

Attachment A

City of Phoenix

Amendment to HUD Neighborhood Stabilization Programs 1, 2 and 3 and HUD Action Plans

The purpose of the Neighborhood Stabilization Program (NSP) grants is to address abandoned foreclosed properties through acquisition, rehabilitation, demolition, and redevelopment activities. The proposed amendment will enhance continuity and consistency in the NSP program and facilitate program implementation and reporting. The City of Phoenix has prepared this Amendment to adjust our NSP1, NSP2 and NSP3 program allocations between eligible uses based on program progress and program income received to date, to amend our HUD Action Plan to reflect the proposed changes.

NSP1:

This Amendment will create a new future residential project benefiting households at or below 50% of the Area Medium Income (LH25 project), adjust NSP1 program allocation of funds between eligible uses based on program progress and program income received to date.

Funds have been increased in the following areas: Single-Family Strategies – Landbank and Redevelopment; and Multi-Family Strategies – Acquisition/ Rehabilitation.

Proposed Use of Funds:

NSP – Eligible Use	Current Budget	Revised Budget (Proposed)	Budget Adjustment	Proposed Amendment
Single-Family Strategies	\$39,508,325	\$41,527,434	\$2,019,109	
Homeownership Assistance Program	\$4,010,395	\$4,010,395	\$0	
Home Improvement Program	\$342,195	\$342,195	\$0	
Move-In Ready Program	\$23,719,109	\$23,719,109	\$0	
Low/Moderate/Middle Income	\$796,763	\$796,763	\$0	
Landbank	\$123,420	\$162,070	\$38,650	
Demolition/Redevelopment	\$10,516,443	\$12,496,902	\$1,980,459	
Multi-Family Strategies	\$13,427,990	\$13,593,378	\$165,388	
Acquisition/Rehabilitation	\$13,427,990	\$13,593,378	\$165,388	New future LH25 activity
Program Administration	\$4,592,602	\$4,592,602	0	
Totals:	\$57,528,917	\$59,713,414	\$2,184,497	

NSP2:

This Amendment will create a new future multi-family residential project benefiting households at or below 50% of the Area Medium Income (LH25 project), adjust NSP2 program allocation of funds between eligible uses based on program progress and program income received to date. Funds have been increased in the following areas: Single-Family Strategies – Redevelopment; Multi-Family Strategies – Acquisition/ Rehabilitation; and Program Administration.

Proposed Use of Funds:

NSP – Eligible Use	Current Budget	Revised Budget (Proposed)	Budget Adjustment	Proposed Amendment
Single-Family Strategies	\$62,982,746	\$70,521,847	\$7,539,101	
Home Improvement Program	\$1,346,045	\$1,346,045	\$0	
Move-In Ready Program	\$46,647,058	\$46,647,058	\$0	
Landbank	\$122,718	\$122,718	\$0	
Redevelopment	\$13,959,648	\$21,498,749	\$7,539,101	
Demolition	\$907,277	\$907,277	\$0	
Multi-Family Strategies	\$24,122,414	\$26,075,727	\$1,953,313	
Acquisition/Rehabilitation	\$24,122,414	\$26,075,727	\$1,953,313	New future LH25 project
Program Administration	\$6,500,000	\$6,500,000	\$0	
Totals:	\$93,605,160	\$103,097,574	\$9,492,414	

Soundness of Approach: Proposed Activities

The projects and activities proposed in the NSP2 competitive application have made an impact in the neighborhoods targeted and resulted in stabilizing housing markets. Many of the projects of activities still have more work to be done and others are completed. This amendment adjusts those budgets with reallocated funds and earned program income.

Factor	Sub Factor	
1: Need	Target Geography	No Change
1: Need	Market Conditions	No Change
2: Demonstrated Capacity	Past Experience	No Change
2: Demonstrated Capacity	Management Structure	No Change
3: Soundness of Approach	Proposed Activities	Activities will not substantively change but a new future LH25 project will be created, and budgets are adjusted
3: Soundness of Approach	Project Completion Schedule	No change.
3: Soundness of Approach	Income Targeting	No Change
3: Soundness of Approach	Continued Affordability	No Change
3: Soundness of Approach	Consultation, Outreach, Communications	No Change
3: Soundness of Approach	Performance and Monitoring	No Change
4: Leveraging	Leveraged Funds	No Change
4: Leveraging	Rubric	No Change

5: Energy Efficiency	Transit Accessibility	No Change
5: Energy Efficiency	Green Building Standards	No Change
5: Energy Efficiency	Re-use of Cleared Sites	No Change
5: Energy Efficiency	Deconstruction	No Change
6: Neighborhood Transformation		No change

Soundness of Approach: Income Targeting

This amendment will allocate new program income funds (and funds returned from a failed multi-family housing activity that needs to be redeployed) to benefit households at 50 or below percent AMI (LH25 projects), as a part of the required 25 percent set aside required by the NSP2 grant.

Factor	Sub Factor	
1: Need	Target Geography	No Change
1: Need	Market Conditions	No change
2: Demonstrated Capacity	Past Experience	No Change
2: Demonstrated Capacity	Management Structure	No Change
3: Soundness of Approach	Proposed Activities	No Change
3: Soundness of Approach	Project Completion Schedule	No change
3: Soundness of Approach	Income Targeting	Amendment will fund a new multi-family residential project to assist in meeting LH25 requirements.
3: Soundness of Approach	Continued Affordability	No Change
3: Soundness of Approach	Consultation, Outreach, Communications	No Change
3: Soundness of Approach	Performance and Monitoring	No Change
4: Leveraging	Leveraged Funds	No Change
4: Leveraging	Rubric	No Change
5: Energy Efficiency	Transit Accessibility	No Change
5: Energy Efficiency	Green Building Standards	No Change
5: Energy Efficiency	Re-use of Cleared Sites	No Change

5: Energy Efficiency	Deconstruction	No Change
6: Neighborhood Transformation		No Change

NSP3:

This Amendment will create a new future single-family residential redevelopment project, and adjust NSP3 program allocation of funds between eligible uses based on program progress and program income received to date. Program income will be programmed to facilitate the planning and budget for future redevelopment infill activities in NSP eligible areas. Funds have been increased in the following areas: Single-Family Strategies - Acquisition/ Rehabilitation; and Program Administration.

Proposed Use of Funds:

NSP – Eligible Use	Current Budget	Revised Budget (Proposed)	Budget Adjustment	Proposed Amendment
Single-Family Strategies	\$13,095,709	\$17,065,449	\$3,969,740	
Homeowner Assistance Program	\$15,000	\$15,000	\$0	
Move-In Ready Program	\$11,227,446	\$11,227,446	\$0	
Landbank	\$51,680	\$51,680	\$0	
Redevelopment	\$1,565,395	\$5,535,135	\$3,969,740	New future redevelopment project
Demolition	\$236,188	\$236,188	\$0	
Multi-Family Strategies	\$8,089,817	\$8,089,817	\$0	
Program Administration	\$758,279	\$758,279	\$0	
Totals:	\$21,943,805	\$25,913,545	\$3,969,740	

Public Outreach

The proposed Amendment is posted at www.phoenix.gov/nsd/reports for at least 15 days per the NSP grant requirements. Public Comment will end on October 26, 2021 with a scheduled City Council Formal meeting for approval on October 27, 2021.