

# CITY COUNCIL REPORT



Meeting Date: April 14, 2015  
 General Plan Element: *Public Services & Facilities*  
 General Plan Goal: *Provide services to improve neighborhoods and the lives of Scottsdale residents*

## **ACTION**

Adopt Resolution No. 10096 authorizing the return to Maricopa County, on behalf of the Maricopa Home Consortium, unexpended HOME Investment Partnership (HOME) funds in the amount of \$854,561.39 as originally allocated to Newtown Community Development Corporation (Newtown) for fiscal years 2011/12 through 2014/15 for the purpose of increasing the supply of affordable housing.

### **Related Resolution Numbers**

City Council adopted Resolutions No. 8561 on April 26, 2011, No. 9023 on May 8, 2012, No. 9367 April 16, 2013, and No. 9689 on April 29, 2014, authorizing the award of HOME funds to Newtown for a total of \$1,169,690 for first time homebuyer opportunities through a Community Land Trust Program.

## **BACKGROUND**

HOME funds are a federal block grant and are available to the City of Scottsdale as a result of participation in the Maricopa HOME Consortium. Other members of the Consortium include Maricopa County, Avondale, Chandler, Gilbert, Glendale, Peoria, Surprise and Tempe. The City is presently a party to Intergovernmental Agreement 2005-002-COS for the purpose of which is to form a consortium, to enable the parties to participate in the receipt of federal HOME Investment Partnership funds to increase the supply of quality affordable housing. The City of Scottsdale has participated in the Consortium and has administered the HOME program for the past 21 years.

The HOME Program supports a wide range of housing activities that increase the supply of affordable housing for low-income persons through publically awarded contracts. Home funds must be used to benefit persons whose income falls below 80% of the area median income level.

HUD requires jurisdictions to complete a Five Year Consolidated Plan identifying the needs in the community and the strategies to address those needs with local and federal funds. The City of Scottsdale and Maricopa County's 2010-2015 Consolidated Plans identify affordability as a fair housing barrier for low and moderate income individuals and families. To address this barrier, one key strategic objective in the Consolidated Plan is to increase the supply of quality affordable

housing in the community. The Community Land Trust (CLT) Program is an innovative way of addressing this barrier and preserving housing affordability.

Newtown is a non-profit Community Housing Development Organization (CHDO). Newtown has a history of community service in Maricopa County, and has among its purposes increasing the supply of permanently affordable housing and supporting low to moderate income first time homebuyers.

Newtown has successfully administered the CLT Program in Scottsdale since 2010 and continues to be an affordable housing partner in the community. Since 2010, Newtown has acquired 10 homes under the CLT Program and has expended a total of \$1,075,986, including \$445,000 in additional HOME funds which were returned to the County from another Consortium member and reallocated to Scottsdale. These reprogrammed funds were expended within one year to assist with the HOME reallocation process.

Newtown applied to the City of Scottsdale for HOME funding to acquire, rehabilitate and resell single family homes in the city of Scottsdale to income eligible first-time homebuyers as part of the Scottsdale CLT Program. The Human Services Commission makes formal recommendations to the City Council for funding recommendations. The City Council approved Newtown's applications for HOME funding in the amounts of: \$380,000 for FY 2011/12; \$340,000 for FY 2012/13; \$240,019 for FY 2013/14; and \$209,671 for FY 2014/15, for a total of \$1,169,690.

## **ANALYSIS & ASSESSMENT**

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### **Recent Staff Action**

Staff is currently administering the HOME Program through the Maricopa County HOME Consortium for the use of awarded funds and associated activities.

### **Significant Issues to be Addressed**

The Consolidated and Further Continuing Appropriations Act of 2012 and 2013 imposed new requirements on projects that receive HOME funds. Further, the Consolidated Appropriations Act of 2014 imposed additional requirements and restrictions for the use of HOME funds. Under the new HOME Rule, funds must be committed to a particular project within two years and expended within four years. If a jurisdiction does not meet the project commitment and expenditures deadlines, a finding may be issued from HUD requiring return of the funds. Returning the funds to the Maricopa County ensures Scottsdale's compliance with the IGA, allows for the funds to be reprogrammed to other Consortium members with shovel ready projects and avoids the County from having to return funds to HUD.

Section 215(b) of NAHA requires that the after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price for single family housing, and per the HOME Rule published in 2013 the Maricopa HOME Consortium determined the after rehabilitation maximum limits, per 24 CFR 92.254(a)(2)(iii) to be \$201,875, which is 95% of median area purchase price for Maricopa County.

Newtown has thereby notified the City that, due to rising real estate conditions, Newtown cannot expend the remaining allocated funds in accordance with federal requirements. The price of single family homes in Scottsdale has continued to increase over the last four years. The average purchase price of a single family three bedroom home in zip codes 85251 and 85257 in 2011 was \$157,307. The current average purchase price is \$230,720. The average cost to rehabilitate properties to meet HUD's Housing Quality Standards (HQS) and meet current building codes is \$52,250, which includes replacement of dilapidated HVAC systems, plumbing, electrical and painting. Rehabilitation of the properties is an important component of CLT model for long-term affordability and sustainability.

Due to the federal FHA mortgage limits, HUD income restrictions and the after rehabilitation value and cost of housing in Scottsdale, Newtown is unable to purchase, rehabilitate and resell single family homes in Scottsdale to persons at or below 80% of the median income. The average cost to acquire and rehabilitate single-family homes in Scottsdale is \$282,970 which exceeds the current after-rehabilitation value limits of \$201,875.

Due to the new HOME Appropriation Acts, it was determined to postpone executing Newtown's FY 2013/14 contract in the amount of \$240,019 in order to ensure all new federal HOME provisions were incorporated into the contract as required by federal regulations. Furthermore, Newtown's FY 2014/15 contract in the amount of \$209,671 and a sub-recipient agreement between Maricopa County and the City of Scottsdale was not executed.

A total of \$854,561.39 in HOME funds from fiscal year 2011-2015 contracts remains unexpended and will be returned to Maricopa County to be reallocated through the Maricopa HOME Consortium.

### **Community Involvement**

Maricopa HOME Consortium Intergovernmental Agreement 2002-016-COS requires all reallocation actions to be based on a majority vote of the HOME Consortium members. When there is a need to reallocate funds of a Consortium Member, the Consortium may elect to reallocate to another member of the Consortium or to a Community Housing Development Organization (CHDO.)

## **OPTIONS & STAFF RECOMMENDATION**

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### **Recommended Approach Option A**

**Adopt Resolution No. 10096** authorizing the return to Maricopa County, on behalf of the Maricopa Home Consortium, unexpended HOME Investment Partnership (HOME) funds in the amount of \$854,561.39 as originally allocated to Newtown Community Development Corporation (Newtown) for fiscal years 2011/12 through 2014/15 for the purpose of increasing the supply of affordable housing. HOME Investment Partnership (HOME) funds will be returned to Maricopa County, on behalf of the Maricopa HOME Consortium, in the amount of \$854,561.39 for the purposes of reallocating HOME funds to other Consortium members.

**City Council Report | Return of HOME Investment Partnership Funds (HOME) to Maricopa County HOME Consortium**

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**Description of Option B**

**Do not approve Resolution No. 10096.** Not approving Resolution No. 10096 authorizing the return of HOME Investment Partnership (HOME) funds to Maricopa County will result in the City's non-compliance with Maricopa HOME Consortium Intergovernmental Agreement 2005-002-COS, resulting in the return of funds from Maricopa County to HUD.

**Proposed Next Steps**

If Resolution No. 10096 staff will work with the Maricopa HOME Consortium to return HOME funds in the amount of \$854,561.39 in accordance to the procedures and time frames set by Maricopa County. The City will continue to administer the HOME Program for other contracts awarded to agencies for FY 2015/16.

**RESPONSIBLE DEPARTMENT(S)**

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Community Services, Human Services, Community Assistance Office

**STAFF CONTACTS (S)**

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Michelle Albanese, Community Assistance Manager, (480) 312-2309 [malbanese@scottsdaleaz.gov](mailto:malbanese@scottsdaleaz.gov)

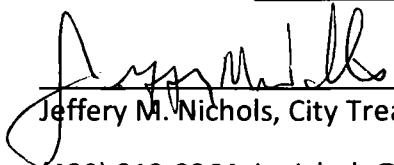
**APPROVED BY**

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\_\_\_\_\_  
William B. Murphy, Community Services Director

3/31/15  
\_\_\_\_\_  
Date

(480) 312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)

  
\_\_\_\_\_  
Jeffery M. Nichols, City Treasurer

3/31/15  
\_\_\_\_\_  
Date

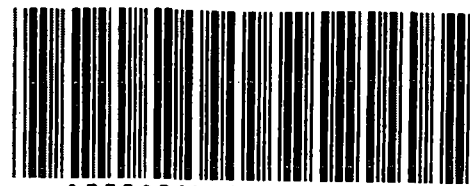
(480) 312-2364, [jenichols@scottsdaleaz.gov](mailto:jenichols@scottsdaleaz.gov)

**ATTACHMENTS**

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1. Contract #2005-002-COS
2. Resolution No. 10096

CLERK OF THE BOARD  
BASKET PICK UP



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
2005-0297455 03/10/05 15:55  
2 OF 4

**MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT**

*#2005-002-C05*

*C-17-05-061-2*

**WHEREAS**, the National Affordable Housing Act provides that units of local government that are geographically contiguous may form a consortium for the purposes of receiving an allocation to participate in the HOME Investment Partnerships Program, including American Dream Downpayment Initiative funds, (hereinafter referred to as HOME Program) to be funded by the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, the proposed level of federal funding is unlikely to provide grants to individual municipalities, but by cooperating in consortium they may as a group become eligible participants in the HOME Program; and

**WHEREAS**, the consortium of geographically contiguous local governments has notified HUD of their intention to be considered a consortium for the HOME Program March 1, 2005; and

**WHEREAS**, one local government entity must be designated to act as a representative for all member local governments for the purpose of the HOME Program,

**WHEREAS**, this Agreement constitutes an Intergovernmental Agreement (IGA) under Arizona law, meets the criteria pursuant to 24 CFR Part 92.101, and the Consortium Members are authorized to enter into this Agreement by A.R.S. §11-952 and adoption of this Agreement by their respective legislative body,

**NOW, THEREFORE**, be it resolved that the Cities of Chandler, Glendale, Mesa, Peoria, Scottsdale, and Tempe, the Town of Gilbert, and the County of Maricopa (collective, the "Consortium" or the "Maricopa HOME Consortium"; and, individually "Consortium Members") hereby enter into a consortium for the purposes of receiving an allocation from the HOME Program and agree to cooperate to undertake or to assist in undertaking housing assistance activities for the HOME Investment Partnership Program. This Consortium shall be known as the Maricopa HOME Consortium (Consortium). Maricopa County, through its Community Development Department (CD), shall be designated as Lead Agency of the Maricopa HOME Consortium. It is further resolved that:

1. This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 through 2008. The initial term of this Agreement is from July 1, 2006 to June 30, 2009, or until the HOME program funds from each of the federal fiscal years of the qualification period are closed out pursuant to 24 CFR 92.507, whichever is later. This Agreement will be automatically renewed for successive three-year periods unless a Consortium Member provides the written notice required by §2.

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- (a) The Lead Agency will notify each Consortium Member in writing at least 180 days prior to the renewal date of its right to not participate in the successive three-year Agreement period by the date specified in HUD's Consortia designation notices or listed on HOME's Consortia web page. The Lead Agency will forward a copy of the written notifications to the HUD Field Office prior to the automatic renewal effective date.
  - (b) The Consortium Members may amend this Agreement upon the approval of the undersigned current Consortium Members. Any amendments to the Agreement must be adopted and submitted to HUD prior to the automatic renewal effective date.
- 2. Except as provided by law, no Consortium Member may withdraw from the Consortium while the Agreement remains in effect. If a Consortium Member elects to withdraw from the Consortium, written notification will be provided to the Consortium prior to the automatic renewal date. The Lead Agency will notify HUD of the Consortium Member's withdrawal from the Agreement. The Consortium Member shall be withdrawn effective on the first business day of the renewal period.
- 3. New members may be added to the Consortium upon consent of a simple majority of the Consortium Members. When a new member is added, the Agreement will be amended accordingly; and the parties agree to execute such further instruments as may be reasonably required to effect such amendment. The Agreement will be amended in the federal fiscal year before the year in which the new member is to be added.
- 4. Each Consortium Member (i.e., the governing body or its designee) shall designate an individual to act as Consortium staff on its behalf. Consortium staff shall have voting authority. Consortium staff shall act on behalf of and in an advisory capacity to their respective jurisdictions. Each Consortium Member shall have one (1) vote on all issues. All actions of the Consortium will be determined by a simple majority of votes cast.
- 5. In accordance with section 91.402 of the Consolidated Plan (CP) final rule, all units of general government that are Consortium Members are on the same program year that starts on each July 1<sup>st</sup> for Community Development Block Grants (CDBG), HOME Program, Emergency Shelter Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA).
- 6. This Consortium shall submit to HUD a single, unified CP, which describes the Consortium's five-year strategy for addressing housing, homeless and supportive housing needs. The Consortium shall also submit to HUD Annual Action Plans, Consolidated Annual Performance and Expenditure Reports (CAPERS) and other reports identifying respectively short-term strategies and progress toward goals. Per regulation, all Consortium plans and reports shall contain goals and

## **MARICOPA HOME CONSORTIUM INTERGOVERNMENTAL AGREEMENT**

accomplishments for the Consortium as a whole. At the discretion of the Consortium, individual Consortium Member goals and accomplishments may be reported.

7. The Consortium Members shall receive their pro rata share of available HOME Program funds from the Consortium. This share will be calculated based on the annual Consortium Members' collective annual CDBG allocation. These funds shall be allocated to individual Consortium Members in direct proportion to each Consortium Member's annual CDBG entitlement compared to the sum of all Consortium Members CDBG entitlements received in a program year.
8. The funding which is allocated to each Consortium Member under the pro rata formula may not be allocated to, encumbered by or expended by any other participating Consortium Member within 18 months of each HOME Program grant agreement (July 1) without express written authorization of the Consortium Member whose funds will be allocated, encumbered or expended. At the expiration of 18 months, the Lead Agency, upon recommendation of Consortium staff, may reallocate any unencumbered funds per the Consortium reallocation policy (provided in paragraph 18 of this Agreement).
9. Each Consortium Member will be responsible for providing its pro rata share of matching non-federal funds not previously used each time it makes a draw against its allocation of federal funds from the HOME Program.
10. Each Consortium Member agrees to affirmatively further fair housing as required by 24 CFR Part 91.425(a)(1)(i). The parties agree to comply with Executive Order 75-5 and to comply with all applicable state and federal laws, rules, and regulations regarding equal opportunity, nondiscrimination and affirmative action.
11. Each Consortium Member, agrees to defend and hold harmless the other Consortium Members from and against any and all claims, losses, liability, costs or expenses, including reasonable attorneys' fees and sanctions imposed by HUD (hereinafter collectively referred to as "claims"), but only to the extent that such claims which result in vicarious/derivative liability, are caused by the act, omission, negligence, misconduct or other fault of the Consortium Member, its officials, agents, employees or volunteers. In the event of a dispute under this Agreement, the parties agree to use arbitration to the extent required by A.R.S. §12-133.
12. The Consortium shall comply with Arizona open meeting, public records and ethics requirements. An agenda shall be posted and minutes shall be kept on each meeting.

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13. The Consortium Members hereby authorize the Lead Agency to act on its behalf in any way required in order to comply with federal statute or regulation and this Agreement, except to make legislative commitments on behalf of the Consortium Members.
14. Maricopa County Community Development (CD), as Lead Agency, shall ensure that the Consortium's HOME Program is carried out in compliance with HUD rules and regulations, and the requirements of the HOME Program. These requirements include a Consolidated Plan (CP) in accordance with HUD regulations 24 CFR Parts 91 and 92, respectively, and the requirements of 24 CFR 92.350 and all related regulations and notices required by HUD for administration. As Lead Agency, CD shall be responsible for the administration of the Consortium HOME funds. As such, the County has been designated the Participating Jurisdiction (PJ) by HUD in the HOME Program.
15. As reimbursement for its administrative duties under this IGA, the Lead Agency will receive administrative funds from other Consortium Members in the amount of five percent (5%) of each member's pro rata share of HOME Program grant allocations for each year. This percentage will be calculated on the Consortium's annual HOME Program allocation. The Lead Agency will make special assessments for special occurrences such as the CP or additional contract activity. Consortium Members not participating in peer review of other Consortium Members will be assessed an additional \$1,000.00 for each program year.
16. The Lead Agency agrees to:
  - (a) Prepare the Consortium's Five-Year Consolidated Plan and Annual Action Plans.
  - (b) Prepare the Consortium's Comprehensive Annual Performance Evaluation Report (CAPER).
  - (c) Prepare application and contract template for Community Housing Development Organizations (CHDO). Publish Public Notices on CHDO funds.
  - (d) Coordinate/participate in peer review of Consortium Members and team monitoring of CHDOs.
  - (e) Coordinate/chair Consortium meetings, and prepare, maintain and disseminate minutes, and records.
  - (f) Coordinate/chair public hearings and publish notices.
  - (g) Process all agenda items (i.e., plans, Intergovernmental Agreements (IGA), contracts, reallocations over 10%) through the Maricopa County Board of Supervisors (BOS).



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- (h) Submit Requests for Release of Funds documents to HUD on behalf of Consortium Members. Transmit Authority to Use Grant Funds documents from HUD to Consortium Members.
  - (i) Process project setups, revisions, and completion reports.
  - (j) Process reimbursement requests from County funds; process drawdowns from HUD.
  - (k) Prepare monthly Consortium financial reports and reconcile with HUD's financial data.
  - (l) Calculate annual Consortium allocation.
  - (m) Coordinate reallocation of funds when necessary.
  - (n) Provide technical assistance to Consortium Members as required.
  - (o) Facilitate audits and/or monitorings with HUD and State Auditor General.
  - (p) Maintain all applicable Maricopa HOME Consortium application, implementation and financial files including CHDO files for completed CHDO activities. In addition, the Lead Agency will maintain all files associated with monitoring and reporting to HUD. The Lead Agency will maintain these administrative and programmatic files according to the current applicable State and Federal record retention schedule and regulations.
17. Consortium Members (i.e., the Cities of Chandler, Glendale, Mesa, Peoria, Scottsdale, and Tempe, the Town of Gilbert, and Maricopa County) agree to:
- (a) Administer all activities funded from the pro rata share of the non-CHDO HOME funds in respective Consortium Member jurisdictions. Each Consortium Member will develop criteria for project selection and guidelines for implementation within HUD statutes and regulations. Administration includes but is not limited to: negotiation and execution of the contract, completion of environmental reviews, completion of required reports for project set up and completion, Deed of Trust processing; review and approval of reimbursement requests; submission of reimbursement requests to the Lead Agency for payment; lead in team monitoring of activities; initiation of recommendations for any contractual changes where feasible and consistent with the Consortium's Citizens Participation Plan and needs identified in the CP; and general project oversight. The Consortium Member shall be named as the beneficiary in the Deed of Trust and shall be responsible for monitoring and enforcing HUD requirements during the period of affordability.
  - (b) Provide information and data for the CP, Annual Action Plans, CAPERs and other reports as required by HUD by the date and in the format specified by the Lead Agency.
  - (c) Attend Consortium meetings and public hearings whenever possible. One representative with voting authority should be at each meeting.

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- (d) Serve on Consortium committees for policies and procedures, plans and CAPERS, and CHDO selection as necessary.
- (e) Represent the Consortium in training, seminars, conventions, etc., and share resulting information with the full Consortium.
- (f) Participate in Consortium training sessions for subrecipients as necessary.
- (g) Conduct appropriate environmental reviews for all projects in accordance with Part 58. Complete appropriate environmental clearance documents for all projects, including CHDO projects, administered by the Consortium Member. Publish notices when appropriate. Consortium Members will submit any Request for Release of Funds documents to the Lead Agency for forwarding to HUD.
- (h) Support peer review of Consortium Members via participation or special monitoring assessment.
- (i) Process all financial reimbursements and project set-ups, revisions, and completion reports through the Lead Agency. Each Consortium Member is responsible for educating each of their subrecipients as to the procedures and time involved for processing activity reimbursement approvals, draws, and payments. Each Consortium Member shall request drawdowns of funds from the Lead Agency for all activities in its jurisdiction with proper documentation including a certification letter, a HOME payment certification, a match form, a copy of the check and invoice documenting payment. The Consortium Members shall process reimbursement requests in a timely manner and forward them to the County to help facilitate reimbursement by the County.
- (j) Report, retain, account for, and expend program income generated in their jurisdictions per federal regulations.
- (k) Maintain all applicable application, implementation and financial files. The Consortium Member will maintain these administrative and programmatic files according to the current applicable State and Federal record retention schedule and regulations.
- (l) Monitor multifamily rentals in respective jurisdictions at the specified intervals throughout the period of affordability and submit monitoring reports, as requested, to the Lead Agency.
- (m) Complete all peer review, team monitoring, and period of affordability monitoring duties by June 30<sup>th</sup> of each program year.
- (n) Carry out activities in compliance with HUD rules and regulations, and the requirements of the HOME Program; including the provisions of 24 CFR 92.504.c.2
- (o) Oversee and make recommendations for the fifteen percent (15%) CHDO set aside funding as defined within the HOME Program regulations according to the following guidelines:
  - i. These funds shall be awarded to CHDOs on a competitive Consortium wide basis.

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- ii. Requests will be submitted by CHDOs through an application process and rated through a ranking system as set forth in the CHDO application for funding.
- iii. CHDO applicants will coordinate applications with the Consortium Member in whose jurisdiction the HOME Program activity is proposed. The CHDO applicant shall secure a formal resolution of support including agreement to administer the contract from this Consortium Member.
- iv. CHDOs that are funded with the 15% set aside funds will enter into contracts with Maricopa County. The contract, including all required attachments, will be prepared by the Consortium Member in whose jurisdiction the HOME Program activity is proposed (Contract Administrator) and will be executed by the Contract Administrator and Maricopa County.
- v. The Consortium Member in which the CHDO activities occur will be named the Contract Administrator in the CHDO contract and will administer the executed contract on behalf of the Consortium. Administration includes but is not limited to: negotiation of the CHDO contract; completion of environmental reviews, completion of required reports for project set up and completion, Deed of Trust processing; review and approval of reimbursement requests; submission of reimbursement requests to the Lead Agency for payment; lead in team monitoring of activities; initiation of recommendations for any contractual changes where feasible and consistent with the Consortium's Citizens Participation Plan and needs identified in the CP; and general project oversight. The Contract Administrator shall be named as the Beneficiary in the Deed of Trust and shall be responsible for monitoring and enforcing HUD requirements during the period of affordability.
- vi. The Contract Administrator shall require CHDOs to invoice the Consortium by submitting the invoice to the Administrator who will review the reimbursement request and upon authorizing reimbursement shall forward to the Lead Agency for payment. Payment shall not be made until the Contract Administrator authorizes and certifies payment.
- vii. The Contract Administrator and the Lead Agency will work cooperatively to ensure that federal and local requirements are met under the CHDO guidelines.
- viii. To comply with the provisions of 24CFR 92.204, CHDO funds must be encumbered within 24 months after HUD approves the HOME Program action plan. Encumbrance means that a legally binding agreement has been executed for the use of the HOME Program funds. Any unencumbered funds will be required to be returned to HUD for reallocation. In an effort to ensure timely implementation of these projects, the Consortium will require CHDOs to have all

## **MARICOPA HOME CONSORTIUM INTERGOVERNMENTAL AGREEMENT**

CHDO funds encumbered when fifteen (15) months have elapsed from action (plan) approval by HUD. If a CHDO does not meet the 15-month encumbrance date, the unencumbered balance will be reallocated per the reallocation policy in the CHDO Agreement. The Consortium shall make the final decisions as to what action is to be taken.

- ix. The Contract Administrator will be responsible for maintaining all CHDO contract, implementation, and financial files during the life of a CHDO contract for the applicable retention period. Upon the completion of a CHDO contract, the Contract Administrator will provide a copy of these files to the Lead Agency for the Consortium's central files. The Lead Agency will maintain these administrative and programmatic files according to the current applicable State and Federal record retention schedule and regulations
  - x. Upon the completion of a CHDO contract, the Contract Administrator will be responsible for maintaining all additional monitoring and other applicable files during the period of affordability.
  - xi. The Contract Administrator will participate in Consortium training sessions regarding CHDOs as necessary.
18. In the course of administering the HOME Program, the Consortium may determine that there are circumstances under which reallocation of certain Consortium Member(s) and/or CHDO(s) HOME Program Funds is necessary. As a guideline, the Consortium should consider taking action when:
- (a) A CHDO has not met a 15-month encumbrance deadline or a 3-year expenditure deadline.
  - (b) A Consortium Member has not met an 18-month encumbrance deadline or a 4-year expenditure deadline.

All reallocation actions will be based on a majority vote of the Consortium Members. When there is a need to reallocate funds of a Consortium Member(s), the Consortium may elect to reallocate to another member of the Consortium or to a CHDO.

Reallocations from a Consortium Member(s) to another member(s) will be made by an Intergovernmental Agreement between the members affected by the reallocation.

CHDO reallocations not exceeding 10% of the original allocation will be amended by Lead Agency administrative action. CHDO contract amendments exceeding 10% of the original allocation will require the approval of the BOS. The minimum 15% CHDO set aside shall always be maintained.

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All CHDO and non-CHDO reallocations will be determined by using the following funding criteria:

- (a) Ability to expend reallocated amount
  - i. Ability to encumber within time limits.
  - ii. Level of effort in place to appropriately expend amount available.
  - iii. Ability to secure non-federal match.
  - iv. Timely implementation of current and past projects.
  - v. Current and past monitoring findings.
- (b) Need
  - i. According to the priorities outlined in the CP
  - ii. Degree of urgency.
  - iii. Relative levels of existing funding.

When there is a need to reallocate CHDO funds, the Consortium will first prioritize potential recipients according to the following criteria:

- (a) CHDOs that have existing contracts with the Consortium.
- (b) CHDOs that have unfunded previous submitted applications with the Consortium from the current year.
- (c) CHDOs that submit new applications to the Consortium as a result of a new Request for Proposal (RFP) process.

19. Appeals of administrative decisions and resolutions of complaints or disputes will be addressed at whatever level of administration they occur. Every contract administrator is required to have an appeals/dispute resolution procedure. Therefore, appeals/disputes relating to the administration of any contract developed in the implementing of these programs will be processed by the administrator of that contract according to the procedures of that administrator. For CHDO contracts only, final appeal may be made to the Lead Agency.

All appeals of administrative decisions by the Consortium or requests for dispute resolution relating to Consortium activities shall be in writing and submitted to the Lead Agency. The Consortium shall review the matter at the next regularly scheduled meeting and shall respond in writing within seven days of the decision.

20. This Agreement may be executed in one or more counterparts, and each originally executed duplicated counterpart of this Agreement shall be deemed to possess the full force and effect of the original.
21. This Agreement will be filed with the Maricopa County Recorder's Office by the Lead Agency within ten (10) calendar days after the final counterpart is executed and returned to the Lead Agency. This Agreement will not become effective until after it has been recorded.

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22. This Agreement may be cancelled by any Consortium Member for conflict of interest in accordance with A.R.S. §38-511.
23. A breach of this Agreement not remedied within ninety (90) calendar days of notice will: (1) act as a notice to not renew by the breaching party; and (2) entitle the non-breaching parties to seek damages caused by the breach (if any) in a court of law.
24. The obligations of the Consortium Members pursuant to the provisions of this Agreement which require the expenditure of funds do not obligate any member to make any expenditure from its general fund unless the expenditure has been duly budgeted, if and to the extent required by law, and such obligations are within all budget and expenditure limitations of, and are not in conflict with, the Constitution or laws of the State of Arizona.

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In witness whereof, the parties hereto have caused this Maricopa HOME Consortium Agreement to be executed by their duly authorized officers.

**MARICOPA COUNTY**

May W Wilson \_\_\_\_\_ Date 3/7/05  
Chair Board of Supervisors

ATTEST:

Fran McCarroll \_\_\_\_\_ Date 3/7/05  
Clerk of the Board FEB 16 2005

APPROVED AS TO FORM:

W. Rucke \_\_\_\_\_ Date 3-3-05  
County Attorney

Agreement form approved and the terms and provisions of the Agreement are fully authorized under state and local law and the Agreement provides full legal authority for the Consortium to undertake or assist in undertaking housing assistance activities for the HOME Investment Partnership Program. The undersigned attorney for the Maricopa HOME Consortium Member has reviewed this Intergovernmental Agreement and it is consistent with Arizona Revised Statutes §11-952.

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CONSORTIUM MEMBER

[Signature]  
Certifying Official for Consortium Member

1/18/05  
Date

State of Arizona

County of Maricopa

Subscribed and sworn to (or affirmed) before me this 18<sup>th</sup>

day of January, 2005, by Boyd W. Dunn

[Signature]  
Notary Public



APPROVED AS TO FORM:

[Signature]  
Attorney for Consortium Member

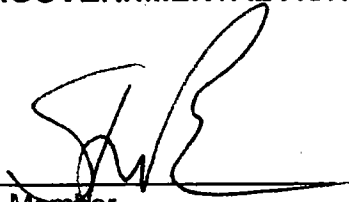
1-14-05  
Date

This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 – 2008.



MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT

CONSORTIUM MEMBER



\_\_\_\_\_  
Certifying Official for Consortium Member

1/14/05

\_\_\_\_\_  
Date

STATE OF ARIZONA     )  
  )ss.  
County of Maricopa     )

SUBSCRIBED AND SWORN before me this 14<sup>th</sup> day of January, 2004<sup>5</sup>, by Steven M. Berman, Mayor of the Town of Gilbert, a municipality in the State of Arizona.

My Commission Expires: Dec. 11, 2007

Susan Roberts  
\_\_\_\_\_  
Notary Public



APPROVED AS TO FORM:

Susan Roberts  
\_\_\_\_\_  
Attorney for Consortium Member

1/14/05  
\_\_\_\_\_  
Date

*This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 - 2008.*

MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT

CONSORTIUM MEMBER

Pam Karanough  
Certifying Official for Consortium Member

1/14/05  
Date

STATE OF ARIZONA )  
                                  )ss.  
County of Maricopa )

SUBSCRIBED AND SWORN before me this 14th day of January 2005, by Pam Karanough, Assistant City Manager of the City of Glendale, a municipality of the State of Arizona.

My Commission Expires: July 19, 2008 K Mori  
Notary Public



APPROVED AS TO FORM:

[Signature]  
Attorney for Consortium Member

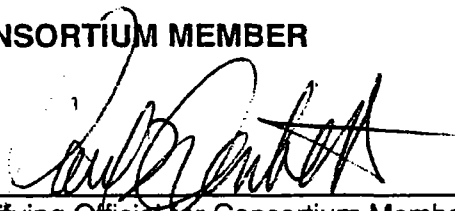
1/12/05  
Date

This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 – 2008.

ATTEST: [Signature]  
City Clerk

MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT

CONSORTIUM MEMBER



\_\_\_\_\_  
Certifying Official for Consortium Member

1/24/05

\_\_\_\_\_  
Date

STATE OF ARIZONA        )  
  )ss.  
County of Maricopa        )

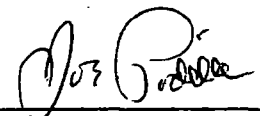
SUBSCRIBED AND SWORN before me this 24 day of January, 2005, by Paul Wenbert, Deputy City Manager of the City of Mesa, a municipality of the State of Arizona.

My Commission Expires: 9/30/2007

Vicki Tinberg  
\_\_\_\_\_  
Notary Public



APPROVED AS TO FORM:



\_\_\_\_\_  
Attorney for Consortium Member

1-21-05

\_\_\_\_\_  
Date

*This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 – 2008.*

MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT

CONSORTIUM MEMBER

*Terrence L. Ellis (for)*  
Certifying Official for Consortium Member  
Terrence L. Ellis, City Manager

2-01-05  
Date

STATE OF ARIZONA )  
 )ss.  
County of Maricopa )

SUBSCRIBED AND SWORN before me this 1<sup>st</sup> day of February 2005, by Meredith Flinn, Acting City Manager, City of Peoria, a municipality in the State of Arizona.

My Commission Expires Aug. 10, 2006

*Linda L. Blas*  
Notary Public



APPROVED AS TO FORM:

*[Signature]*  
Attorney for Consortium Member

1/28/05  
Date

This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 – 2008.

ATTEST:

*Mary Jo Kief*  
Mary Jo Kief, City Clerk



L 04493 D

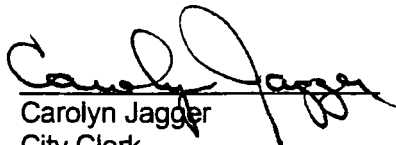
FINAL December 2004


Maricopa HOME Consortium IGA (2005-02-COS)  
January 25, 2005

IN WITNESS WHEREOF, the City has executed this Agreement this 23<sup>rd</sup> day of January 2005.

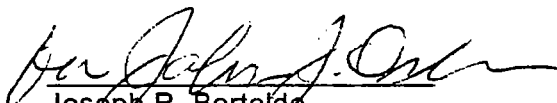
CITY OF SCOTTSDALE, an  
Arizona municipal corporation

ATTEST:

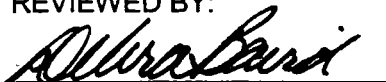
  
Carolyn Jagger  
City Clerk

  
Mary Manross  
Mayor

In accordance with A.R.S. Section 11-952, the undersigned, as legal counsel for the City of Scottsdale has reviewed the foregoing intergovernmental agreement and has determined that it is in appropriate form and is within the powers and authority granted to the City.

  
Joseph R. Bertoldo  
City Attorney

REVIEWED BY:

  
Debra Baird  
General Manager, Community Services

  
Myron Kuklok  
Risk Manager

**MARICOPA HOME CONSORTIUM  
INTERGOVERNMENTAL AGREEMENT**

**CONSORTIUM MEMBER**

*[Signature]*  
Mayor

1/7/05  
Date

STATE OF ARIZONA )  
County of Maricopa ) ss.



SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of January, 2005, by the Mayor, Hugh Haliman, City of Tempe, subdivision of the State of Arizona.

My Commission Expires: 8/20/08 Karen M. Fillmore  
Notary Public

APPROVED AS TO FORM:

*Maria A. Pembell*  
Attorney for Consortium Member

1/6/05  
Date

*This Agreement is for the purpose of funding HOME Program activities for the federal fiscal years 2006 – 2009.*

RESOLUTION NO. 10096

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE RETURN TO MARICOPA COUNTY, ON BEHALF OF THE MARICOPA HOME CONSORTIUM, UNEXPENDED HOME INVESTMENT PARTNERSHIP (HOME) FUNDS IN THE AMOUNT OF \$854,561.39 AS ORIGINALLY ALLOCATED TO NEWTOWN COMMUNITY DEVELOPMENT CORPORATION FOR FISCAL YEARS 2011/12 THROUGH 2014/15 FOR THE PURPOSE OF INCREASING THE SUPPLY OF AFFORDABLE HOUSING

WHEREAS, the City of Scottsdale ("City") participates in the Maricopa HOME Consortium which supports activities that increase the supply of affordable housing for low-income persons; and

WHEREAS, the Newtown Community Development Corporation ("Newtown") is a non-profit Community Housing Development Organization which has a history of community service in Maricopa County, and has among its purposes increasing the supply of permanently affordable housing while developing and supporting homebuyers; and

WHEREAS, Newtown applied to the City of Scottsdale for federal HOME Investment Partnership Program ("HOME") funding to acquire, rehabilitate, and resell single family homes in Scottsdale to income eligible first-time homebuyers as part of the Scottsdale Community Land Trust Homeownership Program; and

WHEREAS, the City Council approved Newtown's applications for HOME funding in the amounts of: \$380,000 for FY 2011/12; \$340,000 for FY 2012/13; \$240,019 for FY 2013/14; and \$209,671 for FY 2014/15; and

WHEREAS, the City Council authorized the City to contract with Newtown pursuant to Contract No. 2011-063-COS for \$380,000 and Contract No. 2012-077-COS for \$340,000, of which a total of \$404,871.39 remains unexpended; and

WHEREAS, the City Council authorized the City of Scottsdale to enter into contracts with Newtown for FY 2013/14 in the amount of \$240,019 and FY 2014/15 in the amount of \$209,671; and

WHEREAS, FY 2013/14 and FY 2014/15 contracts with Newtown have not been executed, resulting in an additional unexpended amount of \$449,690; and

WHEREAS, a total of \$854,561.39 in approved HOME funding with Newtown remains unexpended; and

WHEREAS, Section 215(b) of the National Affordable Housing Act of 1990 and 24 C.F.R. § 92.254(a)(2)(iii) require that the after-rehabilitation value of homeownership units assisted with

HOME funds not exceed 95 percent of the area-median purchase price for single family housing;  
and

WHEREAS, the Maricopa HOME Consortium has determined that the after-rehabilitation housing value maximum limit for Maricopa County is \$201,875 and that the price to acquire single-family homes in Scottsdale exceeds the current after-rehabilitation value limits of \$201,875; and

WHEREAS, Newtown has thereby notified the City that, due to rising real estate conditions, Newtown cannot expend the remaining allocated funds in compliance with contract statements of work;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Arizona, as follows:

Section 1. The City Council hereby authorizes and directs the return of HOME Investment Partnership funds to Maricopa County on behalf of the Maricopa HOME Consortium, in the amount of \$854,561.39 as originally allocated for fiscal years 2011/12 through 2014/15 to Newtown Community Development Corporation for the purpose of increasing the supply of affordable housing.

Section 2. The City's Community Services Director or his designee is hereby authorized and directed to execute any other documents and take such other actions as are necessary to carry out the intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 14<sup>th</sup> day of April, 2015.


CITY OF SCOTTSDALE, an Arizona  
Municipal Corporation

ATTEST

\_\_\_\_\_  
Carolyn Jagger  
City Clerk

\_\_\_\_\_  
W. L. "Jim" Lane  
Mayor

APPROVED AS TO FORM:  
Bruce Washburn, City Attorney

By:   
Steven B. Bennett  
Deputy City Attorney