



NSP3 PLAN AMENDMENT #2

Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 allocated \$1,224,903 to Avondale to assist in the redevelopment of foreclosed homes. The Avondale City Council approved the use of NSP3 funds and the amendment to the 2010/2011 Annual Action Plan on February 22, 2011 and a subsequent amendment to that plan in March 2012. The City of Avondale is proposing a second amendment to its NSP3 plan and is requesting public input regarding the amendment.

The City of Avondale is hereby providing a 15-day comment period on the proposed NSP3 Amendment beginning on September 14, 2012 and extending through September 29, 2012.

The purpose of this amendment is to adjust to the current housing market within the City of Avondale, meet the needs of the community while adhering to all federal requirements in regards to the Neighborhood Stabilization Program. The City maintains itself current with housing market conditions and trends to inform NSP3 project implementation and adjust program design as necessary to remove obstacles to implementation. This is accomplished by maintaining real estate data base subscriptions and regular discussions with housing organizations and professionals. Over the past several months, there has been a significant decline in the number of foreclosed properties on the market. There also exists a high level of competition in the market from investors willing to pay above the list price. These two factors combined have proven to make it virtually impossible for NSP eligible homebuyers to be successful in purchasing one of these homes as required by the NSP program. Additionally, the City of Avondale has sought technical assistance from a U.S. Department of Housing and Urban Development approved provider to determine the most prudent strategy to meet the needs of the City given these obstacles. The current housing market environment requires an adjustment be made to Avondale's NSP3 program activities to allow the City to meet all the federal requirements.

The City's proposed amendment is two-fold, 1) the addition of redevelopment as an activity, which would also require an adjustment to the funding allocations per activity; and 2) a change to the program design of all homebuyer assistance activities. Primarily, the addition of Redevelopment as an activity will allow for the new construction of approximately six to eight units of attached housing (townhomes). The purpose of this new development is to provide high quality, well designed housing units incorporating all known sustainability strategies while increasing the available housing stock for NSP eligible homebuyers. Once these

units are completed and ready for occupancy, the units will only be made available to NSP eligible homebuyers thus eliminating the competition from other parties. The City may consider other options as a means to occupy the units such as lease-purchase or rental but the primary goal is to make the units available for purchase. Of the units built, some would be reserved to meet the required 25% set aside for households at or below 50% of area median income as per the Neighborhood Stabilization Program. Any program income generated by the subsequent sale of these properties would then be allocated to assist other homebuyers within the City of Avondale. The table below depicts the adjustments to the original activities and the corresponding allocations.

Activity	Original Allocation	Revised Allocation
Acquisition/Rehab and Sale of Homes	\$673,697	\$179,923
Acquisition/Rehab and Sale of Homes for 50% AMI (25% required)	\$306,226	\$0
Demolition of Blighted Property (10% cap)	\$122,490	\$122,490
Administration (10% Cap)	\$122,490	\$122,490
Redevelopment and Sale of Homes (6-8 attached housing units) *25% of units reserved for 50% AMI buyers	\$0	\$800,000

The second change to the plan would allow for the period of affordability, for all homebuyer activities, to be adjusted to meet the needs of the program, however; to be no less than the federal minimum requirements for NSP3.

Written comments will be accepted until 5:00 p.m. on September 29, 2012 and should be directed to Sandy Lopez, CDBG Program Manager via e-mail at slopez@avondale.org or by calling (623) 333-2726.

The City Council will take action on the plan at 7:00 P.M. on October 1, 2012 at the Council Meeting to be held in the Council Chambers, 11465 W. Civic Center Drive, Avondale, 85323. This is a public meeting and you are encouraged to attend.

PERSONS REQUIRING HEARING, VISUAL, MOBILITY, LANGUAGE OR OTHER ACCOMMODATIONS MAY CONTACT THE CITY AT 623-333-2726 OR TDD 623-333-0010 TO MAKE SPECIAL ARRANGEMENTS. PARA ASISTENCIA EN ESPANOL LLAME 623-333-2726

