempe is landlocked on all sides; bordered by the communities of Scottsdale on the north, Salt River Pima-Maricopa Indian Community and Mesa to the east, Chandler to the south and Phoenix and Guadalupe to the west.
   The City is well served by freeways; the Loop 101, 202, US 60, I-10 and the Hohokam Expressway, all of which makes the City one of the most accessible in the Phoenix Metropolitan area.

   Tempe is also home to Arizona State University (ASU). ASU is fast approaching status as one of the largest universities in the nation with over 63000 students enrolled in 2006.

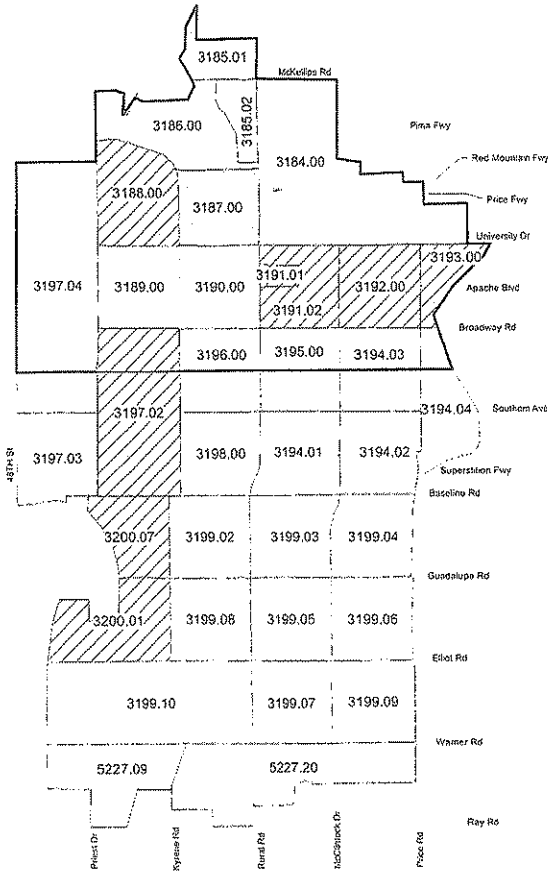


   The Community Development Department at this time does not know specific locations for allocating funds for loans and/or grants through its Community Assisted Mortgage Program , Home Improvement Program (HIP) and Rental Reinvestment Program, as these funds are expended as eligible projects become available citywide. A description of who may apply for assistance, the process for selection of who will receive the assistance and how much and under what terms the assistance will be provided can be found under the section

entitled Affordable Housing Objectives and Economic Development Objectives.

2. The City of Tempe intends to concentrate resources that benefit existing residents in the CDBG eligible areas where the highest concentration of low and moderate income households live. For affordable rental and homeownership projects and public services programs, we will support projects in all parts of the City. Tempe supports the even distribution of CDBG and HOME funded activities throughout the neighborhoods of the City that demonstrate need and where opportunities to increase the affordable housing stock exist.

As indicated on the following map, the area north of Alameda Drive is a CDBG target area. This area is considered to be the older section of Tempe; e.g. the first to age, therefore, the area first in need of services. In addition, the target area contains a higher concentration of minority households than other areas of the City and census tracts with 51% or more low-moderate income households.



Source:
City of Tempe, Housing Services

In addition, the above target area contains three designated Redevelopment Areas and two Redevelopment Study Areas.

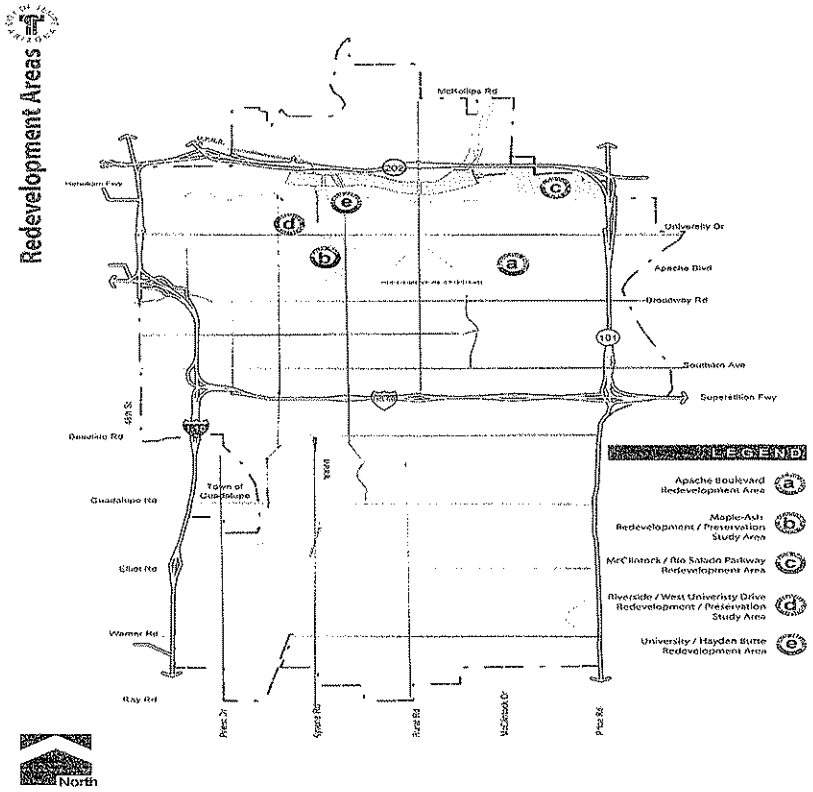
To be designated a Redevelopment Area, a predominance of residential or non-residential buildings or improvements exist where public health, safety or welfare is threatened because of any of the following:

- **Dilapidated, deteriorated, aging or obsolescent buildings or improvements**
- **Inadequate provision for ventilation, light, air, sanitation or open spaces**
- **Overcrowding**
- **Existence of conditions that endanger life or property by fire or other causes**

A Redevelopment Study Area is one which is without an adopted redevelopment plan.

Objectives of the Redevelopment Area are to:

- **Ensure the provision of adequate infrastructure**
- **Encourage reinvestment, revitalization, redevelopment or reuse**
- **Prevent and eliminate slum and blight**
- **Stimulate private investment**
- **Attract new development**



Funding for the activities covered in this Action Plan is allocated city-wide. Preferences will be given to the target areas and Redevelopment areas for specific activities. In some instances, activities may be conducted outside the city limits. Examples of activities receiving funding outside the limits of Tempe include public service activities that are located in other jurisdictions but serve Tempe residents.

3. Obstacles to Meeting Underserved Needs -
The primary obstacle to meeting the underserved needs in the City of Tempe is a lack of available funding to the City and to the various non-profit agencies the City partners with in serving the low and moderate-income residents of Tempe. As entitlement grants continue to shrink, the cost of delivering services and completing projects increases, creating, in the recent past and present, an ever-widening spread of cost and available funds. Mirroring this trend is the increasing difficulty in leveraging funds through state and private resources, also decreasing or stagnant in recent times. Tempe is fortunate in regards to its robust tax-base, but despite this local trend the overall availability of funds from both federal, state and other private resources continues to decline as inflation, and therefore costs, rise. In fiscal year 2008 the City will increase its efforts to seek additional grants and funding sources as the cost of performance outpaces the funding outlook.

The City of Tempe will continue to work with housing, human service providers and advocates in the community to assess the specific housing needs of people with disabilities and to pursue the feasibility of developing housing opportunities for low to moderate first time homebuyers. The City will encourage networking of human service providers through advisory meetings such as the Continuum of Care Planning Process to enhance cooperation between area organizations and agencies.

The City will address obstacles through the Continuum of Care Planning Process by obtaining on-going data and reviewing community-wide information to identify the gaps in the underserved population. Through a coordinated effort of the Continuum of Care Committee and the HMIS system, the City will be able to better track the needs of the underserved population.

Actions to be taken during this program year to address the obstacles to meeting the underserved needs include:

Housing rehabilitation
- **owner-occupied**
- **rental units**
- **lead-paint testing**

Funding sources: CDBG, HOME, HOME match, program income

Affordable housing
- **first-time homebuyer programs**
- **site acquisition and development**
- **Section 8 rental assistance**

Funding sources: CDBG, HOME, HOME match, ADDI, Section 8

Acquisition, demolition and relocation
- **Elimination of slum and blight**
- **Removal of substandard living conditions**

Funding sources: CDBG, HOME, Capital Improvement Program funding

Public Services
- **Human services**

Funding sources: CDBG (15%)

4. **Resources to fund proposed activities during the program year are as follows:**

Federal:	
Community Block Grant Funds	**$ 1,592,703**
HOME	**$ 471,526**
American Dream Down Payment Initiative	**$ 5,223**
Section 8 Housing Choice Voucher Program	**$ 8,660,008**
Family Self-Sufficiency & Homeownership Grants	**$ 128,532**
Total Federal Resources:	**$10,857,992**
Non-Federal:	
HOME Match (25%)	**$ 110,514**
Program Income	**$ 100,000**
Total Non-Federal Resources:	**$ 221,928**

The following sections describes federal, state, local and private funding and program resources, that the City of Tempe anticipates utilizing with HUD appropriated funds slated for the upcoming fiscal year.

FEDERAL RESOURCES

Community Development Block Grant Program - $1,592,703
The City of Tempe is an entitlement City that annually receives a direct allocation of CDBG funds, which is used to support a variety of programs and activities, including housing services, housing development, economic development, design and construction oversight of parks and playground renovations. A majority of the City's CDBG funds are used for housing development activities and services, such as acquisition, rehabilitation, and new construction of affordable housing units by non-profit housing development agencies in Tempe. In addition to leveraging funds for housing development, CDBG funds supports a variety of housing services and activities, including case management, homelessness prevention and other services for the homeless. The City's appropriation of CDBG funds among its programs reflects its strong commitment to providing decent and affordable housing, good community services, and a

healthy economic base. Tempe expects to receive $1,592,703 in CDBG funds for FY2008/2009.

HOME Entitlement Grant - $471,526
The City of Tempe is a participating jurisdiction that receives HOME entitlement funds through the Maricopa County HOME Consortium that assist in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of affordable rental and homeownership housing units for low and moderate-income households. These funds have also leveraged other public and private funds to help make new projects feasible. Tempe expects to receive $471,526 in HOME funds for FY2008/2009.

American Dream Downpayment Initiative (ADDI) - $5,223
Signed into law on December 16, 2003, The American Dream Downpayment Initiative (ADDI) was created to increase the homeownership rate among low-income and minority households, and to revitalize and stabilize communities. ADDI will provide financial assistance for closing costs and downpayment assistance, thereby reducing the most common barriers to homeownership. The program will provide low-income families with the opportunity to build assets and share in the American dream of homeownership. A total of $5,223 in ADDI funds will be available to the City of Tempe for FY 2008. The City will use its allocation in conjunction with its Community Assisted Mortgage Program (CAMP) to assist low-income households in Tempe to become homebuyers.

Section 8 Housing Choice Vouchers (Local Subsidy Housing Program) - $8,660,008
The Section 8 Program was developed to offer low-income households a chance to obtain units in privately owned buildings. This establishes more diversity among income groups and provides an alternative to large-scale, isolated, low-income developments. The program, under the aegis of the Tempe Housing Authority (THA), is successful at placing residents in units; however the waiting list is long. To facilitate its continued success, the THA continues to use allowable rent levels that are at 100% of current area-wide Fair Market Rent (FMR) levels. The THA is currently over 95% utilized and has its Section 8 waiting list open. The City would support any efforts to create a submarket, where FMRs are determined using a more local standard, that is undertaken by the Housing Authority or HUD. A number of non-profits in the City are also working to preserve long-term affordability in a market in which rents are increasing rapidly. If funding for incremental vouchers/subsidies becomes available, the THA will apply for additional monies. THA has 6 Section 8 Enhanced Vouchers to protect the tenants in expiring-use buildings in the City, and does not expect any additional units.

Family Self-Sufficiency & Homeownership Grants - $128,532

The number of FSS graduates provides a quantitative measurement that can be applied to reducing the number of families in poverty status. In order to graduate, the FSS participant must have an income that will allow for self-sufficiency without dependence on public welfare assistance. In almost all cases, the graduate has full-time employment and may be eligible for first-time homebuyer assistance. Since the first FSS contract was executed in April 1994, the FSS Program has graduated 73 FSS participants, paid out $504,760 in escrow payments, and produced 27 homeowners.

NON-FEDERAL RESOURCES

HOME Match - $110,514
The HOME program requires a 25% non-federal match for the City to receive these funds. For FY2008-2009 the city's match requirement will be $110,514.

Program Income -$100,000
Program income, defined as loan repayments, or net cash reserves produced by any project funded in whole or part by Community Development Block Grant (CDBG), Housing for Persons With Aids (HOPWA), Emergency Shelter Grant (ESG), or the HOME Investment Partnership (HOME) will be expended on projects/programs before new funds are drawn down from the U.S. Treasury.

LOCAL RESOURCES

Affordable Rental and Homeownership Services
The City of Tempe Housing Services (THS) Division maintains a database of low and moderate-income households interested in affordable housing opportunities, and provides referrals regarding available housing units. In addition to marketing affordable units created through the City's First-time Homebuyer Programs, THS also assists nonprofit and for-profit developers with locating low-income buyers and renters for their affordable units. Free homebuyer classes and counseling are also offered to Tempe residents.

PRIVATE RESOURCES

Loans and Other Receivables
Under the City's Rehabilitation programs,(Housing Improvement Program (HIP) and Rental Reinvestment Program), the City of Tempe has a low-interest loan program for low and moderate income owners of one to four unit buildings and single family homes. Through this program the terms of the deferral or forgiveness of the loan are that the loan is deferred until sale, conveyance or alienation. Deferred loan payments are given to all elderly (age 62 years or older) and disabled homeowners.

Federal Home Loan Bank Programs

The Federal Home Loan Bank (FHLB) manages a number of programs that support the acquisition and development of affordable housing projects. Tempe nonprofits have been successful at receiving these funds in the past, and if suitable projects are under development will apply for additional FHLB funds in FY2008.

Private Lenders
Tempe local private lenders provide acquisition, rehabilitation, and construction loans to Tempe affordable housing projects.

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.

2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 4 Action Plan Managing the Process response:

1. ***Lead Agency***
The City Council of the City of Tempe delegated the responsibility for the preparation of the Consolidated Plan to Housing Services, a Division of the Community Development Department. The Community Development Department has the responsibility of ensuring that the goals of the City Manager and the City Council are met through the various programs and projects in the Consolidated Plan. The Community Development Department is also responsible for the administration of the Community Development Block Grant and the HOME Investment Partnership funds. The Tempe City Council has the responsibility for approving activities set forth in the Consolidated Plan. The Community Development Department contracts with a myriad of community organizations to carry out certain components of the Plan, including, but not limited to:

Tempe Community Council (TCC)
NewTown Community Development Corporation
Chicano Por La Causa, Inc. (CPLC)
Habitat for Humanity Valley of the Sun
Neighborhood Housing Services of Arizona (NHS)
Community Services of Arizona
Stealthmode Partners

The staff liaison responsible for administering programs covered by the Consolidated Plan is:

Liz Chavez, Housing Services Administrator
Community Development Department

Housing Services Division
P.O. Box 5002, Tempe, AZ 85280
Telephone: 480-350-8958 TDD: 480-350-8913 FAX: 480-350-8902
E-mail: liz_chavez@tempe.gov

Note: The City of Tempe receives HOME funding through the Maricopa County Consortium. Maricopa County Community Development Department is the lead agency for the Consortium. However, the City of Tempe Housing Services Division is responsible for administering HOME funding in the City of Tempe and CHDO administration.

2. ***Community participation and organizational consultation***
The City of Tempe's FY 2008-2009 Program Year 4 Annual Action Plan was prepared with a strong emphasis on community participation from non-profit organizations in the city and city residents. The City of Tempe held one community meeting and two public hearings on the Action Plan and its recommended selection of activities. During the public comment period, citizens were invited to submit comments in writing to the Housing Services Division or to present their comments before the Tempe City Council.

In addition to the above, meetings were held with staff of the Community Development Department, including the following Divisions: Housing Services, Neighborhood Enhancement, Economic Development and Redevelopment. A meeting was also held with Tempe Community Council to discuss social service priorities and needs. A process meeting was also held with Maricopa County Consortium members.

The Housing Services Division of the City of Tempe administers the Community Development Block Grant, HOME, American Dream Down payment Initiative, Section 8 Housing Choice Voucher, Family Self-Sufficiency, Rehabilitation and Homeownership Programs and Homeless and Fair Housing activities. Consistency with the Consolidated Plan, Action Plan and Section 8 Annual Plan and Five-Year Plan was coordinated with staff administering these programs and activities within the Community Development Department.

In addition, the Tempe Community Council (TCC) has the responsibility for recommending CDBG and local funding for social service requests. TCC receives the requests from social service agencies, reviews the requests, meets with applicants then recommends funding to the Tempe City Council for approval. For the 2008 program year, Housing Services staff attended the applicant interviews and several citizen volunteer meetings where CDBG Public Service funding recommendations were discussed.

The citizens of Tempe were consulted through the public comment/hearing process. Comments could be delivered in person at the public hearings, via written comment delivered through the U.S. Mail or via the city's website.

Individual consultations were as follows:

Housing:
Liz Chavez, Housing Services Administrator, City of Tempe
Kent DeYoung, Grants Accountant, City of Tempe
Chris Salomone, Community Development Manager, City of Tempe
Craig Hittie, Affordable Housing Supervisor, City of Tempe
Karen Pierce, Family Self-Sufficiency Specialist, City of Tempe
Jan Koehn, Neighborhood Enhancement Administrator, City of Tempe
Resident Board members: Edith Kennedy, Eloise Bates, Barbara Brandon, Paul Fitsimons and Alejandrina Squires

Redevelopment:
Neil Calfee, Deputy Community Development Manager, City of Tempe
Joe Nucci, Historic Preservation Officer, City of Tempe
Larry Schmalz, Senior Planner, City of Tempe

Economic Development:
Sheri Wakefield-Saenz, Deputy Economic Development Manager, City of Tempe

Homelessness, Special Needs and Fair Housing:
Theresa James, Homeless Coordinator and Fair Housing Coordinator, City of Tempe

Social Services:
Kate Hanley, Tempe Community Council Executive Director
Jason Matthews, Assistant Director, Tempe Community Council

General:
Maricopa County Consortium
Citizens of Tempe through the public hearing process

3. ***Enhance Coordination***
The City of Tempe will continue working to enhance coordination between public and assisted housing providers as well as private and governmental health, mental health and service agencies. This will be accomplished using both formal and informal networks that bring together public, private and nonprofit housing and service providers. These include groups such as the Resident Advisory Board and Affordable Housing Council Committee which includes representatives from the Tempe Housing Authority, non-profit agencies, and the City.

Tempe has a number of successful groups and committees that currently work together to provide an effective delivery system for affordable housing production and services throughout the City. A variety of organizations, including the Housing Authority, Community Development Department, Tempe Community Council and nonprofit agencies, routinely collaborate on projects and participate in network meetings.

The *Transportation, Housing and Environment Council Committee* meets monthly to coordinate affordable housing development projects throughout the City. This group is made up of City Council members and staff from the Community Development Department, the Tempe Housing Authority, the Transportation Department and the Public Works Department.

The *Homeless Services Advisory Committee* comprise of social service providers in Tempe. They meet each month to discuss social service needs in the City, and to facilitate coordination among social service providers. Members of this committee also include housing staff from the Community Development Department.

***Tempe has a Fair Housing Coordinator* that is active in initiating educational and outreach programs to further fair housing. As required by HUD, the Community Development Department completed its Fair Housing Plan, which consists of an Analysis of Impediments to Fair Housing, an Action Plan to address impediments and a system for maintaining records and fulfilling reporting requirements. The plan was developed in conjunction with many City departments including: the Human Rights Commission; the Tempe Commission for Persons with Disabilities; the City Assessor's Office; the City's Diversity Office; the Department of Human Services Programs and the Tempe Housing Authority, as well as with nonprofit groups.**

The Housing Services Division, in conjunction with the *Transportation, Housing and Environment Committee*, holds quarterly Affordable Housing Forums. Each Forum focuses on a different element of the complex solution to providing additional affordable housing. The Forums are open to the public to help facilitate citizen participation. As a result of the first Forum, an affordable housing coalition has formed, consisting of City staff, local non profit partners, developers and housing services providers. The stakeholders meet monthly and are working to more tightly define the coalition's mission and purpose.

In addition, the Consolidated Planning Process allows the City of Tempe to ensure that a comprehensive, coordinated system is in place by on-going meetings with citizens, the public and social service agencies. In addition, staff members will serve on many of the housing and human service boards/task force groups in the community. This allows the City to provide a broad based community development plan with constant updates of goals and objectives for the City.

During this program year, the City will continue to create new partnerships with public and private agencies to enhance the coordination of services to the residents of Tempe. Actions to be taken include, but are not limited to:

- **Meet with public service agencies to determine how partnerships can be established to link services.**
- **Survey other jurisdictions to discover what successful partnerships they have already established.**

- **Survey program participants to determine what other services are needed and could possibly be coordinated.**
- **Survey current partnerships to determine how services may be better coordinated.**

One of these partnerships is with Tempe Community Council (TCC) who will have the responsibility of the CDBG social service funding process and its recommended funding for social service agencies. Prior to TCC presenting their recommendations before the City Council at an Issue Review Session, and in an effort to maintain and improve coordination with public and private agencies, the City continued the application process developed in 2006 in partnership with Tempe Community Council's (TCC) and invited agencies and organizations to apply for CDBG funds for the fiscal year 2008/2009. This process included:

- **a public notice on availability of CDBG and HOME funds,**
- **assembling a staff consultation team,**
- **extensive Citizen participation**

Citizens were invited to express their views on the funding recommendations at the Issue Review Session. The Issue Review Session agenda was posted in the same manner as the City Council meetings.

Citizen Participation

1. Provide a summary of the citizen participation process.

2. Provide a summary of citizen comments or views on the plan.

3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.

4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 4 Action Plan Citizen Participation response:

[Refer to the Citizen's Participation Plan for the Maricopa County Consortium in the Additional Files Section of the Consolidated Plan]

1. ***Citizen Participation Plan***

The City of Tempe has a thorough and extensive community process that is employed for all projects. The City consistently seeks to include the input of Tempe residents in all phases and aspects of its Community Development initiatives, from the initial planning, to project and program implementation to the reporting and assessment of accomplishments. The effectiveness of this process is key in

delivering the proper services and programs to the City's residents, while ensuring that the overall direction of the Community Development Department's work is consistent with residents' expectations and is responsive to neighborhood concerns. A more detailed assessment of this process is as follows:

Participation

The City encourages citizen participation in all stages of the planning process. From the drafting of the Consolidated Plan to the filing of the annual Performance Evaluation Report the City hosts Public Meetings, provides draft copies of the Plan before submission, accepts and incorporates citizen input and feedback, and holds special hearings whenever any substantial amendments are made. Notices soliciting public input are placed in the Tempe Tribune, the local newspaper. In addition, a notice inviting input is placed on the City web-site: http://www.tempe.gov/housing/. Additional notices inviting public comment and notice of the public hearing are also placed in the Community Development Department public lobby areas and the public is encouraged to submit written comments by e-mail and mail.

Public hearings are held during regularly scheduled City Council meetings. Meeting notices are posted in advance; on the Friday afternoon prior to a Thursday Council meeting. Council agendas are located in the City Clerk's office on the 2nd floor of City Hall, the bulletin board outside of the City Council Chambers and on the internet at www.tempe.gov/clerk. Citizens are invited to submit comments in writing via the U.S. Mail, via e-mail or in person at the public hearing before the City Council.

At the beginning of the Action Plan development process, the first public hearing was held on February 21, 2008. This public hearing was to obtain views and proposals from citizens on how funding may be used for the Annual Action Plan period. The second public hearing, held on April 17, 2008, invited the public to comment on the draft Action Plan and was made available for a 30-day comment period.

The Tempe Community Council (TCC) has the responsibility of recommending funding for social service agencies. TCC presented their recommendations at an Issue Review Session on March 6, 2008. At that meeting, citizens were invited to express their views on the funding recommendations. The Issue Review Session agenda was posted in the same manner as the City Council meetings. One public meeting was held in conjunction with the Tempe Community Council Board meeting and board meeting notices were posted one week in advance.

In addition, on March 20, 2008, city staff presented preliminary information regarding the Action Plan and its development process at an Issue Review Session. The Issue Review Session agenda was posted in the same manner as the City Council meetings. Comments, views and proposals were accepted at this meeting.

The City also works in an on-going capacity with key non-profit organizations in encouraging the participation of the citizens they work directly with, including many of the low and moderate-income residents who are the primary targets of our HUD funded programs. Bi-lingual services are available for those who request them. Additionally, the City works very closely with Tempe's well-organized neighborhood groups in matters that have a particular interest and/or impact on a particular area or neighborhood. This relationship ensures maximum availability of City staff to the residents and ensures transparency of City policies and initiatives. As an example, from October 24-27, 2007, several Light Rail Station Area Planning events were held at the Tempe Police Substation. These events began with a public open house and a series of stakeholder meeting with members of the Apache Boulevard Project Area Committee (APAC), developers, City economic, housing, and engineering staff, and local business representatives. Culminating in a Saturday morning public design workshop, these events sought to identify and probe deeper into key issues of the Light Rail Station Area Planning process.

2. **One public comment was received during the Issue Review Session on March 20, 2008 on the CDBG/HOME Programs, Selection of Activities for FY 2008-2009. The commenter requested that the City adopt a policy for the use of federal funds intended to subsidize homeownership so that permanent affordability of subsidized homes is ensured. The goal of such a policy would be "subsidy retention" instead of "subsidy recapture". This policy would dictate how the City's down payment assistance program would be handled.**

3. ***Efforts to Broaden Access to Information*:**

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

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

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

The Tempe City Council meetings were broadcast live on the City's government access channel, Tempe Channel 11. In addition, the meetings were re-broadcasted on Channel 11 throughout the

following week. Council meetings are also broadcast live on the internet at www.tempe.gov/tempe11/video.

All Council meetings were recorded on video and audio tape. Written minutes of the meeting are maintained by the City Clerk's Office for the permanent public record. The public may review these public records at any time during normal City business hours. In addition, hard copies of the minutes may be obtained from the City Clerk. Videotapes of the Council meetings are available for purchase.

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

Public Meetings

Three public meetings were held prior to the development of the Action Plan. One public meeting was held in conjunction with a Tempe Community Council meeting.

Availability of Plan

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

The City's staff also makes themselves available to persons or interested parties who require technical assistance in understanding the Plan, the preparation of comments and the preparation for requests of funding. This availability and responsiveness is also City employed in handling and responding to whatever reasonable complaints are made concerning the Plan and its undertakings.

A draft Action Plan was published and a notice of its availability was published in the Tempe Tribune on April 9, 2009. Hard copies were made available at the Housing Services Division of the City of Tempe. Requests for copies could be made in person, by mail, e-mail or telephone. The draft was also published on the City's web site at www.tempe.gov/housing.

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

After the final public hearings and approval by City Council, the Action Plan was published in final format. Hard copies were available from the Housing Services Division upon request. In addition, the approved Plan is available from the City's web site.

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

4. **All comments were received by the deadline and were considered. Should any substantial change to the stated Objectives of the Consolidated Plan become imminent, the City will involve the residents through its above described methods and practices. Such substantial changes would be understood as being new activities the City would undertake within a reporting cycle and does not include expected and actual changes to Goals as they relate to external factors and unexpected changes in available resources.**

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 4 Action Plan Institutional Structure response:

Actions to Further Develop Institutional Structure

Tempe will continue its efforts in FY2008-2009 to further develop the City's institutional structure to support its ongoing commitment to affordable housing, community services and a healthy economic base. Although property prices in Tempe have remained relatively flat this past year, the gap between available resources and outstanding need remained high. There is an increased need for federal funds for housing activities of all types including affordable rental, homeownership and housing for special needs populations. Tempe continues to work to reduce the gap in resources by aggressively seeking out additional federal, state, local and private resources to support its affordable housing priorities.

The City will work to eliminate any regulatory gaps by working with federal and other agencies to identify problems and, where appropriate, to seek refinements or waivers of regulations that impedes efficient affordable housing production. Tempe will continue its outreach to residents, businesses and organizations through community meetings and various public forums through the annual Consolidated Plan process.

During the program year covered by this Action Plan, the City reviewed the gaps listed in the Consolidated Plan and determined methods to strengthen the institutional structure in order to eliminate the gaps.

Actions in this program year to strengthen the delivery of services include, but are not limited to:

- **Review current services and processes to determine what may be streamlined;**

- **Review the delivery systems between the three Divisions of the Community Development Department that utilize federal funding to determine how to strengthen the coordination of services;**
- **Meet with program partners to determine what gaps may exist and how best to eliminate those gaps**
- **Remain an active member of the affordable housing coalition and continue to receive and act on feedback from the group's non profit and for profit development organizations**

Current plans to fill a vacant position in the Housing Services Division to support further development of the delivery systems for housing and community development needs include:

- **Affordable Housing Specialist**
- **Housing Services Specialist**

Enhance Coordination

Tempe will work to enhance coordination between public and assisted housing providers as well as private and governmental health, mental health and service agencies. This will be accomplished using both formal and informal networks that bring together public, private and nonprofit housing and service providers. These include groups such as the Resident Housing Services Board, which includes representatives from the Tempe Housing Authority.

One approach to coordinating services is through contracts for program delivery. Tempe Community Development has approximately $745,373 in annual contracts with nonprofit housing agencies for the operation of public services and housing programs. This contractual relationship, involving contact on a nearly daily basis, means that the nonprofits both operate programs on an ongoing basis, and are available to assist with policy and program development. Tempe has a number of successful groups and committees that currently work together to provide an effective delivery system for affordable housing production and services throughout the City. A variety of organizations, including the Housing Authority, Community Development Department and nonprofit agencies, routinely collaborate on projects and participate in network meetings.

Since 2006, the *Affordable Housing Council Committee* has been meeting monthly to coordinate affordable housing development projects throughout the City. This group is made up of staff from the Community Development Department, the Tempe Housing Authority and City Council.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 4 Action Plan Monitoring response:

[Refer to the Monitoring Policy for the Maricopa County Consortium in the Additional Documents File in the Consolidated Plan]

Housing

The City of Tempe intends to use the existing housing delivery system to achieve its production and service goals. While this will include managing some in-house programs, many programs and services will be contracted out to sub-grantees. For specific development projects, funds will be allocated to eligible projects on a competitive basis. Tempe has had a very successful history of managing housing programs in this way.

The City monitors housing rehabilitation, new construction activity and all other community development activities carried out by sub-recipients on an annual monitoring schedule created to ensure strict compliance with applicable HUD regulations and program guidelines. The monitoring process also includes an ongoing review of production levels as benchmarked in the Five-Year Consolidated Plan.

- **On a regular basis, the City reviews applications for specific project funding, reviewing all available funds against the needs of projects in the pipeline. This is in addition to reviewing project feasibility, providing technical assistance, and monitoring the progress of projects from the time funds are committed, through construction and then on an ongoing basis.**

- **On a regular basis, the City reviews all sub-grantee operating expenses by examining invoices and supporting documentation for monthly program expenditures, including administrative and construction costs.**

- **Quarterly, the City comprehensively reviews sub-recipient performance levels; reviews overall performance against goals, as well as analyzes consolidated budget statements.**

- **Annually, the City conducts regular site visits to monitor the programs and the rental affordable housing developments supported by HUD funds. Programmatic monitoring includes the review of an agency's financial management systems and their files and records of projects completed in the past five years. Rental developments are monitored through the review of tenant files to ensure that income-eligibility requirements are satisfied and through property inspections to ensure Housing Quality Standards are met.**

This system of monitoring is built into our service delivery system and is conducted as prescribed by HUD. Each year the Housing Division conducts property inspections on 10% to 15% of the units in its affordable housing stock using the schedule below:

Property Inspection Schedule:
- **Every 3 years for projects with 1-4 units**
- **Every 2 years for projects with 5-25 units**

• Annually for projects with 26 or more units

Many of the Programs and Activities funded under the Community Development Block Grant Program or HOME Program is implemented by qualified sub-grantees who enter into a contractual arrangement with the City to implement specific programs and services. The process for determining whether or not a sub-grantee will be funded is as follows:

- **In the fall of the program year (usually August) Tempe Community Council (TCC) on behalf of the City of Tempe will advertise that applications for the following Program Year (July 1 – June 30) are available at Tempe Community Council's office or on-line at the City's website;**
- **Applicants will be given a maximum of forty-five (45) days to complete and return their applications to Tempe Community Council;**
- **Applications will detail the funding priorities established by the City Council in its HUD approved Five Year Plan and other program requirements for Sub-Grantees;**
- **Staff will review the applications and make a recommendation to the Tempe City Council on the programs and projects to be funded;**

Once the requisite public hearings are held and Council makes a final determination, the Annual Plan containing the projects and activities to be funded is finalized and submitted to HUD. Simultaneous with the HUD review of the application, CDBG staff will prepare the Environmental Review Record, publicize it for a 30 day comment period, and Request a Release of Funds.
Once HUD approves the City's use of Funds, staff prepares contracts with each of the funded sub-grantees. Prior to issuing payment for any good or service funded under the various programs, the Community Development staff verifies that the good or service has been provided and that the various program requirements have been met. Funds are usually paid out quarterly upon receipt of reports from the subgrantees showing (i) costs incurred; (ii) activities conducted; (iii) accomplishments achieved; (iv) performance measurement indicators; and (iv) such other statistical information the City may require. These reports are reviewed by staff to evaluate whether the program is being carried out in a timely manner and is meeting the goals and objectives initially established. Sub-Grantees are also responsible for providing the City with a timely annual report which will be used by the City in preparing its final report to HUD. This report will also be used to evaluate the Sub- Grantees capacity and effectiveness in carrying out CDBG funded programs during subsequent funding cycles.

Public Services

Monitoring of program activities is handled by staff of the Housing Services Division. The Housing Services Division monitors activities on an on-going basis to ensure funds are expended in accordance with federal regulations and City procedures.

Monitoring efforts for CDBG subrecipients are conducted at least annually to ensure sub-recipients are in compliance with all regulations governing their administrative, financial and programmatic operations. A standardized monitoring checklist, developed and utilized by Maricopa County Consortium members and updated regularly, is used to examine fiscal and program performance and to measure regulatory compliance.

It is the City's policy to monitor all agencies, regardless of their level of funding or performance, annually. In addition to monitoring program performance, technical assistance is also provided. By performing an annual monitoring on all subrecipients, both the City and the subrecipient can be assured of continual compliance with program regulations and processes. If issues that may lead to non-compliance are found, technical assistance will be provided to assist the sub-recipient to make the necessary corrections or adjustments in order to avoid falling into non-compliance.

The City offers technical assistance to all sub-recipients not only during the monitoring process but throughout the year. The annual monitoring provides both the City and the sub-recipient at least one time during the program year to review the processes and determine what, if any, technical assistance may be needed.

Monitoring may include the following procedures.

- **review of monitoring reports, audits and management letters at application**
- **review of federal requirements during contract signing**
- **review of periodic reimbursement requests/performance reports technical assistance (meetings, telephone calls, site visits, written correspondence, etc.)**
- **desk reviews (in-house reviews of documentation submitted to the reviewer)**
- **on-site reviews (on-site reviews consist of reviews of program files, fiscal systems and financial records)**
- **other comprehensive monitoring as warranted**

All monitoring will result in written letters documenting any findings or concerns noted during the reviews. In addition, monitoring letters may offer suggestions for program improvements. Whenever possible, monitoring letters are issued in draft format to activity administrators for review and comment. Entities should be given ten days in which to comment on the draft letters. Final monitoring letters will be issued to the chief executive officers of the monitored entities. Any comments received from activity administrators will be incorporated into the final monitoring letters.

HOME funded activities will be monitored by HOME Consortium monitoring teams. A peer review process will be used for monitoring Consortium members. Each Consortium member will be reviewed annually by a team consisting of rotating personnel from the members of the Consortium.

Team monitoring of CDBG subrecipients also is conducted. The City will team with other cities to monitor agencies being funded by both jurisdictions. The team monitoring approach eases the process for the sub-recipients.

Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Program Year 4 Action Plan Lead-based Paint response:

The City of Tempe will continue to comply with all lead-based paint (LBP) requirements imposed by HUD and will continue to direct resources to eliminate lead-paint in its housing.

During the program year, the following actions will take place:

<u>Rehabilitation Assistance Programs; CFR 35.900</u>
The City of Tempe will continue to address, monitor, evaluate and reduce lead-based paint hazards throughout the community through its Housing Improvement Program, Emergency Rehabilitation Grant Program and Rental Reinvestment Program.

The City addresses all pre-1978 units participating in its Rehabilitation programs with a presumption of lead-paint hazards.

The City of Tempe contracts with Environmental Protection Agency (EPA) certified lead paint firms for assessment and abatement activities in the rehabilitation programs. This will continue during the program year.

Lead-based paint requirements for rehabilitation programs using CDBG and HOME funds fall into three categories. The categories are based on the amount of rehabilitation assistance provided for the rehabilitation project. The categories and requirements per category are as follows:

a. **Pre-1978 property receiving less than or equal to $5,000 per unit in Federal rehabilitation assistance. The City of Tempe is required to:**
    - **Provide families with a copy of *Protect Your Family from Lead in Your Home* or other EPA approved document;**
    - **Conduct paint testing or presume the presence of lead-based paint. If paint testing indicates the painted surfaces are not coated with lead-based paint, safe work practices and clearance are not required.**
    - **Implement safe work practices during rehabilitation work and repair paint that is disturbed**
    - **After completion of any rehabilitation activities disturbing painted surfaces, perform a clearance examination of the worksite(s). Clearance is not required if rehabilitation did not disturb painted surfaces of a total area more than set forth in HUD regulations (CFR 35.1350(d).**

b. Pre-1978 property receiving more than $5,000 and up to $25,000 in Federal rehabilitation assistance. The City of Tempe is required to:

- **Provide families with a copy of *Protect Your Family from Lead in Your Home* or other EPA approved document;**
- **Conduct paint testing or presume the presence of lead-based paint;**
- **Perform a risk assessment in the dwelling units receiving assistance, in common areas servicing those units and exterior painted surfaces before rehabilitation begins;**
- **Perform interim controls of all lead-based paint hazards Identified;**
- **Implement safe work practices during the rehabilitation work and repair any paint that is disturbed and is known or presumed to be lead-based paint;**
- **On-going maintenance activities is required if the rehabilitation assistance is HOME funded.**

c. Pre-1978 property receiving more than $25,000 per unit in Federal rehabilitation assistance. The City of Tempe is required to:

- **Provide families with a copy of *Protect Your Family from Lead in Your Home* or other EPA approved document;**
- **Perform a risk assessment in the dwelling units receiving Federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins;**
- **Abate all lead-based paint hazards identified by the paint testing or risk assessment. Interim controls are acceptable on exterior paint surfaces that are not disturbed by rehabilitation activities and on lead-paint hazards that have an area smaller than the minimum limits specified in HUD Regulations. If abatement is required, it is necessary to abate only the surface area with hazardous conditions.**
- **Implement safe work practices during rehabilitation work and repair any paint that is disturbed and is known or presumed to be lead-based paint.**

<u>Section 8 Housing Choice Voucher Program; CFR 35.1200</u>
The City of Tempe inspects all units prior to placing a unit under a Housing Assistance Payments Contract and at least annually thereafter.

For units built prior to 1978, the PHA is responsible for the following:

- **Visual assessment for deteriorated paint (peeling, chipping, flaking) surfaces at initial and annual inspections;**
- **Assuring that a clearance examination is conducted when required;**
- **Carrying out special requirements for children under age six who have environmental intervention blood levels as verified by health agencies;**

Property owners are responsible for the following:

- **Disclosing known lead-based paint hazards to potential residents**

prior to the execution of a lease (the Housing Authority must keep a copy of the disclosure notice executed by the owner and tenant in the assisted tenant's file);

- **Providing all prospective families with a copy of *Protect Your Family from Lead in Your Home* or other EPA approved document;**
- **When necessary, stabilize each deteriorated paint surface before the assisted occupancy may begin. If the assisted tenant is already occupying the unit, paint stabilization must be completed within 30 days of the Housing Authority's notification to the owner of the visual inspection results.**
- **Each time a lead-based paint activity is performed on the unit, notify the tenants about the conduct of lead hazard reduction activities and clearance (if required);**
- **Conduct lead hazard reduction activities when required by the Housing Authority;**
- **Perform all work in accordance with HUD prescribed safe work practices and conduct clearance activities when required;**
- **Perform ongoing maintenance. As part of this ongoing maintenance, the property owner must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address and telephone number of the person responsible for accepting the occupant's complaint.**

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 4 Action Plan Specific Objectives response:

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

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

Analysis:
The City of Tempe supports the creation of new affordable rental units throughout the City. New affordable rental housing may be created through:

new construction, the acquisition and conversion of non-residential structures to affordable housing, the acquisition and conversion of market-rate rental housing to affordable housing. Due to the high levels of public investment required for acquisition and development of new affordable units, nonprofit ownership is key a part of this strategy as is the use of long-term deed restrictions to ensure affordability.

The City of Tempe supports the addition and non-profit operational support of up to 4 units for Housing First, permanent Housing and supportive services for homeless adults. Housing First is defined as affordable permanent rental housing combined with supportive services such as case management, mental health and substance abuse services for persons who have experienced chronic homelessness. The units would be offered with a 20-year renewable lease and an annual fee of $1 to be paid to the City of Tempe. The City of Tempe Homeless Coordinator will work diligently towards the creation of these units. In addition, the Homeless Coordinator will monitor closely the non-profit partner providing supportive services to the individuals being served to ensure the City's objectives are being met.

Number of Households to be Served:
During FY08-09, the City of Tempe will work to create 4 units through City and nonprofit acquisition and construction. Although the CDBG and HOME programs allow assistance to households with annual incomes up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median. The availability of additional Section 8 rental assistance will be essential in working toward this goal. With the current barriers to affordable housing production, it is extremely difficult to create new housing in this housing market and ensure that it be affordable to low and moderate income households without this assistance. The City of Tempe will continue to explore options for the creation of additional affordable rental units with both its non profit and for profit development partners.

Expected Resources:
Federal Funds
Community Development Block Grant Program
HOME Program
Section 8 Housing Choice Vouchers

Local Funds
Private Lenders

Strategies:
Community Development Block Grant Program: The Community Development Block Grant Program (CDBG) is used for the site acquisition, acquisition and rehabilitation of existing rental properties, or the new construction to develop rental affordable housing. CDBG funds can be used when a minimum of 51% of the existing tenants are low or moderate-income, or if the property is located in a predominantly low-income neighborhood.

HOME Program: The HOME Program is used to fund the acquisition and rehabilitation of rental properties which may include the City's Community

Housing Development Organization (CHDO) and other nonprofit housing groups.

Section 8 Rental Assistance: Section 8 Housing Choice Vouchers are intended to provide subsidy tied to a specific apartment in safe and sanitary condition. In exchange for the long-term commitment of rental subsidy, the owner works closely with the Tempe Housing to create Section 8 units that are affordable to extremely low and low-income households. The availability of new Section 8 assistance is essential to meet the goals of the City's Consolidated Plan. Without it, the goals would be very difficult, if not impossible, to attain.

OBJECTIVE #2: Increase affordable homeownership opportunities for first-time low and moderate-income buyers.

Analysis:
Despite the current housing market and recent decline in the median sales price, homeownership remains out of the reach for most low and moderate-income first-time homebuyers in Tempe. The City previously responded to dramatic increase in property values by increasing the subsidy amount available through its First-time Homebuyer Assistance programs, utilizing American Dream Downpayment Initiative (ADDI) funds and exploring new programs to help expand homeownership opportunities. The City also allocated substantial resources to the nonprofit development of limited equity units for first time buyers.

Most opportunities for market rate single family homeownership within Tempe are out of the reach for low and moderate income first-time buyers. A combination of factors including high demand and the scarcity of vacant land has led to an increase in the number of condominium conversions. While condominiums present the lowest-priced ownership opportunities in the City, there is intense competition for moderately priced condo units in Tempe and even these units are not affordable to low and moderate-income homebuyers. With the current median price for a single-family home in Tempe more than $240,000, an annual income of more than $57,600 is required to purchase a home.

Other than units financed under City programs, there are few ownership opportunities for low and moderate income Tempe residents in the private real estate market. The high cost of purchasing a "fixer-upper" in the City makes ownership difficult. However, the pool of potential low and moderate income first-time homebuyers in Tempe is high with applications greatly outnumbering available affordable homeownership units. The affordable units created by the City encourage investment, stabilize buildings and neighborhoods, and guarantee continued affordability.

Number of Households to be Served:
During FY08/09, the City of Tempe will work to create 17 affordable homeownership units. This goal will be attained through the nonprofit acquisition, construction, rehabilitation of 5 units and the purchase of 16 units using the City's downpayment HOME and ADDI funds. The majority of

first-time homebuyers assisted will have annual incomes between 50-80% of area median income. Although there is not a restriction on assisting buyers with lower incomes, it is more difficult for those households to obtain mortgage financing. Since housing costs are so dramatically high in Tempe, the gap between what a household earning less than 50% of the area median can afford and the subsidy amount needed is unfeasible to provide.

Expected Resources:
Federal Funds
Community Development Block Grant
HOME Program
American Dream Downpayment Initiative (ADDI)

Local Funds
Individual Development Empowerment Account (IDEA) Grants
Individual Development Account (IDA)
Family Self Sufficiency Escrows
Private Lenders

Strategies:
Down payment assistance will be provided to eligible low/moderate income, first-time homebuyer households to purchase homes. Housing rehabilitation activities will provide assistance to low and moderate income households (single-family housing). In addition, when financially feasible, the City will use site acquisition and development for affordable housing purposes.

Community Development Block Grant Program: CDBG funds can be used for the acquisition, rehabilitation and development of homeownership units. Down payment assistance will be provided to eligible low moderate income, first-time homebuyer households to purchase homes. Sponsored City of Tempe programs: Community Assisted Mortgage Program, American Dream Downpayment Initiative (ADDI) Program. Sponsored non-profit programs: Newtown, Community Develop Corporation and certified Community Housing Development Organization.

HOME Program/American Dream Downpayment Initiative: The HOME Program has been used successfully in previously years to reduce the acquisition cost for Tempe properties to ensure their affordability to low and moderate income first-time homebuyers. Sponsored City of Tempe programs: Community Assisted Mortgage Program, American Dream Downpayment Initiative (ADDI) Program. Sponsored non-profit programs: Newtown CDC/CHDO and Chicanos Por La Causa, Inc (CPLC).

Program Income: Program Income is received from the City's housing programs from loan payments on previous rehabilitation and downpayment assistance loans re-paid back to the City. Federal regulation states that program income derived from federal and consortium activities may allow a member to retain PI for other HOME activities within that member's boundaries provided the member uses the PI before additional HOME funds are drawn down for use within its boundaries.

Individual Development Empowerment Account (IDEA) Grants: Affordable Housing Program grants offered through the Federal Home Loan Bank San Francisco for Family Self-Sufficiency families who have saved money in their escrow account for at least 10 months. The FSS program applies for funding to a member bank and the FSS families are eligible for a 3:1 (up to $15,000) as down-payment and closing costs assistance.

Individual Development Account (IDA): Affordable Housing Program offered through the Federal Home Loan Bank San Francisco for families who open an IDA account through an authorized organization and save for at least 10 months and the money in this account will be matched 3:1 for down payment and/or closing costs. In Tempe, Newtown, CDC is the lead agency providing IDA accounts.

Family Self-Sufficiency (FSS) Escrows: Escrow funding for Section 8 FSS participants calculated when a family increases their earned income. This money is held in an account until the participant completes all of the goals written in their 5 year contract plan with the Tempe Housing Authority. Most participants use this money as a down payment on a home and also use as leverage for other funding such as the IDEA Grant.

Workforce Initiative Subsidy for Homeownership (WISH): Affordable Housing Program offered through the Federal Home Loan Bank San Francisco for families who are saving through an authorized organization. The WISH Program provides grants to qualified homebuyers through its member banks. The program is designed to help people living in high-cost areas to purchase homes near their work. This funding has different eligibility qualifications from the IDA program. In Tempe, Newtown, CDC is the lead agency providing WISH accounts.

Homebuyer Classes and Counseling: The City offers monthly homebuyer classes. Potential buyers attend one eight-hour session covering issues such as credit, finding a home, qualifying for a mortgage and the purchase process. Class graduates are eligible for financing and individual counseling to help them tailor a plan for achieving homeownership. Sponsored non-profit agencies: Neighborhood Housing Services of Phoenix, Community Services of Arizona and Newtown, CDC.

OBJECTIVE #3: Preserve the supply and quality of affordable rental housing opportunities, and enhance access for extremely low, low and moderate-income households.

Analysis:
Tempe is a dense, built-up city with relatively little vacant land and limited redevelopment opportunities. As a consequence, many of the most cost-effective opportunities for promoting affordable housing are in the existing stock. Supporting the rehabilitation of public, privately owned and nonprofit owned units, is a large part of Tempe's effort to preserve existing affordable units. In a city such as Tempe, with an older housing stock and a high percentage of rental units (49%), it is not surprising that the condition of rental units is in great need of improvement. At the same time, according to

the 2000 Census, only a small percentage of housing units in the City is unsuitable for rehabilitation. A combination of continuous demand, a relatively fixed supply of housing units and the overall increase in the median sales price of both condominiums and single family homes have led over the years to dramatically increased rental costs in Tempe. Contributing to the high cost of renting is the low rental vacancy rate. According to the Arizona Multi-Housing Association, the vacancy rate in Tempe ranges from 9% in areas South of US 60 to 12.2% North of US 60. Additionally, last year's wave of condominium conversions resulted in rising rental housing costs in Tempe to a point beyond the reach of many of the City's residents, especially low-income residents. Many of those who are not on the Section 8 Housing Choice Voucher program are required to contribute well in excess of 30 % of their monthly income towards their rent and utilities. Given Tempe's volatile real estate market, many buildings have been permanently lost to the market rate private sector and condo conversions. In addition, private owners of rental properties have been reluctant to make use of HOME funds available through the City's Rental Reinvestment Program due to the extensive program regulations and monitoring requirements.

Number of Households to be Served:
During FY08/09, the City of Tempe will work to preserve 1087 affordable rental units. This goal will be attained through the administration of the Section 8 Housing Choice Voucher Program and the Rental Reinvestment program which will provide rental rehabilitation assistance to rental property owners for the purpose of rehabilitating rental units. (1082 Section 8 Vouchers and 5 Rental Reinvestment units. Note: these goals are based on the Community Development Department's annual production goals.)

Expected Resources:
Federal Funds
Section 8 Housing Choice Vouchers
Community Development Block Grant
HOME Program
Local Funds
Private Lenders

Strategies:

HOME Program: The HOME Program is used to fund the rehabilitation of owner-occupied and rental properties. The funds are used primarily in properties that are owned and/or managed by private or nonprofit sponsors. Private owners of rental properties remain reluctant to make use of HOME funds due to the extensive program regulations and monitoring requirements. Sponsored City of Tempe programs: The Home Improvement Program and the Rental Rehabilitation Assistance Program.

Section 8 Rental Assistance: Section 8 Housing Choice Vouchers are intended to provide subsidy tied to a specific apartment in safe and sanitary condition. In exchange for the long-term commitment of rental subsidy, the owner works closely with the Tempe Housing Authority to create Section 8 units that are affordable to extremely low and low-income households. The availability of new Section 8 assistance is essential to meet the goals of the

City's Consolidated Plan. Without it, the goals would be very difficult, if not impossible, to attain.

OBJECTIVE #4: Continue to stabilize owner-occupied single-family housing owned by extremely low, low and moderate-income households.

Analysis:
Tempe strives to stabilize the ownership of single family units by extremely low, low and moderate-income households, encourage investment in the existing housing stock, and preserve the many affordable owner-occupied units. In Tempe, many low-income owners, particularly the elderly and single person households, are unable to invest in their home because they lack access to the capital or the skills to oversee rehabilitation. The Home Improvement Program offers affordable loans and technical assistance to existing owners of properties, which encourages stability and reinvestment at a relatively low cost.

With high housing payments, many low and moderate-income owners are not able to pay for or finance necessary improvements to their homes. Many owner-occupied units, especially those occupied by low and moderate-income owners are substandard having health and safety code violations to address after years of deferred maintenance. Of these, most are suitable for rehabilitation. This group has also seen a great increase in its housing costs over the past five years. As property values have increased, so have taxes, insurance and other costs.

Number of Households to be served:
During FY08-09, the City of Tempe will work to preserve and stabilize occupancy for 44 units through the rehabilitation of one-to-four family owner-occupied buildings. The majority of the households assisted have annual incomes between 50-80% of area median income. (Note: these goals are based on the Community Development Departments annual production goals)

Expected Resources:
Federal Funds
Community Development Block Grant
HOME Program
Program Income

Local Funds
Private Lenders

Strategies:
Community Development Block Grant Program: The Community Development Block Grant Program (CDBG) is used for single family housing emergency repair. CDBG funds can be used when a homeowner is low or moderate-income, or if the property is located in a predominantly low-income neighborhood. Sponsored City of Tempe Program: The Emergency Home Repair Program.

HOME Program: The HOME Program is used to fund the rehabilitation of owner-occupied and rental properties. The funds provide reduced interest rate or deferred loans to low and moderate income homeowners of single family households and are funded primarily through HOME revolving loans. Housing rehabilitation programs may be funded using Program Income from HOME loan repayments from prior rehabilitations. Sponsored City of Tempe programs: The Home Improvement Program and the Rental Rehabilitation Assistance Program.

Program Income: Program Income is received from both the City's downpayment assistance program for first time homebuyers and housing rehabilitation program from deferred loan repayments on previous rehabilitation or downpayment assistance loans. Federal regulation states that program income derived from federal and consortium activities may allow a member to retain PI for other HOME activities within that member's boundaries provided the member uses the PI before additional HOME funds are drawn down for use within its boundaries.

Loans and Other Receivables: Under the City's Rehabilitation programs,(Housing Improvement Program (HIP) and Rental Reinvestment Program), the City of Tempe has a low-interest loan program for low and moderate income owners of one to four unit buildings and single family homes. Previous terms of the program deferred 50% of the loan amount and forgave the remaining 50% of the loan amount for homeowners that stayed in their homes at least 36 months after rehabilitation. As a result of having fewer HOME funds available for the programs, the terms of the loan have been altered and now require 100% of the deferred loan to be repaid to the City upon sale, conveyance or alienation of the rehabilitated property. However, deferred loan payments are still given to all elderly (age 62 years or older) and disabled homeowners.

In addition, the City of Tempe is a member of the Maricopa County HOME Consortium through an Intergovernmental agreement. Federal regulations (CFR 91.405) require that housing needs assessment be consolidated for the entire Consortium service area. For information on the Consortium service area needs, refer to the 2005/2009 Consolidated Plan for the Maricopa County HOME Consortium.

During the next year the City anticipates to achieve:

- **In conjunction with NewTowN CDC, complete the acquisition and rehabilitation of 5 affordable single family homes to low-income families utilizing the land trust model;**
- **Assist 44 low-income property owners to make improvements to their homes through the use of CDBG and HOME;**
- **Assist 5 units of renter-occupied housing through the Rental Rehabilitation Program;**
- **Initiate a Request for Proposals for the construction of a 2 or 4 unit affordable rental property to house the chronically homeless utilizing the Housing First model, and**

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 4 Action Plan Public Housing Strategy response:

This section is not applicable to the City of Tempe. The City does not administer a public housing program. The City does administer the Section 8 Housing Choice Voucher Program.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 4 Action Plan Barriers to Affordable Housing response:

Maintaining diversity and creating affordable housing opportunities are two central policy objectives of the City of Tempe. As a result, public policies tend to facilitate, rather than obstruct, the creation and preservation of affordable housing. However, even within the framework of a regulatory structure that supports affordable housing, there are some provisions and procedures that can be barriers to affordable housing. In order to further its ongoing commitment to the provision of affordable housing, the City of Tempe will continue its efforts to remove barriers and encourage support for public policies designed to house its extremely low, low and moderate-income residents.

High Cost of Land and Real Estate

Land values are relatively high in Tempe and continue to increase because the City is attractively built, land-locked and centrally located with regional facilities. Land value is an important factor in the overall cost of a project and affects its ability to compete with smaller projects where land costs are lower. Remaining vacant land in Tempe is 6.8%. This contributes to making new residential development difficult and expensive.

The small amount of vacant land available for development and the desirability of living in Tempe present one of the most significant barriers to affordable housing in Tempe. The cost of what little land is available for development is extremely high and the City faces strong competition from

the private market as it attempts to buy land and buildings with local non-profit housing providers. A combination of continuous demand and a relatively fixed supply of housing units have led, over the years, to dramatically increased rental costs in Tempe. The cost of housing in Tempe has soared to a point beyond the reach of the City's low and moderate-income residents and those who would like to live here. Most market homeownership opportunities are out of the reach of low and moderate income first-time buyers. With the current median price for a single-family home in Tempe more than $240,000, an annual income of more than $57,600 is required to purchase a home. The condominium market is not much better: the median price of a condo is $183,750 unit.

Gentrification of housing

The gentrification pattern, together with the pressures of student housing issues, raises the cost of housing in what have traditionally been Tempe's affordable housing areas.

Housing facilities for persons with disabilities

Housing facilities for persons with disabilities tend to be clustered in limited neighborhoods in Tempe thereby limiting housing choices.

Accessible rental units

The demand for additional accessible rental units is not being met by new development or rental rehabilitation activities.

Strategy

Tempe will work to reduce the resource gap by aggressively seeking out additional federal, state and private resources to support its affordable housing priorities. This includes the possible implementation of a Density Bonus program and an Affordable Housing fee for new developments. The City will work to eliminate any regulatory gaps by working with federal and other agencies to identify problems and, where appropriate, to seek refinements or waivers of regulations that impede efficient affordable housing production. In the coming years, the City of Tempe will continue to assess all of its housing activities to take advantage of opportunities for expanding the affordable housing stock in a changing market, while working to minimize the impact on its most vulnerable residents.

In addition, the City will continue its efforts to overcome these barriers by considering the use of City-owned land, whenever possible, for development as affordable housing. There are problems with this strategy, however, because the City owns a limited amount of land. In an effort to address the lack of affordable housing in Tempe, the Transportation, Environment and Housing Council Committee has held two successful Affordable Housing Summits. Each Summit targeted a specific sector of the housing community. In October 2007, the City of Tempe's Mayor, City Council and Staff hosted the first Forum. The agenda called for several of the City's non profit and faith based partners to give a brief (5-10 minutes) presentation

of their affordable housing programs, completed/future projects and creative ideas for alleviating the housing "crunch" for Tempe families. The presentations were followed by a facilitated roundtable discussion which focused around creating affordable housing partnerships and expanding communication among the various providers. The second Forum was targeted to developers who are currently building (or have plans to build) in Tempe. City staff presented current affordable housing programs offered by the City and a look at possible future initiatives in the pipeline. After which, a roundtable discussion with local developers and discussions related to the economic barriers to producing affordable housing took place. The forum theme focused on getting input from developers and on creating workable solutions that will lead to more affordable housing in Tempe. Additional Forums are scheduled for Spring and Summer of 2008.

Additionally, the Community Development Department continues to refer to the adopted Affordable Housing Strategy Plan.

The goal of the strategy is:

"Support housing for low to moderate-income individuals and families that provides the greatest level of self-sufficiency, dignity, and independence. Invest in housing development that allows for maximum long-term affordability."

The Affordable Housing Strategy, now approved, includes proposed policies and strategies for both preserving and creating affordable housing in Tempe, including the main barriers as identified in the Consolidated Plan. While some of the barriers are generally out of the City's control, there are actions the City can take to alleviate barriers. The actions the City will take in the next year will include:

<u>Homeownership Incentives</u>
The City has responded to the escalating property prices by expanding its first-time homebuyer buyer education programs, increasing the amount of financial assistance it makes available to eligible homebuyers through its First-time Homebuyer Financial Assistance program, and exploring new programs to help expand homeownership opportunities. The City also allocates substantial resources to the development of affordable units for first time buyers by non-profit housing developers. The City will continue to provide incentives for homeownership through a variety of sources including the Section 8 Housing Choice Voucher Program, the Family Self-Sufficiency Program Escrow Accounts, the Community Assistance Mortgage Program (HOME funding) and American Dream Down payment Incentive funds.

The City will continue to partner with Newtown, CDC's Community Land Trust and Affordable Housing Restrictive Covenant programs to assure continued affordability of housing city-wide. The Community Land Trust (CLT) program protects the affordability of housing by owning the land while the homebuyer owns the home and other improvements on that land. The CLT protects the affordability of the housing by controlling the sale of the home. The Affordable Housing Restrictive Covenant program contains restrictions on the transfer and encumbrance of the property, and the owner's current and future equity interest therein. These restrictions limit the amount of equity available to the owner upon transfer, thereby maintaining the affordability of the unit for future owners. The City will also continue to support non-profits who conduct affordable housing activities in Tempe.

Monitoring Affordability
The Rental Reinvestment Program requires rehabilitated units remain affordable for a five year period. The City will monitor the affordability of rehabilitated rental units to ensure the units meet the five-year affordability requirements.

Rental Assistance
The City will continue to administer the Section 8 Housing Choice Voucher Program to provide assistance to households to enable them to rent units in the private market.

Accessible Housing
The City will conduct new outreach efforts to educate the community on the availability of funds for housing accessibility for persons with disabilities. The City has an ADA Accessibility Specialist who provides information to citizens regarding the Americans with Disabilities Act and local disability resources by answering an ADA hotline. The City's Fair Housing Coordinator continues to work with the ADA Accessibility Specialist to promote community awareness of accessibility issues especially as they pertain to the Fair Housing Act and the need for accessible units.

The strategies to address this barrier include public education, using prior successful affordable housing developments as examples, and intensive work with neighborhood residents to try to develop support for new housing. Speaking with residents and city officials early in the development process has proven successful in building support for affordable housing development. It is important to recognize that in a very dense city, there will always be the difficult issue of competing uses for any remaining undeveloped land.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
   a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
   b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
   c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
   d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
   e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e) (2) or a Federally designated Empowerment Zone or Enterprise Community.
   f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
   a. Describe the planned use of the ADDI funds.
   b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
   c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 4 Action Plan HOME/ADDI response:

In fiscal year 2008/2009, the City anticipates 16 families will have purchased their first home with the assistance of the Community Assisted Mortgage Program. However, due to funding constraints, a waiting list for downpayment assistance continues to grow. In addition, the City expects to exhaust all of its 2008/2009 funds by mid year.

In addition to providing down payment and closing costs assistance to first time homebuyers, over 60 families and individuals are expected to attend the City's down payment assistance information briefing. During this briefing, families are informed of other community resources available to them, including Newtown's Land Trust and I.D.E.A matching funds programs. Moreover, approximately 75 families will be referred to one of three City approved homebuyer education providers for credit review, homebuyer education and counseling.

1. **The City of Tempe does not use other forms of investments not described in §92.205(b). The City uses HOME funds for rehabilitation loans (non-interest bearing and deferred) secured by a Deed of Trust.**

2. **The City uses both HOME and ADDI funds for homebuyers. As a member of the Maricopa County Consortium, it has adopted the Consortium's guidelines for resale or recapture of funds. The full policy is located in the Additional Files section of the Consolidated Plan.**

   A summary of the policy is as follows:

   It is the policy of the Maricopa HOME Consortium that each member of the Consortium may use either the recapture option or the resale option based on what is most beneficial to the member and to the potential homebuyer. Consortium members will select the method to be used prior to granting the HOME/ADDI assistance to the potential homebuyers. Each Consortium member will ensure the proper security instruments are executed to guarantee the HOME/ADDI investment for the affordability period for the selected recapture/resale option.

   <u>Recapture Option</u> – Under this option, the HOME subsidy must be returned to the HOME Program. This option allows the seller to sell to any willing buyer at any price. Once the HOME/ADDI funds are repaid, the property is no longer subject to any HOME/ADDI restrictions. The recaptured funds must be used for another HOME/ADDI -eligible activity.

   <u>Resale Option</u> – Under this option, the seller must resell the original home to another income-eligible homebuyer. This sale must be at a price that is affordable to the purchaser, although the seller is also allowed a fair return on the sale. Under the HOME regulations, the participating jurisdiction must define both the terms of affordability and fair return.

   The City of Tempe will use the Recapture Option.

3. **The City of Tempe does not use HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.**

4. **The City receives a pro-rata share American Dream Down payment Initiative (ADDI) funds as member of the Maricopa County Consortium.**

   a. **The City will use ADDI funds as down payment assistance for first-time homebuyers using the Section 8 Homebuyer Program and/or the Community Assistance Mortgage Program homebuyer programs.**

      Eligible first-time homebuyers may receive up to $10,000 or 6% of the purchase amount if the home to be purchased is located in areas north of Alameda Drive. A maximum of $8,500 is available for first-time homebuyers purchasing homes on other parts of the city.

   b. **The City's homebuyer assistance programs outreach plan includes:**
      - **Program briefings at monthly Family Self-Sufficiency briefings;**

- **Informational mailings to all Section 8 participants;**
- **Information posted on the City's website;**
- **Program brochures available in Housing Services waiting room;**
- **Staff meets regularly with realtor groups, lenders and homeowner association groups.**

c. **First-time homebuyers who meet the income eligibility requirement for the City's Down payment assistance program must complete a HUD/City approved homebuyer education class. The agencies currently approved to conduct the homebuyer education classes are:**
   1. **Newtown CDC, Tempe**
   2. **Neighborhood Housing Services of Phoenix, Phoenix**
   3. **Community Services of Arizona, Phoenix**

In addition, when ADDI funding is combined with the Community Assisted Mortgage program funding, the Community Land Trust (CLT) is used to protect the affordability of the home to be purchased. Homebuyers must also meet CLT's guidelines prior to the purchase of a home.

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.

2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.

3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.

4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 4 Action Plan Special Needs response:

During the past program year, the Tempe City Council approved ongoing funding for a homeless outreach project. The Homeless Outreach Program Effort (HOPE) will continue to operate in the new program year. HOPE employs 3 part-time outreach workers who are responsible for traveling throughout Tempe in an effort to reach out to homeless individuals and families living on the streets. HOPE works to engage the homeless into the homeless service delivery system. The outreach workers are able to accompany homeless individuals and families to social service agencies and stay with them through the process of obtaining needed benefits/services. Since its inception in October 2006, HOPE has had contact with 507 unduplicated homeless individuals.

1. **The City of Tempe is an active participant on the Regional Continuum of Care Committee on Homelessness. This committee was created in 1999 to provide policy direction and leadership on homeless issues in Maricopa County. The Maricopa Association of Governments (MAG) created the Committee to better coordinate the activities of the Continuum of Care. The Committee's responsibilities include directing year-round planning for homeless issues, submitting a cooperative HUD grant application, convening issue-oriented subcommittees and work groups, and taking a role in improved linkages with other organizations.**

   As a member of the Regional Continuum of Care Committee on Homelessness, the City supports the regional goals outlined in the Regional Plan to End Homelessness (www.mag.maricopa.gov). The Regional goals are:
   - **Increase funding for homeless initiatives**
   - **Homeless prevention**
   - **Remove barriers to accessing services**
   - **Improve data collection and outcomes**

   The City of Tempe does not receive direct funding targeting homelessness; however, the following resources will be directed toward homeless prevention in the program year:
   Funding of Homeless Prevention Activities
   The City will continue to fund those activities directed toward the prevention of homelessness. Funding sources include CDBG, General Funds, and Help to Others (H2O) funds. Activities funded include:
   - **Chrysalis Shelter, (shelter services)**
   - **Catholic Social Services (domestic violence shelter)**
   - **A new Leaf (shelter services)**
   - **Sojourner Center, (domestic violence shelter)**
   - **YMCA (haven house-child care)**
   - **Home Base Youth Services, (Tempe street outreach for youth)**
   - **Central Arizona Shelter Services, (shelter services)**
   - **City of Tempe (homeless coordinator)**
   - **Homeward Bound, (transitional housing case management)**
   - **Mesa Community Action Network, (East Valley Men's Center)**
   - **Salvation Army-Tempe, (homeless case management/Emmaus and homeless prevention/rental assistance)**
   - **Save the Family, (transitional housing and homeless children's intervention)**

- **Tempe Community Action Agency, (community services)**
- **Tumbleweed, (Tempe Youth Resource Center)**
- **United Food Bank, (food link)**
-

Section 8 Housing Choice Vouchers

The City of Tempe utilizes the HUD definition of homelessness to give preference points to homeless applicants who apply for the Section 8 Housing Choice Voucher. The Homeless Coordinator will continue to work with homeless service providers to ensure their clients know when the waiting list is open and that appropriate referrals are made. The Homeless Coordinator also works with every applicant who states that they are homeless and provides them with resource information for shelters and transitional living programs. The Homeless Coordinator also advocates for these applicants as appropriate.

By providing a preference for homelessness, individuals and families will not have lengthy waiting times for assistance. The funding source is the Section 8 Housing Choice Voucher Program.

Homeless Coordinator Position

CDBG funding is used to staff one full-time Homeless Coordinator position in the City. This position is responsible for coordinating homeless activities within the City, representing the City at Continuum of Care activities and serves as staff liaison on the Homeless Advisory Committee.

Support of Continuum of Care

The City of Tempe continues to be an active participant in the regional Continuum of Care Activities. The City of Tempe Homeless Coordinator has been appointed to the Regional Continuum of Care Committee on Homelessness and has been appointed as Chair of the Continuum of Care Planning Subcommittee. These committees' responsibilities include directing year-round planning for homeless issues, submitting a cooperative HUD grant application, convening issue-oriented subcommittees and work groups, and taking a role in improved linkages with other key stakeholders.

As a member of the Regional Continuum of Care committee on Homelessness, the City supports the regional goals outlined in the Regional Plan to End Homelessness 2005 Update (www.mag.maricopa.gov). The Regional goals are:

- **Increase funding for homeless initiatives**
- **Homeless prevention**
- **Remove barriers to accessing services**
- **Improve data collection and outcomes**

The City of Tempe Homeless Coordinator also participates on the Continuum of Care Rating and Ranking Committee; this committee reviews and ranks the local applications that are submitted as part of the Maricopa County Continuum of Care HUD Application.

The City of Tempe Homeless Coordinator facilitates the Annual Homeless Street Count in Tempe and will do so again in 2008. The Homeless Coordinator works with city departments, including the Police Department and Parks and Recreation, local faith-based organizations

and community residents to ensure that enough volunteers are participating to complete an accurate count. On January 29, 2008, 130 homeless individuals were identified on Tempe streets.

Homeless Facilities

The Homeless Coordinator serves on the Interfaith Homeless Emergency Lodging Program (I-HELP) Advisory Board. I-HELP offers emergency housing to homeless individuals and families at Tempe faith-based organizations on Friday, Saturday and Sunday nights. Eighteen Tempe faith-based organizations participate in I-HELP and the number of participating organizations will continue to grow.

The City will continue to fund homeless facilities in other areas of Maricopa County that provide services to homeless Tempe residents. The City of Tempe Homeless Coordinator will continue to work with these agencies to increase coordination among service providers.

2. **Homelessness**

In the program year, the City will provide funding to social service agencies that address the needs of homeless and those at risk. In addition, funding will be provided to the East Valley Men's Center in Mesa and the Central Arizona Shelter Services facility in Phoenix.

During the funding year, the Tempe City Council approved ongoing funding for the Homeless Outreach Project Effort (HOPE). HOPE employs 3 part-time Homeless Outreach Caseworkers who are responsible for traveling throughout Tempe to reach out to homeless individuals and families in an effort to engage them into the homeless service delivery system. The Homeless Outreach Caseworkers assist the people they are serving by staying with them through the entire process of applying for benefits/services they may be eligible for.

On a quarterly basis throughout 2007, the Homeless Coordinator partnered with the Tempe Community Action Agency, the Tempe Salvation Army, the Tempe First United Methodist Church and Tumbleweed to organize the first Tempe Project Homeless Connect (TPHC). Project Homeless Connect is a national best practice model that brings together organizations from across the community to for one day to provide immediate services to homeless individuals and families. Provider agencies at TPHC included the Arizona Department of Economic Security, the Social Security Administration, the Veteran's Administration, and numerous local agencies and businesses. Over 100 homeless individuals attended each quarterly event. Tempe was the first city in Arizona to hold a Project Homeless Connect and will be conducting this event on a quarterly basis throughout 2008.

3. **Chronic Homelessness**

During the most recent Homeless Street Count, 77 individuals were identified as meeting the HUD definition of "chronic homelessness". Chronic homeless individuals are defined as those individuals with disabilities who have been continually homeless over the past year or who have been homeless four times in the past three years. Many of the

people being served by HOPE, our Homeless Outreach Program Effort are chronically homeless. The City of Tempe Homeless Coordinator is continually working to increase partnerships that can address chronic homelessness in Tempe.

The actions described in #2 above for homelessness will also be applied to chronic homelessness.

4. <u>Homeless Prevention</u>
The City approved $95,253.00 from general funds for 2 permanent Homeless Outreach Caseworkers for the upcoming year. The Homeless Outreach Caseworkers are responsible for traveling throughout Tempe, reaching out to homeless individuals and families and engaging them into the service delivery system. The City continues to provide funding to agencies in Tempe and Maricopa County that work to prevent and reduce homelessness. Specifically, the City funds the Tempe Community Action Agency and the Tempe Salvation Army; both of these agencies work with extremely low-income individuals and families that are living on the edge of homelessness. The City's Homeless Outreach Caseworkers work closely with these 2 agencies as well.

The City provides funding to homeless service providers that provide services at the Human Service Campus in Phoenix; estimates reveal that a large number of homeless from Tempe utilize the Human Service Campus where they are able to access a number of services at one location. The Human Service Campus, furthermore, primarily services chronically homeless individuals.

The City of Tempe Homeless Coordinator updates and publishes a Directory of Services for the Homeless in the East Valley. In the upcoming year, this directory will be updated and over 1,000 copies will be distributed to the City of Tempe Police Department, social service providers, faith-based communities, local businesses and the homeless.

The Regional Plan to End Homelessness cites a lack of affordable housing "as a significant cause of homelessness and a barrier to people trying to move out of homelessness". The City's affordable housing programs will continue to be used as a homeless prevention tool. The City is sponsoring a series of Affordable Housing Forums to increase community awareness of and community involvement in the production of affordable housing units.

The City provides funding to homeless service providers that provide services at the Human Service Campus in Phoenix. Estimates reveal that a large number of homeless individuals from Tempe utilize the Human Service Campus where they are able to access a number of services at one location. Furthermore, the Human Service Campus primarily services chronically homeless individuals.

The City will also continue to fund agencies that provide services aimed at the prevention and reduction of homelessness in Tempe and Maricopa County.

5. **Discharge Coordination Policy**
   Arizona Governor Janet Napolitano has created the Interagency and Community Council on Homelessness (ICCH). The ICCH has made the discharge planning a top priority and has a work group specifically charged with addressing this issue. The City will participate in the ICCH and provides feedback as appropriate. The City will work with the ICCH and the MAG Regional Continuum of Care Committee on Homelessness to implement discharge coordination policies.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 4 Action Plan ESG response:

This section is not applicable to the City of Tempe. The City is not a recipient of ESG funding.

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.

2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.
   *Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 4 Action Plan Community Development response:

1. Overall Planning Goals and Projects

Over the 3 year period from FY2007 – 2010, the City, through the Community Development Department, continues to provide suitable living Environment by preserving and strengthening the City of Tempe's residential neighborhoods and their diverse population. Tempe will continue to refine and revise the long term overall goals and policies of its Consolidated Plan for fiscal years 2005-2010.

OBJECTIVE #1
Acquisition: Citywide - Improve access to affordable owner housing; Removal of slum and blighted conditions

Funding will be used to acquire slum and blighted properties in the Apache Boulevard Redevelopment Area and citywide. This activity is funded with CDBG in the amount of $100,000.

OBJECTIVE#2
Public Services: to improve the overall quality of life for City of Tempe residents by creating and coordinating public services.

The City will use 15% of its CDBG grant toward public service activities. In addition, the city will use the following funding sources for public services: General Revenue funds and Help to Others (H2O). The public services to be funded with CDBG funds for the program year are:

FY 08/09 CDBG PUBLIC SERVICES BREAKOUT		
SUBRECIPIENTS	**AMOUNT**	**HUD CATEGORY**
Collective Safety		
Catholic Charities	$12,075.00	Battered/Abused
A New Leaf	$46,000.00	Homeless - Public Service
SUBTOTAL	**$58,075.00**	
Family & Individual Support		
Home Base Youth Services	$10,000.00	Youth Services
SUBTOTAL	**$10,000.00**	
Basic Needs		
Central AZ Shelter Svcs	$70,000.00	Homeless - Public Service
COT Homeless Coordinator	$61,771.00	Homeless - Public Service
Homeward Bound	$5,000.00	Homeless - Public Service
Tempe Community AA	$34,059.00	Homeless - Public Service
SUBTOTAL	**$170,830.00**	
TOTAL	**$238,905.00**	

Objective # 3
Economic Development: To cultivate a supportive environment for income-eligible micro-enterprises and businesses, with particular emphasis on small, women and minority-owned businesses.

The Economic Development Division (EDD) of the Community Development Department is responsible for a wide range of economic development activities designed to meet the City's need for a diversified and growing economy. The Division offers programs aimed at revitalizing commercial districts, supporting entrepreneurship, promoting a business-friendly climate and preserving a strong employment base. EDD offers individual business development assistance as well as numerous programs designed to enhance the vitality of local businesses, including micro-enterprises, and to encourage business growth within the City.

Tempe launched the FastTrac program in the spring of fiscal year 2005-2006. Six companies graduated from the initial spring program. Since then. Tempe has offered the FastTrac program two (2) times per year (a fall and spring session). As of the end of fiscal year 2007-2008, fifty-one (51) small businesses have graduated from the Tempe Fast Trac program.

The FastTrac Growth Venture program is designed for existing small business owners, with the focus of helping them learn and implement key business strategies that will enable them to transform and improve their business. This ten (10) session program provides participants with information on strategic planning, legal issues, market research and analysis, financial documents and cash flow management. It also covers financing methods and growth strategies for small business owners.

The goal for fiscal year 2008-2009 is to assist 20 income-eligible micro-enterprises.

The Economic Development Division (EDD) of the Community Development Department is responsible for a wide range of economic development activities designed to meet the City's need for a diversified and thriving economy. The Division offers programs aimed at revitalizing commercial districts, supporting entrepreneurship, promoting a dynamic business climate and preserving a strong employment base. EDD offers individual business development assistance as well as numerous programs designed to enhance the vitality of local businesses, including micro-enterprises, and to encourage business growth within the City.

2. The specific long- and short-term objectives of the Community Development needs are as follows:

<u>Acquisition of Real Property</u>

Short-term objective: to acquire substandard properties for the removal of slum and blight conditions in the Apache Boulevard Redevelopment Area.

Long-term objective: to provide revitalization opportunities in the Redevelopment Area. Opportunities may include, but are not limited to, affordable housing, mixed income housing projects, special needs housing, light rail activities.

This is an on-going activity since 1996. It is estimated that this project will be completed within one year.

Clearance and Demolition

Short-term objective: to remove slum and blighted conditions in the Apache Boulevard Redevelopment Area.

Long-term objective: to provide revitalization opportunities in the Redevelopment Area.

This activity is on-going and it is estimated that this project will be completed in one year.

Public Services

The amount of public services funded with CDBG funds can not exceed 15% of the program year CDBG grant. In addition to CDBG funding, the City commits general funds and Help to Others (H2O) funds.

Short-term objective: to commit funds to address the high priority needs of the community. The Tempe Community Council, using their expertise and partnerships with public service agencies serving the community, will continue to recommend funding for high priority activities.

Long-term objective: to continue funding activities that addresses the high priority needs of the community until such time as the need no longer exists.

Direct homeownership assistance

Short-term objective: to provide assistance to first-time homebuyers for the purchasing of affordable housing in Tempe.

Long-term objective: to increase the homeownership rate in Tempe.

New homebuyers purchasing homes with assistance in this program year:

- **Section 8 Homeownership: 2**
- **Community Assistance Mortgage Program (CAMP) and American Dream Down Payment Initiatives (ADDI): 14**

This activity is funded with HOME funds at $221,028, CDBG funds at $250,000 and Program Income at $50,000. Program income is funding

received from deferred loan payments upon sale, conveyance or alienation by the homeowner loans.

Rehabilitation Activities

Short-term objective: to improve the living conditions of low income residents.

Long-term objective: to eliminate substandard housing conditions and increase the supply of decent, safe and sanitary housing in Tempe. Rehabilitations proposed to be accomplished in this program year:

- **Owner-occupied rehabilitations: 68**
- **Rental unit rehabilitations: 2**

This activity is funded with HOME funds at $221,028, HOME non-federal match funds at $121,928, CDBG funds at $525,000 and Program Income at $50,000. Program income is funding received from loan payments from previous rehabilitation loans.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 4 Action Plan Antipoverty Strategy response:

The City of Tempe will continue its efforts to reduce the number of families and individuals living in poverty over the next 2 years. The City will focus primarily on supporting programs that raise household incomes and stabilize housing situations. It also supports the McKinney grant for which the Maricopa County Continuum of Care (MAG) will apply annually, in hopes of receiving the maximum amount available to support the development of affordable housing that help homeless persons make the transition to permanent housing and independent living.

In addition to the City's commitment to develop and preserve affordable housing and the efforts of the Tempe Housing Authority to provide a number of direct services that help homeless families and individuals find and retain transitional and permanent housing and prevent eviction by stabilizing individuals and families in existing housing.

The Family Self-Sufficiency (FSS) Program is the primary activity associated with reducing poverty level families in Tempe. Despite HUD regulations that allow housing agencies to reduce the size of its FSS program, Tempe has chosen to maintain a higher number of participants in the program. This action is the on-going effort to assist families to become self-sufficient and off welfare.

The number of FSS graduates provides a quantitative measurement that can be applied to reducing the number of families in poverty status. In order to

graduate, the FSS participant must have an income that will allow for self-sufficiency without dependence on public welfare assistance. In almost all cases, the graduate has full-time employment and may be eligible for first-time homebuyer assistance. Since the first FSS contract was executed in April 1994, the FSS Program has graduated 73 FSS participants, paid out $504,760 in escrow payments, and produced 27 homeowners. The FSS program has also partnered with the City of Tempe's Community Assisted Mortgage Program (CAMP) and Newtown CDC to provide other down payment assistance. Also, the Tempe FSS program worked with National Bank of Arizona and Alliance Bank to secure IDEA grants that match participant's escrow accounts 3:1 up to $15,000 for more down payment assistance.

As a partner in the FSS East Valley Alliance, Tempe's families are able to become members of the FSS East Valley Alliance Homeownership Club and receive the education offered by the homeownership counselors and a variety of community partners to make homeownership a reality. This partnership also provides a conference for FSS participants and other low-income individuals in the East Valley, and a graduation event to highlight our graduate's success.

In addition, the FSS program has partnered with Consumer Credit Counseling Services and Newtown, CDC to provide a series of three educational instruction classes covering: 1) Credit; 2) Budget; and 3) Homeownership. These classes are not limited to current FSS participants, but are open to any Section 8 participant.

The FSS program also works with Arizona State University, the community colleges, ABIL, AWEE, Maricopa Workforce Connections, Community Legal Services, MAXIMUS and a variety of community partners to secure education, training and employment for the families who need to move to self-sufficiency.

Activities associated with the FSS program during the program year are:

- **Continue to administer the Family Self-Sufficiency (FSS program at higher levels than required by HUD**
- **Aggressively market participation benefits of the Family Self-Sufficiency Program**
- **Renew or maintain cooperative agreements with welfare-to-work agencies (TANF, MAXIMUS) to promote self-sufficiency and economic opportunities**
- **Provide and attract supportive services to improve employability of assisted families**
- **Using CDBG funding, support public service activities and facilities that seek to reduce poverty through training programs and employment opportunities**
- **Partner with non-profit agencies in support of welfare-to-work activities.**
- **Provide and attract supportive services to improve employability of assisted families**
- **Using CDBG funding, support public service activities and facilities that seek to reduce poverty through training programs and employment opportunities**

- **Partner with non-profit agencies in support of welfare-to-work activities.**

The City's Housing Services Division works closely with the Tempe Community Council and the City's community to maximize the impact of programs on poverty levels. Taking into consideration the factors over which our jurisdiction has control, we believe that this strategy will significantly improve the lives of low-income working families, elderly on fixed incomes, immigrants, victims of domestic violence, single mothers moving off public assistance and others who struggle with poverty in our City.

SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 4 Action Plan Specific Objectives response:

The City of Tempe supports nonprofit and public agencies in their applications for federal and state funds to develop additional housing with appropriate services for low-income persons with special needs. This includes nonprofit applications for commitments from federal programs like Section 811 Supportive Housing for Persons with Disabilities. Tempe will also consider providing funding gaps in the capital costs of developing supportive housing.

The priorities and specific objectives for non-homeless special needs populations in Tempe are identified in the *City of Tempe People Improvement Plan (PIP), Phase II Report, Inventory of Needs and Services.* In addition, another report entitled *Building Blocks for the Future, East Valley Needs Assessment* provides information describing the priority needs of the special populations in Tempe.

The special needs populations identified in the Reports are as follows:

<u>Children, Youth and Families</u>
This population was identified as an important population in need of services that emphasized prevention. Attention was given to single and working parents. Needed services were identified as parenting education, sex education, life management skills, child protection, childcare, domestic violence shelter and services.

In the program year, the following public service activities will be funded to help address the needs of this population:

- **Home Base Youth Services**
- **Central AZ Shelter Services**
- **City of Tempe Homeless Coordination**
- **Homeward Bound**
- **Tempe Community Action Agency**
- **Catholic Charities**
- **A New Leaf (Formerly known as Prehab of Arizona)**

Elderly
Needed services for this population include health care, case management and counseling, in-home services, adult day care, caregiver support services including respite care, affordable housing, transportation, and job training and financial management assistance.

In the program year, the following public service activities will be funded to help address the needs of this population:

- **Home Base Youth Services**
- **Central AZ Shelter Services**
- **City of Tempe Homeless Coordination**
- **Homeward Bound**
- **Tempe Community Action Agency**
- **Catholic Charities**
- **A New Leaf (Formerly known as Prehab of Arizona)**

Disabled
The needed services for the disabled population are the same as those services needed for the Elderly population above. Services include health care, case management and counseling, in-home services, adult day care, caregiver support services including respite care, affordable housing, transportation, and job training and financial management assistance.

- **Mentally Ill**
  Behavioral health services for the mentally ill population were identified as an important need in Tempe. Housing assistance, shelter services, and case management services are needed.

- **Substance Abusers**
  The needed services for this population are the same as those for the mentally ill. In addition to housing assistance, shelter services, and case management services, substance abusers will also need medical detoxification and treatment services.

In the program year, the following public service activities will be funded to help address the needs of this population:

- **Home Base Youth Services**

- **Central AZ Shelter Services**
- **City of Tempe Homeless Coordination**
- **Homeward Bound**
- **Tempe Community Action Agency**
- **Catholic Charities**
- **A New Leaf (Formerly known as Prehab of Arizona)**

2. **Sources of funds to address the special needs populations identified above include:**
   - **General Revenue, City of Tempe local tax dollars**
   - **CDBG, Community Development Block Grant funds targeted to low-moderate income households – finding received from the City's Housing Services Division**
   - **Seized Asset Community Action (SACA) funds – received from the City's Police Department**
   - **Transportation, local and other funds – received from the City of Tempe Transportation Division**
   - **Help to Others (H2O) – donations by Tempe citizens with utility bills**

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.

2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.

3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.

4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.

5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.

6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.

7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.

8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.

9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 4 Action Plan HOPWA response:

This section is not applicable to the City of Tempe. The City is not a recipient of HOPWA funding.

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 4 Specific HOPWA Objectives response:

This section is not applicable to the City of Tempe.

Include any Action Plan information that was not covered by a narrative in any other section.

Fair Housing
Analysis of Impediments to Fair Housing Choice

The City of Tempe works diligently to ensure that residents are aware of the Fair Housing Act and know that discrimination in the housing market is not acceptable. The City continues to provide information to residents about Fair Housing and how to file a complaint in response to alleged discrimination.

The City of Tempe continues to be an active participant in the Arizona Fair Housing Partnership (AZFHP). The City is partnering with the AZFHP to sponsor and conduct ongoing training and public awareness events throughout the program year.

The City's Section 8 staff conducts briefings with all new tenants when they receive their Housing Choice voucher. These briefings include written and verbal information about the Fair Housing Act and how to file a complaint

regarding potential discrimination. The Fair Housing Coordinator makes multiple presentations throughout the year about the issue in an effort to promote greater awareness.

It is anticipated that approximately $5,000 in CDBG administrative funds will be used for Fair Housing activities in the program year.

PROPOSED BUDGET
FY2008/2009 CDBG/HOME ALLOCATION AMOUNTS

SOURCE OF FUNDS

A total of $10,857,992 (CDBG/HOME and other federal funds) is available for programming to carry out the City of Tempe's Annual Action Plan in 2007/2008. The resources include:

CDBG	
Administration @ 20% Cap	**$ 318,541**
Public Services @ 15% Cap	**$ 238,905**
Affordable Housing	**$ 385,000**
Acquisition – Citywide	**$ 100,000**
Rehabilitation	**$ 525,000**
Demolition	**$ 15,000**
Contingency	**$ 10,257**
TOTAL CDBG FUNDS	**$ 1,592,703**
HOME	
American Dream Down Payment Initiative (ADDI)	**$ 5,223**
HOME Administration @ 5% Cap	**$ 29,470**
HOME CHDO allocation (County Consortium Cap @15%)	**$ 81,411**
Rehabilitation Programs	**$ 221,028**
First Time Home Buyer's Programs	**$ 221,028**
TOTAL HOME FUNDS	**$ 558,160**
Program Income Expected	**$ 100,000**
TOTAL HOME FUNDS	**$ 658,160**
OTHER FEDERAL FUNDS	
Section 8 Housing Choice Voucher Program	**$ 8,660,008**
Family Self-Sufficiency & Homeownership Grants	**$ 128,532**
Total Federal Resources:	**$11,039,403**