

# NSP Substantial Amendment

Jurisdiction: City of Mesa

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## A. *Areas of Greatest Need*

For the purpose of the Neighborhood Stabilization Program (NSP), the City of Mesa has identified the following census tracts and block groups as defining its “area of greatest need.” In addition to identifying those census tracts and block groups with a high percentage of foreclosures, the highest percentage of homes financed by a subprime related loan, and those likely to face a significant rise in the rate of home foreclosures, Mesa also considered the total number of code violations and part 1 crimes when available for these areas.

Utilizing the HUD provided dataset, Mesa focused on census tracts and block groups with a foreclosure abandonment risk score of 9 or 10 (with 10 being the highest score possible), a predicted 18 month foreclosure rate of 6% or higher, and those with an HDMA high cost loan rate greater than, or equal to, thirty percent (30%). Therefore, the area of greatest need for Mesa’s Neighborhood Stabilization Program (NSP) includes the following census tracts and block groups:

Census Tract #	Block Group #	Foreclosure Abandonment Risk Score	Predicted 18 Month Foreclosure Rate %	Foreclosure %	HDMI High Cost Loan Rate	Code Violations	Occurrence of Part 1 Crimes
421501		10	8.9%	1.68%	48.4%	170	280
	2	10	8.9%	6.03%	48.4%	145	235
	4	10	8.9%	0.17%	48.4%	25	45
421602		10	9.7%	2.73%	52.9%	471	309
	1	10	9.7%	2.53%	52.9%	253	227
	2	10	9.7%	3.29%	52.9%	218	82
421700		9	8.2%	1.61%	44.0%	445	151
	3	9	8.2%	4.47%	44.0%	393	100
	4	9	8.2%	0	44.0%	28	25
	5	9	8.2%	0.17%	44.0%	24	26

421801		10	8.8%	5.19%	47.0%	327	252
	1	10	8.8%	3.33%	47.0%	93	143
	2	10	8.8%	6.20%	47.0%	234	109
421802		10	10.1%	4.17%	55.4%	566	331
	1	10	10.1%	4.45%	55.4%	371	227
	2	10	10.1%	3.94%	55.4%	195	104
421901		10	9.6%	3.97%	52.5%	579	288
	1	10	9.6%	3.97%	52.5%	579	288
421902		10	11.1%	3.88%	61.2%	266	292
	1	10	11.1%	4.12%	61.2%	59	63
	2	10	11.1%	4.43%	61.2%	118	175
	3	10	11.1%	2.75%	61.2%	89	54
422301		10	9.4%	3.54%	51.3%	376	408
	1	10	9.4%	3.04%	51.3%	124	268
	2	10	9.4%	3.86%	51.3%	252	140
	3	10	9.4%	NA	51.3%	NA	NA
422302		9	7.3%	2.29%	38.5%	277	1066
	1	9	7.3%	3.41%	38.5%	179	696
	2	9	7.3%	1.47%	38.5%	51	182
	3	9	7.3%	1.04%	38.5%	32	86
	4	9	7.3%	2.68%	38.5%	15	102
422501		9	6.6%	2.08%	34.6%	656	292
	1	9	6.6%	1.58%	34.6%	125	68
	2	9	6.6%	1.23%	34.6%	172	83
	3	9	6.6%	2.29%	34.6%	146	67
	4	9	6.6%	3.07%	34.6%	213	74
422502		9	6.3%	3.18%	32.4%	273	453
	1	9	6.3%	3.18%	32.4%	113	102
	2	9	6.3%	3.18%	32.4%	160	351
422503		9	7.5%	3.28%	39.7%	410	502
	1	9	7.5%	1.53%	39.7%	80	60
	2	9	7.5%	3.86%	39.7%	73	197
	3	9	7.5%	4.35%	39.7%	168	128
	4	9	7.5%	4.17%	39.7%	89	117
421400		9	7.1%	1.41%	37.5%	276	585
	1	9	7.1%	3.70%	37.5%	36	193
	2	9	7.1%	NA	37.5%	72	102
	3	9	7.1%	NA	37.5%	55	124
	4	9	7.1%	.65%	37.5%	113	166
421302		10	8.6%	1.83%	46.4%	412	876
	1	10	8.6%	3.18%	46.4%	259	204
	2	10	8.6%	1.11%	46.4%	60	330
	3	10	8.6%	NA	46.4%	18	207
	4	10	8.6%	NA	46.4%	75	135

421301			8.1%	2.00%	43.4%	523	1619
	1	10	8.1%	NA	43.4%	39	564
	2	10	8.1%	NA	43.4%	14	331
	3	10	8.1%	2.19%	43.4%	278	318
	4	10	8.1%	1.68%	43.4%	192	406
421202		10	7.6%	3.15%	40.4%	384	249
	1	10	7.6%	4.25%	40.4%	189	123
	2	10	7.6%	2.04%	40.4%	179	83
	3	10	7.6%	1.99%	40.4%	16	43
421102		9	6.1%	1.57%	31.6%	524	719
	1	9	6.1%	1.57%	31.6%	95	43
	2	9	6.1%	0.60%	31.6%	136	196
	3	9	6.1%	1.59%	31.6%	129	169
	4	9	6.1%	2.21%	31.6%	164	311
420501		9	6.9%	4.48%	36.1%	735	557
	1	9	6.9%	2.50%	36.1%	124	73
	2	9	6.9%	2.95%	36.1%	411	301
	3	9	6.9%	8.11%	36.1%	200	183
421101		10	7.6%	1.65%	40.2%	299	437
	1	10	7.6%	0.83%	40.2%	124	198
	2	10	7.6%	2.91%	40.2%	175	239
421201		9	6.6%	1.55%	34.1%	154	559
	1	9	6.6%	1.55%	34.1%	154	559
	2	9	6.6%	NA	34.1%	NA	NA
	3	9	6.6%	NA	34.1%	NA	NA
420800		9	5.9%		30.0%	384	624
	3	9	5.9%	1.20%	30.0%	170	121
420901		9	7.0%	1.21%	36.5%	468	278
	1	9	7.0%	1.04%	36.5%	182	128
	2	9	7.0%	1.41%	36.5%	286	150
420902		9	7.0%	1.33%	37.0%	250	289
	1	9	7.0%	0.88%	37.0%	134	180
	2	9	7.0%	1.73%	37.0%	116	109
421502		10	8.7%	3.16%	47.1%	267	288
	1	10	8.7%	3.84%	47.1%	149	134
	2	10	8.7%	2.37%	47.1%	118	154
421601		10	8.7%	3.34%	46.6%	298	555
	1	10	8.7%	3.60%	46.6%	157	180
	2	10	8.7%	2.99%	46.6%	141	375
421700		9	8.2%	1.90%	44.0%	564	540
	1	9	8.2%	2.78%	44.0%	58	53
	2	9	8.2%	2.09%	44.0%	64	288
422001		10	11.5%	0.14%	63.5%	452	325
	1	10	11.5%	0.20%	63.5%	263	148

	2	10	11.5%	0.00%	63.5%	189	177
422002		10	9.4%	0.00%	50.8%	556	438
	1	10	9.4%	0.00%	50.8%	254	324
	2	10	9.4%	0.00%	50.8%	302	114
422102		10	10.1%	1.81%	55.5%	492	345
	1	10	10.1%	3.09%	55.5%	166	54
	2	10	10.1%	2.89%	55.5%	288	171
	3	10	10.1%	0.00%	55.5%	38	120
422103		10	7.6%	2.79%	40.1%	60	643
	1	10	7.6%	3.12%	40.1%	50	427
	2	10	7.6%	2.30%	40.1%	10	216
422104		9	7.5%	2.02%	39.6%	214	623
	1	9	7.5%	2.36%	39.6%	74	278
	2	9	7.5%	1.35%	39.6%	30	220
	3	9	7.5%	1.79%	39.6%	69	72
	4	9	7.5%	2.35%	39.6%	41	53
422105		9	8.3%	0.00	44.6%	434	520
	1	9	8.3%	0.00	44.6%	186	173
	2	9	8.3%	0.00	44.6%	248	347
422106		10	8.9%	0.09%	47.9%	369	727
	1	10	8.9%	0.42%	47.9%	163	307
	2	10	8.9%	0.00%	47.9%	206	420
422107		10	7.9%	0.61%	42.2%	78	435
	1	10	7.9%	0.61%	42.2%	35	259
	2	10	7.9%	0.00%	42.2%	43	176
422203		9	6.7%	0.00%	35.1%	184	812
	1	9	6.7%	0.00%	35.1%	115	524
	2	9	6.7%	0.00%	35.1%	36	85
	3	9	6.7%	0.00%	35.1%	33	203
422604*		10	9.3%	0.66%	50.3%	185	219
	1*	10	9.3%	8.97%	50.3%	0	9
	3	10	9.3%	0.97%	50.3%	182	169
	4	10	9.3%	0.00%	50.3%	3	38
422605*		10	7.4%	3.96%	39.4%	44	177
	1*	10	7.4%	3.35%	39.4%	25	127
	3*	10	7.4%	5.02%	39.4%	19	48
422609		9	6.5%	1.22%	39.0%	337	238
	1	9	6.5%	1.34%	39.0%	202	135
	2	9	6.5%	1.07%	39.0%	135	103
422611*		8	8.0%	0.77%	42.5%	1626	961
	1*	8	8.0%	1.67%	42.5%	75	60
	2	8	8.0%	0.29%	42.5%	4	61
	3	8	8.0%	0.95%	42.5%	1396	237
	4	8	8.0%	0.72%	42.5%	151	603
422616		10	7.4%	2.36%	39.3%	96	223

	1	10	7.4%	2.36%	39.3%	96	223
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\*Denotes some areas of this census tract/block group are outside of the City of Mesa. Any activity occurring under the NSP will strictly be limited to within the City limits.

B. *Distribution and Uses of Funds*

Mesa will limit the distribution and use of NSP funds to those census tracts and block groups shown in Section A of this Amendment that have been identified as the areas of greatest need within the City of Mesa. In accordance with Section 2301(c)(2) of HERA, those areas have been targeted because they have the highest percentage of foreclosures, the highest percentage of homes financed by a subprime related loan, and are likely to face a significant rise in the rate of home foreclosures. A map indicating the areas is attached to the Amendment.

Mesa will engage in the following activities within the outlined census tracts as part of its NSP activities:

- Acquire and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell or rent such homes and properties;
- Acquisition demolition reconstruction;
- Financing mechanisms (Down Payment Assistance and Housing counseling); and
- Administration of the NSP program.

Mesa will further attempt to focus the majority of its efforts within the above census tracts by targeting contiguous areas through the expertise of the City of Mesa Planning Department.

To accomplish the projects as stated above, the City of Mesa will partner with community organizations to include Save the Family; MARC Center; and Housing Our Communities.

C. *Definitions and Descriptions*

(1) Definition of “blighted structure” in context of state or local law.

Blighted. Unsightly conditions including the accumulation of litter or debris; buildings or structures exhibiting holes, breaks, rot, crumbling, cracking, peeling, or rusting; landscaping that exhibits uncontrolled growth, lack of maintenance, damage, or is dead or decayed; and any similar conditions of disrepair and deterioration regardless of the condition of other properties in the vicinity or neighborhood.

(2) Definition of “affordable rents.” Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing

definition to ensure compliance with NSP program – specific requirements such as continued affordability.

Affordable Rents. Our NSP Affordable Rent Policy is intended to protect VLI and LMMH persons who are living in a housing project funded with NSP dollars. The policy shall benefit tenants whose gross household income, adjusted by family size, is less than 120% of median income according to income limits prepared by HUD for the Mesa area. When an NSP property is utilized, persons/households in occupancy of the building affected will be protected by this policy. The policy also requires that no less than 25% of the properties be filled by VLI persons/households at affordable rents.

It shall be the City of Mesa's practice to review the rent structure of projects requesting funding for housing related activities at the beginning of the process. A rent cap shall apply for any units occupied by LMMH and VLI households. The maximum allowable rent for VLI and LMMH households will be equal to the rent and utility amount being paid by the tenant occupies the unit. If there is a conversion of utility type or transfer of utility payment from owner to tenant, an adjustment will be made based on the schedule listed in the Section 8 Utility Allowance Schedule (in effect when the rent is calculated). The maximum allowable rent will be set for a period of one year after the final inspection for project completion by City of Mesa staff.

The tenant will be required to furnish rental information at the time of request for housing to enable City of Mesa staff to evaluate the impact of the project on rent levels. The project manager will submit currently charged rent amounts for all units in the housing project, utility types, whether the tenant or owner pays utilities, and the names of tenants. The project manager will also be required to secure from all occupied units, tenant information forms which provide income and demographic data about the occupant's household. Based upon this information, City of Mesa staff will determine if further investigation of tenant data is necessary such as verifying tenant income.

Tenants who are affected by this policy will be notified in writing of the rent limitation and the approximate time the limitation will expire.

Applicants will be required to sign a Rent Agreement stipulating the rent limitations.

- (3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

The City of Mesa will ensure continued affordability for NSP assisted housing by long-term monitoring. As outlined in all funding contracts and Declaration of Covenants, Conditions, and Restrictions (CC&Rs), rental property owners/managers are required to maintain complete files to comply with

program reporting requirements and to make their records available to authorized agents of the local and federal government.

Desk reviews and on-site monitoring will provide an on-going assessment to assure the rental units assisted with NSP funds are being utilized in accordance with all laws, regulations, and policies that govern the program. City of Mesa staff will be responsible for reviewing information received (or not received) from property owners/managers as it relates to laws, regulations, and policies.

Throughout the compliance period, property owners/managers must complete and submit an Annual Compliance Report. The report will update staff on the status of the NSP assisted units and property. Staff will schedule on-site monitoring visits annually.

The length of the compliance period is determined by the amount of NSP funds invested per unit in the project. The compliance period, also as the affordability period, is determined at the time of the initial commitment. The length of the compliance period is also outlined in the legal documentation filed on the property.

<u>Activity</u>	<u>NSP Per Unit Investment</u>	<u>Minimum Affordability Period</u>
Acq./Rehab	Less than \$15,000	5 Years
	Between \$15,000-\$40,000	10 Years
	More than \$40,000	15 Years
New Construction	Regardless of Amount	20 Years

The on-site monitoring visit is to determine compliance with tenant income eligibility requirements, maximum allowable rental rates, physical property standards, and affirmative fair marketing laws.

- (4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Standards for NSP assisted activities will be held to the City of Mesa Housing Rehabilitation Program standards. The Housing Rehabilitation Program standards look at the general conditions, workmanship standards and materials standards.

All materials used shall be new, of good quality, and meet all applicable standards. Existing custom made items such as, but not limited to, kitchen cabinets, vanities, fixtures, built-ins, and all other custom items, will be replaced with stock items. All items will either be replaced or repaired as determined by the City of Mesa Rehabilitation staff. All plumbing fixtures shall be replaced with water saving models.

All workmanship shall meet the minimum standards set forth in the City of Mesa Housing Rehabilitation Program rehabilitation standards guidelines, with priority given to the following: Gas lines and gas appliances to eliminate safety hazards; electrical system and hazards; heating and cooling systems; plumbing leaks, faulty fixtures and/or related items; roofing; lead based paint abatement; termite control; windows and doors; attic insulation; and other safety and health hazards, as determined by the City of Mesa Rehabilitation staff.

The complete City of Mesa Housing Rehabilitation Standards guidelines can be found on our website at <http://www.mesaaz.gov/housing/pdf/materialsbooklet.pdf>.

D. *Low Income Targeting*

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income: \$2,414,916.

This amount will be made available through the Acquisition/Rehabilitation/Rental program for individuals or families at or below 50% of area median income. NSP will work closely with the Section 8 program to ensure compliance with this regulation.

*Note:* At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

E. *Acquisitions & Relocation*

Indicate whether grantee intends to demolish or convert any low-and moderate-income dwelling units (i.e., =80% of area median income).

If so, include:

- The number of low-and moderate-income dwelling units – i.e., =80% of area median income-reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households-i.e., =120% of area

median income- reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of area median income.

The City of Mesa expects to acquisition/rehab approximately 49 housing units for low, moderate and middle income individuals and households, and acquisition demotion and reconstruction of 5 housing structures as a result of NSP assisted activities.

Commencement of the acquisition/rehab activity will be upon notification from HUD of availability of NSP funds. However, the identification of potential properties has already begun. It is expected that all properties will be acquired and the rehabilitation will be in progress by June 30, 2010.

The City of Mesa expects to make available a minimum of 16 units for households whose income does not exceed 50 percent of area median income.

F. *Public Comment*

The proposed NSP Substantial Amendment to the Action Plan was published via the City of Mesa's usual method in the East Valley Tribune as well as on the City of Mesa website for 15 calendar days.

A summary of all citizen comments received to the proposed NSP Substantial Amendment are included below.

- Concern that this program is another bailout of financial institutions which made the loans that should never have been made.
- Concern that illegal aliens may benefit from the program.
- Encouraged the City of Mesa to monitor the use of the funds for appropriate uses.

G. *Website Publication*

The following documents are available on the grantee's website:

- SF 424
- Proposed NSP Substantial Amendment
- Final NSP Substantial Amendment

Website URL: [http://www.mesaaz.gov/neighsvc/NSP\\_Updates.aspx](http://www.mesaaz.gov/neighsvc/NSP_Updates.aspx)

*NSP Information by Activity (Complete for Each Activity)*

1. Activity Name: Acquisition Rehabilitation - Rental
2. Activity Type: NSP - Acquisition for Rehabilitation for residential purposes HERA Sec. 2301(c) (3)(B)  
CDBG – Acquisition for Rehabilitation for residential purposes 24 CFR 570.201(a)(b)
3. National Objective: Benefit to LMI persons and LMMH (120% of AMI) individuals and households
4. Projected Start Date: January 15, 2009
5. Projected End Date: July 30, 2013
6. Responsible Organization: City of Mesa  
20 E. Main  
Mesa, AZ 85201  
Raymond Thimesch, NSP Project Coordinator  
480-644-4521
7. Location Description: The City of Mesa will focus on the census tracts with the highest need.
 

Those include:	420501	421901	
420901	420902	421101	421102
421201	421202	421301	421302
421502	421400	421501	421601
421602	421700	421801	422616
421802	421902	422001	422611
422002	422102	422103	422609
422104	422105	422106	422605
422107	422203	422301	422503
422302	422501	422502	422604
420800			
8. Activity Description: The Acquisition Rehab rental activity will focus strategically on neighborhoods with a high percentage of residential properties of foreclosed or abandoned homes within the targeted census tracts. Properties will be acquired at a minimum of five percent (5%) below appraised value. However, the total portfolio average for purchases will be no less than ten percent (10%) below appraised value. The City of Mesa will acquire, inspect for rehabilitation, and lease the properties in coordination with the City of Mesa Housing Authority. It is anticipated that some of the rental properties will be an opportunity for home ownership for those renting. Because not all families will qualify for

homeownership, this activity will be cause for a high rate of neighborhood stabilization for long term tenants. The acquisition/rehabilitation/rental activity will benefit income-qualified persons to meet the low income housing requirement for those below 50% of area median income. The acquisition/rehabilitation/rental activity will serve as workforce housing for individuals and families striving to one day become homeowners. Inspections will be made monthly to identify and repair any items necessary. This activity will adhere to the affordability period as outlined in this Amendment to the Action Plan.

9. Duration or term of assistance: The duration for the rental activity will occur until July 30, 2013 and possibly longer.
- Tenure of Beneficiaries: Renters
- Continued Affordability: Rental units will be monitored by the City of Mesa to ensure affordability. Rental units conveyed to non-profit organizations will impose the appropriate legal documents to ensure affordability such as deeds of trust or restrictive covenants.

10. Total Budget for Acquisition Rehabilitation - Rental:

4 ADA compliant units	
Acquisition and Rehab	\$715,400
12 units (157,050 x 12)	
Acquisition and Rehab	<u>\$1,884,600</u>
	<u>\$2,600,000</u>

11. Performance Measures: 16 units to be acquired/rehabilitated for households at or below 50% of area median income.

*NSP Information by Activity (Complete for Each Activity)*

1. Activity Name: Acquisition Demolition Reconstruction
2. Activity Type: NSP - Acquisition Demolition/Reconstruction  
HERA Sec. 2301(c) (3)(D)  
CDBG – Acquisition Demolition/Reconstruction  
24 CFR 570.201(d)
3. National Objective: Benefit to LMI persons and LMMH (120% of AMI)  
individuals and households
4. Projected Start Date: January 15, 2009
5. Projected End Date: July 30, 2013
6. Responsible Organization: City of Mesa  
20 E. Main  
Mesa, AZ 85201  
Raymond Thimesch, NSP Project Coordinator  
480-644-4521
7. Location Description: The City of Mesa will focus on the census tracks with the highest need. Those include:
 

420501	421901		
420901	420902	421101	421102
421201	421202	421301	421302
421502	421400	421501	421601
421602	421700	421801	422616
421802	421902	422001	422611
422002	422102	422103	422609
422104	422105	422106	422605
422107	422203	422301	422503
422302	422501	422502	422604
420800			
8. Activity Description: The Acquisition Demolition reconstruction activity will focus strategically on neighborhoods with a high percentage of residential properties of foreclosed or abandoned homes within the targeted census tracks. Properties will be acquired at a minimum of five percent (5%) below appraised value. However, the total portfolio average for purchases will be no less than ten percent (10%) below appraised value. The City of Mesa will acquire, inspect for rehabilitation, and determine if it is cost effective to rehabilitate the property. After an analysis of the rehab costs involved, should the rehab be cost prohibitive, it may be more cost effective to demolish the existing structure and reconstruct a new home.
9. Duration or term of assistance: The duration of the acquisition demolition reconstruction program will be until July 30,

2013.

Tenure of Beneficiaries: Home Owners or Renters

Continued Affordability: Rental units will be monitored by the City of Mesa to ensure affordability. Rental units conveyed to non-profit organizations will impose the appropriate legal documents to ensure affordability such as deeds of trust or restrictive covenants.

10. Total Budget for Acquisition Demolition:

1 single family home

Acquisition Demolition Reconstruction \$145,000

11. Performance Measures: 1 unit for acquisition demolition reconstruction for incomes or below 120% of AMI

*NSP Information by Activity (Complete for Each Activity)*

1. Activity Name: Acquisition Rehabilitation – Home Ownership
2. Activity Type: NSP – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell or redevelop such homes and properties.  
HERA Sec. 2301(c) (3)(B)  
CDBG – Acquisition for Rehabilitation for residential purposes 24 CFR 570.201(a)
3. National Objective: Benefit to LMI persons and LMMH (120% of AMI) individuals and households
4. Projected Start Date: January 15, 2009
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7. Location Description: The City of Mesa will focus on the census tracts with the highest need.
 

Those include:	420501	421901	
420901	420902	421101	421102
421201	421202	421301	421302
421502	421400	421501	421601
421602	421700	421801	422616
421802	421902	422001	422611
422002	422102	422103	422609
422104	422105	422106	422605
422107	422203	422301	422503
422302	422501	422502	422604
420800			
8. Activity Description: The Acquisition Rehab Home Ownership activity will focus strategically on neighborhoods with a high percentage of residential properties of foreclosed or abandoned homes within the targeted census tracts. Properties will be acquired at a minimum of five percent (5%) below appraised value. However, the total portfolio average for purchases will be no less than ten

percent (10%) below appraised value. The City of Mesa will acquire the properties, do necessary rehabilitation and then market the properties for resale through various media including the realtor industry. The activity will partner with counseling agencies to provide down payment assistance when necessary and complete the sales transactions. This activity will benefit individuals and households up to and including one hundred twenty percent (120%) AMI.

9. Duration or term of assistance: The duration for the homeownership activity will extend for an indefinite period of time, at a minimum occurring until July 30, 2013.

Tenure of Beneficiaries: Home owners

Continued Affordability: Purchased units will be monitored by the City of Mesa to ensure affordability. Purchased units when conveyed to homeowners will impose the appropriate legal documents to ensure affordability in future sales such as deeds of trust or restrictive covenants.

10. Total Budget for Acquisition/Rehab Homeownership:

37 units (\$145,946 X 37)	
Acquisition and Rehab	\$5,400,000
Down Payment Assistance (37 X \$15,000)	\$555,000
Homebuyer Counseling	<u>\$98,000</u>
	\$6,053,000

11. Performance Measures: 33 units to be acquired/rehabilitated for home ownership

*NSP Information by Activity (Complete for Each Activity)*

1. Activity Name: Administration
  
2. Activity Type: NSP - Administration  
CDBG – Administration
  
3. National Objective: Benefit to LMI persons and LMMH (120% of AMI) individuals and households
  
4. Projected Start Date: January 15, 2009
  
5. Projected End Date: July 30, 2013
  
6. Responsible Organization: City of Mesa  
20 E. Main  
Mesa, AZ 85201  
Raymond Thimesch, NSP Project Coordinator  
480-644-4521
  
7. Location Description: The City of Mesa will focus on the census tracts with the highest need. Those include:

420501	421901		
420901	420902	421101	421102
421201	421202	421301	421302
421502	421400	421501	421601
421602	421700	421801	422616
421802	421902	422001	422611
422002	422102	422103	422609
422104	422105	422106	422605
422107	422203	422301	422503
422302	422501	422502	422604
420800			
  
8. Activity Description: Administration cost to administer the NSP program and ensure compliance with regulations will be ten percent (10%) of the total allocated amount.

9. Duration or term of assistance: July 30, 2013  
Tenure of Beneficiaries: General admin and planning cost for staff administering the NSP program
10. Total Budget for Administration Cost: \$861,665

## CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

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

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

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

# NSP Substantial Amendment Checklist

*For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.*

## Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City of Mesa Lead Agency: City of Mesa Jurisdiction Web Address: <a href="http://www.mesaaz.gov/neighsvc/NSP_Updates.aspx">http://www.mesaaz.gov/neighsvc/NSP_Updates.aspx</a> (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: Raymond Thimesch Address: 20 E. Main Mesa AZ 85201 Telephone: 480-644-4521 Fax: 480-644-4842 Email: <a href="mailto:ray.thimesch@mesaaz.gov">ray.thimesch@mesaaz.gov</a>
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

### **A. AREAS OF GREATEST NEED**

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes  No . Verification found on pages 1-5.

### **B. DISTRIBUTION AND USES OF FUNDS**

Does the submission contain a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes  No . Verification found on page 5.

**Note:** The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

### **C. DEFINITIONS AND DESCRIPTIONS**

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,  
 Yes  No . Verification found on page 5.
- a definition of “affordable rents,”  
 Yes  No . Verification found on page 6.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
Yes  No . Verification found on pages 6 & 7.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?  
Yes  No . Verification found on page 7 & 8.

**D. LOW INCOME TARGETING**

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on page 8.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on page 8.  
Amount budgeted = \$2,414,916.

**E. ACQUISITIONS & RELOCATION**

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?  
Yes  No . (If no, continue to next heading)  
Verification found on page 9.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e.,  $\leq 80\%$  of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?  
Yes  No . Verification found on page 9.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e.,  $\leq 120\%$  of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?  
Yes  No . Verification found on page 9.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?  
Yes  No . Verification found on page 9.

**F. PUBLIC COMMENT PERIOD**

Was the proposed action plan amendment published via the grantee jurisdiction’s usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes  No  Verification found on page 9.

Is there a summary of citizen comments included in the final amendment?

Yes  No  Verification found on page 9.

**G. INFORMATION BY ACTIVITY**

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,  
Yes  No  Verification found on pages 10, 12, 14, 16, 18
- correlated eligible activity under CDBG,  
Yes  No  Verification found on page 10, 12, 14, 16, 18
- the areas of greatest need addressed by the activity or activities,  
Yes  No  Verification found on page 10, 12, 14, 16, 18
- expected benefit to income-qualified persons or households or areas,  
Yes  No  Verification found on pages 11, 13, 15, 17
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No  Verification found on page 11.
- appropriate performance measures for the activity,  
Yes  No  Verification found on pages 11, 13, 15, 17
- amount of funds budgeted for the activity,  
Yes  No  Verification found on pages 11, 13, 15, 17, 18
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No  Verification found on pages 10, 12, 14, 16
- expected start and end dates of the activity?  
Yes  No  Verification found on pages 10, 12, 14, 16
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,  
Yes  No  Verification found on pages 10, 12, 14,

- If the activity provides financing, the range of interest rates (if any),  
Yes  No . Verification found on page \_\_\_\_\_. N/A
- If the activity provides housing, duration or term of assistance,  
Yes  No . Verification found on pages 11, 13, 15, 17.
- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No . Verification found on page 11, 13, 15, 17, 18.
- does it ensure continued affordability?  
Yes  No . Verification found on page 11, 13, 15.

#### ***H. CERTIFICATIONS***

The following certifications are complete and accurate:

- |  |   |                             |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation                             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds $\leq$ 120 of AMI                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force                                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |