

Grantee: Tucson, AZ

Grant: B-11-MN-04-0507

July 1, 2013 thru September 30, 2013 Performance Report



Grant Number:

B-11-MN-04-0507

Obligation Date:**Award Date:****Grantee Name:**

Tucson, AZ

Contract End Date:**Review by HUD:**

Submitted - Await for Review

LOCCS Authorized Amount:

\$2,083,771.00

Grant Status:

Active

QPR Contact:

Joyce Alcantar

Estimated P/RL Funds:

\$463,999.83

Total Budget:

\$2,547,770.83

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

January 08, 2013: Substantial amendment approved by City of Tucson Mayor and Council (and forwarded and approved by HUD field office) to add the following census tracts, increasing the target area with the greatest need:

4019004104 AZ

4019002505 AZ

4019002506 AZ

How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- >- code enforcement efforts (within the department is a Code Enforcement Division)
- >- HOME dollars (proposals could be sought for rental or homeownership projects)
- >- Human services program funding (both CDBG and City funding)
- >- Home rehabilitation funding (federal funding sources)
- >- Historic preservation efforts (the City's Historic Preservation Office is within this department)
- >- Down payment assistance (federal sources)

>

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson El Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance



and Redevelopment (1471). (2) and (18)&rdquoBlighted Area&rdquo and &ldquoSlum Area&rdquo. The City of Tucson will not set aside any NSP 3 funding for demolition.

Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

Housing Rehabilitation/New Construction Standards:

The City of Tucson&rsquos NSP Rehabilitation Standards can be found at the following link:
<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>
 >In addition, the City will, at a minimum, meet the City&rsquos Bronze certification for green rehabilitation, which meets all HUD requirements. See link here to City of Tucson Residential Green Building Rating System:
 ><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

Vicinity Hiring:

>The City of Tucson will follow the Section 3 regulations and the City&rsquos Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

Grantee Contact Information:

Tom Ingram
 Housing Manager
 tom.ingram@tucsonaz.gov
 310 N. Commerce Park Loop
 Tucson, AZ 85745
 520-837-5345

Joyce M. Alcantar
 Project Coordinator
 joyce.alcantar@tucsonaz.gov
 310 N. Commerce Park Loop
 Tucson, AZ 85745
 520-837-5329

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,547,770.83
Total Budget	\$0.00	\$2,547,770.83
Total Obligated	\$0.00	\$2,147,770.83
Total Funds Drawdown	\$36,567.00	\$1,975,720.78
Program Funds Drawdown	\$36,282.28	\$1,911,436.23
Program Income Drawdown	\$284.72	\$64,284.55
Program Income Received	\$284.72	\$64,284.55
Total Funds Expended	\$185,473.98	\$1,927,002.81
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$312,565.65	\$0.00
Limit on Admin/Planning	\$208,377.10	\$180,235.31
Limit on State Admin	\$0.00	\$180,235.31

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$208,377.10	\$214,777.08

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$520,942.75	\$650,942.75

Overall Progress Narrative:

NSP 3 - The following is progress thru September 30, 2013:

25% Set-aside for individuals/families at or below 50% AMI has been exceeded with the purchase of 2 triplexes and one single-family unit. Units have been rehabilitated and assigned to the City of Tucson's El Portal rental program. Of the 7 units, 5 are occupied (1 was leased this quarter), and 2 are vacant. Beneficiary data is included in this report.

NSP3 Resale progresses as the City of Tucson continues to purchase homes within the NSP3 boundaries, conveys to the Pima County Community Land Trust (PCCLT) for the rehabilitation and sale to qualified buyers. One home was purchased by the City of Tucson and conveyed to PCCLT for rehabilitation work and resale during this quarter.

Address is:

1898 W. Acorn Way (SFR)

Five homes which were purchased by the City of Tucson and conveyed to PCCLT had Scopes of Work completed for the rehabilitation phase, but placed "on hold" due to PCCLT applying for bond funds of \$250,000.00 from Pima County, which they received. The total rehab cost is \$305,952.00. The Pima County bond will cover \$250,000.00, and the City of Tucson NSP3 shall provide the remaining \$55,952.00. The 5 addresses are:

6290 S. High Hope Lane (SFR)

3014 E. Via Genovesa (SFR)

1961 W. Burgundy (SFR)

6303 S. Sun View Way (SFR)

2102 E. Highland (SFR)

Additional addresses and status of Resale activity:

PCCLT sold one home during this quarter. Beneficiary data is included in this report. Address is:

5003 S. Aleppo Drive (SFR)

City of Tucson staff conducted a monitoring visit at the PCCLT office on June 21st. Items of concern were noted and a letter was sent to PCCLT for resolution. A second monitoring visit is scheduled for November 5th to review homeowner files and rehabilitation files to verify items were rectified.

Angela Reviere, HUD CPD Specialist, conducted an audit of the NSP1 program during the second quarter of this year, and offered consultation services to improve the NSP1 and NSP3 programs. The Cloudburst



Group Consultants' staff assisted with the revision of the Development Agreement between the City of Tucson and PCCLT this quarter, and it will go into effect November 1, 2013.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administration	\$7,401.32	\$214,777.08	\$176,333.69
0002, Acquisition/Rehab for Rental	\$85.60	\$520,942.75	\$583,731.81
0003, Acquisition/Rehab for Resale	\$28,795.36	\$1,412,051.00	\$1,151,370.73
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Grantee Activity Number:	9123
Activity Title:	NSP3 Administration

Activity Category:

Administration

Project Number:

0001

Projected Start Date:

03/09/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Tucson2

Overall	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$214,777.08
Total Budget	\$0.00	\$214,777.08
Total Obligated	\$0.00	\$214,777.08
Total Funds Drawdown	\$7,429.79	\$180,235.31
Program Funds Drawdown	\$7,401.32	\$176,333.69
Program Income Drawdown	\$28.47	\$3,901.62
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$364.66	\$180,599.97
City of Tucson2	\$364.66	\$180,599.97
Match Contributed	\$0.00	\$0.00

Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

Activity Progress Narrative:

Admin expenditure for the quarter \$364.66

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: 9540

Activity Title: Acquisition Rehab for Rental

Activity Category:

Disposition

Project Number:

0002

Projected Start Date:

03/09/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for Rental

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Tucson - El Portal Rental Program, managed by The

Overall

	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$650,942.75
Total Budget	\$0.00	\$650,942.75
Total Obligated	\$0.00	\$520,942.75
Total Funds Drawdown	\$341.85	\$586,315.37
Program Funds Drawdown	\$85.60	\$583,731.81
Program Income Drawdown	\$256.25	\$2,583.56
Program Income Received	\$284.72	\$284.72
Total Funds Expended	(\$50,952.07)	\$586,820.21
City of Tucson - El Portal Rental Program, managed by The	(\$50,952.07)	\$586,820.21
Match Contributed	\$0.00	\$0.00

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City's El Portal program for permanent rental

Location Description:

The target area that is proposed for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>
>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>
>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

- >
 - >• The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);
 - >• The proximity to the University of Arizona.
 - >• The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
 - >• The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;



>• The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

Quarterly Rental Expenditure is \$504.84 but a total of (\$50,952.07) will be inputted due to an error in reporting \$91,908.07 in QPR 7/1/2012. \$91,908.07 was incorrectly inputted for Rental and should have been inputted for Resale activity number 9541. Break down (\$91,908.07)+40,451.16+504.84=(\$50,952.07).

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	6/4

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	1	2/4
# of Singlefamily Units	1	2/4

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	0	1	6/4	0/0	6/4	100.00
# Renter Households	1	0	1	6/4	0/0	6/4	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
135 W. Rillito	Tucson		Arizona	85705-	Match / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: 9541

Activity Title: Acquisition Rehab Resale

Activity Category:

Disposition

Project Number:

0003

Projected Start Date:

03/09/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for Resale

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

Pima County Community Land Trust (PCCLT)5

Overall

	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$1,682,051.00
Total Budget	\$0.00	\$1,682,051.00
Total Obligated	\$0.00	\$1,412,051.00
Total Funds Drawdown	\$28,795.36	\$1,209,170.10
Program Funds Drawdown	\$28,795.36	\$1,151,370.73
Program Income Drawdown	\$0.00	\$57,799.37
Program Income Received	\$0.00	\$63,999.83
Total Funds Expended	\$236,061.39	\$1,159,582.63
Pima County Community Land Trust (PCCLT)5	\$236,061.39	\$1,159,582.63
Match Contributed	\$0.00	\$0.00

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

Location Description:

The target area for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

>

>&bull The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);



- >• The proximity to the University of Arizona.
- >• The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
- >• The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;
- >• The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

Quarterly Expenditure for Resale \$184,604.48 but inputting \$236,061.39 due to an error in QPR 7/1/2012; were \$40,451.16 was inputted for Resale incorrectly and this amount should have been for Rental activity number 9540. Breakdown (\$40,451.16)+91,908.07+184,604.48=\$236,061.39.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	2/12

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	1	2/12
# of Singlefamily Units	1	2/12

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	0	1	2/0	0/0	2/12	100.00
# Owner Households	1	0	1	2/0	0/0	2/12	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
5003 S. Aleppo Drive	Tucson		Arizona	85706-	Match / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

