



## **BOARD OF SUPERVISORS AGENDA ITEM SUMMARY**

*Requested Board Meeting Date: October 15, 2013*

### **ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:**

*Resolution of the Pima County Board of Supervisors authorizing the chairman to execute amendments to certain deeds of trust to preserve long-term affordability of 18 homes partially funded with Federal Neighborhood Stabilization program 2 monies in the Sunnyside Pointe subdivision and to comply with corrective actions established by the U.S. Department of Housing and Urban Development.*

*CONTRACT NUMBER (If applicable):*

### **STAFF RECOMMENDATION(S):**

*Staff recommends approval by the Board of Supervisors*

*CORPORATE HEADQUARTERS: Tucson, Arizona*

CLERK OF BOARD USE ONLY: BOS MTG. \_\_\_\_\_

ITEM NO. \_\_\_\_\_

PIMA COUNTY COST: 0.00 and/or REVENUE TO PIMA COUNTY:\$

FUNDING SOURCE(S): HUD

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

**Advertised Public Hearing:**

☐ YES ☒ NO

**Board of Supervisors District:**

1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒ All ☐

**IMPACT:**

**IF APPROVED:**

County shall authorize the execution of amendments to certain deeds of trust to preserve long-term affordability of 18 homes partially funded with Federal Neighborhood Stabilization program 2 monies in the Sunnyside Pointe subdivision and to comply with corrective actions established by the U.S. Department of Housing and Urban Development.

**IF DENIED:**

County shall not authorize the execution of amendments to certain deeds of trust to preserve long-term affordability of 18 homes partially funded with Federal Neighborhood Stabilization program 2 monies in the Sunnyside Pointe subdivision and to comply with corrective actions established by the U.S. Department of Housing and Urban Development.

DEPARTMENT NAME: Community Development and Neighborhood Conservation

CONTACT PERSON: Gary Bachman TELEPHONE NO.: 243-6673

**RESOLUTION NO. 2013 - \_\_\_\_\_**

**RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS AUTHORIZING THE CHAIRMAN TO EXECUTE AMENDMENTS TO CERTAIN DEEDS OF TRUST TO PRESERVE LONG-TERM AFFORDABILITY OF 18 HOMES PARTIALLY FUNDED WITH FEDERAL NEIGHBORHOOD STABILIZATION PROGRAM 2 MONIES IN THE SUNNYSIDE POINTE SUBDIVISION AND TO COMPLY WITH CORRECTIVE ACTIONS ESTABLISHED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**

WHEREAS, pursuant to a Consortium Agreement executed by a consortium of nine members, Pima County ("County") as lead member of the consortium, was awarded Twenty Two Million, One Hundred Sixty-Five Thousand Dollars (\$22,165,000.00) in Neighborhood Stabilization Program 2 ("NSP2") grant funds from the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, Old Pueblo Community Foundation *dba* Old Pueblo Community Services ("Subrecipient") was one of the nine consortium members; and

WHEREAS, Subrecipient was awarded Six Hundred Thousand Dollars (\$600,000.00) of NSP2 funds under Pima County Contract No. 12\*343 ("the NSP2 Contract"); and

WHEREAS, the NSP2 Contract required Subrecipient to construct twenty (20) affordable houses ("the NSP2 homes") on lots owned by Subrecipient in Sunnyside Pointe Subdivision; and

WHEREAS, Subrecipient, as a member of Sunnyside Pointe Development, L.L.C., also received funds under a separate contract for Pima County General Obligation Bond proceeds (Pima County Contract No. 03-70-S-142397-0909)("the GO Contract"); and

WHEREAS, Subrecipient and La Frontera Partners, L.L.C., are the current remaining members of Sunnyside Pointe Development, L.L.C.; and

WHEREAS, although the NSP2 program allows homes using NSP2 funds to be sold to households with incomes up to one hundred twenty percent (120%) of the Area Median Income ("AMI"), the GO contract restricts sales to households with incomes at or below eighty percent (80%) AMI; and

WHEREAS, pursuant to the terms of the NSP2 Contract and the GO Contract, Subrecipient completed the construction of nineteen (19) of the NSP2 homes and sold the homes to households with incomes at or below eighty percent (80%) AMI; and

WHEREAS, HUD determined that the closing documents for the nineteen (19) NSP2 homes already sold were not in compliance with NSP2 requirements; and

WHEREAS, HUD has required that corrective actions be taken by Subrecipient and County; and

WHEREAS, despite efforts of Subrecipient, one of the nineteen (19) homes sold has been subject to bank foreclosure action; and

WHEREAS, Subrecipient has, as part of the corrective actions, agreed to ensure long term affordability of the other eighteen (18) NSP2 homes already sold, by exercising its right of first refusal in the event that a NSP2 homeowner chooses to sell the home prior to the expiration of the Affordability Period and receives a *bona fide* sales offer from a household with an income in excess of eighty percent (80%) AMI; and

WHEREAS, County has, as part of the corrective actions, agreed to reduce the NSP2 affordability liens on the NSP2 homes to a non-monetary deed restriction of twenty (20) years duration; and

WHEREAS, County has also, as part of the corrective actions, agreed to amend the GO affordability liens to an amount equal to the difference between the appraised value and the amount of the purchase money mortgage for a period of thirty (30) years from the date of the original sale; and

WHEREAS, to effectuate the changes in the affordability lien amounts, it is necessary to amend existing deeds of trust currently in place on the remaining eighteen (18) NSP2 homes; and

WHEREAS, Subrecipient is working with the title company and the homeowners to execute the amendments to the NSP2 and GO affordability liens and other purchase documents as required by HUD; and

WHEREAS, it is in the best interests of the County to ensure that the lien modifications are processed as quickly and efficiently as possible in order to satisfy the requirements established by HUD.

NOW, THEREFORE, BE IT RESOLVED that the Pima County Board of Supervisors:

Authorizes the Chair to execute the following documents on the eighteen (18) NSP2 homes described in Exhibit A of this Resolution:

1. Resale Restriction For Affordable Housing to establish a non-monetary affordability deed restriction of twenty (20) years duration; and
2. Amendment to the Affordable Housing Restriction and Lien Agreement to amend the lien amount to the difference between the appraised value and the purchase money mortgage, as set forth in Exhibit A, for a period of thirty (30) years from the date of sale.

PASSED AND ADOPTED ON \_\_\_\_\_, 2013.

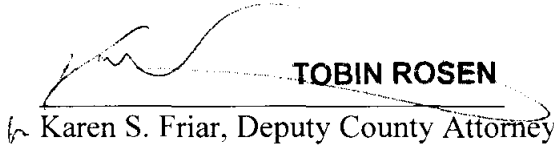
PIMA COUNTY BOARD OF SUPERVISORS:

ATTEST:

\_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

  
**TOBIN ROSEN**  
Karen S. Friar, Deputy County Attorney

## Exhibit A

Homeowner Name	Property Address	Lot #	Amended GO Amount
Raul Garcia Molina	918 E. Emma Maria St.	67	\$2,992.00
Olga C. Reyes	928 E. Emma Maria St.	68	\$6,111.00
Kennedy E. Valencia	936 E. Emma Maria St.	69	\$6,568.00
Angel M. and Rebecca C Castaneda	946 E. Emma Maria St.	70	\$2,918.00
Collette M. Park	896 E. Robert Hansen Dr.	84	\$2,435.00
Robert J. Romero Jr.	888 E. Robert Hansen Dr.	85	\$5,729.00
Pen-Li Tsou	898 E. Pentercrest Rd.	87	\$5,315.00
Andrea Arellano	908 E. Pentercrest Rd.	88	\$2,319.00
Matthew P. Beaudry	916 E. Pentercrest Rd.	89	\$19,839.00
Armando P. Laguna Jr.	926 E. Pentercrest Rd.	90	\$3,119.00
Charles R. Salrin	945 E. Emma Maria St.	93	\$7,093.00
Jeovan B. Cazares	927 E. Emma Maria St.	95	\$21,199.00
James J. Gallagher Jr.	917 E. Emma Maria St.	96	\$2,992.00
Andy & Marisella Tona	909 E. Emma Maria St.	97	\$12,840.00
Norberto Carlos Hoyos	891 E. Emma Maria St.	99	\$12,994.00
Vanessa Ramirez	905 E. Robert Hansen Dr.	117	\$2,265.00
Rosemary T. Mayorga	923 E. Robert Hansen Dr.	119	\$9,658.00
Angela Golomboski	931 E. Robert Hansen Dr.	120	\$16,466.00