



**City of Phoenix
Neighborhood Services Department Seeks Comments**

Neighborhood Stabilization Program 2 (NSP2) Amendment

The City of Phoenix has prepared a draft Substantial Amendment to its Neighborhood Stabilization Program 2 (NSP2) that makes changes in the roles of some Consortium partners and makes a minor change in the target area. The purpose of the grant is to address abandoned, foreclosed properties through acquisition, rehabilitation, demolition, redevelopment and financial incentives. The proposed substantial amendment would enhance continuity and consistency in the NSP program and facilitate program implementation and reporting.

A copy of the draft Substantial Amendment may be reviewed at the Phoenix Neighborhood Services Department, 200 W. Washington St., 4th floor, Phoenix, AZ 85003.

You are invited to submit your comments on the proposed amendment from September 30 to October 10, 2011 by calling our hotline at (602) 256-3302 or e-mailing nsd@phoenix.gov, (if e-mailing, please include the following in the Subject line: **ATTN: Substantial Amendment**).

City of Phoenix Neighborhood Stabilization Program 2 (NSP2) Amendment

Partner Status Proposed Change

The City of Phoenix proposes a change in the status of our developer Consortium Partners to streamline the program and expedite the expenditure of NSP2 funds. Under the proposed new status, four of our non profits; Foundation for Senior Living (FSL) , Cesar Chavez Foundation (formerly known as National Farm Workers Service Center), Neighborhood Housing Services (NHS) and Desert Mission Neighborhood Renewal(DMNR) would all be considered developers. The four entities will undertake the same activities of acquiring foreclosed properties, renovating them and reselling them to owner occupants as they would as Consortium Partners.

Working with our nonprofit partners as developers in our NSP1 program has been very successful. Amending the status of four NSP2 Consortium Partners to developer partners would streamline our NSP programs and expedite progress by virtue of all for-profit and nonprofit developer parties operating under a consistent set of procedures for reporting, policies and procedures, billing, record keeping, etc.

HUD will consider this request in light of how it would have appeared in our competitive grant application prior to award. The above four entities contribution to the overall unit counts under the activity of acquisition, rehabilitation and resale would have been reduced from 246 to 209 units completed by the other application partners. HUD had a minimum development experience threshold for the proposed development activities of 75 units per activity proposed. The City of Phoenix has patterned this request after a similar request recently approved by HUD for the Baltimore NSP2.

The table below reflects the proposed change in the application factors table and a second table provides the unit capacity by application partner.

Proposed Change in Boundaries

The second element of the proposed amendment to the NSP2 program is to add a small area that is immediately south of the current southern boundary. The area that is proposed to be added is between West South Mountain Avenue and West Dobbins Road; between South 7th Avenue and 10th Avenue. The intended purpose is to consider a failed subdivision in that area, across the street from a school. This area received a score of 18 under the NSP3 Planning Data mapping against the minimum score of 17 and the highest possible score of 20. Adding the small area would not have changed our average area score in our original application.

Proposed Addition of Land Banking Activity

The third element of the proposed amendment is to add the eligible activity of 'Land Banking' which allows for redevelopment of the land for new housing over an extended period of time. This activity would be layered on top of the current funding for redevelopment of failed subdivisions, which was an innovative element in our original application. The designation of land banking permits the reuse of the land over an extended period of time which is reflective of the current market conditions.

Attachment: Phoenix NSP2 application partners capacity table

**City Of Phoenix
 Rating Factor
 Amendment to Change two “Consortium Members” to “Development Partners”**

1. Need	a. Target Geography	No change created by Amendment
	b. Market Conditions	No change created by Amendment
2. Demonstrated Capacity	a. Past Experience	See attachment indicating experience is beyond the 75 unit threshold
	b. Management Structure	No change created by Amendment
3. Soundness of Approach	a. Proposed activities	No change created by Amendment
	b. Project Completion Schedule	No change created by Amendment
	c. Income Targeting	No change created by Amendment
	d. Continued Affordability	No change created by Amendment
	e. Consultation and Outreach	No change created by Amendment
	f. Performance Monitoring	No change created by Amendment
4. Leverage		No change created by Amendment
5. Energy Efficiency and Sustainability		No change created by Amendment
6. Neighborhood Transformation		No change created by Amendment

City of Phoenix NSP2 Development Team

	Original Application		Proposed Amendment	
	Acquisition/Rehab/ Resale of foreclosed or vacant property	Role	Acquisition/Rehab/ Resale of foreclosed or vacant property	Role
Foundation for Senior Living (FSL)		Nonprofit Consortium Member		Developer Partner
Cesar Chavez Foundation (CCF)	36	Nonprofit Consortium Member		Developer Partner
Neighborhood Housing Services of Phoenix (NHSP)*	1	Nonprofit Consortium Member		Nonprofit Consortium Member
Desert Mission Neighborhood Renewal (DMNR)*		Nonprofit Consortium Member		Nonprofit Consortium Member
For-Profit				
NSPAZ, LLC	186	For-profit Partner	186	For-profit Partner
Mandalay Homes	24	For-profit Partner	24	For-profit Partner
Total	247		210	