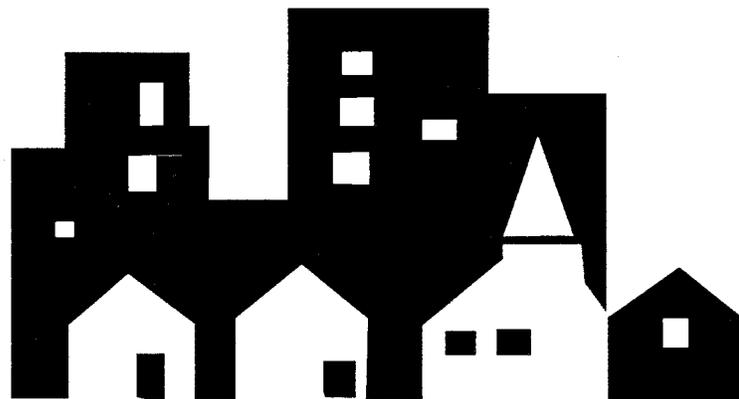


**Joint Legislative Study Committee
On
Housing Redevelopment**



**Final Report
December 31, 1992**

JOINT LEGISLATIVE STUDY COMMITTEE ON
HOUSING REDEVELOPMENT

AUTHORITY:

The Joint Legislative Study Committee on Housing Redevelopment was established under HB 2562, Laws 1992, Chapter 285. Membership for the Committee consists of two members each from the House of Representatives and from the Senate and private citizens appointed by the President of the Senate and Speaker of the House. In addition, the Governor appointed three citizens. The members are:

Representative Ernie Baird	Senator "Lito" Pena
Representative Ruth Solomon	Senator Ed Phillips
Mr. Marvin Andrews	Monsignor Edward Ryle

Mr. Rich Crystal
Mr. Kevin DeMenna
Mr. Martin Schultz

DUTIES:

The duties of the Committee are:

1. To examine the existing and potential applications of tax incentives to encourage private investment in the development or redevelopment of multi-family housing stock in urban areas of the state. The Committee should specifically consider:
 - a) incentives including but not limited to reductions or abatements in property and possessory interest taxes;
 - b) the total amount of property within individual cities that should be eligible for the application of such incentives; and
 - c) the appropriate length of time during which such incentives should be in effect.
2. Examine the extent to which multi-family housing exists within the urban centers and downtown areas of urban cities, and the impact that various incentives may have on increasing the number of multi-family housing units in such areas.
3. Require a specific portion of multi-family housing units constructed as the result of such incentives to be designated as available for low-income individuals and families.
4. Prepare a final report including recommendations and proposed draft legislation to the Governor, the President of the Senate and the Speaker of the House.

BACKGROUND:

During the 1992 regular session, HB 2577 was introduced to address the need for market-based housing in the urban areas of the state. The purpose of the bill was to provide tax incentives to developers so that a city could establish a housing redevelopment area and work toward improving safe and sanitary housing in the central urban area. Due to concerns of the sponsor that the bill would be caught in the time constraints of the session and that more study on this issue was needed, a joint legislative study committee was established.

COMMITTEE ACTION:

The Committee met several times to gather information on the housing needs of the two major metropolitan areas of the state. Officials from the cities of Phoenix and Tucson provided information on the current status of market based housing within the central areas.

Recently the City of Phoenix has initiated several projects to enhance the central city area. This includes retail projects such as the Arizona Center, expanding transit routes and improving the landscaping. However, the key area that needs to be addressed to improve the central city is housing. In terms of a housing redevelopment area, Phoenix is seeking to improve the market rate multi-housing shortage between the area from Camelback Road to Jackson Avenue and from 19th Avenue to 24th Street. (See Appendix A)

Officials from the City of Tucson agreed that their urban core area is in need of market based housing and provided information from the City Planning Department which depicts high density areas and reviewed thirty-one stress factors which lead to out migration. (See Appendix B)

In order to improve the housing market, financial incentives need to be offered to developers because of the higher risks associated with developing in the core areas of the city. Lack of financing for higher risk areas include costs of security due to higher crime rates, more parking areas and lack of retail activity, especially grocery stores.

In addition, the Committee heard testimony from Gerald Trimble, a partner in the real estate consulting firm of Keyser Marston Associates, Inc. Mr. Trimble was involved in the redevelopment of the downtown San Diego area over the past twenty years and shared with the Committee some of the pros and cons of improving housing in central cities.

He recited his experience that it is much more difficult for a city to attract and develop market rate housing in the core city area than it is to promote retail and commercial development. The city must address the issues of crime, blight, pornography and other problems and create more than a level playing field for downtown for an extended period, until the free market can really take over.

In San Diego, the City retained the services of planners, architects and economists and appointed a citizens committee and prepared an urban design plan for the downtown residential neighborhoods. The urban design plan established residential as a priority land use, created land use controls and development incentives. The importance of the urban design plan was that it clearly established that the City was serious about downtown housing and that developers, lenders and residents knew that they would be part of a residential community and not isolated. Mr. Trimble outlined the incentive plan used in San Diego and noted many of the benefits. (See Appendix C)

The Committee also examined the current areas of assistance to improve housing in core city areas. However, most of the assistance plans relate to low-income and affordable housing and not necessarily to market rate housing. Additionally, information was provided relating to state housing policies throughout the nation. (See Appendix D)

RECOMMENDATIONS:

After considerable discussion of housing needs throughout the urban areas of the state, the Committee respectfully submits the following recommendation for legislative consideration that is modeled after the existing Slum Clearance and Redevelopment Act. The recommended legislation allows cities to establish a housing redevelopment area in which residential, recreational, commercial or other projects consistent with residential activities could be financed through public monies and to provide tax incentives for up to twelve years through favorable property valuation relating to the possessory interest tax. (See Appendix E)

Summary of the Provisions of the Recommendation Legislation:

- ◆ Provides definitions.
- ◆ Provides that municipalities may establish housing development areas and prepare housing development plans.
- ◆ Allows municipalities, within housing development areas:
 - To purchase or otherwise obtain; hold, improve or prepare in any way; or sell or dispose of any real or

personal property necessary to the housing development project;

- To enter into contracts with developers regarding the use of such property;
 - To borrow money and issue bonds or other obligations and to provide security for such obligations;
 - To insure or provide for insurance for any real or personal property or operations of the municipality in a housing development area;
 - To finance, construct, operate, manage or maintain projects within a housing development area;
 - To apply for and enter into agreements regarding public and private financing;
 - To extend credit or make loans to any person or entity, including nonprofit organizations, for the costs of any housing development project and to establish requirements for securing loans.
- ◆ Prescribes allowable investments for housing development area funds.
 - ◆ Requires municipalities to prepare plans and provide assistance for the relocation of families displaced by any project within the housing development area.
 - ◆ Allows certain powers to be delegated to the housing department or housing authority of the municipality.
 - ◆ Provides that a municipality has the power of eminent domain within the housing development area.
 - ◆ Requires that a governing body of a municipality may declare a portion of the city to be a housing development area if it is determined that a housing shortage exists and that the shortage would be reduced as a result of the development.
 - ◆ Prescribes requirements for the housing development plan and for modification of the plan.
 - ◆ Allows municipalities to dispose of property within a housing development area, and prescribes procedures for such disposal, including public notice requirements and requirements for consideration of proposals.
 - ◆ Allows municipalities to issue bonds to finance a project within a housing development area.

- ◆ Provides that the bonds are not a general obligation or general debt of any political subdivision of the state.
- ◆ Provides that bonds are authorized by resolution of the local governing body.
- ◆ Prescribes procedures for providing additional security for bonds and for the certification of the bonds by the attorney general.
- ◆ Establishes remedies for persons holding housing development project bonds in the event of default.
- ◆ Provides that any property held for the purpose of the housing development project is exempt from property tax liens and from execution sales.
- ◆ Allows other public bodies to assist in the development of a housing development project by conveying property to a municipality, incurring expenses for public improvements, lending or granting funds to a municipality, using funds to purchase bonds or other obligations or entering into agreements with a municipality regarding the project.
- ◆ Provides that any sale or other conveyance of property by a public body to a municipality for the purposes of the housing development project may be made without appraisal, public notice or public bidding.
- ◆ Allows a municipality to levy taxes, incur indebtedness and issue bonds in an amount determined by resolution of the governing body to be necessary for projects within the housing development area.
- ◆ Provides for the creation of a possessory interest for up to twelve years. The redevelopment project would be taxed based on the greater of the value of the property before its acquisition for redevelopment or its value as unimproved land.
- ◆ Provides that if a housing development plan is terminated, the municipality is liable for any outstanding debts of the area.

APPENDIX A

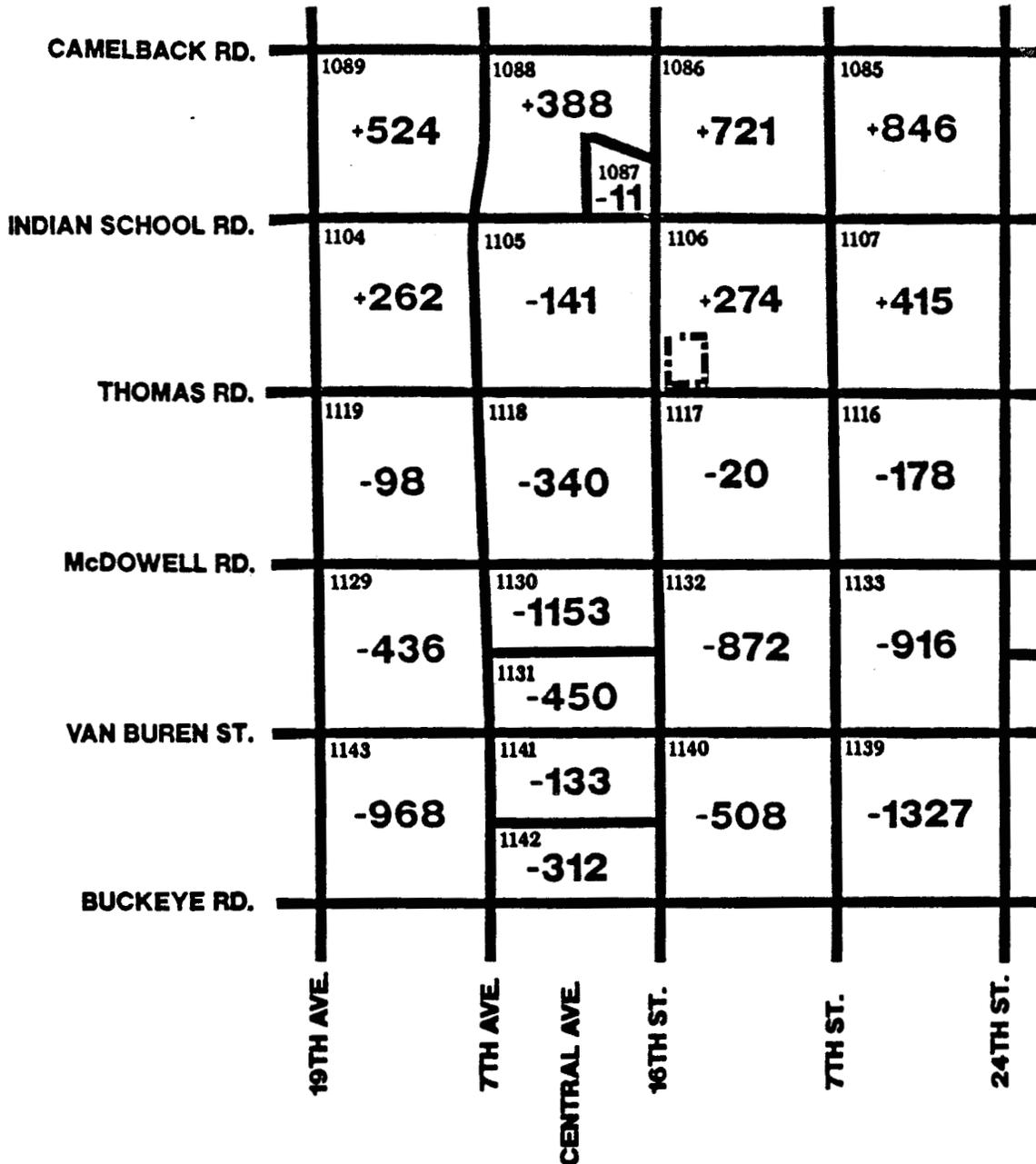
CENTRAL CITY TARGET AREA

Multi-Family Construction: 1985-1991 Units by Year

Year	Total	City Sponsored	Comments
1985	474	162	
1986	28	0	
1987	68	0	
1988	131	60	(63 luxury condos)
1989	204	0	(All units in one complex)
1990	0	0	
1991	<u>56</u>	<u>56</u>	
	961	278	

CENTRAL CITY TARGET AREA

Units Lost 1970 - 1990 (Net)



Legend

- + Number of units gained
- Number of units lost

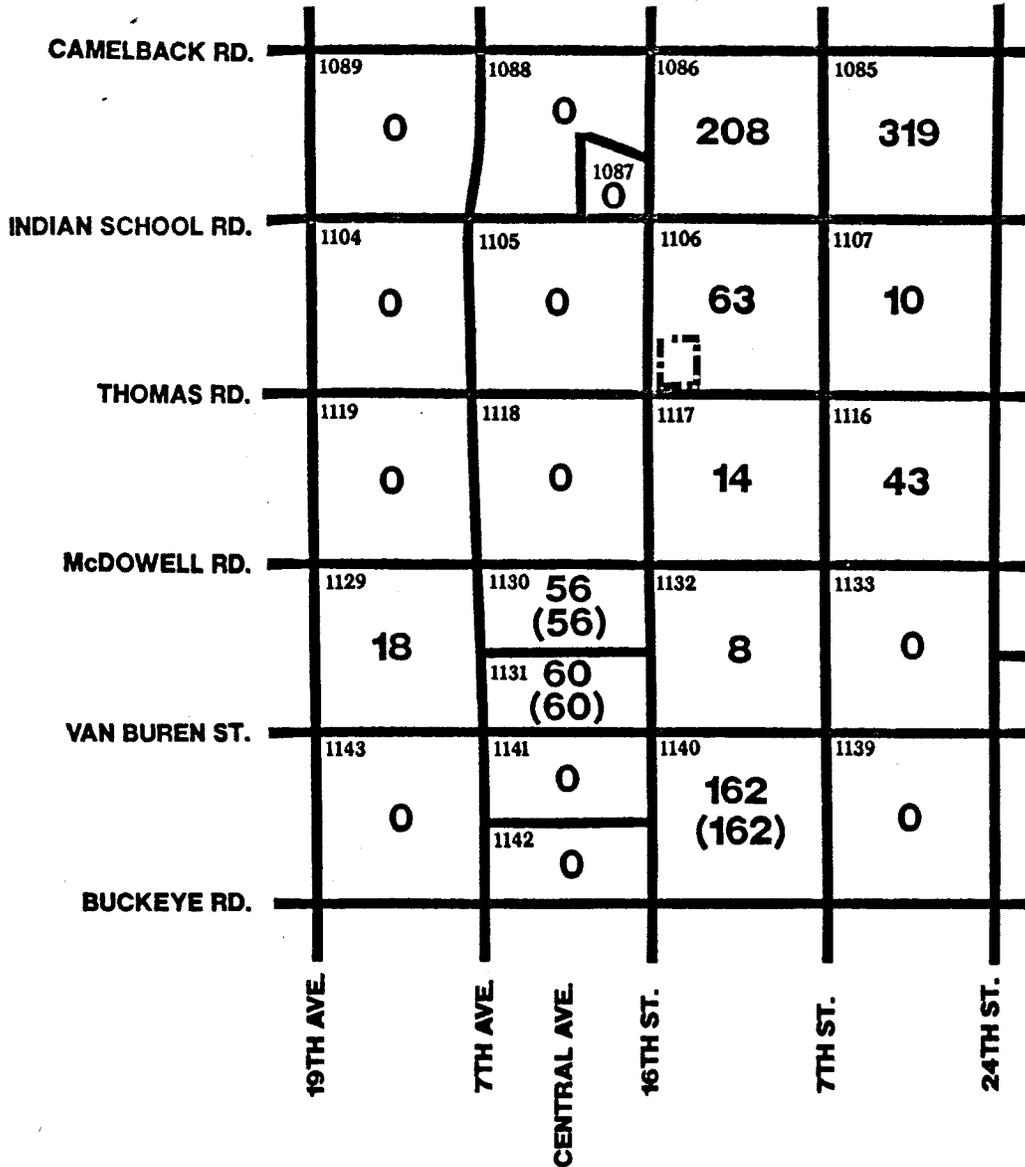


Census tract number

**Total Net Loss
-4403 Units**

CENTRAL CITY TARGET AREA

Multi Family Units* Added 1985 - 1991



Legend

() City sponsored

* 5 or more units

 Census tract number

Total Units

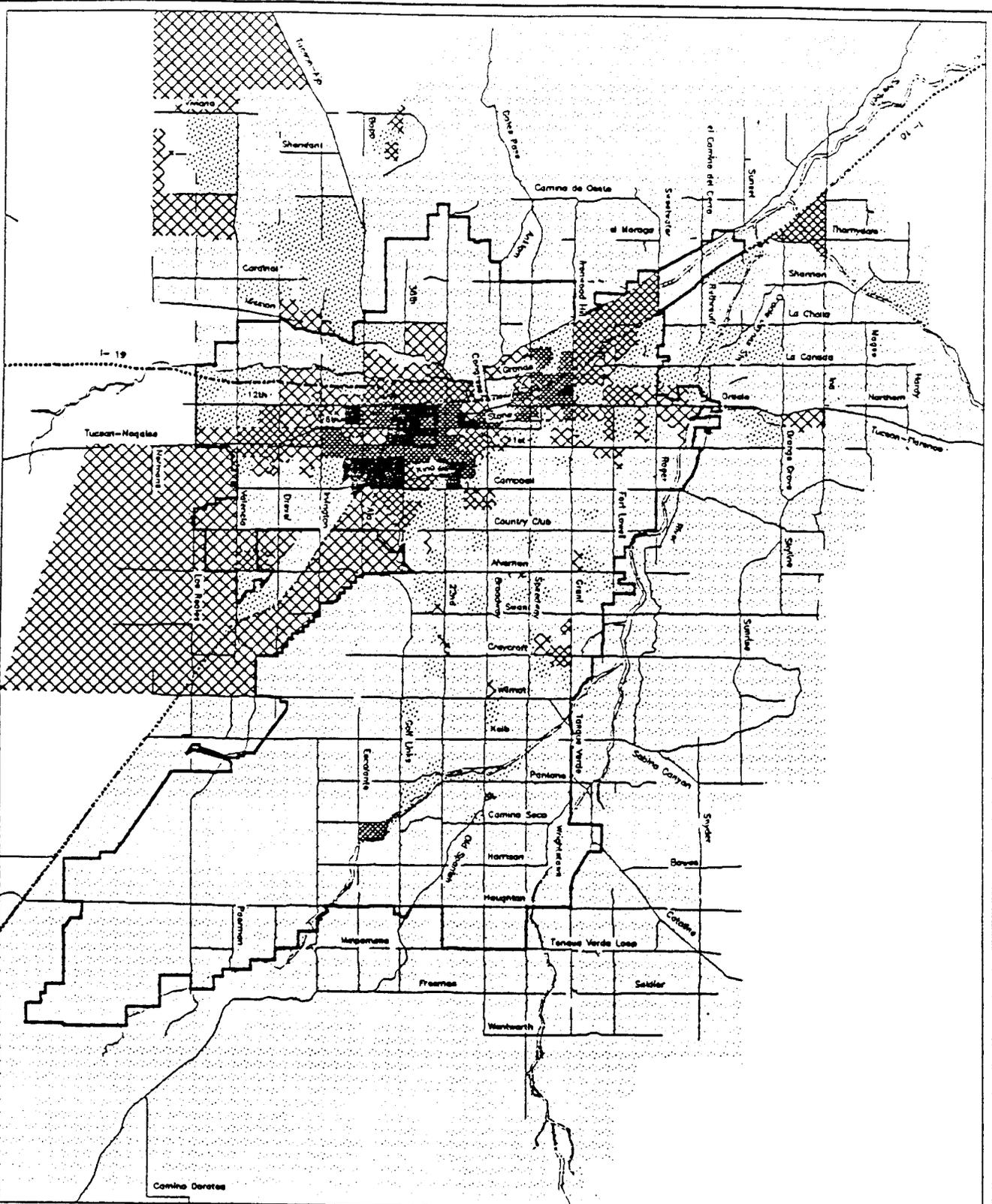
961
(278)

APPENDIX B

Tucson Metropolitan Area

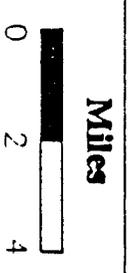
Composite Stress Index

Tucson Planning Department



- ### Legend
- Arterial
 - City Limit
 - Highway
 - Interstate
 - River

- ### Stress Level
- Highest Stress
 - High Stress
 - Medium-High Stress
 - Medium Stress
 - Low Stress
 - Non-Stress
 - Not in Sample



INDICATORS OF NEIGHBORHOOD STRESS

CITY OF TUCSON

1990

Prepared by
Tucson Planning Department

1992

MAYOR AND COUNCIL

George Miller, Mayor

Bruce Wheeler	Roger M. Sedlmayr
Janet Marcus	Steve Leal
Michael Haggerty	Molly McKasson

OFFICE OF THE CITY MANAGER

Reuben Suarez
City Manager

Luis G. Gutierrez
Deputy City Manager

PLANNING DEPARTMENT

William D. Vasko, Director
John F. Siry, Assistant Director, Advanced Planning
David K. Taylor, Planning Program Coordinator
Joshua Lytle, Senior Planner

CITY OF TUCSON

INTRODUCTION

Information about population and housing characteristics is central in the assessment of community needs. These data are necessary if not sufficient in forming a comprehensive strategy for community development and betterment. These data can be used as supporting information in targeting areas for rehabilitation and renewal of the physical housing inventory and for implementing programs to support and nourish those in need.

The present study essentially replicates an earlier study done in 1983 using 1980 Census data. It differs from the 1983 Study in the following ways.

- 1) It is not limited to the corporate limits of the City of Tucson. The former study has proven to be of such value to service providers in the metropolitan region that a wider scope seems warranted.
- 2) The 1990 study differs in the composition of two of 31 original factors (they are no longer enumerated) used to diagnose the need and dependency of census block groups.

This report includes several maps of stress areas and their respective census tract and block group polygons. Detailed census maps available in the Planning Department Library should be reviewed to get the specific boundaries of any individual areas of interest.

This report included only the summary composite scores indicative of stress for each census block group. Detailed tables of the components of these composite scores are about one hundred pages long. They may be copied by those wishing this level of detail. Master copies are on file in the Planning Department Library.

METHODOLOGY

Neighborhood Stress Index -

In 1983, in order to arrive at a meaningful list of data items which could be used to determine target rehabilitation areas, an extensive survey was conducted of the literature on social indicators (cf. "Bibliography," CDP Technical Studies, Volume I). Previous Community Development Program reports were also reviewed and the indicators used were evaluated as to their predictability of community needs. As a result of these efforts 31 data items from the 1980 Census were selected which were judged the best indicators of social and environmental stress. The concept of stress as used here is one of dependency and need. That is, measures indicative of need, such as poverty, unemployment, inadequate housing; and dependency, such as the ratio of youths and elderly to working age persons, isolation, and mobility or work disability, are an elemental part of this conception. Also included was information on economic status, shelter costs, housing age and condition and possible social dependency, such as youth, old age or language disability. Excluded were some traditionally used indicators such as renter/owner status and racial or ethnic composition. These were felt to reflect the character of the neighborhood, not its quality or stability. The concept of stress and its metric score as developed here are meant to aid in the allocation and prioritization of service delivery by governmental units and community agencies.

For this second report on Indicators of Neighborhood Stress, we have retained to the extent possible the same variables used one decade ago so as to preserve the maximum comparability. It is true that many changes to census questions over the decade might have produced a different data selection in 1990 if comparison were not an issue.

Relevant Variables Defined:

1. Minor Population
Persons 18 years old or less as a percentage of the total population.
2. Elderly Population
Persons aged 65 years or more a percentage of the total population.
3. Minority Elderly Population
Persons aged 65 years or more who are not White, non-Hispanic as percentage of the total population.
4. Pre-School Index
Children 5 years or less as a percentage of the total youth population aged 18 years or less.
5. Dependency Index
Ratio of youths (18 years or less) and elderly (65 years or more) to working age persons (19 - 64 years).
6. Fertility Index
Number of children less than 5 years of age per 1,000 women aged 15 to 44 years of age.
7. Language Disability
Persons 18 years and over who do not speak English well or at all as a percentage of the population aged 18 years and over.
8. Mobility Disability
Civilian, noninstitutionalized persons 16 years and over with a disability limiting mobility and self-care as a percentage of all civilian, noninstitutionalized persons 16 years and over.
9. Work Disability
Persons aged 16 to 64 years of age with a work disability as a percentage of all persons 16 to 64 years of age.
10. Poverty Status - Persons
Persons below the poverty level as a percentage of all persons for whom poverty status is ascertained.
11. Poverty Status - Families
The number of families below the poverty level as a percentage of all families for whom poverty status is ascertained.
12. Poverty Status - Elderly Persons
Persons 65 years or over who are below the poverty level as a percentage of all persons 65 years or over.

13. Educational Attainment
Persons aged 25 years and over who have completed less than 4 years of high school as a percentage of all persons 25 years and over.
14. Unemployment Rate
Unemployed persons 16 years and over who are in the civilian labor force as a percentage of all persons 16 years and over in the labor force.
15. Not Working in 1989 (replaces a variable used in 1980 which is no longer available)
Persons 16 years and over with no employment in 1989 as a percentage of all persons 16 years and over.
16. Working Mothers
Females 16 years and over who are in the labor force and have children under 5 years of age as a percentage of all females 16 years and over with children under 5 years of age.
17. Female Householder
Families who have a female householder with related children under 18 with no husband present as a percentage of all families with related children under 18 years of age.
18. Family Dependency Index
Families that have related children under 18 years and families that have persons aged 65 and over as a percentage of all families.
19. Crowding
Housing units which have more than 1.01 persons per room as a percentage of all occupied housing units.
20. Sanitation/Crowding
Housing units that lack plumbing for exclusive use and which have more than 1.01 persons per room as a percentage of all occupied housing units.
21. Plumbing
Housing units that lack plumbing for exclusive use as a percentage of all housing units.
22. Housing Age
Housing units built before 1940 as a percent of all housing units.
23. Kitchen Facilities
Housing units which lack complete kitchen facilities as a percent of all housing units.
24. Sewage Disposal
Housing units which are not connected to either a public sewer or septic tank as a percentage of all housing units.
25. Source of Water (replaces a variable used in 1980 which is no longer available)
Housing units whose source of water is either dug wells or some source other than public/private water companies and drilled wells as a percentage of all housing units.

26. Heating Fuel
Occupied housing units lacking adequate heating fuels, i.e., that use fuel oil or kerosene, wood, coal, or no fuel at all, as a percentage of all occupied housing units.
27. Vacancy Rate
Vacant housing units as a percentage of all housing units.
28. Owner Costs
Owner households with incomes less than \$20,000 with owner costs exceeding 34% of their income as a percentage of specified owner occupied housing units.
29. Renter Costs
Renter households with incomes less than \$20,000 with gross rent exceeding 34% of their income as a percentage of specified renter occupied housing units.
30. Communications
Occupied housing units with no telephone and with a householder aged 65 years or over as a percentage of all occupied units.
31. Access
Occupied housing units with no vehicle available as a percentage of all occupied units.

Sample data from the 1990 Census contain most of the information reflective of need and dependency. These data are reported at their smallest geographic unit in census block groups, about six to ten city blocks. All 561 census block groups in Pima County formed the largest of three data bases used in this Study. The Metropolitan Tucson data base is comprised of 514 block groups and that limited to the City of Tucson 404 block groups.

The geographic units of analysis used here are census block groups not recognized "neighborhoods". However, block groups are a neighborhood-scale census geographical entity, and form the lowest level of reporting of the data used here. Using the data listed above, "neighborhood stress" scores were computed reflecting the physical and social conditions indicative of dependency and need. These scores were standardized (i.e., z-scores were computed):

$$Z_i = (X_i - \text{MEAN } X_i) / \text{STANDARD DEVIATION OF } X_i$$

to transform then into unitless measures with means of zero and variances of one. This allows a more straightforward approach to developing an overall composite score for each block group reflecting their average score across these 31 variables. The variables are not weighted in any manner. Each variable contributes equally to the final composite score. There is little theory and no practice suggestive that one versus another ought to be weighted more heavily. Each block group was sorted on its standardized composite score. The higher the score, the greater the social and environmental (i.e., housing related) stress in the area. The sorted block groups were divided into two groups; those with composite scores greater than that of the City (i.e., they were worse than the average of Tucson) and

those that were lower. The latter are only generally portrayed in the following maps as their scores suggest that they, when compared to the first group, are more able to maintain themselves without the need of special governmental support or assistance. One must remember that these data reflect only population and housing variables as measured by the 1990 Census. Highly relevant matters such as nutrition, cultural deprivation, health status, crime, social cohesion of households and neighborhoods, external environmental matters such as noise, vibration, smoke, dust, or many other highly relevant social, economic, biological, and psychological factors which impair a high quality of life are not included in this analysis.

Caution must be exercised in the use of these data and interpretations of their meaning. Areas with very high scores indicative of high need and dependency may in fact have healthy, vital households. These scores are not qualitative assessments of an area's spirit or vitality; rather, these scores are simple, mathematical indicators of population and housing facets indicative of need. The scores have no agenda. They are provided to assist in fuller assessments of areas to be supported by community resources. Areas scored as having very low need or dependency may in fact have serious problems concerning issues or subjects outside the scope of this Study. These scores and the rankings of "neighborhoods" should not be used as a substitute for the judgement of professionals, the public, and their elected leaders but rather as supporting facts in determining the allocation of services and support.

The attached tables list the composite standardized scores of block groups. **The "worst" (most in need) areas are ranked first.** We have portrayed the spacial distribution of these rankings in the attached NEIGHBORHOOD STRESS MAP. The darker shaded areas are those most in need. Areas whose composite score was better than the community average are not shown in detail as they were deemed to be less in need of the expenditure of community resources. That is not to say that such areas might not exhibit need or dependency based on other measures or a few of the thirty-one variables used in the composite score. The Planning Department has copies of the data and scores for all areas in the analysis.

ATTACHMENTS:

1. COMPOSITE STRESS INDEX MAPS

[The most heavily shaded areas have the highest stress scores. The following two maps may be used to more precisely locate each block group area.]

2. TUCSON METROPOLITAN AREA: CENSUS TRACT MAP
3. TUCSON METROPOLITAN AREA: BLOCK GROUP MAP
4. COMPOSITE SCORES OF NEIGHBORHOOD STRESS:
SORTED IN RANK ORDER

[To find specific areas of the City from this list, first note the census tract, then locate the tract using the census tract map. Then note the block group within the tract, locating it from the block group map. Major streets and features are depicted on both maps]

APPENDIX C

Heinz A. Schilling

LOS ANGELES 213/622-8095

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Calvin E. Hollis, II
Kathleen H. Head

SAN FRANCISCO 415/398-3050

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Carlsbad, California 92009
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MEMORANDUM

TO: Betty Ohr, Assistant Director
Neighborhood Services Department
City of Phoenix

FROM: Gerald M. Trimble

DATE: November 27, 1992

SUBJECT: Joint Legislative Study Committee on Housing Redevelopment

The following is a transcribed version of the testimony that I will provide to the Joint Legislative Study Committee on November 30, 1992.

INTRODUCTION

My name is Gerald M. Trimble and I am a principal in the real estate consulting firm of Keyser Marston Associates, Inc. My address is 7690 El Camino Real, Carlsbad, CA 92009. Keyser Marston Associates has been in business for 20 years advising private sector and public sector clients. Prior to joining Keyser Marston Associates I was the Executive Director of the Pasadena Redevelopment Agency from 1971 to 1977, the Executive Vice President of San Diego's equivalent of a downtown redevelopment agency, the Centre City Development Corporation from 1977 to 1987 and the President of the USC Real Estate Development Corporation, a business Subsidiary of the University of Southern California, from 1987 to 1992. I have been involved in numerous downtown revitalization efforts during the past 22 years either as a staff person running the program or as a consultant.

I have been asked by the City of Phoenix to describe some of the work that I have completed in the area of downtown residential development, why housing is important downtown and the kinds of incentives that I have found to be successful. I have been involved in urban housing development for all income groups in Los Angeles, Pasadena, Burbank and San Diego. Most recently in Los Angeles, I ran a company that developed housing in an urban area for faculty and staff of the University of Southern California. Since time is limited, however, I will focus my remarks on our experience over a 16 year period in creating the environment and causing the development of housing in Downtown San Diego.

DOWNTOWN SAN DIEGO, A CASE STUDY

San Diego is a very conservative city that did not take advantage of federal urban renewal funds in the 1960s to revitalize its urban areas. In the early 1970's Mayor Pete Wilson and the business community realized that the city needed to undertake a major revitalization effort in downtown San Diego because of the physical deterioration, crime, concentration of pornographic uses, economic dislocation and the overall drain of the area on city services and finances. When the redevelopment process was started, we recognized that new retail, office, hotel, restaurants, entertainment and convention center uses were important in bringing people downtown, but these uses were not sufficient for successful redevelopment. The missing ingredient was residential. It was important to find a way to get people to live downtown - to appeal to the people of San Diego to consider downtown as an alternative residential community.

This was very, very difficult. The development and financing of market rate housing in downtown San Diego was far more difficult than developing major retail, office or hotel uses, which were not easy. Horton Plaza took 10 years to plan, implement and build. We had to create and use every incentive we could think of to make downtown competitive with other San Diego residential neighborhoods after arresting the blight, crime, porn and other problems. The important concept is that **we had to create more than a level playing field for downtown for an extended period, until the free market really took over.**

In 1976, redevelopment plans were adopted establishing residential development as the high priority land use. We worked with the City Council in creating funding mechanisms for implementing our plans. Mayor Pete Wilson and business leaders hosted meetings and luncheons in San Diego, Los Angeles and San Francisco for financial institutions and residential development companies allowing us to describe our redevelopment plans and our emphasis on housing development.

We then requested development proposals from housing developers, proceeded through the selection process, negotiated agreements with developers, purchased sites and sold land for housing development. The first phase of market rate housing was approximately 150 units in two developments and by different developers. This initial complex of housing was multifamily - for sale. Developed out eventually on six blocks, these two projects totalled 450 housing units clustered around a one block park.

Concurrently we retained the services of planners, architects and economists - appointed a citizens committee and prepared an urban design plan for our downtown residential neighborhoods. The urban design plan established residential as a priority land use, created land use controls and development incentives. The importance of the urban design plan was that it clearly established that the city was serious about downtown housing - that developers, lenders and residents knew that they would be part of a residential community and not isolated.

We went through some very difficult economic periods, e.g., attempting to sell condominiums with interest rates at 18 - 20%. However, the effort has been successful and has produced approximately 4,000 housing units ranging from 200 square foot SRO units to rental loft

apartments, adapted warehouses and soap factories into housing to garden style townhome and apartments and high rise luxury for sale units. This has taken 16 years and San Diego will probably be involved in the process for at least another 15 years. Many projects are on the drawing boards, stalled because of the recession and the state of the real estate capital markets, but they will eventually be built because people finally want to live, shop and dine in the downtown area.

The consumer groups we were trying to attract were primary residents (buyers and renters), the second home market, empty nesters, young adults new to the job market and of course, investors.

INCENTIVES

1. Financial - Generally we found with many different projects over an extended period of time, that the range of financial subsidy necessary was in the \$20,000 to \$30,000 per dwelling unit range. Financial incentives that we used are as follows:
 - . Land price subsidy, parking development assistance, off site improvements
 - . Credit enhancement for project financing
 - . Mortgage revenue bond financing
 - . Financial assistance to the project for inclusion of low and moderate income housing units
 - . Working with financial institutions to secure construction and permanent financing for downtown residential projects.
 - . Sources of funding: City loans, tax increment, CDBG Section 108 loans and mortgage revenue bond financing.
 - . From the public sector's standpoint, we were concerned about developers reaping a windfall in this process so we carefully analyzed every transaction and priced the land in a manner to reduce our financial subsidy over a period of time, e.g., participation in the future sale of condominiums, participation in the resale of units and participation in the rental income stream. The public sector was not in partnership with the developers - we merely priced the land or the development opportunity with participation provisions. Financial institutions do this with developers in many instances, therefore we used this as a model.
2. Planning, land use and urban design guidelines, land use bonuses providing for more density or revenue producing uses on a site or nearby to stimulate the development of housing units.
3. Priority and assistance in the processing of plans for housing development.

4. Creating an atmosphere where residential would thrive, assisting other uses that are compatible with residential to occur, developing amenities, activities for people such as parks, service commercial, etc., security and safety issues, urban lighting and landscaping.
5. Psychology - Advertising downtown as **the place to be - to shop, dine, live.** Development of a major marketing and public relations campaign to promote and sell downtown and downtown housing.

BENEFITS OF DOWNTOWN RESIDENTIAL

1. Supports all other uses such as retail, restaurants, theaters, service businesses, etc. The discretionary income, the buying power of downtown residents is very important. It creates demand for more retail and restaurants and in turn for more residential. Generates sales tax revenue to the state and city.
2. Supports the live-work relationship
3. It is clearly a security measure - more people on the street is very important, especially people that live there - pride of ownership.
4. Reduces traffic congestion

WHY HOUSING?

Housing is a major industry important to the economy of all regions. Market rate housing development will not occur downtown without the assistance of the public sector because of high land cost, physical conditions (lack of housing, services, crime, amenities) and because consumers will not be attracted to the downtown alternative without it being competitive with other residential neighborhoods. There are very few cities where downtown housing works - where a vibrant housing community exists without public sector involvement. This is especially true here in the west where we invented suburban sprawl, flight to the suburbs of people and all of the services. The suburbs where people found cheap land and none of the urban problems.

KEN LUBAS / Los Angeles Times



Los Angeles
John McGuire
at The
Metropolitan
apartments.

SEAN M. HAFEEY / for The Times



San Diego
Pam
Hamilton
at Columbia
Place.

L.A. TIMES 9/2/90

Downtown Living

■ Urban Lifestyle:

Developers, backed by Los Angeles and San Diego city officials, are building residential units in 'commuter downtowns.'

By DIRK SUTRO

In Europe and in cities such as Chicago, New York and Boston, there are long traditions of urban living. It's taken for granted that those who want to can find homes, work, restaurants and shops all close together in densely developed urban centers.

That's not the case in Southern California, though, where it has taken years for redevelopment agencies to create residential neighborhoods in downtown Los Angeles and San Diego, and where the migration to the suburbs during the 1950s and 1960s resulted in commuter downtowns, deserted at night.

In San Diego, Ted Odmark and partner John Thelan are among a new generation of developers who see downtown as a land of residential opportunity.

Their first downtown effort was Columbia Place, a 103-unit condominium project at Columbia and G streets. The

condos, from 775 to 1,107 square feet in size and priced from \$90,000 to \$175,000, sold out by the time of its grand opening in 1988.

Odmark and Thelan built the project with assistance from the Centre City Development Corp., the city's redevelopment arm, which assembled land at a cost of \$55 a square foot and sold it to the partners for \$30, a subsidy of \$1.5 million.

Through a development agreement under which CCDC received a pay-back based on sales, CCDC received \$1.2 million—more than expected—when the project sold faster than predicted and at higher prices.

"Our mission with CCDC was that they knew I knew how to produce and sell attached housing," Odmark said. "We set out on a course of four projects downtown. Columbia Place was, in effect, the starter kit. To get to where a home run is standard might take three or four projects."

Or maybe only two. Odmark and Thelan's second project, the \$28-million Watermark, at India and G streets, is being done without government assistance. One-, two- and three-bedroom condominiums, 1,056 to 1,800 square feet, are expected to sell for \$200,000 to \$500,000.

Now under construction, the project is scheduled to hit the market next March,

but already the developers have more than 500 names on an interest list.

CCDC was created in 1977 to redevelop 360 acres in the heart of downtown San Diego. Thirteen years later, the city's nonprofit redevelopment arm has achieved many of its goals:

The Horton Plaza shopping mall, the centerpiece of the new downtown, opened in 1985. There was a decade-long boom in office towers and hotels. A new 254,000-square-foot waterfront convention center was christened last year, and a Victorian-era historic district known as the Gaslamp Quarter has made steady progress.

All of these goals were crucial to the success of housing. Initially, the CCDC hoped to spur the construction of 3,000 to 4,000 dwelling units. Nearly 2,000 units are finished, and another 2,344 are in various stages of development, including 700 scheduled to break ground this year.

"We could have 6,000 units downtown by 1997," predicted Pam Hamilton, CCDC's executive vice president.

Developers are finding a whole range of opportunities, from several single-room-occupancy hotels (SROs) to low-rise and high-rise condominiums and apartments.

Compared to San Diego, Los Angeles has had a longer, harder battle to spur

successful residential developments downtown.

Gerald Trimble—who as president of the USC Real Estate Development Corp., a subsidiary of the university, supervises the development of properties USC owns in Los Angeles redevelopment areas—thinks San Diego may have an edge.

"Residential takes a while to work," he said. "Los Angeles is different. It doesn't have the same waterfront view potential as San Diego. San Diego has a little better handle on downtown residential."

"But the thing that still plagues San Diego is that people aren't compelled to live downtown by traffic congestion. They can still commute in reasonable time."

That's not the case in Los Angeles, where redevelopment efforts encompass 19 project areas and 7,000 acres, including 1,549 in the Central Business District alone.

"Bunker Hill was one of the first urban renewal projects in the state and reflected the policies of the '60s," said John McGuire, deputy administrator of housing services at the L.A.'s Community Redevelopment Agency.

The "total clear" process left 1960s downtown, including Bunker Hill, looking like "battle zones," McGuire said.

"In a way, it was self-defeating. There

Please see DOWNTOWN, K2

DOWNTOWN: Residential Areas Developed

Continued from K1

was so much vacant land, it was difficult to get developers. Today, we're assembling much smaller parcels—20 blocks in Bunker Hill versus three-quarter block in South Park."

Since the redevelopment of Bunker Hill's 133 acres began in the early 1960s, about 3,000 housing units have been completed, including market-rate apartments and condominiums and 1,300 units of low- and moderate-income housing.

San Diego CCDC's decision to focus its housing efforts between Broadway and the waterfront in a 125-acre area known as the Marina seems to be paying off.

With the Horton Plaza center serving the area with movies, plays, shopping and several restaurants, and with the waterfront as a giant back yard, the combination of urban living in a natural setting is hard to beat.

But when redevelopment began, CCDC had a hard time persuading developers and politicians that housing was the best use for this area.

"Residential was a real question mark for a long time," recalled Trimble, who served as the CCDC's top executive from 1977 to 1987.

By today's standards, the first San Diego downtown housing projects built under redevelopment—the Park Row and Marina Park condominiums—seem outdated and oddly suburban for their urban settings. But Trimble recalls what a task it was to entice builders, most of whom had no experience doing urban housing projects.

"You have to walk before you can run. There was just no way they were going to go in with high-density, high-rise projects. You have to remember where downtown was. Even today, you'd have to prove to me that high-rise really works from an income standpoint."

So far, the only test of the high-rise housing market has been developer Walt Smyk's Meridian, a 172-unit, 27-story luxury condo

tower where prices ranged from under \$300,000 to more than \$1 million when the project opened in 1985. Five years later, Smyk indicated that the project is in the black.

"We're about 86% sold," he said. "We paid off our loan around the first of the year."

Several more high-rise residential projects in San Diego are in the works.

—One Harbor Drive, twin 41-story condo towers across from the Convention Center, with units ranging from \$271,000 to \$2.6 mil-

lion, is scheduled for June ground breaking and completion in early 1992. Already, 150 of 202 units are in escrow, the sales office claims.

—The Huntington is a high-rise condominium tower proposed for a site on Broadway.

—Two apartment high-rises planned for corners at Front and G streets have been delayed by underground toxic waste.

—Roger Morris Plaza is a 50-story apartment/hotel tower planned on Harbor Drive, across from the convention center.

While the architecture of the new generation of downtown residential towers is a mix of fairly polished styles, the architecture of low-rise housing in downtown San Diego has come a long way since the earliest CCDC-seeded projects.

"My initial reaction to those first projects was they were too suburban, too large, too much of the same thing," said Pam Hamilton, Trimble's successor as executive vice president at the CCDC.

"I understand what the rationale was. If you were going to ask San Diegans to live in different locations, perhaps it would be best at

den in back. Segal sold six of his seven homes, priced from \$290,000 to \$500,000, before the project was completed.

Now he is working on a larger—45 units—but still human-scaled project on Market Street, scheduled to break ground this summer.

"I personally don't understand where all the people are coming from to purchase those homes. If it took all that time to sell the Meridian, why would buyers come out of the woodwork for other projects?"

Smyk agrees that the market for luxury high-rise living in downtown San Diego is limited.

In Los Angeles' central business district, more than 3,100 housing units have been finished since redevelopment began in 1977, a CRA spokesman said. Efforts have focused on low- and moderate-income housing, including rehabilitated SROs and new apartment projects.

At South Park, 80 downtown Los Angeles acres bounded by 8th and Main streets and the Santa Monica and Harbor freeways, the CRA is putting to use the planning knowl-

edge it has gained from earlier projects, insisting on mixed-use projects with ground-level commercial and retail to create a neighborhood atmosphere.

Grand Hope Park, a planned \$6-million, 2.5-acre park designed by landscape architect Lawrence Halprin, is seen as the inviting public space that will knit the community together.

But even in South Park, where the CRA hopes eventually to spur the creation of 8,000 to 12,000 housing units, residential development has taken time to come of age.

Los Angeles city planners began discussing a village of high-rise apartments and condos in 1972, but rising land costs and weak federal funding support put plans on hold.

In 1980, the CRA and developer Forrest City Dillion agreed on a two-phase, 412-unit condominium project, and Skyline I, the 200-unit first phase, opened in 1983.

"They thought they could market them for a much higher price than was feasible," McGuire said. "They didn't go broke, but they had to extend their sellout time by more than a year."

For its second project, Forrest City Dillion switched to apartments, The Metropolitan, 270 apartments, opened last year and is 80% occupied, a CRA spokesman said. The 192-unit Del Prado apartment tower is due to open next year. In addition, the CRA has also supervised the rehabilitation of 700 residential hotel units and 300 units in the Embassy Hotel to serve students at USC.

Although both San Diego and Los Angeles have a mix of housing types in their downtowns, the CRA is charting a different direction for residential development in South Park.

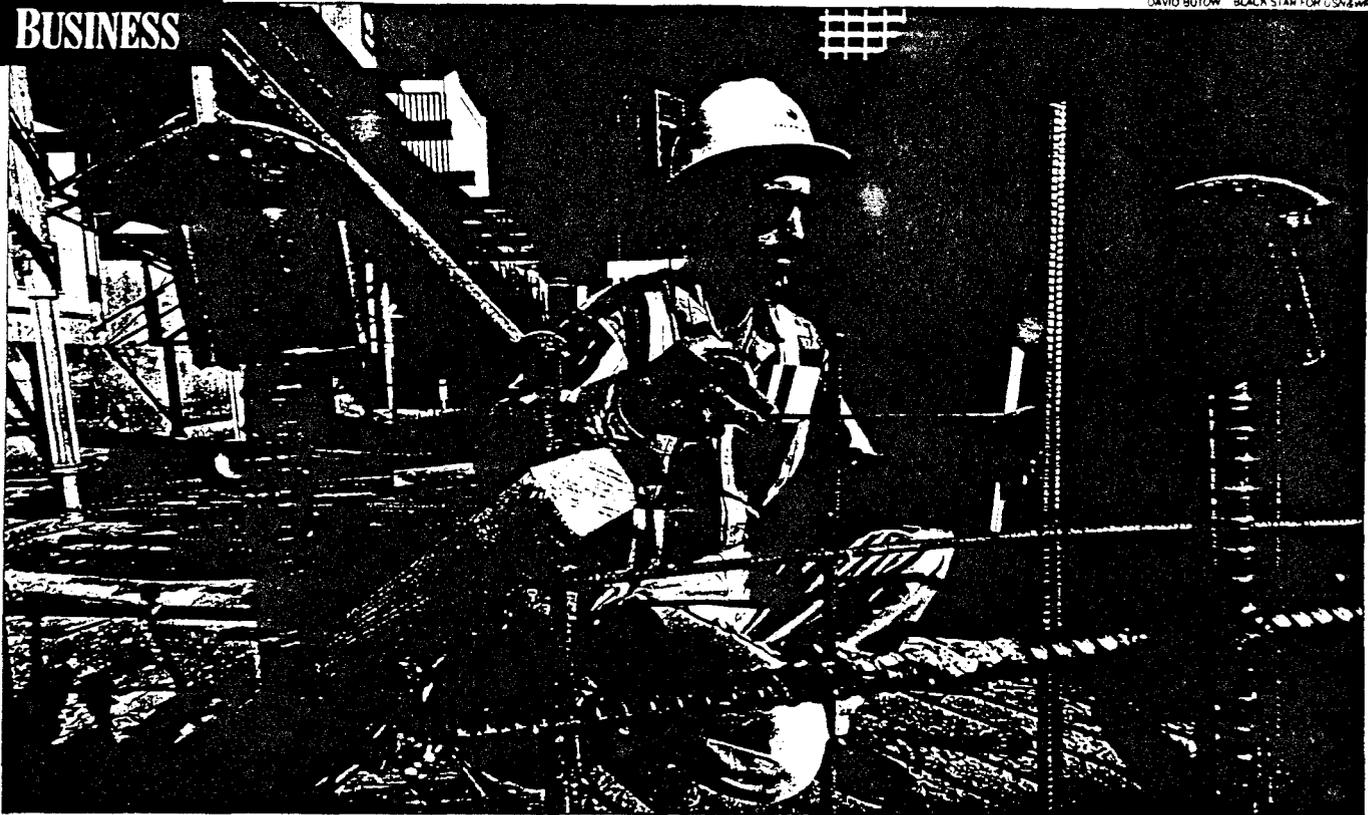
"We've moved away from condominiums toward apartments," McGuire said. "We decided the downtown condo market wasn't there for that neighborhood, or even for Southern California."

Sutro is a free-lance writer living in Cardiff.

'Los Angeles is different. It doesn't have the same waterfront view potential as San Diego. San Diego has a little better handle on downtown residential.'

GERALD TRIMBLE

USC Real Estate Development Corp.



Hard-headed efficiency. State and local employees like this building inspector in Phoenix are learning to work more productively.

Bureaucracy busters

Business is teaching government how to give taxpayers more for their money

Xerox senior manager WC Enmon spends his days training work teams in customer satisfaction, quality measurement and process redesign. That should come as no surprise. The Stamford, Conn., corporation has been using such total-quality concepts for 10 years to fight Japanese competition and win back market share, from a low of 10.3 percent of the U.S. copier market in 1985 to 17.6 percent in 1991. But Enmon is not working with Xerox employees; he is putting these corporate tools in the hands of the 226,000 civil servants and executives of the Texas state government in Austin. The Xerox-paid special adviser to Democratic Gov. Ann Richards acknowledges that government cannot be run exactly as a business, but he believes the same techniques that helped improve copiers will better the efficiency and service of government. "We're talking about delivering service that meets the customers' needs," says Enmon. "It

doesn't matter whether it's a widget or a driver's license."

From Fort Lauderdale, Fla., to Fort Collins, Colo., from Oregon to Ohio, state and local governments have begun seizing upon the business concepts that American companies began using in the 1980s to reform their own stifling corporate bureaucracies. The new buzzwords of the boardroom—empowerment, customer-driven, teamwork and especially total-quality management—are increasingly becoming the mantra in council chambers, statehouses and pockets of the federal bureaucracy. In the past six months alone, 1,000 inquiries have poured into the offices of the Public Sector Quality

Improvement Network, a Madison, Wis., group that teaches business principles to government leaders. And the platforms of candidates in eight of the 12 gubernatorial elections this month had planks featuring entrepreneurial government.

Intensifying this trend was the publication this year of "Reinventing Government," by David Osborne and Ted Gaebler, which spotlights many of the cities, states and federal agencies where practices honed in the private sector are saving taxpayers' dollars and making the phrase "government work" a label of pride, not derision. "We still think of government as monopoly, bureaucracy, hierarchy," says Meryl Libbey of Harvard's Ken-

EMPOWERING THE FRONT LINE

*Building inspectors
Phoenix*

CORPORATE TACTIC: *Moving decisions to lower levels for speed, efficiency*

PUT INTO PRACTICE: *Field inspectors have been trained to make building-code decisions that were once passed five levels up the chain of command. Decisions that used to take a week are made on the spot.*

BUSINESS

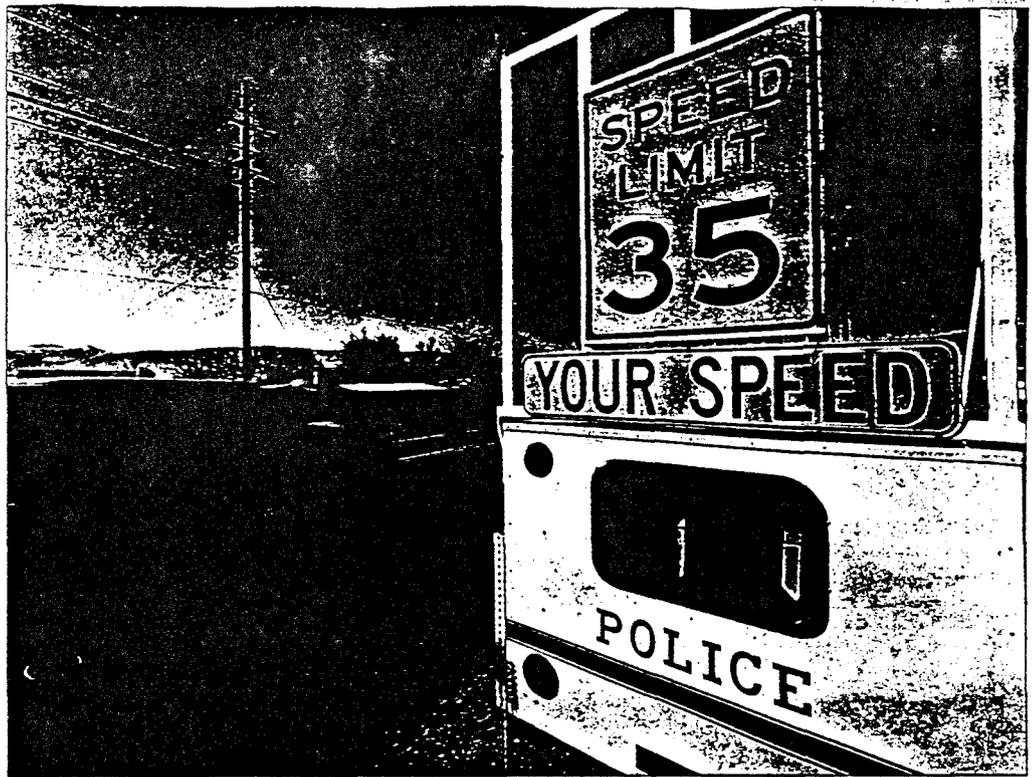
neddy School of Government, "but that's not the way it's happening among the more innovative local governments. There really is a sea change taking place."

Many observers believe the tide is about to sweep Washington as well. In Arkansas, Gov. Bill Clinton established what is widely considered the most advanced total-quality-management program in state government, enlisting the assistance of a local Eastman Kodak division. Quality executives in Little Rock brag that Clinton even left the campaign trail for a day to attend a meeting of his "quality team" in May. The president-elect has also consulted repeatedly with Osborne, whose book Clinton has praised (box, Page 55). While the next leader of the federal bureaucracy has been short on specific plans,

his national economic strategy promises 3 percent administrative savings in every agency and a 100,000-position reduction in the bureaucracy, enhanced by a "shift from top-down bureaucracy to entrepreneurial government." Clinton could find an unexpected ally in House Republican Whip Newt Gingrich, who last week in a speech before Republican governors optimistically estimated that total-quality management could save 15 to 25 percent of the cost of government over five years.

Government waste. Falling profits woke business up to the need for change, but government is responding to tax-revolting voters who refuse to pay another dollar for less than a dollar's worth of service. Seventy percent of Americans believe that when something is run by the government, it is usually inefficient and wasteful, according to a recent Times Mirror poll. Business, too, has tired of paying more and getting less, which helps explain why such companies as Xerox and Kodak have been so eager to share their expertise. Florida Power & Light, the only American company to win Japan's coveted Deming Prize for quality, for example, is acting as a mentor for the Florida government's efforts to reform its bureaucracy. "Whatever we can do that helps the state," explains Dale Butler, an FP&L supervisor, "could have a tremendous impact on our tax costs."

The privatization movement has also stirred bureaucrats to the realization that their monopoly is no longer safe. A



survey by the National Conference of State Legislatures found that nearly 60 percent of legislators now favor privatizing traditional government activities. The public sector is increasingly faced with the option of learning from business or being replaced by it. "Government has to change the way we operate," says Steve Burkett, city manager of Fort Collins. "We are going to have to become more productive."

To make real productivity gains, politicians are learning, corporations had to change their very shape. Executives became obsessed with flattening their organizations in the 1980s as they came to realize that information and decisions

were slowed and garbled as they moved up and down each additional layer of management. The solution was to put more decisions in the hands of lower-level employees who can act on them quickly, while eliminating the need for several layers of supervisors. At Motorola's semiconductor division in Phoenix, for example, "empowered teams" now set their own production schedules as

PLEASING THE CUSTOMER

*Traffic police
Reno, Nev.*

CORPORATE TACTIC: *Ori-
entating work around cus-
tomer desires*

PUT INTO PRACTICE: *Reno
police found that simply
issuing more tickets
made residents angry
without reducing acci-
dents. After soliciting the
advice of their "custom-
ers," traffic cops found
more targeted and less
offensive ways to control
traffic, such as this
speed-monitoring sign.
Citizens are happier, and
accidents are falling—
down 20 percent in the
first half of 1992.*

they prepare batches of specialized computer chips. Because such decisions have been implemented without passing through the chain of command, most Motorola units in Phoenix have eliminated at least two layers of management. Executives credit the improved productivity and responsiveness with helping reverse Motorola's slide in worldwide semiconductor market share, which has grown over the past two years, while revenues have risen \$600 million.

Flattened. Across town, Phoenix Mayor Paul Johnson isn't much worried about market share, but he is equally enthusiastic about altering the hierarchical bu-

reaucracy of city government. Phoenix has studied Motorola's success, and Johnson now boasts that the city serves more people today with 450 fewer employees than it had three years ago, largely because of cuts in senior- and middle-management positions. The mayor is particularly emphatic that decisions not get passed from desk to desk, a lesson he learned battling red

■ BUSINESS

tape as the owner of a local construction firm.

In the past, for example, when Phoenix building inspectors came across uncertain situations that required them to interpret the building code, they would routinely refer the question up the chain of command to an assistant director, five layers above. Developers would have to put parts of a construction project on hold while waiting for a decision, which was usually based on the advice of the inspector anyway. Today, inspectors make similar decisions on the spot, or refer them to their immediate supervisors, saving developers tens of thousands of dollars. Such improvements have led to a drop in customer complaints at the Development Services Department, despite a 23 percent reduction in staff.

In most government agencies, the number of complaints coming over the transom is not followed very closely, but a new vanguard of entrepreneurial governments is taking up the customer revolution begun by corporate America in the early 1980s. In Phoenix, every department has conducted customer focus groups in the past six months. The city of Fort Lauderdale hopes to polish its image by putting parking enforcers, who often deal with irate tourists, through customer training. Fort Collins annually sends out surveys to 1,000 of its citizens. Says City Manager Burkett, "We can have all kinds of data about how great our library is, but if our customers think it's lousy, we're not achieving our goal."

Productive police. If the Reno, Nev., Police Department had been interested in customer service in the early 1980s, it would have found an ideal model close at hand. Harrah's Casino Hotels was then developing what is perhaps the most extensive customer-service data collection system in its industry. Nearly 2,000 visitors are surveyed by phone each year after returning home from Harrah's, while thousands more are interviewed on site. The results are tracked monthly. But the Reno police were more interested in writing tickets than reading surveys. Accidents rose in the early and mid-1980s. Reno cops, armed with 21 new radar units, more than doubled the number of traffic citations. But the accident rate refused to budge, and in 1986 and 1987

angry citizens turned down two ballot-box proposals that would have increased police funding.

With some advice from Harrah's, Reno police have begun listening to their customers. More than a thousand citizens are surveyed each year by telephone. As a result of their advice, many intersections have been improved. Police are no longer encouraged to write tickets in random locations, instead targeting sites with large numbers of accidents or customer traffic complaints. Today, 9 of 10 Reno citizens approve of the department, up from 4 of 10 in 1988. And though ticketing is down, the accident rate fell 20 percent in the first six months of 1992.

In their pursuit of satisfied customers, American companies in the 1980s sought out the teachings of W. Edwards Deming, the quality consultant many Japanese industrialists credit with their success. One of the key tenets of his philosophy of total-quality management is music to the ears of government workers weary of the stigma of the lazy bureaucrat: Of any problem with quali-

CUTTING WASTE FROM THE PROCESS

Tree-trimming crews Cleveland

CORPORATE TACTIC: *Redesigning the work process in search of efficiencies*

PUT INTO PRACTICE: *When business consultants examined the way Cleveland cut trees, they found crews spending almost as much time driving from site to site, stuck in traffic jams and waiting at the gasoline pump as they spent trimming trees. The problem was not laziness but organization. With a better schedule and division of labor, productivity rose more than 40 percent.*



ty or efficiency, 85 percent or more lies within the process, not the people who work it. Bob Garda of McKinsey & Co. finds that 10 to 20 percent of the costs can be wrung out of a process—in business or government—by redesigning it. "We have good people in government trapped in bad systems," says Gaebler. "They have to go."

Out on a limb. The tree trimmers of the city of Cleveland would agree. For as long as anyone could remember, several tree crews had crisscrossed the city daily, pulled away from routine trimming tasks to handle emergency requests. When Garda studied their movements

in the late 1980s, he found that they were actually working with trees only five hours of the day, spending much of the other three hours in traffic. Garda recommended that one crew be assigned to emergencies, while the others stick to their assigned trimming jobs all day. As a result of such changes, the department now services more trees with 18 people than it could in the past

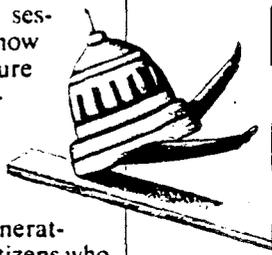
with 27. Productivity has risen 43 percent while citizen complaints have fallen 63 percent.

In the front-running governments that are using Deming's total-quality management seriously, government workers themselves are finding ways to improve the efficiency of their work systems. Arkansas has sent more than 5,000 of its 32,000 employees—from Governor Clinton to garage mechanics—to 1½- to three-day training sessions where they are taught how to chart work processes, measure results and redesign for efficiency. One team of workers from the motor-vehicles office studied how to speed the turnaround of license-plate renewals, which were generating weekly complaints from citizens who were waiting up to three weeks for their certificates and decals. The team decided that rather than saving up renewal requests so that new registration certificates could be hatch-printed on the weekend, they could simply attach computer-coded stickers to the old certificates as they arrived. All renewals are now mailed out within a day, while the department saves \$10,000 a year on forms alone and even more on printing.

If Clinton promises to do for America what he has done for Arkansas, how large a revolution could he stir in the halls of the Washington bureaucracy? The new president may find himself too preoccupied with reviving the stagnant economy to make any early, bold moves toward creating a more entrepreneurial federal government. And if he does, he will find all manner of obstacles in his way. The federal bureaucracy is an organization far larger than General Motors and IBM combined, with a civil-service system rewarding a manager for running a bigger staff, not a more efficient one.

Nonetheless, at the Federal Quality Institute, an appendage of the Office of Personnel Management, the change in leadership has sparked hope. Director Don Mizaur, whose staff has spent five years as the federal government's principal cheerleader and catalyst for total-quality management, says that Washington is "not seeing the bottom-line, measurable results that some people expected." The private sector has turned in more impressive results, adds Mizaur, largely because in companies "these things are primarily led by the CEO." But expectations are rising once again in Washington; a new CEO is on his way from Little Rock to the White House. ■

BY DON L. BOROUGHS



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APPENDIX D

INCENTIVES AVAILABLE TO
DEVELOPERS, OWNERS OR OCCUPANTS
OF SINGLE FAMILY AND RENTAL HOUSING UNITS

SUBMITTED BY THE CITY OF PHOENIX
TO
JOINT LEGISLATIVE STUDY
COMMITTEE ON HOUSING REDEVELOPMENT

DECEMBER 3, 1992

MEMORANDUM

The incentives available to cities and towns to encourage the development of new housing units are limited and where they do exist are generally limited to low and moderate income families or persons. The following is a list of incentives that would be available to any city or town for market rate housing units on the basis described:

(1) In a Redevelopment Area (slum and blight) a city or town can acquire, clear, and resell land at an adjusted price to developers of residential units. This activity could not occur in neighborhoods where housing stock is declining but which are free of slum and blighted conditions.

(2) In a Tax Incentive District within a Redevelopment Area, possessory interest taxes could be abated for both affordable and market rate housing units which are owned by the city or town and leased to a private party.

(3) Multi-Family IDBs for construction of rental units with set asides for family units with low or moderate incomes. The cash flows on these mixed income level projects are difficult under present economic conditions, and often the cash flows are not sufficient to permit the issuance of multi-family IDBs.

(4) Single Family Mortgage Revenue Bonds are an indirect incentive in that they make available mortgages to home buyers at a tax-exempt rate of interest but do not directly benefit the developers of residences.

In addition to the foregoing incentives, a city or town can acquire and construct units for affordable housing located anywhere within their boundaries. The availability of this incentive is limited by availability of funding out of the budget of the cities and towns. General obligation bonds could be used for this purpose. Further, a number of federally funded programs are available to cities and towns but only for affordable housing assistance.

In addition to the incentives listed above for new development, cities and towns have a number of programs available for neighborhood maintenance and stabilization. While these incentives will not lead to the development of new housing units, they may retard the loss of housing units in existing neighborhoods. Attachment 1 is a listing of the programs offered by the City of Phoenix both for development of new units and maintenance of existing units. All of the programs listed are for low or moderate income units, except those funded with bond proceeds as noted above.

ATTACHMENT 1

CITY OF PHOENIX
NEIGHBORHOOD IMPROVEMENT AND
HOUSING PROGRAMS
FOR LOW AND MODERATE
INCOME FAMILIES AND PERSONS

CITY OF PHOENIX

NEIGHBORHOOD IMPROVEMENT AND HOUSING PROGRAMS

A. FINANCIAL AID

PROGRAM OVERVIEW

1. OPERATION PAINTBRUSH

- o Coverage: Citywide
- o Target Population: Low and Moderate Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o A \$250 maximum one-time rebate is provided for the purchase of paint and supplies to restore the exterior of owner-occupied homes.
- o Owners must submit original receipts as proof of purchase of materials.
- o Owner's income must be equal to or less than 80% of the Phoenix median income.
- o During the first four months of each fiscal year, 75% of the allocated funds are earmarked for neighborhood improvement areas and 25% is available citywide. If neighborhood improvement area funds are not utilized during the four-month period, then the remaining funds are open for citywide distribution.

2. OPERATION LANDSCAPE

- o Coverage: Citywide
- o Target Population: Low and Moderate Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o A \$250 maximum one-time rebate is provided to pay for yard cleanup, removal of abandoned vehicles, and landscaping improvements.
- o Eligible owner/occupants must satisfy the qualifying criteria of having equal to or less than 80% of the Phoenix median income.
- o During the first four months of each fiscal year 75% of the allocated funds are earmarked for neighborhood improvement areas and 25% is available citywide. If neighborhood improvement area funds are not utilized during the four-month period, then the remaining funds are open for citywide distribution.

3. HARDSHIP ASSISTANCE PROGRAM

- o Coverage: Citywide
- o Target Population: Low Income
- o Fund Source: CDBG
- o Adm. Dept./Div.: NIH/NMZE
- o Information Contact: 495-7019
- o Address: 920 E. Madison, Suite E

- o Assistance is provided to low income home owner/occupied residences which have an income level equal to or less than 65% of the Phoenix median income and who have been cited under the Property Maintenance Ordinance.
- o Minor violations of the exterior premises can receive up to \$500 in aid.
- o Violations requiring major repair can receive up to \$2,000 in aid.
- o This is a last resort funding program for those items which cannot be addressed/funded by other Departmental programs. Appropriate referrals will be made.

KEY: NIH = Neighborhood Improvement and Housing Department
NMZE = Neighborhood Maintenance and Zoning Enforcement Division

HUD = U.S. Department of Housing & Urban Development
IDA = Industrial Development Authority
CDBG = Community Development Block Grant

NOTE: 80% and 50% of Phoenix median income defined by Attachment A

Rev. 5/92

A. FINANCIAL AID (Cont Inued)

P R O G R A M Q U E R Y I E W

4. MAJOR HOME REPAIR PROGRAM

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o Grants are available for occupant home owners who have an income equal to or less than 50% of the Phoenix median income
- o A one-time maximum allocation of \$5,000 in the form of a grant is provided to bring selected items up to housing safety standards (minimum code requirements).
- o Repairs/replacements are limited to electrical, plumbing, mechanical, and roofs.
- o All qualified participants are required to complete the City's Home Maintenance Training Program which consists of four 2-hour sessions.

- o A code violation must be in evidence to qualify for assistance.
- o During the first four months of each fiscal year, 75% of the allocated funds are earmarked for neighborhood improvement areas and 25% is available citywide. If neighborhood improvement area funds are not utilized during the four-month period, then the remaining funds are open for citywide distribution.

5. REHAB PROGRAM

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o A no interest, one-time loan for owner/occupants up to \$15,000 is provided.
- o A lien is attached. In the event the property is sold, transferred, or vacated, the lien must be satisfied.
- o An eligible owner/occupant must satisfy the qualifying criteria of having equal to or less than 50% of the Phoenix median income.
- o The residence must be brought completely into compliance with current housing safety standards.
- o All qualified participants are required to complete the City's Home Maintenance Training Program which consists of four 2-hour sessions.

- o A code violation must be in evidence to qualify for assistance.
- o During the first four months of each fiscal year, 75% of the allocated funds are earmarked for neighborhood improvement areas and 25% is available citywide. If neighborhood improvement area funds are not utilized during the four-month period, then the remaining funds are open for citywide distribution.

KEY: NIH = Neighborhood Improvement and Housing Department
 NHZE = Neighborhood Maintenance and Zoning Enforcement Division
 NOTE: 80% and 50% of Phoenix median income defined by Attachment A

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
 CDBG = Community Development Block Grant

A. FINANCIAL AID (Continued)PROGRAM OVERVIEW

6. HOME IMPROVEMENT REVENUE BOND PROGRAM(S)

- o Coverage: Citywide
- o Target Pop.: Median and Low Income
- o Fund Source: IDA Mortgage Revenue Bonds
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o Owner/occupants will be able to make major renovations to their property by taking advantage of an FHA Title I insured loan not to exceed \$15,000 for a 15-year term.
- o Moderate income applicants not exceeding gross family income of \$39,330 and fulfilling underwriting and bond requirements will be eligible for approximately an 8.5% loan.
- o Low income applicants having equal to or less than 80% of the Phoenix median income and fulfilling underwriting and bond criteria will be eligible for a 5% loan.
- o Applicants with a gross family income up to \$47,880 will be eligible for the 8.5% loan if the homes requiring improvement are located in the Internal Revenue Service's designated areas.
- o City will conduct a property evaluation to ensure that properties will comply with the City's Property Maintenance Ordinance.
- o Program's life expectancy is based on availability of loan funds.

7. RENTAL REHAB PROGRAM

- o Coverage: Rental Rehab Targeted Areas
- o Target Population: Apartment Owners/Tenants
- o Fund Source: HUD-Rental Rehab Allocation
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o Matching funds to allowable limit are made available to owners of single or multi-family units to upgrade them based on a HUD formula to satisfy Property Rehab Standards. In order to receive the loan, 70% of the units must be reserved for tenants having 80% of the Phoenix median income or less.
- o Owners' matching funds must be deposited in non-interest bearing escrow at time of closing.
- o Property must be located in an area which meets the HUD eligibility approved criteria.
- o A code violation must be in evidence to qualify for assistance.

8. SECTION 312 LOAN PROGRAM

- o Coverage: Citywide
- o Target Population: Low and Moderate Income
- o Fund Source: HUD Section 312
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o Owner occupied rehabilitation loans are available at 3%, not to exceed \$33,500.
- o Property must be brought to property rehabilitation standards.
- o Qualifying and underwriting criteria is similar to that of a private lender.
- o An eligible owner/occupant must satisfy the qualifying criteria of having equal to or less than 80% of the Phoenix median income.
- o Owner/occupants with incomes between 80% and 95% of the Phoenix median income are eligible for a loan based on the current government securities rate at time of loan approval.
- o All qualified participants are required to complete the City's Home Maintenance Training Program which consists of four 2-hour sessions.
- o A code violation must be in evidence to qualify for assistance.

KEY: NIH = Neighborhood Improvement and Housing Department
 NMZE = Neighborhood Maintenance and Zoning Enforcement Division

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
 CDBG = Community Development Block Grant

NOTE: 80% and 50% of Phoenix median income defined by Attachment A

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A. FINANCIAL AID (Continued)

PROGRAM OVERVIEW

9. URBAN HOMESTEAD (Sec. 810) PROGRAM

- o Coverage: Citywide
- o Target Population: Low Income
- o Fund Source: HUD Section 810 Allocation
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o An eligible applicant having equal to or less than 80% of the Phoenix median income may purchase a home for \$1 and then must qualify for a loan to rehabilitate the structure up to property rehab standards.
- o Section 312 loan funds, housing trust fund, and other available funding programs are utilized for qualified borrowers as funds are available.
- o This program has provided an average of 8-10 units annually.
- o All qualified participants are required to complete the City's Home Maintenance Training Program which consists of four 2-hour sessions and to complete pre-purchase counseling through the Department's Housing Counseling Program.
- o A waiting list of potential homesteaders is established by advertising.

10. SECTION 8 SRO MODERATE REHAB PROGRAM

- o Coverage: Citywide
- o Target Population: Rental Property Owners/
Tenants, Homeless Individuals
- o Fund Source: HUD Allocation
- o Adm. Dept./Div.: NIH/Housing Development
and Modernization
- o Information Contact: 262-6602
- o Address: 920 E. Madison, Suite D

- o Program provides for the development of single room occupancy housing by nonprofit or private entities in conjunction with the City.
- o City must submit an application for available HUD funds.
- o Owners must be able to obtain financing for the acquisition/rehabilitation of the units.
- o An agreement is entered into with the owner to reimburse for the rehabilitation costs, through a negotiated rent with payments allocated over a 10-year period.
- o Units rehabilitated under the program are required to be rented to low income homeless individuals. However, Section 8 subsidies are provided for each rehabilitated unit, guaranteeing rents for 10 years.

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 MWZE = Neighborhood Maintenance and Zoning Enforcement Division

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
 CDBG = Community Development Block Grant

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A. FINANCIAL AID (Continued)

PROGRAM OVERVIEW

11. SINGLE FAMILY HOME PURCHASE MORTGAGE REVENUE BOND PROGRAM(S)

- o Coverage: Citywide
- o Target Population: Low and Moderate Incomes
- o Fund Source: IDA Mortgage Revenue Bonds
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-6913
- o Address: 920 E. Madison, Suite D

- o Provides a 30-year Home Purchase Mortgage oriented to the first-time buyer and those not having owned a home in the last three years. Homes may be purchased throughout the City of Phoenix.
- o Lower than market interest rates (usually 1.5% to 2% less).
- o Annual gross income may not exceed \$35,000 for one- or two-person households, and \$40,835 for three or more person households in the non-targeted areas. Twenty percent higher in target areas.
- o The purchase price of homes in the program will be limited by the FHA loan limit of \$128,700 for the non-targeted areas and \$157,300 for the targeted areas.
- o Program's life expectancy is based on the availability of funds.

12. DOWNPAYMENT AND CLOSING COST PROGRAM

- o Coverage: Citywide
- o Target Population: Low Income
- o Fund Source: Housing Trust Fund
State of Arizona
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: Local lenders participating in program or 262-6913
- o Address: 920 E. Madison, Suite D

- o Provides assistance with down payment and closing costs to eligible low income home buyers.
- o Funds are offered in the form of a matching dollar for dollar grant.
- o The participant is required to pay a minimum of \$500 towards downpayment and/or closing costs. The maximum grant amount cannot exceed \$1,750.
- o Eligible borrowers must have incomes below 80% of median.

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A. FINANCIAL AID (Continued)

P R O G R A M Q U E R Y I E W

13. MORTGAGE CREDIT CERTIFICATE PROGRAM (MCC)

- o Coverage: Statewide
- o Target Population: Low and Moderate Income
- o Fund Sources: Industrial Development Authority
- o Adm. Dept./Div.: Family Housing Resources
P.O. Box 36785
- o Information Contact: 1-800-822-7462
(602) 650-1324
- o MCC's entitle a borrower to a federal income tax credit of 20% of interest paid on home loan. The borrower is still able to take a standard deduction.
- o The amount of credit is limited to \$2,000 in any single year.
- o The home must be a principle residence.
- o Must be a first-time home buyer or home must be in a targeted area.
- o The purchase price may not exceed 90% of the average area purchase price (110% in targeted area).
- o Income limits vary according to family size and lending area.

14. UPWARD BOUND PROGRAM

- o Coverage: Citywide
- o Target Population: Moderate Income Families
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-4785
- o Address: 920 E. Madison, Suite D
- o Provides homeownership to current residents of Conventional and Scattered Site Housing.
- o 30 year mortgages by private lenders.
- o Closing costs, points, and fees are waived.
- o Existing residents must be currently paying at least \$300 a month in rent.
- o Participants must actively participate in homeowner programs.

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A. FINANCIAL AID (Continued)

PROGRAM OVERVIEW

15. NONPROFIT ASSISTANCE (Technical & Financial Assistance for Low Income Housing Development)

- o Coverage: Citywide
- o Target Population: Low and Moderate Income Households and Neighborhoods
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-6017
- o Address: 920 E. Madison, Suite D
- o Staff assists nonprofit organizations that seek to produce low and moderate income housing and improve lower income neighborhoods.
- o Assistance can be in several forms, ranging from assistance in applying for various programs to produce housing to providing matching funds to acquire and rehabilitate single family homes and apartment complexes.

16. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDING

- o Coverage: Citywide
- o Target Population: Low and Moderate Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Community Devel.
- o Information Contact: 262-7168
- o Address: 920 E. Madison, Suite C
- o Provides grants to eligible organizations for a variety of projects which benefit low and moderate income persons or eliminate slum and blight conditions in the City of Phoenix.
- o Provides technical assistance to applicants on procedures for requesting funding.
- o Provides training to funded agencies on contract and project implementation.
- o Executes and administers project contracts.

17. MULTI-FAMILY PROPERTY ACQUISITIONS - GENERAL OBLIGATION BONDS (G.O.) PROGRAM

- o Coverage: Citywide
- o Target Population: Low Income
- o Funding Source: G.O. Bonds
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-4785
- o Address: 920 E. Madison, Suite D
- o A limited number of apartments and other multi-family properties are purchased for use in the affordable rental program.
- o Properties are primarily located in areas with a lack of affordable housing.
- o Properties with previously two- and three-bedroom units are sought.
- o Properties must be locationally desirable, close to shopping, schools, transportation, etc.
- o Properties with from 10 to 200 units are acceptable.

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 IDA = Industrial Development Authority
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P R O G R A M O V E R V I E W

A. FINANCIAL AID (Continued)

18. INDUSTRIAL DEVELOPMENT AUTHORITY
MULTI-FAMILY PROGRAM

- o Coverage: Citywide
- o Target Population: N/A
- o Fund Source: IDA Bonds
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-6249
- o Address: 920 E. Madison, Suite D

- o Provides financing for the construction or acquisition/rehabilitation of multi-family apartments. The program achieves this through the issuance of tax-exempt bonds by the Phoenix Industrial Development Authority.
- o The program is available Citywide.
- o Apartment complexes must provide federal and City of Phoenix public benefits, including set aside units for lower income households.
- o NIH monitors to ensure compliance with City requirements.

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 NMZE = Neighborhood Maintenance and Zoning Enforcement Division

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
 CDBG = Community Development Block Grant

NOTE: 80% and 60% of Phoenix median income defined by Attachment A

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P R O G R A M O V E R V I E W

B. DIRECT CLIENT SERVICE

1. DIRECT SERVICE

- o Coverage: Citywide
- o Target Population: Very Low Income Elderly and Handicapped
- o Fund Source: CDBG
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

o Direct assistance is provided to the elderly or handicapped for a maximum of \$500 per year to do minor repairs or replacements to heating, cooling, and plumbing system for those having an income level equal to or less than 50% of the Phoenix median income.

2. HOUSING COUNSELING

- o Coverage: Citywide
- o Target Population: All City of Phoenix Residents
- o Fund Source: CDBG/HUD Allocation
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 258-8011/262-7210
- o Address: 1250 South 7th Avenue/
920 E. Madison, Suite B

o Citizens are provided help in qualifying for HUD, VA, and conventional loans. Counseling is provided on removing credit barriers, reducing debt-income ratio, developing mortgage repayment plans, reinstating delinquent mortgages, explaining HUD's federal mortgage assignment program, explaining creative financing options for home purchase, counseling tenants on their rights and responsibilities, and the factors governing security deposits.

o Displaced home owners and tenants are assisted in locating new homes.

o Training is provided on how to develop and manage a budget as well as actively working with creditors to eliminate and control credit problems.

3. HOME MAINTENANCE TRAINING PROGRAM

- o Coverage: Citywide
- o Target Population: City of Phoenix Residents
- o Fund Source: CDBG
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

o Four 2-hour sessions covering preventive maintenance activities such as heating and cooling system maintenance, plumbing, electrical, door and window maintenance, appliance maintenance, etc. are offered.

o This program is mandatory for participants involved in the City's Major Home Repair Program, Rehab Program, Urban Homestead Program, and Section 312 Program. As training space is available, this program is open to other interested citizens of Phoenix who are seeking to gain a better understanding of preventive maintenance practices which will ensure a viable home.

KEY: NIH = Neighborhood Improvement and Housing Department
 NMZE = Neighborhood Maintenance and Zoning Enforcement Division
 NOTE: 80% and 50% of Phoenix median income defined by Attachment A

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
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B. DIRECT CLIENT SERVICE (Continued)**PROGRAM OVERVIEW****4. HOME SAFETY INSPECTIONS**

- o Coverage: Citywide
- o Target Population: Citizens of Phoenix
- o Fund Source: City's General Fund/
Offset by Fee
- o Adm. Dept./Div.: NIH/NHZE
- o Information Contact: 262-7844
- o Address: 920 E. Madison, Suite E

- o Safety inspections (for a nominal fee) are done upon request of home owners or prospective home buyers.
- o Inspections include electrical, mechanical, plumbing, and structural.

5. GRAFFITI BUSTERS

- o Coverage: Citywide
- o Target Population: Phoenix Residences
on Major Thoroughfares
- o Adm. Dept./Div.: NIH/Housing Services
- o Information Contact: 262-7210
- o Address: 920 E. Madison, Suite B

- o Residences and businesses which are located on major thoroughfares can contact Housing Services to paint over graffiti on block walls and fences surrounding their property at no cost.
- o Signatures granting permission to abate graffiti will be requested of the owners.
- o Fund Source: CDBG

6. TECHNICAL ASSISTANCE ADVISOR (TAA) FOR THE RESOLUTION TRUST CORPORATION (RTC)

- o Coverage: Statewide except for Tucson
- o Target Population: Non Profit
Organizations and Governmental
Agencies
- o Fund Source: Private Lending
Institutions
- o Adm. Dept./Div.: NIH/Housing
Development and Modernization
- o Information Contact: 262-6602
- o Address: 920 E. Madison, Suite D

- o Assist in marketing the sale of multi-unit properties to nonprofit organizations and governmental agencies listed through the RTC Affordable Housing Disposition Program.
- o Assist nonprofit organizations in obtaining financing for the purchase of the properties.
- o The buyer is to obtain private financing of 60% (1st mtg.); RTC will provide 35% financing (2nd mtg.) and buyer to pay a 5% downpayment.
- o RTC requires that buyers set aside a minimum 35% of the rental units for lower income families.
- o The program provides affordable housing to low income families. Rents are set at affordable levels.

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PROGRAM OVERVIEW

B. DIRECT CLIENT SERVICE (Cont Inued)

**7. SINGLE FAMILY HOUSE ACQUISITION
(Scattered Sites)**

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-6793
- o Address: 830 E. Jefferson Street
920 E. Madison, Suite D

- o Single family homes are purchased for use in the Scattered Sites Program.
- o Houses are located throughout the City.
- o Houses must meet rigid condition requirements.
- o Houses must be close to schools, shopping and transportation, etc.

8. PUBLIC HOUSING MODERNIZATION

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: HUD and City
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-4423
- o Address: 920 E. Madison, Suite D

- o Provides upgrades of public housing structures and sites to achieve quality housing conditions for City owned public housing.
- o Upgrades are done primarily by private contractors selected through competitive bid process.

**9. ASSISTANCE TO CITIZEN ACTION COMMITTEES
AND COMMUNITY GROUPS**

- o Coverage: Citywide
- o Target Population: Low and Moderate Income
- o Fund Source: CDBG Funds
- o Adm. Dept./Div.: NIH/Community Devel.
- o Information Contact: 262-7158
- o Address: 920 E. Madison, Suite C

- o Provides staff assistance to target area citizen committees to halt deterioration and revitalize their communities.
- o Disseminates program information and provides program information to community organizations.
- o Assists neighborhood organizations with special events to encourage self-help efforts by neighborhood residents and to provide information on available programs.

KEY: NIH = Neighborhood Improvement and Housing Department
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NOTE: 80% and 50% of Phoenix median income defined by Attachment A

B. DIRECT CLIENT SERVICE (Continued)

P R O G R A M Q U E R Y I E M

10. CONVENTIONAL HOUSING PROGRAM

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Conventional Housing
- o Information Contact: 262-7774
- o Address: 830 E. Jefferson

- Five Complexes: Foothills Village, Marcos DeNiza, Matthew Henson, Sidney P. Osborn, and A. L. Krohn (Qualified applicants cannot choose placement site.)
- o 1,776 Units: 556 one-bedroom units, 636 two-bedroom units, 454 three-bedroom units, 118 four-bedroom units, and 12 five-bedroom units.
- o Eligible applicants referred by Occupancy Section according to HUD and City policy
- o Rent based on 30% of adjusted annual income.
- o Refrigerator, stove, and evaporative cooling provided.
- o Utilities provided on an approved HUD based allowance; surcharged for excess usage.
- o On-site maintenance program provided Monday through Friday 8 - 5. All other hours on an emergency basis only.
- o Pet Policy: Senior/handicapped only, deposit required.
- o Security: Police walking beat patrols area at regular intervals, 7 days per week.
- o Ample parking space provided.
- o Tenant Council - acts as liaison to management.
- o On-site recreational facility provided by City of Phoenix Parks, Library and Recreation Department.
- o Aging Services provided Monday through Friday: noon meals, shopping, case worker, education classes, recreation, etc.
- o Access to schools, transportation services, and other amenities are available.

KEY: NIH = Neighborhood Improvement and Housing Department
 NAZE = Neighborhood Maintenance and Zoning Enforcement Division
 (NOTE: 80% and 50% of Phoenix median income defined by Attachment A

HUD = U.S. Department of Housing & Urban Development
 IDA = Industrial Development Authority
 CDBG = Community Development Block Grant

B. DIRECT CLIENT SERVICE (Continued)**PROGRAM OVERVIEW****11. SENIOR HOUSING**

- o Coverage: Citywide
- o Target Population: Very Low Income, Elderly (62 years or older), Handicapped or Disabled
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Senior Housing
- o Information Contact: 262-6952
- o Address: 830 E. Jefferson
- o Six Complexes, 636 units: Maryvale Terrace, Washington Manor, Sunnyslope Manor, Fillmore Gardens, Pine Tower Apts., and McCarty Apts. Qualified applicants cannot choose placement site, except for Sunnyslope and Fillmore.
- o Eligible applicants referred by Occupancy Section according to HUD and City policy.
- o Rent based on 30% of adjusted annual income.
- o Refrigerator and stove provided.
- o Utilities provided on an approved HUD based allowance; surcharged for excess usage.
- o Efficiency, one-bedroom, or wheel chair accessible units.
- o Features: 24-hour resident manager, security entry systems, laundry facilities on all floors, convenient parking, community rooms, stoves and refrigerators, drapes, fully carpeted, air conditioners, and emergency light systems.
- o Pets are allowed with restrictions on number and size.

12. SCATTERED SITE PROGRAM

- o Coverage: Citywide
- o Target Population: Very Low Income Families
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Scattered Sites
- o Information Contact: 262-6952
- o Address: 830 E. Jefferson
- o Single family detached houses - 2-5 bedrooms, 218 units
- o Eligible applicants referred by Occupancy Section according to HUD and City policy.
- o Rent based on 30% of adjusted annual income.
- o Refrigerator and stove provided.
- o Utilities provided on an approved HUD based allowance; surcharged for excess usage.
- o Yard maintenance is the sole responsibility of the family.
- o Housing staff will respond to maintenance service calls.

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(NOTE: 80% and 50% of Phoenix median income defined by Attachment A

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B. DIRECT CLIENT SERVICE (Continued)PROGRAM OVERVIEW

13. SECTION 8 HOUSING ASSISTANCE PAYMENT PROGRAM

- o Coverage: Citywide
- o Target Population: Very Low Income
- o Fund Source: HUD
- o Adm. Dept./Div.: NIH/Section 8
- o Information Contact: 262-4710
- o Address: 830 E. Jefferson
- o Certificates/vouchers, 3,400
- o Low-income families and elderly are assisted in renting apartments, townhouses, condominiums, or houses owned and managed by private landlords.
- o Participants seek out dwelling units on the private market where a contract is entered into with the landlord.
- o Eligible applicants referred by Occupancy Section according to HUD and City policy.
- o Rent based on 30% of adjusted annual income
- o Utilities provided on an approved HUD based allowance where applicable.
- o Total rent amount will be negotiated between the owner and NIH and will not be greater than the Fair Market Rent established by HUD.
- o Owners are responsible for structural maintenance of the property.
- o Tenants, unless noted, are responsible for the care and general maintenance of the premises. Damages in excess of normal wear are chargeable to the tenants.
- o Tenants are expected to pay security deposits not to exceed one month's contribution, as well as utility deposits if applicable.
- o If a rental household wishes to participate and utilize their current dwelling, this is acceptable if the dwelling meets NIH standards and if the landlord agrees to participate.

14. AFFORDABLE RENTAL PROPERTIES

- o Coverage: Citywide
- o Target Population: Lower Income (40 - 60% of median)
- o Fund Source: G.O. Bonds
- o Adm. Dept./Div.: NIH/Housing Development and Modernization
- o Information Contact: 262-6249
- o Address: 920 E. Madison, Suite D
- o Rental Offices: 252-6620 (Individuals)
265-3022 (Seniors, Families)
- o Program has no federal subsidies.
- o The City's affordable rental properties provide rental housing of less than market rents to qualified persons.
- o Rents are approximately \$100-150 less than market.
- o Resident's income is primarily 40-60% of median.
- o Properties are operated by private management firms.

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C. ENFORCEMENT PROGRAMS**PROGRAM OVERVIEW****1. ZONING ENFORCEMENT**

- o Coverage: Citywide
- o Target Population: All citizens of Phoenix
- o Fund Source: City's General Fund
- o Adm. Dept./Div.: NIH/NMZE
- o Information Contact: 262-7844
- o Address: 920 E. Madison, Suite E

- o Enforces City's Zoning Ordinance relating to permitted residential, commercial, and industrial uses.
- o 24-hour hot line at 262-7847 is available to take complaints.

2. ENVIRONMENTAL SAFETY

- o Coverage: Citywide
- o Target Population: All citizens of Phoenix
- o Fund Source: City's General Fund
- o Adm. Dept./Div.: NIH/NMZE
- o Information Contact: 262-7844
- o Address: 920 E. Madison, Suite E

- o Enforces ordinances regarding hazards on vacant land, vacant hazardous structures, structural nuisances, excavations, unsecured pools, open vacant buildings, and occupied property which may constitute a fire hazard from dry vegetation, debris, or piled flammable material.
- o 24-hour hot line at 262-7847 is available to take complaints.

3. PROPERTY MAINTENANCE ORDINANCE

- o Coverage: Citywide
- o Target Population: All citizens of Phoenix
- o Fund Source: City's General Fund
- o Adm. Dept./Div.: NIH/NMZE
- o Information Contact: 262-7844
- o Address: 920 E. Madison, Suite E

- o Enforces minimum standards for the maintenance of all buildings and lands in the City of Phoenix as they relate to health, safety, blight, and deterioration.
- o Response is based on a complaint basis only.
- o 24-hour hot line at 262-7847 is available to take complaints.

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 IDA = Industrial Development Authority
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ATTACHMENT A

INCOME LIMITS

<u>FAMILY SIZE</u>	<u>50% OF PHOENIX MEDIAN (VERY INCOME)</u>	<u>80% OF PHOENIX MEDIAN (LOW INCOME)</u>
1 PERSON	\$13,050	\$20,900
2 PERSONS	14,900	23,580
3 PERSONS	16,800	26,850
4 PERSONS	18,650	29,850
5 PERSONS	20,150	32,250
6 PERSONS	21,650	34,600
7 PERSONS	23,150	37,000
8 PERSONS	24,600	39,400

(Phoenix metro area Median Income from May 7, 1992 HUD memo was \$37,300)

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I. Rental Rehabilitation

Deferred Loans to owners of rental housing for rehabilitation of the units. Loans forgiven 100% at the end of period of affordability.

Maximum Loan Amounts: \$6,500 for 1-bedroom unit, \$7,500 for 2-bedroom units and \$8,500 for 3 or more bedroom units. HOME funds may provide up to 50% of approvable rehab costs. In accordance with HUD regulations, no more than the minimum amount of HOME funds necessary to provide for affordable housing may be committed to a project.

Minimum Per Unit Rehab: \$2,000 total.

Period of Affordability:

<u>Average</u> <u>Per Unit Loan Amount</u>	<u>Minimum</u> <u>Affordability Period</u>
\$1,000 - \$5,000	5 years
Above \$5,000	10 years

Eligibility: property must have at least one building code violation. HOME Program regulations allow rehab to include modifications to meet energy efficiency standards or requirements for handicapped accessibility.

Sale or Transfer of Property: If this occurs during the period of affordability, loan becomes due and payable by seller, with 8% interest compounded annually. unless new owner agrees to rent restrictions and set-asides for the remaining life of the period of affordability. In cases where the new owner is willing to abide by the rent restrictions and set-asides, the transfer of the lien is subject to the approval of the City. If the transfer does not receive the City's approval, the loan must be repaid in full with interest.

Rents and Set-Aside Requirements: All HOME-assisted units must meet federal requirements for affordability during the period of affordability. Projects of 5 or more units must set aside 20% of the units for households earning less than 50% of medium income. These households would pay rent (including utilities) which is no higher than 30% of the income of households with 50% of median income. Rents (again including utilities) on other HOME assisted units cannot be more than 30% of 60% of median income and tenants must have incomes of less than 60% of median income.

Section 8 Certificate and Voucher Holders may not be restricted from renting units assisted with HOME funds.

100% of units in complex must be brought into compliance with specified housing rehabilitation standards. The percentage of units assisted with HOME funds and subject to the affordability requirements will be determined on a case-by-case basis.

Annual Audits: During the period of affordability, the owner must agree to pay for annual audits by an independent CPA of occupancy practices, resident income verifications and financial records.

HOME FACT SHEET

- ⊙ All HOME-assisted units must meet housing quality standards
- ⊙ Maximum per unit investment of HOME funds:
 - Studio - \$27,869
 - 1-bedroom unit - \$31,946
 - 2-bedroom unit - \$38,846
 - 3-bedroom unit - \$50,253
 - 4-bedroom unit - \$55,162
- ⊙ Minimum investment of \$1,000 per HOME-assisted unit, under certain conditions not all units in a project would qualify for HOME assistance
- ⊙ Affirmative marketing requirements apply to all multi-family projects
- ⊙ Davis-Bacon wage requirements apply in all projects with 12 or more units
- ⊙ Environmental clearance must be received before funds are committed
- ⊙ Displacement and relocation costs are eligible HOME expenses

RENTAL HOUSING

- ⊙ Maximum Income: 60% of median income (\$22,400, family of four)
- ⊙ Maximum Rent: Based on 30% of monthly income of a household with 60% of median income (\$481/month, utilities included, for a two bedroom unit)
- ⊙ 20% of units set aside for households with less than 50% of median income (\$18,650). Rent must be \$398/month or less, utilities included, for a two bedroom unit.
- ⊙ Household incomes must be recertified annually by the property owner
- ⊙ Minimum period of affordability - 5 to 20 years, depending on amount of HOME funds invested

HOMEOWNERSHIP HOUSING

- ⊙ Maximum Income: 80% of median income (\$29,850, family of four)
- ⊙ Purchasers must be first time homebuyers
- ⊙ The home must be the family's principal residence during the period of affordability
- ⊙ Period of Affordability: 15 years for existing housing, 20 years for new construction
- ⊙ Resale allowed only to other low income, first time homebuyers during the period of affordability
- ⊙ Subsequent homebuyer's monthly payment for principle, interest, taxes and insurance (PITI) cannot exceed 30% of income of household with 75% of median income (\$699 for four person household)
- ⊙ Value of property cannot exceed FHA mortgage limits (\$104,000)



CITY OF PHOENIX HOME PROGRAM



Acquisition/Rehabilitation of Rental Housing

This program is administered by the Housing Development and Modernization Division of the Neighborhood Improvement and Housing Department. Additional information and application instructions may be obtained by calling 262-6602.

Loans of up to \$250,000 to not-for-profit or for-profit developers of low income housing. Loans will be paid back over various lengths of time depending on the loan amount. Funds are for acquisition only or acquisition with rehabilitation. A minimum 5% cash equity investment is required of the project owner. In accordance with federal regulations, the City will not invest more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.

Annual Interest: Interest rate would be based on whether the loan is a 1st Lien (2% interest) or 2nd Lien (4% interest).

Period of Affordability and Loan Terms:

<u>Average Per Unit Loan Amount</u>	<u>Minimum Affordability Period</u>	<u>Maximum Loan Term</u>
\$0 - \$5,000	5 years	10 years
\$5,001 - \$10,000	10 years	15 years
\$10,001 - \$25,000	20 years	25 years

Sale or Transfer of Property: The remaining balance of the loan becomes due, including any accrued interest, upon conveyance of the property unless the new owner agrees to rent restrictions, set-asides and other program requirements for the remainder of the period of affordability. If the new owner so agrees, he/she may assume the HOME loan, subject to City approval of transfer of the City's lien.

Rents and Set-Aside Requirements: All HOME-assisted units must meet federal requirements for affordability during the period of affordability. Projects of 4 or more units must set aside 20% of the units for households earning less than 50% of median income. The rents these households would pay (including utilities) must be no higher than 30% of the income of households with 50% of median income. Rents (again including utilities) on other HOME assisted units cannot exceed 30% of 60% of median income and renters of those units must have income of less than 60% of median income.

100% of the units in a complex must be brought into compliance with specified housing rehabilitation standards. The percentage of units assisted with HOME funds and subject to the affordability requirements will be determined on a case-by-case basis.

Section 8 Certificate and Voucher Holders may not be restricted from renting units assisted with HOME funds.

Annual Audits: During the period of affordability, the owner must agree to submit to the City annual audits of occupancy practices, resident income verifications and financial records. The audits must be prepared by an independent CPA or other firm approved by the City.

Application Process An application must be completed for submission to the Housing Development and Modernization Division. In addition, recipients may be required to provide environmental reports, contract documents, work specifications, analyses of the financial feasibility of projects and other items necessary to meet local and federal requirements for the implementation of HOME projects.



CITY OF PHOENIX HOME PROGRAM



New Constuction for Homeownership

This program is administered by the Housing Development and Modernization Division of the Neighborhood Improvement and Housing Department. Additional information and application instructions may be obtained by calling 262-6602.

Program Description: As a subrecipient of HOME Program funds, a Community Housing Development Organization (CHDO) may buy and clear land, provide construction financing (0% interest), and sell land to first-time homebuyers. The land will be sold through a deferred payment loan (0% interest, loan forgiven at the rate of 10% a year for years 6 through 15). The homebuyer must be able to obtain permanent financing to repay the HOME funds at the completion of construction.

Eligible Uses: May be used only in areas designated in the CHAS as neighborhood revitalization areas or to construct units for large families (five or more family members) or families with physically impaired members.

Homebuyer Responsibilities: Families must be first-time homebuyers with incomes of less than 80% of the area median. Construction of the home must commence within 6 months of a commitment of HOME funds to purchase the land. Construction must be completed within 12 months. The homebuyer must obtain preliminary approval for financing prior to entering into an agreement for the land.

HOME Program Investment in Land: capped at \$10,000 per single family lot. Demolition and blight elimination are eligible cost/activities included in the cost of the land.

A CHDO is necessary under HOME Program rules to act as program sponsor/developer, unless the housing is for special needs. The CHDO would recruit and prepare families, lenders and builders for participation in this program. The CHDO would oversee the construction of the home. For construction of homes for large families or other special needs housing, for-profit organizations are eligible to participate.

Per-Unit Limit on HOME funds:

1-bedroom home	- \$31,946
2-bedroom home	- \$38,846
3-bedroom home	- \$50,253
4-bedroom home	- \$55,162

Note: Other funds may be necessary to provide enough funds for the construction because of the limits on the investment of HOME funds. Possible sources include CDBG, State Housing Trust Fund and private funds.

Minimum Homebuyer Equity Investment: The Homebuyer's minimum cash equity investment is \$1,500. Down payment and closing cost assistance may be used to meet this minimum for homebuyer's with incomes below 60% of median income, provided the homebuyer invests at least \$750 of his own funds.

Qualifying Guidelines: The homebuyer's payment for PITI may not exceed 34% and total debt may not exceed 38% of gross income.

The City's Home Maintenance Training Program and Prepurchase counseling is required for all recipients of this assistance prior to entering into an agreement for the land and house.

The Home must be the Principal Residence of the homebuyer and the home's appraised value may not exceed the limit set by HUD.

Period of Affordability is 20 years for new construction. During this period the homeowner may sell the home only to other low income households and the new PITI total cannot exceed 30% of the monthly gross income of a household with 75% of median income (\$699 in 1992, four member household). The resale restrictions will be monitored by the CHDO through a deed restriction on the land.

Monitoring would be performed by the CHDO. Reports relating to HOME requirements would be submitted no less than annually.

TO: Richard Ferlauto, Public Capital Program Coordinator

FROM: Kristen Clements

RE: State Housing Policy Strategy

DATE: June 30, 1992

The States' role in affordable housing

While the federal government has taken some action for affordable housing in the last decade by enacting the National Affordable Housing Act of 1990, funding for implementation of NAHA has limited the effect of the Act. One of the features of NAHA, moreover, is the shift of emphasis from federal to state responsibility for assessing needs and planning strategies.

Moreover, because they are focused on more than just housing policy, the states have the ability to integrate the variety of economic and social services needed to affect comprehensive change, and develop a long-term investment strategy to that end.

Thus, with this expanded role, states are in the key position to affect housing policy for the coming years. Even with limited state budgets, states have the potential to, and must learn to, use optimally the tools at their disposal.

1. States allocate federal program money; therefore, they have a opportunity to use their limited money to innovatively leverage federal and private funds, and see their intended target group benefits in constructive ways.

Under the National Affordable Housing Act of 1990, each locality or state must file a Comprehensive Housing Affordability Strategy with HUD to receive funds, which details their plans and needs for the flexible sources of money available. CHAS is not only a bureaucratic necessity; it constitutes a genuine chance for state legislators to help achieve legislative objectives of providing affordable housing and improving communities.

Advocates and citizens have already gotten involved in the CHAS process, with help from places like the Center for Community Change and its Citizen's Action Guide for CHAS. Local housing departments, too, are fulfilling their legislative capabilities in planning for the community level. It is now time for the states to achieve their potential by coordinated planning for affordable housing needs through the CHAS process.

- HOME program

As planned, HOME would provide about \$2 billion to participating jurisdictions, some of which are states, for flexible use by public/private partnerships in providing affordable housing. States administer the money and, in states with no qualifying localities, have the ability to allocate money on a priority basis to urbanized areas.

- HOPE program

As federal funds must be matched on a 3:1 or 4:1 basis, HOPE provides a good opportunity for states to become

involved in promoting home ownership by providing grants, land, fee waivers, or other contributions to constitute the match.

- Community Development Block Grant
Another flexible source of funding, CDBG allocations also necessitate submission of a CHAS, as do HOME and HOPE. States can leverage additional grants with targeting by localities to serve specific populations or neighborhoods, and can coordinate programs by communication about the CHAS goals before submission.
- McKinney Act programs
The McKinney Act of 1988 requires that state governments design coherent strategies to meet the needs of their homeless. NAHA required these plans be included in the CHAS, detailing how federal assistance will leverage money for available services; thus, states can combine their funding with federal and local sources for maximum effect.
- Low Income Housing Tax Credits
States mete out federal tax credit allocations and therefore can tie additional requirements onto federal guidelines to best accomplish state housing goals.

2. States have their own sources of funding which can leverage federal, local and private funding by attaching strings or by stipulating that state funds be matched.

- State appropriations
Money can be gotten from appropriations by state legislatures for specific programs or general purposes. The establishment of housing trust funds is one example of a specific designation establishing a permanent source of funding.
- State funding sources
Aside from legislature appropriations, states can raise revenue by bond reserve funds, tax increment financing, title transfer tax or conveyance fees, mortgage recordation fees, extraction revenues, escheated and abandoned funds, surplus funds, lottery proceeds, tax-linked contributions, linked development contributions, and escrow account funds.
- State tax credits
States can link the granting of state tax credits to specific objectives, i.e., the production of certain amounts of affordable housing units for people with a percentage of median area income.

3. States have the institutional structures through which they can expand their role.

- State Housing Finance Agencies

HFAs can continue to increase their role to include more than the mortgage revenue bond issues which have been a staple of their existence for years. They have the ability to take the lead at being a strong intermediary between varied parties involved in housing provision; they can connect the public with programs, helping to assist with applications and providing other services; and they can implement innovative targeted programs of their own.

- State housing authorities
Housing authorities already have the mission of supplying affordable housing; with quality leadership, they can administer new programs, perhaps focusing on enhanced services, and educate the public as well.
- State economic development agencies
State agencies concerned with economic development can be a resource to tie overall economic development and jobs to those residents who need affordable housing.

4. States can rely on, support and work with networks of community organizations.

In the last few years, community development corporations have grown tremendously in their maturity and ability to develop viable affordable housing suitable for their communities. Over 2,000 CDCs now exist, which have produced over 35,000 units of affordable housing since their development in the late 1970s.

States can put resources into effective CDCs through their CHAS, and are joining them in housing partnerships involving the private, public and non-profit sector. With continued establishment of such enabling partnerships, a "third sector economy" can grow and effectively produce the affordable housing so desperately needed by a growing portion of our nation's population.

Thus there exists capacity at the state level which has not yet been explored fully, and which could yield large benefits for affordable housing and community development causes. To assist development of this capacity, communication and coordination among states is vital, to which our goals of progressive federalism speak: encouraging states to serve as the proverbial laboratories for policy development.

Below are examples of innovative state programs that benefit multi and single family housing.

MULTIFAMILY HOUSING

Aside from the states' traditional ability to issue tax-exempt bonds to fund state programs, a number of innovative

policies on the state level have identified instruments for financing affordable housing which circumvent the scarcity of federal funding and credit crunch of the last few years.

Tax Credits for Low-Income Housing

A few states have instituted a low-income housing tax credit against state taxes, which is separate from state administration of the federal LIHTC.

- California's tax credit provides up to \$35 million total to entities for which the federal tax credit is insufficient, and returns up to 30% of qualified costs of new construction, rehab and inquisition.
- Missouri's low-income housing tax credit closely parallels the federal credit; all federal credit recipients are automatically considered for the state credit, and are given only to those projects which have exhausted federal assistance.
- Missouri's Affordable Housing Credit gives a state tax credit of 55% of donation value to entities which donate real estate or other services to non-profit sponsors who develop affordable housing.
- Connecticut provides a state housing tax credit to businesses contributing funds to non-profit housing programs benefitting low and moderate-income people or families.
- Florida gives a 50% state tax credit for corporations donating to community development projects (including housing) by non-profits, while Massachusetts has a similar program for developers in blighted areas.
- Oregon gives a 10-year state tax credit to lenders who do low-income housing projects. The credit is not to exceed 4% of the outstanding balance on the loan.
- On the demand side, many other states enable localities to reduce local property taxes (OR, PA) or reduce the state tax burden of low-income elderly or disabled renters (MD, IO)

Equity Pools

Equity pools are funds used to provide loans or grants for housing development or rehab, which also help reduce risk and therefore secure further financing. Funds are derived from a variety of sources, such as state reserves or fees, or private lenders.

- Ohio's Development Loan Program makes available low- and no-interest construction loans and bridge loans for rehab and new construction of low- and moderate-income multi-

family and single family housing. Funding comes from state unclaimed funds.

- The Rhode Island Housing Equity Pool serves as an equity resource for developers who build affordable rental housing. The pool was established by agency reserves, is funded by corporations and lenders, and is used to purchase low-income housing tax credits from developers.

- Vermont's Equity Fund in which investors (usually banks) invest in affordable housing projects (targeted towards low- and moderate-income residents) assisted by the LIHTC.

Housing Trust Funds

Unlike equity pools, housing trust funds are usually created by ordinance or legislation; thus, they are an institutionalized way that governments can pledge a permanent pool of money to target housing for a specific group of people.

- Trust funds are active in Arizona, California, Delaware, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Tennessee, Texas, Utah, Vermont and Washington.

- Funding comes from a variety of sources, including unclaimed deposits and interest, real estate transfer fees, loans from other public funds, agency reserves, issues of tax exempt bonds, and general fund appropriations.

SINGLE FAMILY HOMES

States have also instituted countless programs to benefit homeowners, especially those with low- and moderate-incomes.

Mortgage Credit Certificates for First-time Homebuyers

Mortgage credit certificates (MCCs) can be issued by state housing finance agencies to potential first-time homebuyers to allow them to deduct part of their mortgage interest payments from federal taxes. By reducing the tax burden, the credit increases the amount of income available both to qualify for a mortgage and to make payments.

- Several states have a MCC program in place to benefit first-time homebuyers: Alabama, Colorado, Georgia, Hawaii, Idaho, Indiana, Iowa, Massachusetts, Michigan, Montana, North Carolina, Oregon, Rhode Island, Texas, Vermont, Washington, and West Virginia.

- Credits range between 15% and 35% of the mortgage interest payments, with most being 20%. The remaining portion of

interest payments are usually eligible for tax write-offs through itemized returns.

- Many programs have eligibility caps on income and home prices; for example, Michigan's program caps income at \$36,000 (or \$42,000 for certain distressed areas) and home sales prices at \$80,000 for new homes and \$60,000 for existing homes.
- Those who benefit from the MCC programs are low- and moderate-income first-time homebuyers, both families and individuals.

Mortgage Revenue Bonds to benefit First-time Homebuyers

Almost every state has some program which is funded by the sale of mortgage revenue bonds to assist first-time homebuyers to purchase a home. The variety of kinds of assistance available is significant, and reflects the flexible and creative responses possible through state action.

Sources of financing in all of these state programs include the sale of MRBs, but may also include:

- corporations
- state appropriations
- agency revenues
- recycled mortgage prepayments
- targeted area bond money
- shareholder equity (for coops)
- housing trust funds
- municipal funds
- other real estate

Assistance comes through a number of vehicles. Most programs provide low-interest loans for homebuyers, while other assistance is through:

- monthly income assistance (MN)
- level interest and principal payments over the life of the mortgage (NE)
- fixed rate loans (IL)
- downpayments as low as 5% and reduced points at closing (NJ)
- loans which need no downpayment and no closing costs (NJ)
- low down-payment requirements (DC, OR)
- non-amortizing second mortgages to reduce up-front costs and dispose of foreclosed inventory (FL)
- payment of origination fees and the first year of primary mortgage insurance (NY)

Targeted recipients are ultimately low-, moderate- and very low-income homebuyers. Other priority recipients include:

- unmarried heads of households (SC, WA)

- Vietnam veterans (MA)
- minority households (MA)
- physically disabled borrowers or co-borrowers (MA)
- homeowners who are in imminent danger of losing their homes because of a permanent loss of income (MD)
- non-profit institutions who are involved in purchase and rehab of distressed units (CT)
- builders, developers and sponsors of low-and moderate-income housing (NY)

Priority projects include:

- those in distressed communities (WI)
- those in rural areas (KY, SC)
- homes which are not selling well (MA)
- projects which will be rehabbed with sweat equity (NC)
- those for rehab in "buy it/fix-it" programs (MN, MA, NJ, ME)
- programs which dispose of REO properties (properties owned by RTC, FHA or other federal and quasi-federal entities through default) (MI, MO, OK, TX)

Other players involved in these programs include:

- state housing agencies
- HUD
- The Resolution Trust Corporation
- Federal Home Loan Banks
- localities
- non-profit sponsors
- private lenders

Some of these entities get involved in educating homeowners by:

- the developer or sponsor providing supportive services (FL)
- finance and mortgage agencies conducting seminars on first-time homebuyers program and on how to apply (OH, NY)
- localities providing additional incentives, such as site development/improvement assistance and closing cost/downpayment assistance, as well as home purchase counselling (VA, SC)
- mortgage agencies distributing written materials on programs to potential homeowners (NY)

State Insurers

Some states take a more active role in helping secure financing for their target groups by:

- underwriting lenders who take a chance on projects seen as perhaps too risky for conventional financing, given

requirements on percentage of low-income housing produced (NY, OH)

- providing a pool insurance program for single family mortgage loans (NY)
- insuring lenders against losses on below market rate loans for single family homebuyers, underwriting the loans, and servicing loans at no cost to lenders (KY, PA)

Cooperation with Secondary Markets

States have joined forces with secondary market players to further secure sources of money for low-income homebuyers through flexible financing terms, provision of mortgage insurance, and purchase of MRBs.

- States team up with GE Mortgage Insurance Companies (GEMICO) to provide mortgage insurance to help with downpayment, up front costs and mortgage qualification for first-time homebuyers. Lenders will allow a 95% loan-to-value ratio because of the insurance and because Fannie Mae agrees to purchase the loans. (RI, PA, MI, NJ)
- One specific Fannie Mae and GEMICO program is the Community Homebuyer's Program, which promotes homeownership for low-income people. Income qualifications, cash reserve requirements, and credit history references are relaxed, while GEMICO provides mortgage insurance and pays a portion of a prepurchase inspection costs.
- States, together with Fannie Mae, lenders, FHA, mortgage insurers and non-profits, offer affordable mortgages to families through flexible terms by Fannie Mae (unsecured financing of closing costs, subsidized second mortgages) and second mortgages provided by the state.
- Fannie Mae purchases tax-exempt mortgage revenue bonds issued by state housing finance agencies through negotiated private placements.

Downpayment Assistance

As it is often the cash outlay for downpayments and closing costs which prohibit people from buying a home, many states have programs which lend assistance for these purposes.

- These states include: Alabama, California, Delaware, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, New Hampshire, North Dakota, Pennsylvania, Rhode Island, South Dakota and Utah.

- Assistance comes in the form of low- or no-interest loans or second mortgage loans.
- Funding comes from general obligation funds, agency reserves, state appropriations, revolving loan pools, Federal Home Loan Banks, or city funds.
- Low- and moderate-income single family buyers are the targeted group.
- An example of a typical program: California's Housing Finance Agency administers their Matching Downpayment Program, which provides deferred payment second loan funds at 3% simple interest to cover closing costs and/or increase the downpayment. The payment of interest and principal can be deferred up to 30 years or until the home is refinanced or sold. Borrowers must meet low-income requirements and must pay at least the minimum downpayment, which is matched up to \$5,000. In 1990, \$115,797 was loaned to assist with the purchase of 51 units.

Lease/Purchase Programs

States are also helping renters build up equity with the goal of purchasing their single family units, reinforcing the original notion of "public housing as a bridge to self-sufficiency." Lease/purchase programs allow tenants to rent for three years, while they pay affordable rent rates and a small additional premium, which gets banked and put towards a downpayment.

- States involved are: New Jersey, Delaware.
- An example is Delaware, in which homes which were purchased with HUD and state housing authority funds are rented to low-income families for up to three years, with 30% of tenants' income collected for rent. Any rent collected over \$300 is placed in a savings account to be credited towards downpayment and closing costs, while families learn the responsibilities of homeownership firsthand and benefit from support services.

APPENDIX E

Draft Legislation Submitted

to the Committee

by the City of Phoenix

DRAFT

NOV 25 1992

AN ACT

PROVIDING FOR HOUSING ASSISTANCE BY CITIES AND TOWNS IN HOUSING DEVELOPMENT AREAS; PRESCRIBING DEFINITIONS; PRESCRIBING CONDITIONS, TERMS, PROCEDURES, CRITERIA, LIMITATIONS AND OTHER REQUIREMENTS FOR HOUSING ASSISTANCE IN HOUSING DEVELOPMENT AREAS; AMENDING TITLE 36, CHAPTER 12, ARIZONA REVISED STATUTES BY ADDING ARTICLE 4.

Be it enacted by the Legislature of the State of Arizona:

Section 1. TITLE 36, CHAPTER 12, Arizona Revised Statutes is amended by adding ARTICLE 4 to read:

HOUSING ASSISTANCE IN HOUSING DEVELOPMENT AREAS

ARTICLE 1. GENERAL PROVISIONS

§ 36-1500. *Legislative Finding and Declaration of Public Necessity*

It is found, determined and declared that :

(1) There exist within municipalities of the State areas in serious need of decent, safe, and sanitary housing. This shortage of housing is inimical to the safety, health, and welfare of the residents of this state and the sound growth of its municipalities. The cost of financing the ownership and rehabilitation of housing in such areas is a major factor affecting the ability of persons to obtain decent and safe housing in such areas. In order to remedy housing shortages in such areas, it is necessary to provide municipalities with powers to reduce the cost of financing the acquisition and rehabilitation of such housing, in order to make the acquisition of housing feasible for all persons and families residing or desiring to reside in such areas of the municipalities of the state;

(2) It is necessary that municipalities have the authority, either directly or indirectly through public corporations or qualified lending institutions, to assist the development of housing in such areas, which assistance includes but is not limited to financial assistance;

(3) Areas without sufficient housing contribute to or cause unemployment, limit the tax resources of municipalities while creating a greater demand for governmental services and, in general, have a deleterious effect upon the public health, safety, morals, and welfare of citizens in the municipalities of the state.

(4) Providing such assistance will:

(A) Provide for and promote the public health, safety, and welfare of the municipality;

(B) Reduce unemployment and encourage the increase of industrial and commercial activities and economic development in such areas of the municipality;

(C) Provide for the efficient and well-planned growth and development of the municipalities, including the development and maintenance of stable housing areas, and the proper coordination of industrial facilities with public services, transportation facilities, and residential development, by providing an incentive for residential facilities within specified areas of the municipality;

(D) Assist persons and families in acquiring and owning decent, safe, and sanitary housing within such areas of the municipalities;

(E) Promote the integration of families of varying economic means in such areas of the municipalities; and

(F) Preserve and increase the tax base of such municipalities.

(5) It is a valid public purpose of municipalities to assist in providing for the acquisition, construction or rehabilitation of housing and other facilities incidental and related thereto in areas which are declared by the municipality to be housing development areas, and public moneys may be expended for such purposes in such areas.

§ 36-1501. *Definitions*

In this article, unless the context otherwise requires, the following terms shall have the meanings set forth below:

1. "*Housing*" means any structure suitable for residence by an individual or family.

2. "*Housing Development Area*" means an area within a municipality which is declared by the governing body of such municipality to be in serious need of housing and is declared to be in need of the expenditure of public funds in order to assist the provision of housing in such area.

3. "*Housing Development Plan*" means a plan for the acquisition, clearance, reconstruction, rehabilitation, construction, rezoning or future use of a housing Development area or housing development project.

4. "*Housing Development Project*" means any work or undertaking to acquire real property, structures or improvements in a housing development area, the acquisition of which is necessary or incidental to assisting the development of housing in such area, including clearing such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and installing, constructing, or reconstructing streets, utilities and site improvements essential to the preparation of sites for the provision of housing, including the sale, lease or otherwise making available land in such areas for residential, recreational, commercial, or public use or other use consistent with residential activities, or activities incidental or related thereto, in accordance with a housing development plan.

Housing development project also includes the preparation of a development plan, the planning, surveying and other work incidental to a housing development project and the preparation of all plans and arrangements for carrying out a housing development project.

5. "*Local Governing Body*" means the council or legislative body charged with governing the municipality.

6. "*Municipality*" means any incorporated city or town.

7. "*Real Property*" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every other estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

§ 36-1502. *Declaration of housing development area by local governing body*

Prior to exercising any of the powers conferred upon municipalities by this article, the local governing body of such municipality shall adopt a resolution finding that a shortage of housing exists in a certain area of the municipality, that such area is declared to be a housing development area and that assisting in the provision of housing in such area is in the interest of the public health, safety, morals or welfare of the residents of the municipality. The resolution shall also establish the boundaries of the housing development area.

§ 36-1503. *Powers of municipalities*

Every municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this article, including the following powers in addition to others granted by this article:

1. To prepare or cause to be prepared housing development plans and to undertake and carry out housing development projects within housing development areas.

2. To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a housing development area, and anything to the contrary contained in this article or any other provision of law notwithstanding, to agree to any conditions that it deems reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a housing development project, and to include in any contract let in connection with such a project, provisions to fulfill such of the conditions as it deems reasonable and appropriate.

3. Within a housing development area:

(a) Purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to providing housing or other incidental or related facilities in a housing development project.

(b) Hold, improve, clear or prepare for development any real or personal property in a housing development area.

(c) Sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein in a housing development area.

(d) Enter into contracts with developers of property within a housing development area containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, recreational or for public purposes or other purposes consistent with residential activities or activities incidental or related thereto, in accordance with a housing development plan and such other covenants, restrictions and conditions as the municipality deems necessary to prevent a recurrence of a shortage of housing in such area or to effectuate the purposes of this article.

(e) Make any of the covenants, restrictions or conditions of the foregoing contracts covenants running with the land, and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the municipality to terminate such contracts and any interest in the property created pursuant thereto.

(f) Borrow money and issue bonds or other obligations and provide security for loans, bonds or other obligations for use within a housing development area.

(g) Insure or provide for the insurance of any real or personal property or operations of the municipality in a housing development area of the municipality against any risks or hazards, including the power to pay premiums on any such insurance.

(h) Finance (by loan, grant, lease or otherwise), refinance, construct, erect, assemble, purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage housing development projects and to pay the costs of any such project from the proceeds of bonds or other obligations of the municipality or any other funds of the municipality, or from any contributions or loans by persons, corporations, partnerships (whether limited or general), or other entities, all of which the municipality is authorized to receive, accept, and use.

(i) Make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, guarantees, or other financial assistance in furtherance of the municipality's housing development project and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source.

(j) Enter into agreements with the federal or state government, any agency thereof or any private entity, and to use the facilities or services of the federal or state government or any agency thereof or of any private entity in order to carry out the purpose of this article.

(k) Extend credit or make loans to any person, corporation, partnership (whether limited or general), or other entity for the costs of any housing development project or any part of the costs of such project, which credit or loans may be evidenced or secured by loan agreements, notes, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, or such other instruments, or by rentals, revenues, fees, or charges, upon such terms and conditions as the municipality shall determine to be reasonable in connection with such extension of credit or loans including provision for the establishment and maintenance of revenue funds; and in the exercise of powers granted by this article in connection with any project, the municipality shall have the right and power to require the inclusion of any such loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other instrument of such provisions or requirements for guaranty of any obligations, insurance, construction, use, operation, maintenance, and financing of a project, and such other terms and conditions as the municipality may deem necessary or desirable.

(l) Encourage and promote the improvement and revitalization of a housing development area and make, contract for, or otherwise cause to be made long-range plans or proposals for the housing development area.

(m) Provide funds to nonprofit corporations, public corporations, political subdivisions of the State, including industrial development authorities formed pursuant to Title 35, Chapter 5 of the Arizona Revised Statutes, upon agreement of the nonprofit corporation, public corporation, political subdivision or industrial development authority to use such funds in the housing development area.

(n) Enter into any contracts necessary to effectuate the purposes of this article.

(o) Do all things necessary or convenient to carry out the powers conferred by this article.

No statutory provision with respect to the acquisition, clearance or disposition of property by public bodies shall restrict a municipality in such functions with respect to a housing development project, unless the legislature specifically so states.

4. To invest any housing development project funds held in reserves or sinking funds or any such funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control, and to redeem such bonds which have been issued pursuant to § 36-1509 at the redemption price established therein or to purchase such bonds at not more than the redemption price, whether such purchase is for investment in such bonds or for cancellation of the bonds.

5. To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county or other public body or from any sources, public or private, for the purposes of this article, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a housing development project such conditions imposed pursuant to federal law as the municipality deems reasonable and appropriate and which are not inconsistent with the purposes of this article.

6. Within a housing development area, to make or have made all surveys, appraisals, studies and plans necessary to the carrying out of the purposes of this article and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies and plans.

7. To prepare plans and provide reasonable assistance for the relocation of families displaced from a housing development area to the extent essential for acquiring possession of and clearing such area or parts thereof to permit the carrying out of the housing development project.

8. To appropriate such funds and make such expenditures necessary to carry out the purposes of this article, and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures.

9. To exercise all or any part or combination of powers granted by this section.

The powers set forth in this article are in addition to all other powers granted municipalities in the Arizona Revised Statutes.

§ 36-1504. *Delegation of powers of municipalities*

In undertaking housing development projects under this article, every municipality may, by resolution of its governing body, delegate to the housing department of the municipality or a housing authority of the municipality created by it pursuant to § 36-1404, as an agent of the municipality any or all of the powers conferred upon municipalities by this article except the power to borrow money, issue bonds, acquire and dispose of real property, enter into contracts with the federal government or any public or private bodies, or approve housing development plans.

§ 36-1505. *Eminent domain*

A municipality may acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for or in connection with a housing development area or activities incidental or related thereto or in support thereof, under this article, after the adoption by the local governing body of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. A municipality may exercise the power of eminent domain in the manner provided in articles 2 or 3 of chapter 8, title 12, or in the manner provided by any other applicable statutory provisions for the exercise of the power of eminent domain.

§ 36-1506. *Preparation and approval of housing development plans*

A. A municipality shall not prepare a housing development plan for a housing development area unless the local governing body has, by resolution, declared such area to be in need of housing. A municipality shall not acquire real property for a housing development area unless the local governing body has approved the housing development plan, as prescribed in subsection D of this section.

B. The municipality may itself prepare or cause to be prepared a housing development plan or any person or agency, public or private, may submit such plan to a municipality. Such plan shall include, without being limited to:

1. A statement of the boundaries of the housing development area.
2. A map showing the existing uses and conditions of the real property therein.
3. A land use plan showing proposed uses of the area.
4. Information showing the standards of population densities, land coverage and building intensities in the area after development.
5. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances.

6. A statement as to the kind and number of site improvements and additional public utilities which will be required to support the new land uses in the area after development.

7. A statement of the proposed method and estimated cost of the acquisition and preparation for development of the housing development area and the estimated proceeds or revenues from its disposal to developers.

8. A statement of the proposed method of relocating the families to be displaced from the housing development area.

C. The land uses and building requirements proposed in a housing development area shall be designed with the general purpose of accomplishing a coordinated, adjusted and harmonious development of the municipality and its environs which will, in accordance with present and future needs, promote health, safety and the general welfare, as well as efficiency and economy in the process of development, and including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities and other republic requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the provision of adequate, safe and sanitary dwelling accommodations.

D. The local governing body may approve a housing development plan if it finds that the plan is feasible and in conformity with the development of the municipality as a whole, but the local governing body must also find that:

1. A shortage of housing of sound standards and design, adequate for family life, exists in the proposed area.

2. The shortage of housing accommodations is expected to be ameliorated as a result of the development.

E. A housing development plan may be modified at any time, but if modified after the lease or sale of real property in the housing development area, the modification shall either (i) be consented to by the developer or developers of such real property or his successor or their successors in interest affected by the proposed modification or (ii) if consent from an affected developer is not obtained, then such modification shall not apply to the real property leased or purchased by such developer. Any proposed modification which will substantially change the housing development plan as previously approved by the local governing body shall be considered a new plan and shall be subject to all the requirements of this section before it may be approved.

§ 36-1507. *Disposal of property in housing development area*

A. A municipality may sell, lease, exchange or otherwise transfer real property or any interest therein in a housing development area to any developer for residential, recreational, commercial, or public use or other uses consistent with residential activities or activities incidental or related thereto in accordance with the housing development plan, subject to such covenants, conditions and restrictions as the municipality deems to be in the public interest or to carry out the purposes of this article. Such real property shall be sold, leased or transferred at a value deemed appropriate by the local governing body of the municipality taking into consideration the benefits to be obtained by the City after the formation of the housing development area, even though such value may be less than the cost of acquiring and preparing the property for development. In determining the value of real property for uses in accordance with the housing development plan, a municipality may take into account and give consideration to the uses and purposes required by such plan, the restrictions upon, and the covenants, conditions and obligations assumed by the developer of, such property, the objectives of the housing development plan for the prevention of a shortage of housing, and other matters the municipality specifies as being appropriate.

B. No such sale, lease, exchange or other transfer of real property or any interest therein shall be made until after public advertising for bids therefor have been made for at least thirty days in some newspaper of general circulation within the municipality, and the posting of notices in three or more public places therein, or, if there is no such newspaper within the corporate limits of the municipality, by posting in three or more public places therein, notices for bidders for the property proposed to be sold.

C. Prior to contracting with a developer for development of a housing development area, the municipality shall, by public notice published at least once a week for two consecutive weeks in a newspaper having a general circulation in the area of operation, invite proposals from, and make all pertinent information available to, private developers or any persons interested in carrying out the development of a housing development area, or any part thereof, which the local governing body has declared to be in need of development. Such notice shall identify the area, and shall state where any further information available may be obtained. The municipality shall consider all housing development proposals and the financial, technical and legal ability of the prospective developers to carry out their proposals, and may negotiate with any developers for proposals for the purchase or lease of any real property in the housing development area. The municipality may accept contract proposals for development of a housing development area which it deems to be in the public interest and in furtherance of the purposes of this article, and may execute such contracts in accordance with the provisions of subsection A and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contracts. In its discretion, the municipality may, without regard to the provisions of this subsection, dispose of real property in a housing development area to private developers for development under such reasonable competitive bidding procedures as it prescribes, subject to the provisions of subsection A of this section.

D. A municipality may temporarily operate and maintain real property in a housing development area pending the disposition of the property for development, without regard to the provisions of subsections A, B and C of this section, for uses and purposes deemed desirable even though not in conformity with the housing development plan. If such real property is not disposed of for development within one year the municipality shall, immediately upon expiration of such one year period, remove or demolish all buildings thereon.

§ 36-1508. *Issuance of bonds*

A. A municipality may issue bonds in its discretion to finance the undertaking of any housing development project or housing development area under this article, including the payment of principal and interest upon any advances for surveys and plans for housing development projects, and may also issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues and funds of the municipality, derived from or held in connection with its undertaking and carrying out of housing development projects under this article, whether or not they are financed in whole or in part with the proceeds of such bonds, but payment of such bonds, both as to principal and interest, may be further or exclusively secured by a pledge of any loan, grant or contribution from the federal government or other source, whether public or private, in aid of any housing development areas of the municipality undertaken under this article and by a mortgage of any such housing development areas.

B. The bonds and other obligations of the municipality issued pursuant to subsection A of this section are not a general obligation or general debt of the municipality, the state or any of its political subdivisions, and neither the municipality, the state, nor any of its political subdivisions are generally liable for them, and the bonds or obligations shall not give rise to a general obligation or liability of the municipality, the state or any of its political subdivisions, or a charge against their general credit or taxing powers, or be payable from any funds or properties other than those funds or properties specifically described in subsection A of this section, and the bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds issued under the provisions of this article are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempt from all taxes.

C. Bonds issued under this section shall be authorized by resolution of the local governing body, may be issued in one or more series, shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates which may be fixed or variable, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as provided by the resolution or trust indenture or mortgage issued pursuant thereto.

D. Such bonds or any bonds issued to refund such bonds may be sold at public or private sale at such price or prices as may be determined by the local governing body or may be exchanged for other bonds, and if sold at public sale, notice shall be published once at least ten days prior to the sale in a newspaper having a general circulation in the area of operation or in such other medium of publication as the municipality determines.

E. If any other public officials of the municipality whose signatures appear on any bonds or coupons issued under this article cease to be such officials before delivery of the bonds, their signatures shall nevertheless be valid and sufficient for all purposes the same as if the officials had remained in office until delivery. Any provision of law to the contrary notwithstanding, bonds issued pursuant to this article shall be fully negotiable.

F. In any action or proceedings involving the validity or enforceability of any bond issued under this article or the security for such bond, the recitation in substance in the bond that it has been issued by the municipality in connection with a housing development area shall be conclusive proof that the bond was issued for such purpose and such area shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this article.

G. Neither the members of the governing body of a municipality or a commission nor any persons executing the bonds shall be liable personally on the bonds by reason of their issuance.

§ 36-1509. Power of Municipality to provide additional security for bonds

A. In connection with the issuance of bonds pursuant to § 36-1508, or the incurring of obligations under leases, and in order to secure the payment of such bonds or obligations, a municipality, in addition to its other powers, may:

1. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which shall consent thereto and the manner in which such consent may be given.

2. Vest in any obligees the right to enforce the payment of such bonds or any covenants securing or relating to the bonds.

3. Vest in any obligee or obligees holding a specified amount of such bonds the right, in the event of a default, to take possession of and use, operate and manage any housing development area or any part thereof, title to which is in the municipality, or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the municipality with such obligees.

4. Provide for the powers and duties of such obligees and limit the liabilities thereof.

5. Provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds.

6. Exercise all or any part or combination of the powers granted by this subsection.

7. Make such covenants and do any and all such acts and things necessary, convenient or desirable in order to secure its bonds, or, in the absolute discretion of the municipality, as will tend to make the bonds more marketable even if such covenants, acts or things are not enumerated in this section.

B. A municipality may by its resolution, trust indenture, mortgage, lease or other contract confer upon any obligee holding or representing a specified amount in bonds issued pursuant to § 36-1508, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by an action or proceeding in any court of competent jurisdiction:

1. To require the municipality and the officials, agents and employees thereof to account as if it and they were the trustees of an express trust, and

2. To obtain the appointment of a receiver of any housing development area of the municipality or any part thereof, title to which is in the municipality, and of the rents and profits therefrom.

C. If such receiver is appointed, he may enter and take possession of, carry out, operate and maintain the housing development area or any part thereof and collect and receive all fees, rents, revenues or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply them in accordance with the obligations of the municipality as the court directs.

§ 36-1510. *Construction of bond provisions*

This article, without reference to other statutes of the state, shall constitute full authority for the authorization and issuance of bonds under § 36-1508. Notwithstanding any other law to the contrary, bonds authorized under § 36-1508 shall not be subject to the provisions of any other law or charter relating to the issuance or sale of bonds.

§ 36-1511. *Certification of bonds by attorney general*

A. Any bonds to be issued under § 36-1508 may be submitted to the attorney general of the state after all proceedings for issuance of the bonds have been taken. Upon submission of the proceedings to the attorney general, the attorney general shall examine into and pass upon the validity of the bonds and the regularity of all proceedings in connection therewith.

B. If the proceedings conform to the provisions of this article and are otherwise regular in form, and if the bonds when delivered and paid for will constitute binding and legal obligations enforceable according to the terms thereof, the attorney general shall certify in substance upon the back of each of the bonds that it is issued in accordance with the constitution and laws of the state.

§ 36-1512. *Remedies of Obligee*

An obligee of a municipality exercising its powers under this article may, in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

1. By mandamus, or an action or proceeding at law or in equity, compel the municipality and the officials, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of the municipality with or for the benefit of the obligee, and require the carrying out of any or all such covenants and agreements of the municipality and the fulfillment of all duties imposed upon the municipality by this article.

2. By an action or proceeding in equity, enjoin any acts or things which are unlawful or in violation of any of the rights of the obligee of the municipality.

§ 36-1513. *Property exempt from execution sale*

All property of a municipality, including funds, owned or held by it for the purposes of this article shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against it nor shall judgment against a municipality be a charge or lien upon such property, but the provisions of this section shall not apply to or limit the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by a municipality on its rents, fees, grants or revenues from housing development areas.

§ 36-1514. *Cooperation by public bodies*

A. For the purpose of aiding in the planning, undertaking or carrying out of a housing development area located within the area in which it is authorized to act, any public body may, upon such terms, with or without consideration, as it determines:

1. Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or other rights or privileges therein to a municipality.

2. Incur the entire expense of any public improvements made by such public body in exercising the powers granted by this section.

3. Do any and all things necessary to aid or cooperate in the planning or carrying out of a housing development plan.

4. Lend, grant or contribute funds to a municipality.

5. Employ any funds belonging to such public body or within its control, including funds derived from the sale or furnishing of property, service or facilities, to a municipality, in the purchase of the bonds or other obligations of a municipality issued pursuant to § 36-1508.

6. Enter into agreements, which may extend over any period, any provision or rule of law to the contrary notwithstanding, with a municipality respecting action to be taken by such public body pursuant to any of the powers granted by this article.

7. Where otherwise authorized to perform functions of a similar character:

(a) Cause parks, playgrounds, recreational, water, sewer or drainage facilities, or any other works to be furnished.

(b) Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places.

(c) Plan or replan, zone or rezone any part of the public body or make exceptions from building regulations.

(d) Cause administrative and other services to be furnished to the municipality.

B. If at any time title to or possession of any housing development area is held by a public body or governmental agency other than the municipality which is authorized by law to engage in the undertaking, carrying out or administration of the housing development area, including any agency or instrumentality of the United States, the provisions of the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency.

C. Any sale, conveyance, lease or agreement provided for in this section may be made by public body without appraisal, public notice, advertisement or public bidding.

§ 36-1515. Use of municipal revenue powers to provide funds for project

Every municipality may use its funds for the purposes of aiding in the planning, undertaking or carrying out of a housing development area in its area of operation. To obtain funds for this purpose, every municipality may, in addition to other powers set forth in this article, levy taxes, incur indebtedness and issue bonds in amounts the local governing body determines by resolution necessary for the purpose of raising funds for use in connection with a housing development area or in areas incidental or related thereto. Any bonds to be issued by the municipality pursuant to this section shall be issued in the manner and within the limitations prescribed by the laws of the state for the issuance and authorization of bonds for public purposes generally.

§ 36-1516. *Termination of a housing development area*

A housing development area terminates on the date of termination set by the housing development plan unless it is terminated earlier by resolution of the local governing body of the municipality. On termination the municipality becomes liable for all unpaid costs and any outstanding debts incurred relating to the housing development area.

Revised Draft Legislation
Recommended by the Committee
To the Legislature for Consideration

Rough Draft
Folder #0467
01/05/93 DRT/rk

REFERENCE TITLE: municipal housing development

State of Arizona
House of Representatives
Forty-first Legislature
First Regular Session
1993

H. B. _____

Introduced by _____

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4; AMENDING TITLE 42, CHAPTER 3, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-685.01; RELATING TO HOUSING DEVELOPMENT.

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 9, chapter 4, Arizona Revised Statutes, is amended
3 by adding article 4, to read:
4 ARTICLE 4. HOUSING DEVELOPMENT
5 9-441. Definitions
6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:
7 1. "HOUSING" MEANS ANY STRUCTURE SUITABLE FOR RESIDENCE BY AN
8 INDIVIDUAL OR FAMILY.
9 2. "HOUSING DEVELOPMENT AREA" MEANS AN AREA WITHIN A MUNICIPALITY
10 THAT IS DECLARED BY THE GOVERNING BODY OF THE MUNICIPALITY TO BE IN
11 SERIOUS NEED OF HOUSING AND THAT IS DECLARED TO BE IN NEED OF THE
12 EXPENDITURE OF PUBLIC MONIES TO ASSIST THE PROVISION OF HOUSING IN THE
13 AREA.
14 3. "HOUSING DEVELOPMENT PLAN" MEANS A PLAN FOR THE ACQUISITION,
15 CLEARANCE, RECONSTRUCTION, REHABILITATION, CONSTRUCTION, REZONING OR
16 FUTURE USE OF A HOUSING DEVELOPMENT AREA OR HOUSING DEVELOPMENT PROJECT.
17 4. "HOUSING DEVELOPMENT PROJECT" MEANS ANY WORK OR UNDERTAKING TO
18 ACQUIRE REAL PROPERTY, STRUCTURES OR IMPROVEMENTS IN A HOUSING DEVELOPMENT
19 AREA, THE ACQUISITION OF WHICH IS NECESSARY OR INCIDENTAL TO ASSISTING THE
20 DEVELOPMENT OF HOUSING IN THE AREA, INCLUDING CLEARING THE AREA BY
21 DEMOLITION OR REMOVAL OF EXISTING BUILDINGS, STRUCTURES, STREETS,
22 UTILITIES OR OTHER IMPROVEMENTS AND INSTALLING, CONSTRUCTING OR

1 RECONSTRUCTING STREETS, UTILITIES AND SITE IMPROVEMENTS ESSENTIAL TO THE
2 PREPARATION OF SITES FOR THE PROVISION OF HOUSING, INCLUDING THE SALE,
3 LEASE OR OTHERWISE MAKING AVAILABLE LAND IN THE AREA FOR RESIDENTIAL,
4 RECREATIONAL, COMMERCIAL OR PUBLIC USE OR OTHER USE CONSISTENT WITH
5 RESIDENTIAL ACTIVITIES, OR INCIDENTAL OR RELATED ACTIVITIES, IN ACCORDANCE
6 WITH A HOUSING DEVELOPMENT PLAN. HOUSING DEVELOPMENT PROJECT INCLUDES
7 PREPARATION OF A DEVELOPMENT PLAN, PLANNING, SURVEYING AND OTHER WORK
8 INCIDENTAL TO A HOUSING DEVELOPMENT PROJECT AND THE PREPARATION OF ALL
9 PLANS AND ARRANGEMENTS FOR ESTABLISHING A HOUSING DEVELOPMENT PROJECT.

10 5. "LOCAL GOVERNING BODY" MEANS THE COUNCIL OR LEGISLATIVE BODY
11 CHARGED WITH GOVERNING THE MUNICIPALITY.

12 6. "MUNICIPALITY" MEANS AN INCORPORATED CITY OR TOWN.

13 7. "REAL PROPERTY" MEANS ALL LANDS, INCLUDING IMPROVEMENTS AND
14 FIXTURES, AND APPURTENANT PROPERTY OF ANY NATURE, OR USED IN CONNECTION
15 WITH THE PROPERTY, AND EVERY OTHER ESTATE, INTEREST AND RIGHT, LEGAL OR
16 EQUITABLE, IN THE PROPERTY, INCLUDING TERMS FOR YEARS AND LIENS BY WAY OF
17 JUDGMENT, MORTGAGE OR OTHERWISE AND THE INDEBTEDNESS SECURED BY THESE
18 LIENS.

19 9-441.01. Public purpose; declaration of housing
20 development area by local governing body

21 A. IT IS A VALID PUBLIC PURPOSE OF MUNICIPALITIES TO ASSIST IN
22 PROVIDING FOR THE ACQUISITION, CONSTRUCTION OR REHABILITATION OF HOUSING
23 AND OTHER FACILITIES INCIDENTAL AND RELATED TO HOUSING IN AREAS THAT ARE
24 DECLARED BY THE MUNICIPALITY TO BE HOUSING DEVELOPMENT AREAS, AND PUBLIC
25 MONIES MAY BE EXPENDED FOR THESE PURPOSES IN THE AREAS.

26 B. BEFORE EXERCISING ANY OF THE POWERS CONFERRED ON MUNICIPALITIES
27 BY THIS ARTICLE, THE LOCAL GOVERNING BODY SHALL ADOPT A RESOLUTION FINDING
28 THAT A SHORTAGE OF HOUSING EXISTS IN A CERTAIN AREA OF THE MUNICIPALITY,
29 THAT THE AREA IS DECLARED TO BE A HOUSING DEVELOPMENT AREA AND THAT
30 ASSISTING IN THE PROVISION OF HOUSING IN THE AREA IS IN THE INTERESTS OF
31 THE PUBLIC HEALTH, SAFETY, MORALS OR WELFARE OF THE RESIDENTS OF THE
32 MUNICIPALITY. THE RESOLUTION SHALL ALSO ESTABLISH THE BOUNDARIES OF THE
33 HOUSING DEVELOPMENT AREA.

34 9-441.02. Powers of municipalities

35 EVERY MUNICIPALITY HAS ALL OF THE POWERS NECESSARY OR CONVENIENT TO
36 CARRY OUT AND EFFECTUATE THE PURPOSES AND PROVISIONS OF THIS ARTICLE,
37 INCLUDING THE FOLLOWING POWERS IN ADDITION TO OTHERS GRANTED BY THIS
38 ARTICLE:

39 1. PREPARE HOUSING DEVELOPMENT PLANS AND ESTABLISH HOUSING
40 DEVELOPMENT PROJECTS WITHIN HOUSING DEVELOPMENT AREAS.

41 2. ARRANGE OR CONTRACT FOR THE FURNISHING OR REPAIR, BY ANY PERSON
42 OR AGENCY, PUBLIC OR PRIVATE, OF SERVICES, PRIVILEGES, WORKS, STREETS,
43 ROADS, PUBLIC UTILITIES OR OTHER FACILITIES FOR OR IN CONNECTION WITH A
44 HOUSING DEVELOPMENT AREA, AGREE TO ANY CONDITIONS THAT IT DEEMS REASONABLE
45 AND APPROPRIATE ATTACHED TO FEDERAL FINANCIAL ASSISTANCE AND IMPOSED
46 PURSUANT TO FEDERAL LAW RELATING TO THE DETERMINATION OF PREVAILING
47 SALARIES OR WAGES OR COMPLIANCE WITH LABOR STANDARDS IN THE UNDERTAKING OR
48 CARRYING OUT OF A HOUSING DEVELOPMENT PROJECT AND INCLUDE IN ANY CONTRACT

1 LET IN CONNECTION WITH SUCH A PROJECT PROVISIONS TO FULFILL THE CONDITIONS
2 AS IT DEEMS REASONABLE AND APPROPRIATE.

3 3. WITHIN A HOUSING DEVELOPMENT AREA:

4 (a) PURCHASE, LEASE, OBTAIN OPTIONS ON OR ACQUIRE BY GIFT, GRANT,
5 DEVISE, EMINENT DOMAIN OR OTHERWISE ANY REAL OR PERSONAL PROPERTY OR ANY
6 INTEREST IN REAL OR PERSONAL PROPERTY, TOGETHER WITH ANY IMPROVEMENTS,
7 NECESSARY OR INCIDENTAL TO PROVIDING HOUSING OR OTHER INCIDENTAL OR
8 RELATED FACILITIES IN A HOUSING DEVELOPMENT PROJECT.

9 (b) HOLD, IMPROVE, CLEAR OR PREPARE FOR DEVELOPMENT ANY REAL OR
10 PERSONAL PROPERTY IN A HOUSING DEVELOPMENT AREA.

11 (c) SELL, LEASE, EXCHANGE, TRANSFER, ASSIGN, SUBDIVIDE, RETAIN FOR
12 ITS OWN USE, MORTGAGE, PLEDGE OR OTHERWISE ENCUMBER OR DISPOSE OF ANY REAL
13 OR PERSONAL PROPERTY OR ANY INTEREST IN REAL OR PERSONAL PROPERTY IN A
14 HOUSING DEVELOPMENT AREA.

15 (d) ENTER INTO CONTRACTS WITH DEVELOPERS OF PROPERTY WITHIN A
16 HOUSING DEVELOPMENT AREA CONTAINING COVENANTS, RESTRICTIONS AND CONDITIONS
17 REGARDING THE USE OF THE PROPERTY FOR RESIDENTIAL, COMMERCIAL,
18 RECREATIONAL OR PUBLIC PURPOSES OR OTHER PURPOSES CONSISTENT WITH
19 RESIDENTIAL ACTIVITIES OR INCIDENTAL OR RELATED ACTIVITIES, IN ACCORDANCE
20 WITH A HOUSING DEVELOPMENT PLAN AND OTHER COVENANTS, RESTRICTIONS AND
21 CONDITIONS AS THE MUNICIPALITY DEEMS NECESSARY TO PREVENT A RECURRENCE OF
22 A SHORTAGE OF HOUSING IN THE AREA OR TO EFFECTUATE THE PURPOSES OF THIS
23 ARTICLE.

24 (e) MAKE ANY OF THE COVENANTS, RESTRICTIONS OR CONDITIONS OF THE
25 CONTRACTS RUN WITH THE LAND AND PROVIDE APPROPRIATE REMEDIES FOR ANY
26 BREACH OF COVENANTS OR CONDITIONS, INCLUDING THE RIGHT OF THE MUNICIPALITY
27 TO TERMINATE THE CONTRACTS AND ANY INTEREST IN THE PROPERTY CREATED
28 PURSUANT TO THE CONTRACTS.

29 (f) BORROW MONEY, ISSUE BONDS OR OTHER OBLIGATIONS AND PROVIDE
30 SECURITY FOR LOANS, BONDS OR OTHER OBLIGATIONS FOR USE WITHIN A HOUSING
31 DEVELOPMENT AREA.

32 (g) INSURE ANY REAL OR PERSONAL PROPERTY OR OPERATIONS OF THE
33 MUNICIPALITY IN A HOUSING DEVELOPMENT AREA OF THE MUNICIPALITY AGAINST ANY
34 RISKS OR HAZARDS, INCLUDING THE POWER TO PAY PREMIUMS ON ANY INSURANCE.

35 (h) FINANCE OR REFINANCE, BY LOAN, GRANT, LEASE OR OTHERWISE,
36 CONSTRUCT, PURCHASE, ACQUIRE, OWN, MODIFY, MAINTAIN, IMPROVE, SELL,
37 OPERATE OR MANAGE HOUSING DEVELOPMENT PROJECTS AND PAY THE COSTS OF ANY
38 PROJECT FROM THE PROCEEDS OF BONDS OR OTHER OBLIGATIONS OF THE
39 MUNICIPALITY OR ANY OTHER MONIES OF THE MUNICIPALITY, OR FROM ANY
40 CONTRIBUTIONS OR LOANS BY PERSONS, CORPORATIONS, PARTNERSHIPS OR OTHER
41 ENTITIES, ALL OF WHICH THE MUNICIPALITY IS AUTHORIZED TO RECEIVE, ACCEPT
42 AND USE.

43 (i) MAKE APPLICATION DIRECTLY OR INDIRECTLY TO ANY FEDERAL, STATE,
44 COUNTY OR MUNICIPAL GOVERNMENT OR AGENCY OR TO ANY OTHER SOURCE, PUBLIC OR
45 PRIVATE, FOR LOANS, GRANTS, GUARANTEES OR OTHER FINANCIAL ASSISTANCE IN
46 FURTHERANCE OF THE MUNICIPALITY'S HOUSING DEVELOPMENT PROJECT AND ACCEPT
47 AND USE THE ASSISTANCE ON TERMS AND CONDITIONS PRESCRIBED BY THE FEDERAL,
48 STATE, COUNTY OR MUNICIPAL GOVERNMENT OR AGENCY OR OTHER SOURCE.

1 (j) ENTER INTO AGREEMENTS WITH THE FEDERAL OR STATE GOVERNMENT, ANY
2 GOVERNMENT AGENCY OR ANY PRIVATE ENTITY AND USE THE FACILITIES OR SERVICES
3 OF THE FEDERAL OR STATE GOVERNMENT OR AGENCY OR OF ANY PRIVATE ENTITY TO
4 CARRY OUT THE PURPOSES OF THIS ARTICLE.

5 (k) EXTEND CREDIT OR MAKE LOANS TO ANY PERSON, CORPORATION,
6 PARTNERSHIP OR OTHER ENTITY FOR ANY COSTS OF A HOUSING DEVELOPMENT
7 PROJECT. THE CREDIT OR LOANS MAY BE EVIDENCED OR SECURED BY LOAN
8 AGREEMENTS, NOTES, MORTGAGES, DEEDS TO SECURE DEBT, TRUST DEEDS, SECURITY
9 AGREEMENTS, ASSIGNMENTS OR SUCH OTHER INSTRUMENTS, OR BY RENTALS,
10 REVENUES, FEES OR CHARGES ON SUCH TERMS AND CONDITIONS AS THE MUNICIPALITY
11 DETERMINES TO BE REASONABLE IN CONNECTION WITH THE EXTENTION OF CREDIT OR
12 LOANS INCLUDING PROVISION FOR THE ESTABLISHMENT AND MAINTENANCE OF REVENUE
13 FUNDS. IN THE EXERCISE OF POWERS GRANTED BY THIS ARTICLE IN CONNECTION
14 WITH ANY PROJECT, THE MUNICIPALITY MAY REQUIRE IN ANY LOAN AGREEMENT,
15 NOTE, MORTGAGE, DEED TO SECURE DEBT, TRUST DEED, SECURITY AGREEMENT,
16 ASSIGNMENT OR OTHER INSTRUMENT PROVISIONS OR REQUIREMENTS FOR GUARANTY OF
17 ANY OBLIGATIONS, INSURANCE, CONSTRUCTION, USE, OPERATION, MAINTENANCE AND
18 FINANCING OF A PROJECT, AND OTHER TERMS AND CONDITIONS AS THE MUNICIPALITY
19 DEEMS NECESSARY OR DESIRABLE.

20 (l) ENCOURAGE AND PROMOTE THE IMPROVEMENT AND REVITALIZATION OF A
21 HOUSING DEVELOPMENT AREA AND MAKE, CONTRACT FOR OR OTHERWISE CAUSE TO BE
22 MADE LONG-RANGE PLANS OR PROPOSALS FOR THE HOUSING DEVELOPMENT AREA.

23 (m) PROVIDE MONIES TO NONPROFIT CORPORATIONS, PUBLIC CORPORATIONS,
24 POLITICAL SUBDIVISIONS OF THIS STATE, INCLUDING INDUSTRIAL DEVELOPMENT
25 AUTHORITIES FORMED PURSUANT TO TITLE 35, CHAPTER 5, ON AGREEMENT OF THE
26 NONPROFIT CORPORATION, PUBLIC CORPORATION, POLITICAL SUBDIVISION OR
27 INDUSTRIAL DEVELOPMENT AUTHORITY TO USE THE MONIES IN THE HOUSING
28 DEVELOPMENT AREA.

29 (n) ENTER INTO CONTRACTS NECESSARY TO EFFECTUATE THE PURPOSES OF
30 THIS ARTICLE.

31 (o) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE POWERS
32 CONFERRED BY THIS ARTICLE.

33 4. INVEST ANY REDEVELOPMENT PROJECT MONIES HELD IN RESERVES OR
34 SINKING FUNDS OR ANY SUCH MONIES NOT REQUIRED FOR IMMEDIATE DISBURSEMENT
35 IN PROPERTY OR SECURITIES IN WHICH SAVINGS BANKS MAY LEGALLY INVEST MONIES
36 SUBJECT TO THEIR CONTROL AND REDEEM BONDS THAT HAVE BEEN ISSUED PURSUANT
37 TO SECTION 9-441.08 AT THE ESTABLISHED REDEMPTION PRICE OR TO PURCHASE THE
38 BONDS AT NOT MORE THAN THE REDEMPTION PRICE, WHETHER THE PURCHASE IS FOR
39 INVESTMENT IN THE BONDS OR FOR CANCELLATION OF THE BONDS.

40 5. BORROW MONEY AND APPLY FOR AND ACCEPT ADVANCES, LOANS, GRANTS,
41 CONTRIBUTIONS AND ANY OTHER FORM OF FINANCIAL ASSISTANCE FROM THE FEDERAL
42 GOVERNMENT, THIS STATE, A COUNTY OR ANY OTHER PUBLIC BODY OR FROM ANY
43 SOURCES, PUBLIC OR PRIVATE, FOR THE PURPOSES OF THIS ARTICLE, TO GIVE
44 REQUIRED SECURITY AND TO ENTER INTO AND CARRY OUT CONTRACTS IN CONNECTION
45 WITH THE FINANCIAL ASSISTANCE. A MUNICIPALITY MAY INCLUDE IN ANY CONTRACT
46 FOR FINANCIAL ASSISTANCE WITH THE FEDERAL GOVERNMENT FOR A HOUSING
47 DEVELOPMENT PROJECT SUCH CONDITIONS THAT ARE IMPOSED PURSUANT TO FEDERAL

1 LAW AS THE MUNICIPALITY DEEMS REASONABLE AND APPROPRIATE AND THAT ARE NOT
2 INCONSISTENT WITH THE PURPOSES OF THIS ARTICLE.

3 6. WITHIN A HOUSING DEVELOPMENT AREA, MAKE OR HAVE MADE ALL
4 SURVEYS, APPRAISALS, STUDIES AND PLANS NECESSARY FOR THE PURPOSES OF THIS
5 ARTICLE AND CONTRACT OR COOPERATE WITH ALL PERSONS OR AGENCIES, PUBLIC OR
6 PRIVATE, IN THE MAKING AND CARRYING OUT OF SURVEYS, APPRAISALS, STUDIES
7 AND PLANS.

8 7. PREPARE PLANS AND PROVIDE REASONABLE ASSISTANCE FOR THE
9 RELOCATION OF FAMILIES DISPLACED FROM A HOUSING DEVELOPMENT AREA TO THE
10 EXTENT ESSENTIAL FOR ACQUIRING POSSESSION OF AND CLEARING THE AREA OR
11 PARTS OF THE AREA TO PERMIT ESTABLISHMENT OF THE HOUSING DEVELOPMENT
12 PROJECT.

13 8. APPROPRIATE MONIES AND MAKE THOSE EXPENDITURES NECESSARY TO
14 CARRY OUT THE PURPOSES OF THIS ARTICLE AND MAKE EXPENDITURES FROM MONIES
15 OBTAINED FROM THE FEDERAL GOVERNMENT.

16 9. EXERCISE ALL OR ANY PART OR COMBINATION OF POWERS GRANTED BY
17 THIS ARTICLE.

18 9-441.03. Delegation of powers of municipalities

19 IN UNDERTAKING HOUSING DEVELOPMENT PROJECTS UNDER THIS ARTICLE, A
20 MUNICIPALITY, BY RESOLUTION OF ITS GOVERNING BODY, MAY DELEGATE TO THE
21 HOUSING DEVELOPMENT OF THE MUNICIPALITY OR A HOUSING AUTHORITY OF THE
22 MUNICIPALITY ESTABLISHED BY IT PURSUANT TO SECTION 36-1404, AS AN AGENT OF
23 THE MUNICIPALITY, ANY OR ALL OF THE POWERS CONFERRED ON MUNICIPALITIES BY
24 THIS ARTICLE EXCEPT THE POWER TO BORROW MONEY, ISSUE BONDS, ACQUIRE AND
25 DISPOSE OF REAL PROPERTY, ENTER INTO CONTRACTS WITH THE FEDERAL GOVERNMENT
26 OR WITH ANY PUBLIC OR PRIVATE BODIES OR APPROVE HOUSING DEVELOPMENT PLANS.

27 9-441.04. Eminent domain

28 A MUNICIPALITY MAY ACQUIRE BY CONDEMNATION ANY INTEREST IN REAL
29 PROPERTY, INCLUDING A FEE SIMPLE TITLE, THAT IT DEEMS NECESSARY FOR OR IN
30 CONNECTION WITH A HOUSING DEVELOPMENT AREA OR INCIDENTAL OR RELATED
31 ACTIVITIES UNDER THIS ARTICLE, AFTER THE ADOPTION BY THE LOCAL GOVERNING
32 BODY OF A RESOLUTION DECLARING THAT THE ACQUISITION OF THE REAL PROPERTY
33 IS NECESSARY FOR SUCH PURPOSES. A MUNICIPALITY MAY EXERCISE THE POWER OF
34 EMINENT DOMAIN IN THE MANNER PROVIDED IN TITLE 12, CHAPTER 8, ARTICLES 2
35 AND 3 OR IN THE MANNER PROVIDED BY ANY OTHER APPLICABLE STATUTORY
36 PROVISIONS FOR THE EXERCISE OF THE POWER OF EMINENT DOMAIN.

37 9-441.05. Preparation and approval of housing development
38 plans

39 A. A MUNICIPALITY SHALL NOT PREPARE A HOUSING DEVELOPMENT PLAN FOR
40 A HOUSING DEVELOPMENT AREA UNLESS THE LOCAL GOVERNING BODY, BY RESOLUTION,
41 HAS DECLARED THE AREA TO BE IN NEED OF HOUSING. A MUNICIPALITY SHALL NOT
42 ACQUIRE REAL PROPERTY FOR A HOUSING DEVELOPMENT AREA UNLESS THE LOCAL
43 GOVERNING BODY HAS APPROVED THE HOUSING DEVELOPMENT PLAN AS PRESCRIBED IN
44 SUBSECTION D.

45 B. THE MUNICIPALITY MAY ITSELF PREPARE A HOUSING DEVELOPMENT PLAN
46 OR ANY PERSON OR AGENCY, PUBLIC OR PRIVATE, MAY SUBMIT SUCH PLAN TO A
47 MUNICIPALITY. THE PLAN SHALL INCLUDE:

48 1. A STATEMENT OF THE BOUNDARIES OF THE HOUSING DEVELOPMENT AREA.

1 2. A MAP SHOWING THE EXISTING USES AND CONDITIONS OF THE REAL
2 PROPERTY IN THE AREA.

3 3. A LAND USE PLAN SHOWING PROPOSED USES OF THE AREA.

4 4. INFORMATION SHOWING THE STANDARDS OF POPULATION DENSITIES, LAND
5 COVERAGE AND BUILDING INTENSITIES IN THE AREA AFTER DEVELOPMENT.

6 5. A STATEMENT OF THE PROPOSED CHANGES, IF ANY, IN ZONING
7 ORDINANCES OR MAPS, STREET LAYOUTS, STREET LEVELS OR GRADES, BUILDING
8 CODES AND ORDINANCES.

9 6. A STATEMENT AS TO THE KIND AND NUMBER OF SITE IMPROVEMENTS AND
10 ADDITIONAL PUBLIC UTILITIES THAT WILL BE REQUIRED TO SUPPORT THE NEW LAND
11 USES IN THE AREA AFTER DEVELOPMENT.

12 7. A STATEMENT OF THE PROPOSED METHOD AND ESTIMATED COST OF THE
13 ACQUISITION AND PREPARATION FOR DEVELOPMENT OF THE HOUSING DEVELOPMENT
14 AREA AND THE ESTIMATED PROCEEDS OR REVENUES FROM ITS DISPOSAL TO
15 DEVELOPERS.

16 8. A STATEMENT OF THE PROPOSED METHOD OF RELOCATING THE FAMILIES TO
17 BE DISPLACED FROM THE HOUSING DEVELOPMENT AREA.

18 C. THE LAND USES AND BUILDING REQUIREMENTS PROPOSED IN A HOUSING
19 DEVELOPMENT AREA SHALL BE DESIGNED WITH THE GENERAL PURPOSE OF
20 ACCOMPLISHING A COORDINATED, ADJUSTED AND HARMONIOUS DEVELOPMENT OF THE
21 MUNICIPALITY AND ITS ENVIRONS THAT, IN ACCORDANCE WITH PRESENT AND FUTURE
22 NEEDS, WILL PROMOTE HEALTH, SAFETY AND THE GENERAL WELFARE, AS WELL AS
23 EFFICIENCY AND ECONOMY IN THE PROCESS OF DEVELOPMENT. THE DESIGN SHALL
24 INCLUDE ADEQUATE PROVISION FOR TRAFFIC, VEHICULAR PARKING, THE PROMOTION
25 OF SAFETY FROM FIRE, PANIC AND OTHER DANGERS, ADEQUATE PROVISION FOR LIGHT
26 AND AIR, THE PROMOTION OF THE HEALTHFUL AND CONVENIENT DISTRIBUTION OF
27 POPULATION, THE PROVISION OF ADEQUATE TRANSPORTATION, WATER, SEWERAGE AND
28 OTHER PUBLIC UTILITIES, SCHOOLS, PARKS, RECREATIONAL AND COMMUNITY
29 FACILITIES AND OTHER PUBLIC REQUIREMENTS, THE PROMOTION OF SOUND DESIGN
30 AND ARRANGEMENT, THE WISE AND EFFICIENT EXPENDITURE OF PUBLIC MONIES AND
31 THE PROVISION OF ADEQUATE, SAFE AND SANITARY DWELLING ACCOMMODATIONS.

32 D. THE LOCAL GOVERNING BODY MAY APPROVE A HOUSING DEVELOPMENT PLAN
33 IF IT FINDS THAT THE PLAN IS FEASIBLE AND IN CONFORMITY WITH THE
34 DEVELOPMENT OF THE MUNICIPALITY AS A WHOLE, A SHORTAGE OF HOUSING OF SOUND
35 STANDARDS AND DESIGN ADEQUATE FOR FAMILY LIFE EXISTS IN THE PROPOSED AREA,
36 AND THE SHORTAGE OF HOUSING ACCOMMODATIONS IS EXPECTED TO BE AIDED AS A
37 RESULT OF THE DEVELOPMENT.

38 E. A HOUSING DEVELOPMENT PLAN MAY BE MODIFIED AT ANY TIME, BUT IF
39 IT IS MODIFIED AFTER THE LEASE OR SALE OF REAL PROPERTY IN THE HOUSING
40 DEVELOPMENT AREA, THE MODIFICATION SHALL EITHER BE CONSENTED TO BY THE
41 DEVELOPERS OF THE REAL PROPERTY OR THEIR SUCCESSORS IN INTEREST AFFECTED
42 BY THE PROPOSED MODIFICATION OR, IF CONSENT FROM AN AFFECTED DEVELOPER IS
43 NOT OBTAINED, THE MODIFICATION DOES NOT APPLY TO THE REAL PROPERTY LEASED
44 OR PURCHASED BY SUCH DEVELOPER. ANY PROPOSED MODIFICATION THAT WILL
45 SUBSTANTIALLY CHANGE THE HOUSING DEVELOPMENT PLAN AS PREVIOUSLY APPROVED
46 BY THE LOCAL GOVERNING BODY SHALL BE CONSIDERED A NEW PLAN AND IS SUBJECT
47 TO ALL OF THE REQUIREMENTS OF THIS SECTION BEFORE IT MAY BE APPROVED.

1 9-441.06. Disposal of property in housing development
2 area

3 A. A MUNICIPALITY MAY SELL, LEASE, EXCHANGE OR OTHERWISE TRANSFER
4 REAL PROPERTY OR ANY INTEREST IN THE PROPERTY IN A HOUSING DEVELOPMENT
5 AREA TO ANY DEVELOPER FOR RESIDENTIAL, RECREATIONAL, COMMERCIAL OR PUBLIC
6 USE OR OTHER USES CONSISTENT WITH RESIDENTIAL ACTIVITIES OR INCIDENTAL OR
7 RELATED ACTIVITIES IN ACCORDANCE WITH THE HOUSING DEVELOPMENT PLAN,
8 SUBJECT TO SUCH COVENANTS, CONDITIONS AND RESTRICTIONS AS THE MUNICIPALITY
9 DEEMS TO BE IN THE PUBLIC INTEREST OR TO CARRY OUT THE PURPOSES OF THIS
10 ARTICLE. THIS REAL PROPERTY SHALL BE SOLD, LEASED OR TRANSFERRED AT A
11 VALUE DEEMED APPROPRIATE BY THE LOCAL GOVERNING BODY TAKING INTO
12 CONSIDERATION THE BENEFITS TO BE OBTAINED BY THE MUNICIPALITY AFTER THE
13 FORMATION OF THE HOUSING DEVELOPMENT AREA, EVEN THOUGH SUCH VALUE MAY BE
14 LESS THAN THE COST OF ACQUIRING AND PREPARING THE PROPERTY FOR
15 DEVELOPMENT. IN DETERMINING THE VALUE OF REAL PROPERTY FOR USES IN
16 ACCORDANCE WITH THE HOUSING DEVELOPMENT PLAN A MUNICIPALITY MAY TAKE INTO
17 ACCOUNT AND GIVE CONSIDERATION TO THE USES AND PURPOSES REQUIRED BY SUCH
18 PLAN, THE RESTRICTIONS ON, AND THE COVENANTS, CONDITIONS AND OBLIGATIONS
19 ASSUMED BY THE DEVELOPER OF, SUCH PROPERTY, THE OBJECTIVES OF THE HOUSING
20 DEVELOPMENT PLAN FOR THE PREVENTION OF A SHORTAGE OF HOUSING AND OTHER
21 MATTERS THE MUNICIPALITY SPECIFIES AS BEING APPROPRIATE.

22 B. ANY SALE, LEASE, EXCHANGE OR OTHER TRANSFER OF AREA REAL
23 PROPERTY OR ANY INTEREST SHALL NOT BE MADE UNTIL AFTER PUBLIC ADVERTISING
24 FOR BIDS HAS BEEN MADE FOR AT LEAST THIRTY DAYS IN A NEWSPAPER OF GENERAL
25 CIRCULATION IN THE MUNICIPALITY, AND THE POSTING OF NOTICES IN THREE OR
26 MORE PUBLIC PLACES IN THE MUNICIPALITY OR, IF THERE IS NO NEWSPAPER WITHIN
27 THE CORPORATE LIMITS OF THE MUNICIPALITY, BY POSTING NOTICES FOR BIDDERS
28 FOR THE PROPERTY PROPOSED TO BE SOLD IN THREE OR MORE PUBLIC PLACES.

29 C. BEFORE CONTRACTING WITH A DEVELOPER FOR DEVELOPMENT OF A HOUSING
30 DEVELOPMENT AREA, THE MUNICIPALITY, BY PUBLIC NOTICE PUBLISHED AT LEAST
31 ONCE A WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL
32 CIRCULATION IN THE AREA OF OPERATION, SHALL INVITE PROPOSALS FROM, AND
33 MAKE ALL PERTINENT INFORMATION AVAILABLE TO, PRIVATE DEVELOPERS OR ANY
34 PERSONS INTERESTED IN CARRYING OUT THE DEVELOPMENT OF A HOUSING
35 DEVELOPMENT AREA, OR ANY PART OF THE AREA, THAT THE LOCAL GOVERNING BODY
36 HAS DECLARED TO BE IN NEED OF DEVELOPMENT. THIS NOTICE SHALL IDENTIFY THE
37 AREA AND SHALL STATE WHERE ANY FURTHER AVAILABLE INFORMATION MAY BE
38 OBTAINED. THE MUNICIPALITY SHALL CONSIDER ALL HOUSING DEVELOPMENT
39 PROPOSALS AND THE FINANCIAL, TECHNICAL AND LEGAL ABILITY OF THE
40 PROSPECTIVE DEVELOPERS TO CARRY OUT THEIR PROPOSALS AND MAY NEGOTIATE WITH
41 ANY DEVELOPERS FOR PROPOSALS FOR THE PURCHASE OR LEASE OF ANY REAL
42 PROPERTY IN THE HOUSING DEVELOPMENT AREA. THE MUNICIPALITY MAY ACCEPT
43 CONTRACT PROPOSALS FOR DEVELOPMENT OF A HOUSING DEVELOPMENT AREA THAT IT
44 DEEMS TO BE IN THE PUBLIC INTEREST AND IN FURTHERANCE OF THE PURPOSES OF
45 THIS ARTICLE AND MAY EXECUTE SUCH CONTRACTS IN ACCORDANCE WITH SUBSECTION
46 A, DELIVER DEEDS, LEASES AND OTHER INSTRUMENTS AND TAKE ALL STEPS
47 NECESSARY TO EFFECTUATE CONTRACTS. THE MUNICIPALITY, WITHOUT REGARD TO
48 THE PROVISIONS OF THIS SUBSECTION, MAY DISPOSE OF REAL PROPERTY IN A

1 HOUSING DEVELOPMENT AREA TO PRIVATE DEVELOPERS FOR DEVELOPMENT UNDER SUCH
2 REASONABLE COMPETITIVE BIDDING PROCEDURES AS IT PRESCRIBES, SUBJECT TO
3 SUBSECTION A.

4 D. A MUNICIPALITY MAY TEMPORARILY OPERATE AND MAINTAIN REAL
5 PROPERTY IN A HOUSING DEVELOPMENT AREA PENDING THE DISPOSITION OF THE
6 PROPERTY FOR DEVELOPMENT, WITHOUT REGARD TO SUBSECTIONS A, B AND C, FOR
7 USES AND PURPOSES DEEMED DESIRABLE EVEN THOUGH NOT IN CONFORMITY WITH THE
8 HOUSING DEVELOPMENT PLAN. IF SUCH REAL PROPERTY IS NOT DISPOSED OF FOR
9 DEVELOPMENT WITHIN ONE YEAR THE MUNICIPALITY, IMMEDIATELY ON EXPIRATION OF
10 THE ONE YEAR PERIOD, SHALL REMOVE OR DEMOLISH ALL BUILDINGS IN THE AREA.

11 9-441.07. Issuance of bonds

12 A. A MUNICIPALITY MAY ISSUE BONDS TO FINANCE ANY HOUSING
13 DEVELOPMENT PROJECT OR HOUSING DEVELOPMENT AREA UNDER THIS ARTICLE,
14 INCLUDING THE PAYMENT OF PRINCIPAL AND INTEREST ON ANY ADVANCES FOR
15 SURVEYS AND PLANS FOR HOUSING DEVELOPMENT PROJECTS, AND MAY ALSO ISSUE
16 REFUNDING BONDS FOR THE PAYMENT OR RETIREMENT OF SUCH BONDS PREVIOUSLY
17 ISSUED BY IT. THE BONDS SHALL BE MADE PAYABLE, AS TO BOTH PRINCIPAL AND
18 INTEREST, SOLELY FROM THE INCOME, PROCEEDS, REVENUES AND MONIES OF THE
19 MUNICIPALITY, DERIVED FROM OR HELD IN CONNECTION WITH ITS UNDERTAKING AND
20 CARRYING OUT OF HOUSING DEVELOPMENT PROJECTS UNDER THIS ARTICLE, WHETHER
21 OR NOT THEY ARE FINANCED IN WHOLE OR IN PART WITH THE PROCEEDS OF SUCH
22 BONDS, BUT PAYMENT OF THE BONDS, BOTH AS TO PRINCIPAL AND INTEREST, MAY BE
23 FURTHER OR EXCLUSIVELY SECURED BY A PLEDGE OF ANY LOAN, GRANT OR
24 CONTRIBUTION FROM THE FEDERAL GOVERNMENT OR OTHER SOURCE, WHETHER PUBLIC
25 OR PRIVATE, IN AID OF ANY HOUSING DEVELOPMENT AREAS OF THE MUNICIPALITY
26 UNDERTAKEN UNDER THIS ARTICLE AND BY A MORTGAGE OF ANY SUCH HOUSING
27 DEVELOPMENT AREAS.

28 B. THE BONDS AND OTHER OBLIGATIONS OF THE MUNICIPALITY ISSUED
29 PURSUANT TO SUBSECTION A ARE NOT A GENERAL OBLIGATION OR GENERAL DEBT OF
30 THE MUNICIPALITY, THIS STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, AND
31 NEITHER THE MUNICIPALITY, THIS STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS
32 ARE GENERALLY LIABLE FOR THEM. THE BONDS OR OBLIGATIONS SHALL NOT GIVE
33 RISE TO A GENERAL OBLIGATION OR LIABILITY OF THE MUNICIPALITY, THIS STATE
34 OR ANY OF ITS POLITICAL SUBDIVISIONS, OR A CHARGE AGAINST THEIR GENERAL
35 CREDIT OR TAXING POWERS, OR SHALL BE PAYABLE FROM ANY MONIES OR PROPERTIES
36 OTHER THAN THOSE MONIES OR PROPERTIES SPECIFICALLY DESCRIBED IN SUBSECTION
37 A, AND THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF
38 ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. BONDS
39 ISSUED UNDER THIS ARTICLE ARE DECLARED TO BE ISSUED FOR AN ESSENTIAL
40 PUBLIC AND GOVERNMENTAL PURPOSE AND, TOGETHER WITH INTEREST AND INCOME ARE
41 EXEMPT FROM ALL TAXES.

42 C. BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY
43 RESOLUTION OF THE LOCAL GOVERNING BODY, MAY BE ISSUED IN ONE OR MORE
44 SERIES AND SHALL BEAR SUCH DATE OR DATES, BE PAYABLE ON DEMAND OR MATURE
45 AT SUCH TIME OR TIMES, BEAR INTEREST AT SUCH RATE OR RATES THAT MAY BE
46 FIXED OR VARIABLE, BE IN SUCH DENOMINATION OR DENOMINATIONS, BE IN SUCH
47 FORM EITHER COUPON OR REGISTERED, CARRY SUCH CONVERSION OR REGISTRATION
48 PRIVILEGES, HAVE SUCH RANK OR PRIORITY, BE EXECUTED IN SUCH MANNER, BE

1 PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, AND BE SUBJECT
2 TO SUCH TERMS OF REDEMPTION, WITH OR WITHOUT PREMIUM, AS PROVIDED BY THE
3 RESOLUTION OR TRUST INDENTURE OR MORTGAGE ISSUED FOR THE BONDS.

4 D. THE BONDS OR ANY BONDS ISSUED TO REFUND THE BONDS MAY BE SOLD AT
5 PUBLIC OR PRIVATE SALE AT A PRICE OR PRICES DETERMINED BY THE LOCAL
6 GOVERNING BODY OR MAY BE EXCHANGED FOR OTHER BONDS, AND IF SOLD AT PUBLIC
7 SALE, NOTICE SHALL BE PUBLISHED ONCE AT LEAST TEN DAYS BEFORE THE SALE IN
8 A NEWSPAPER OF GENERAL CIRCULATION IN THE AREA OF OPERATION OR IN SUCH
9 OTHER MEDIUM OF PUBLICATION AS THE MUNICIPALITY DETERMINES.

10 E. IF ANY OTHER PUBLIC OFFICIALS OF THE MUNICIPALITY WHOSE
11 SIGNATURES APPEAR ON ANY BONDS OR COUPONS ISSUED UNDER THIS ARTICLE CEASE
12 TO BE SUCH OFFICIALS BEFORE DELIVERY OF THE BONDS, THEIR SIGNATURES ARE
13 VALID AND SUFFICIENT FOR ALL PURPOSES THE SAME AS IF THE OFFICIALS HAD
14 REMAINED IN OFFICE UNTIL DELIVERY. NOTWITHSTANDING, ANY OTHER LAW, BONDS
15 ISSUED PURSUANT TO THIS ARTICLE ARE FULLY NEGOTIABLE.

16 F. IN ANY ACTION OR PROCEEDINGS INVOLVING THE VALIDITY OR
17 ENFORCEABILITY OF ANY BOND ISSUED UNDER THIS ARTICLE OR THE SECURITY FOR
18 THE BOND, THE RECITATION IN SUBSTANCE IN THE BOND THAT IT HAS BEEN ISSUED
19 BY THE MUNICIPALITY IN CONNECTION WITH A HOUSING DEVELOPMENT AREA IS
20 CONCLUSIVE PROOF THAT THE BOND WAS ISSUED FOR THAT PURPOSE, AND THAT AREA
21 IS CONCLUSIVELY DEEMED TO HAVE BEEN PLANNED, LOCATED AND CARRIED OUT IN
22 ACCORDANCE WITH THE PURPOSES AND PROVISIONS OF THIS ARTICLE.

23 G. NEITHER THE MEMBERS OF THE GOVERNING BODY OF A MUNICIPALITY OR A
24 COMMISSION NOR ANY PERSONS EXECUTING THE BONDS ARE LIABLE PERSONALLY ON
25 THE BONDS BY REASON OF THEIR ISSUANCE.

26 9-441.08. Additional security for bonds

27 A. IN CONNECTION WITH THE ISSUANCE OF BONDS PURSUANT TO SECTION
28 9-441.07, OR THE INCURRING OF OBLIGATIONS UNDER LEASES, AND IN ORDER TO
29 SECURE THE PAYMENT OF THESE BONDS OR OBLIGATIONS, A MUNICIPALITY, IN
30 ADDITION TO ITS OTHER POWERS, MAY:

31 1. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY
32 CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS
33 THE HOLDERS OF WHICH SHALL CONSENT TO AND THE MANNER IN WHICH THE CONSENT
34 MAY BE GIVEN.

35 2. VEST IN ANY OBLIGEEES THE RIGHT TO ENFORCE THE PAYMENT OF THE
36 BONDS OR ANY COVENANTS SECURING OR RELATING TO THE BONDS.

37 3. VEST IN ANY OBLIGEE HOLDING A SPECIFIED AMOUNT OF SUCH BONDS THE
38 RIGHT, IN THE EVENT OF A DEFAULT, TO TAKE POSSESSION OF AND USE, OPERATE
39 AND MANAGE ANY HOUSING DEVELOPMENT AREA OR ANY PART OF THE AREA, TITLE TO
40 WHICH IS IN THE MUNICIPALITY, OR ANY MONIES CONNECTED WITH THE
41 DEVELOPMENT, TO COLLECT THE RENTS AND REVENUES ARISING FROM THE
42 DEVELOPMENT AND TO DISPOSE OF THE MONIES IN ACCORDANCE WITH THE AGREEMENT
43 OF THE MUNICIPALITY WITH SUCH OBLIGEEES.

44 4. PROVIDE FOR THE POWERS AND DUTIES OF THE OBLIGEEES AND LIMIT THE
45 LIABILITIES OF THE OBLIGEEES.

46 5. PROVIDE THE TERMS AND CONDITIONS ON WHICH THE OBLIGEEES MAY
47 ENFORCE ANY COVENANT OR RIGHTS SECURING OR RELATING TO THE BONDS.

1 6. EXERCISE ALL OR ANY PART OR COMBINATION OF THE POWERS GRANTED BY
2 THIS SUBSECTION.

3 7. MAKE COVENANTS AND DO ANY AND ALL ACTS AND THINGS NECESSARY,
4 CONVENIENT OR DESIRABLE TO SECURE ITS BONDS, OR, IN THE DISCRETION OF THE
5 MUNICIPALITY, AS WILL TEND TO MAKE THE BONDS MORE MARKETABLE EVEN IF THE
6 COVENANTS, ACTS OR THINGS ARE NOT ENUMERATED IN THIS SECTION.

7 B. A MUNICIPALITY, BY ITS RESOLUTION, TRUST INDENTURE, MORTGAGE,
8 LEASE OR OTHER CONTRACT, MAY CONFER ON ANY OBLIGEE HOLDING OR REPRESENTING
9 A SPECIFIED AMOUNT IN BONDS ISSUED PURSUANT TO SECTION 9-441.07 THE RIGHT,
10 IN ADDITION TO ALL RIGHTS THAT MAY OTHERWISE BE CONFERRED, ON THE
11 HAPPENING OF AN EVENT OF DEFAULT AS DEFINED IN SUCH RESOLUTION OR
12 INSTRUMENT, BY AN ACTION OR PROCEEDING IN ANY COURT OF COMPETENT
13 JURISDICTION, BOTH OF THE FOLLOWING:

14 1. TO REQUIRE THE MUNICIPALITY AND ITS OFFICIALS, AGENTS AND
15 EMPLOYEES TO ACCOUNT AS IF IT AND THEY WERE THE TRUSTEES OF AN EXPRESS
16 TRUST.

17 2. TO OBTAIN THE APPOINTMENT OF A RECEIVER OF ANY HOUSING
18 DEVELOPMENT AREA OF THE MUNICIPALITY OR ANY PART OF THE AREA, TITLE TO
19 WHICH IS IN THE MUNICIPALITY, AND OF THE RENTS AND PROFITS FROM THE
20 DEVELOPMENT.

21 C. IF A RECEIVER IS APPOINTED, HE MAY ENTER AND TAKE POSSESSION OF,
22 CARRY OUT, OPERATE AND MAINTAIN THE HOUSING DEVELOPMENT AREA OR ANY PART
23 OF THE AREA AND COLLECT AND RECEIVE ALL FEES, RENTS, REVENUES OR OTHER
24 CHARGES AND SHALL KEEP MONIES IN A SEPARATE ACCOUNT AND APPLY THEM IN
25 ACCORDANCE WITH THE OBLIGATIONS OF THE MUNICIPALITY AS THE COURT DIRECTS.

26 9-441.09. Construction of bond provisions

27 THIS ARTICLE, WITHOUT REFERENCE TO OTHER STATUTES, CONSTITUTES FULL
28 AUTHORITY FOR THE AUTHORIZATION AND ISSUANCE OF BONDS UNDER SECTION
29 9-441.07. NOTWITHSTANDING ANY OTHER LAW, BONDS AUTHORIZED UNDER THIS
30 ARTICLE ARE NOT SUBJECT TO THE PROVISIONS OF ANY OTHER LAW OR CHARTER
31 RELATING TO THE ISSUANCE OR SALE OF BONDS.

32 9-441.10. Certification of bonds by attorney general

33 A. ANY BONDS TO BE ISSUED UNDER SECTION 9-441.07 MAY BE SUBMITTED
34 TO THE ATTORNEY GENERAL AFTER ALL PROCEEDINGS FOR ISSUANCE OF THE BONDS
35 HAVE BEEN TAKEN. ON SUBMISSION OF THE PROCEEDINGS TO THE ATTORNEY
36 GENERAL, THE ATTORNEY GENERAL SHALL EXAMINE INTO AND PASS UPON THE
37 VALIDITY OF THE BONDS AND THE REGULARITY OF ALL PROCEEDINGS IN CONNECTION
38 WITH THE BONDS.

39 B. IF THE PROCEEDINGS CONFORM TO THIS ARTICLE AND ARE OTHERWISE
40 REGULAR IN FORM, AND IF THE BONDS WHEN DELIVERED AND PAID FOR WILL
41 CONSTITUTE BINDING AND LEGAL OBLIGATIONS ENFORCEABLE ACCORDING TO THEIR
42 TERMS, THE ATTORNEY GENERAL SHALL CERTIFY IN SUBSTANCE ON THE BACK OF EACH
43 OF THE BONDS THAT IT IS ISSUED IN ACCORDANCE WITH THE CONSTITUTION AND
44 LAWS OF THIS STATE.

45 9-441.11. Remedies of obligee

46 IN ADDITION TO ALL OTHER RIGHTS THAT MAY BE CONFERRED ON THE
47 OBLIGEE, AN OBLIGEE OF A MUNICIPALITY EXERCISING ITS POWERS UNDER THIS

1 ARTICLE MAY, SUBJECT ONLY TO ANY CONTRACTUAL RESTRICTIONS BINDING ON THE
2 OBLIGEE:

3 1. BY MANDAMUS, OR AN ACTION OR PROCEEDING AT LAW OR IN EQUITY,
4 COMPEL THE MUNICIPALITY AND THE OFFICIALS, AGENTS OR EMPLOYEES TO PERFORM
5 EVERY TERM, PROVISION AND COVENANT CONTAINED IN ANY CONTRACT OF THE
6 MUNICIPALITY WITH OR FOR THE BENEFIT OF THE OBLIGEE AND REQUIRE THE
7 CARRYING OUT OF ANY SUCH COVENANTS AND AGREEMENTS OF THE MUNICIPALITY AND
8 THE FULFILLMENT OF ALL DUTIES IMPOSED ON THE MUNICIPALITY BY THIS ARTICLE.

9 2. BY AN ACTION OR PROCEEDING IN EQUITY, ENJOIN ANY ACTS OR THINGS
10 THAT ARE UNLAWFUL OR IN VIOLATION OF ANY OF THE RIGHTS OF THE OBLIGEE OF
11 THE MUNICIPALITY.

12 9-441.12. Property exempt from execution sale

13 ALL PROPERTY AND MONIES OF A MUNICIPALITY OWNED OR HELD BY IT FOR
14 THE PURPOSES OF THIS ARTICLE ARE EXEMPT FROM LEVY AND SALE BY VIRTUE OF AN
15 EXECUTION, AND NO EXECUTION OR OTHER JUDICIAL PROCESS MAY ISSUE AGAINST IT
16 NOR SHALL JUDGMENT AGAINST A MUNICIPALITY BE A CHARGE OR LIEN ON THE
17 PROPERTY, BUT THIS SECTION DOES NOT APPLY TO OR LIMIT THE RIGHT OF
18 OBLIGEEES TO PURSUE ANY REMEDIES FOR THE ENFORCEMENT OF ANY PLEDGE OR LIEN
19 GIVEN BY A MUNICIPALITY ON ITS RENTS, FEES, GRANTS OR REVENUES FROM
20 HOUSING DEVELOPMENT AREAS.

21 9-441.13. Cooperation by public bodies

22 A. FOR THE PURPOSE OF AIDING IN THE PLANNING, UNDERTAKING OR
23 CARRYING OUT OF A HOUSING DEVELOPMENT AREA LOCATED WITHIN THE AREA IN
24 WHICH IT IS AUTHORIZED TO ACT, ANY PUBLIC BODY, ON SUCH TERMS, WITH OR
25 WITHOUT CONSIDERATION, AS IT DETERMINES, MAY:

26 1. DEDICATE, SELL, CONVEY OR LEASE ANY OF ITS INTEREST IN ANY
27 PROPERTY, OR GRANT EASEMENTS, LICENSES OR OTHER RIGHTS OR PRIVILEGES IN
28 PROPERTY TO A MUNICIPALITY.

29 2. INCUR THE ENTIRE EXPENSE OF ANY PUBLIC IMPROVEMENTS MADE BY THE
30 PUBLIC BODY IN EXERCISING THE POWERS GRANTED BY THIS SECTION.

31 3. DO ALL THINGS NECESSARY TO AID OR COOPERATE IN THE PLANNING OR
32 CARRYING OUT OF A HOUSING DEVELOPMENT PLAN.

33 4. LEND, GRANT OR CONTRIBUTE MONIES TO A MUNICIPALITY.

34 5. EMPLOY ANY MONIES BELONGING TO THE PUBLIC BODY OR WITHIN ITS
35 CONTROL, INCLUDING MONIES DERIVED FROM THE SALE OR FURNISHING OF PROPERTY,
36 SERVICES OR FACILITIES, TO A MUNICIPALITY, IN THE PURCHASE OF THE BONDS OR
37 OTHER OBLIGATIONS OF A MUNICIPALITY ISSUED PURSUANT TO SECTION 9-441.07.

38 6. ENTER INTO AGREEMENTS, WHICH MAY EXTEND OVER ANY PERIOD,
39 NOTWITHSTANDING ANY OTHER RULE OR LAW, WITH A MUNICIPALITY RESPECTING
40 ACTION TO BE TAKEN BY THE PUBLIC BODY PURSUANT TO ANY OF THE POWERS
41 GRANTED BY THIS ARTICLE.

42 7. IF OTHERWISE AUTHORIZED TO PERFORM FUNCTIONS OF A SIMILAR
43 CHARACTER:

44 (a) CAUSE PARKS, PLAYGROUNDS, RECREATIONAL, WATER, SEWER OR
45 DRAINAGE FACILITIES OR ANY OTHER WORKS TO BE FURNISHED.

46 (b) FURNISH, DEDICATE, CLOSE, VACATE, PAVE, INSTALL, GRADE,
47 REGRADE, PLAN OR REPLAN STREETS, ROADS, SIDEWALKS, WAYS OR OTHER PLACES.

1 (c) PLAN OR REPLAN OR ZONE OR REZONE ANY PART OF THE PUBLIC BODY OR
2 MAKE EXCEPTIONS FROM BUILDING REGULATIONS.

3 (d) CAUSE ADMINISTRATIVE AND OTHER SERVICES TO BE FURNISHED TO THE
4 MUNICIPALITY.

5 B. IF AT ANY TIME TITLE TO OR POSSESSION OF ANY HOUSING DEVELOPMENT
6 AREA IS HELD BY A PUBLIC BODY OR GOVERNMENTAL AGENCY OTHER THAN THE
7 MUNICIPALITY THAT IS AUTHORIZED BY LAW TO ENGAGE IN THE UNDERTAKING,
8 CARRYING OUT OR ADMINISTRATION OF THE HOUSING DEVELOPMENT AREA, INCLUDING
9 ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES, THE PROVISIONS OF THE
10 AGREEMENTS REFERRED TO IN THIS SECTION INURE TO THE BENEFIT OF AND MAY BE
11 ENFORCED BY THE PUBLIC BODY OR GOVERNMENTAL AGENCY.

12 C. ANY SALE, CONVEYANCE, LEASE OR AGREEMENT PROVIDED FOR IN THIS
13 SECTION MAY BE MADE BY A PUBLIC BODY WITHOUT APPRAISAL, PUBLIC NOTICE,
14 ADVERTISEMENT OR PUBLIC BIDDING.

15 9-441.14. Use of municipal revenue powers to provide
16 monies for project

17 EVERY MUNICIPALITY MAY USE ITS MONIES FOR THE PURPOSES OF AIDING IN
18 THE PLANNING, UNDERTAKING OR CARRYING OUT OF A HOUSING DEVELOPMENT AREA IN
19 ITS AREA OF OPERATION. TO OBTAIN MONIES FOR THIS PURPOSE, EVERY
20 MUNICIPALITY, IN ADDITION TO OTHER POWERS SET FORTH IN THIS ARTICLE, MAY
21 LEVY TAXES, INCUR INDEBTEDNESS AND ISSUE BONDS IN AMOUNTS THE LOCAL
22 GOVERNING BODY DETERMINES BY RESOLUTION ARE NECESSARY FOR THE PURPOSE OF
23 RAISING MONIES FOR USE IN CONNECTION WITH A HOUSING DEVELOPMENT AREA OR IN
24 AREAS INCIDENTAL OR RELATED TO THE AREA. ANY BONDS TO BE ISSUED BY THE
25 MUNICIPALITY PURSUANT TO THIS SECTION SHALL BE ISSUED IN THE MANNER AND
26 WITHIN THE LIMITATIONS PRESCRIBED BY THE LAWS OF THIS STATE FOR THE
27 ISSUANCE AND AUTHORIZATION OF BONDS FOR PUBLIC PURPOSES GENERALLY.

28 Sec. 2. Title 42, chapter 3, article 5, Arizona Revised Statutes,
29 is amended by adding section 42-685.01, to read:

30 42-685.01. Application of tax in housing redevelopment
31 area

32 A POSSESSORY INTEREST THAT MEETS ALL OF THE REQUIREMENTS FOR A
33 HOUSING DEVELOPMENT AREA AS PRESCRIBED BY TITLE 9, CHAPTER 4, ARTICLE 4,
34 FOR A LIMITED PERIOD BEGINNING ON THE DATE OF THE CREATION OF THE
35 POSSESSORY INTEREST AND ENDING TWELVE YEARS AFTER THE CERTIFICATE OF
36 OCCUPANCY IS ISSUED, SHALL BE TAXED BASED ON THE GREATER OF THE VALUE OF
37 THE PROPERTY BEFORE ITS ACQUISITION FOR REDEVELOPMENT, IF THE PROPERTY WAS
38 ACQUIRED FOR REDEVELOPMENT, OR ITS VALUE AS UNIMPROVED LAND.