

AMENDMENT NO. 2 TO THE
INTERGOVERNMENTAL AGREEMENT
BETWEEN
MARICOPA COUNTY
ADMINISTERED BY ITS
HUMAN SERVICES DEPARTMENT
AND
CITY OF PEORIA

- I. Maricopa County (“County”) administered by its Human Services Department and the City of Peoria (“City”) entered into a financial Intergovernmental Agreement (“Agreement”) on or about November 17, 2021. The purpose of the Agreement is for the City to acquire and rehabilitate two (2) single-family homes in Peoria, one (1) single-family home for Program Year 2020 and one single-family home for Program Year 2021. The County provided the City with \$235,817 in Program Year 2020 and \$232,061 in Program Year 2021 HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) under Assistance Listing Number (ALN) 14.239. All work performed or costs incurred or expended shall be reimbursable through September 30, 2025. The County and the City may be referred to individually as the “Party” and collectively referred to as the “Parties.”

The Parties executed amendment No. 1 on or about December 7th, 2022, to address the following: 1) Change lead agency to Maricopa County Representative. 2) Amend Section 2 (Special Provisions), Subparagraph 14.0 by adding subparagraph 14.12 regarding forced labor in the Peoples Republic of China 3) Add an additional Work Statement referred to as “2022 Work Statement”, attached and incorporated into the Agreement. The 2022 Work Statement is for the City to acquire and rehabilitate two (2) single-family houses in the City of Peoria. All work performed, or costs incurred expenses shall be reimbursable through September 30, 2025. The County provided the City with \$275,546 for the Work Statement activities. Under the Amended Agreement, County funding was increased from \$467,878 to \$743,424 in total HOME funds.

- II. This Amendment No. 2. is subject to and incorporates the provisions of A.R.S. § 38-511. The Parties agree to enter into this Amendment No. 2 to amend the Agreement as follows:
- A. Extend the Agreement termination date from September 30, 2025, through September 30, 2026.
 - B. Revise Section 3 (Work Statement) to address the following paragraphs:
 - 1. Add an additional Work Statement hereinafter referred to as “2023 Work Statement”, attached and incorporated into the Agreement. The 2023 Work Statement is for the City to acquire and rehabilitate two (2) single-family houses in the City of Peoria. This project is a scattered-site single-family homeownership project. Expenditures for this Work Statement and all work performed, or costs incurred shall be reimbursable through September 30, 2026. The County shall provide the City with \$297,476 for the Work Statement activities. The funding for Work Statement is provided by PY23 HOME Investment Partnerships Program (HOME) through the U.S. Department of Housing and Urban Development (HUD) funds, under ALN 14.239.

- C. Under the Amended Agreement, County funding shall therefor be increased from \$743,424 to \$1,040,900 in total HOME funds.
- III. Section II above contains all the changes made by this Amendment No. 2. All other terms and conditions of the Agreement shall remain the same and in full force and effect as approved.
- IV. The Parties have authorized the undersigned to execute this Amendment No. 2 on their behalf, and it shall be effective upon approval and signature by both Parties.
- V. IN WITNESS, the Parties have approved and signed this Amendment: No. 2:

FOR CITY OF PEORIA:

FOR MARICOPA COUNTY:

 Jason Beck Date
 Mayor

 Jack Sellers Date
 Chairman, Board of Supervisors

Attestation:

Attestation:

 Agnes Goodwine Date
 City Clerk

 Juanita Garza Date
 Clerk, Board of Supervisors

IN ACCORDANCE WITH A.R.S. §§ 9-240 and 11-952, THIS AMENDMENT NO. 2 HAS BEEN REVIEWED BY THE UNDERSIGNED ATTORNEY WHO HAS DETERMINED THIS AMENDMENT NO. 2 IS PROPER IN FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO THE CITY OF PEORIA UNDER THE LAWS OF THE STATE OF ARIZONA.

IN ACCORDANCE WITH A.R.S. §§ 11-201, 11-251, AND 11-952, THIS AMENDMENT NO. 2 HAS BEEN REVIEWED BY THE UNDERSIGNED ATTORNEY WHO HAS DETERMINED IT IS PROPER IN FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO MARICOPA COUNTY UNDER THE LAWS OF THE STATE OF ARIZONA.

APPROVED AS TO FORM:

APPROVED AS TO FORM:

 Attorney for the City Date

 Deputy County Attorney Date

**2023 WORK STATEMENT
MARICOPA COUNTY
HOME Investment Partnerships Program
Program Year 2023**

Consortium Member: City of Peoria, Arizona
UEI: ML1ZY81QDEW8
FAIN: M-23-DC-04-0227
Federal Award Date: 8-15-2023
Funding: \$297,476 (\$278,884 EN and \$18,592 AD)
Activity Type: Homebuyer
Project: Peoria Community Land Trust Program-Acquisition, Rehabilitation and Resale
Type of Property: Single-Family

1.0 FUNDING:

PROGRAM YEAR	ENTITLEMENT	ADMINISTRATION	TOTAL BUDGET
PY 2023	\$278,884	\$18,592	\$297,476

2.0 DETAILED SCOPE OF WORK:

2.1. Project Description: The City will acquire and rehabilitate two (2) single-family houses in the City of Peoria. This project is a scattered-site single-family homeownership project. The Parties agree to execute an addendum at the time the property is identified. An Addendum to this Agreement identifying individual properties by street address for participation in the City's Community Land Trust Program (CLT) will be executed before funding is made available regarding each property. Funds will be paid to the City only after it has met the commitment requirements as set forth in 24 C.F.R. § 92.2 (1) and (2), respectively, and is prepared to commence rehabilitation within twelve months.

Funds for rehabilitation are obligated by completing a detailed set of specifications (work write-up) and completing a detailed rehabilitation cost estimate based upon those specifications. The cost estimate may include a contingency for construction change orders. The City must inspect each property prior to occupancy and at project completion to ensure compliance with applicable standards and codes. Each property must be free from any defects that pose a danger to the health and safety of occupants and must meet written rehabilitation standards and local codes and ordinances at project completion. Copies of the final inspection report must be retained in the project files and submitted to the City upon submitting a completion report.

When the property is re-sold to a new low-income homebuyer, the city will self-certify to the City that the property meets health and safety standards, written rehabilitation standards, and local codes and ordinances.

Completed homes will be sold to eligible low-income first-time homebuyers. Properties will be acquired using the City's line credit, following completion of environmental review requirements.

In addition to the requirements set forth in Section 4 (Compensation), the City will execute a Deed of Trust and Note provided by the City's Developer and naming the City as the Beneficiary in order to secure any funds provided to the City as reimbursement for acquisition costs.

Upon sale of the property to an eligible buyer, the City's Developer will provide a Deed of Release and Re-conveyance (By Beneficiary) for the secured acquisition funds.

Resale provisions will be used to ensure compliance with the period of affordability required by HUD at 92.254 of the HOME regulations. The affordability restrictions shall be secured by a Community Land Trust Ground Lease and a Declaration of Affirmative Land Use Restrictions.

Completed units shall be sold through the CLT program and under which the buyer shall purchase only the improvements and shall enter a 99-year CLT Ground Lease with the City. The CLT Ground Lease shall contain provisions that require the housing to be used as the buyer's principal residence. The Ground Lease also shall restrict resale/ transfer only to Low-Income buyers. In addition, the CLT Ground Lease shall contain a shared appreciation provision that limits the sale price of the housing and helps ensure affordability for future buyers. A Memorandum of Ground Lease and Right of First Refusal shall be recorded. A "Performance" Deed of Trust also shall be recorded with the City as the beneficiary; this is to ensure the City is notified in the event the owner of the home attempts to refinance or transfer the property.

The shared appreciation provision shall conform to Maricopa HOME Consortium's Recapture/Resale Provisions. "Fair Return" for leasehold properties is defined as the lessees purchase price, plus 25% of the lessee's share of the increase in leasehold value at time of resale based on a leasehold valuation performed by a duly licensed appraiser.

Upon sale to an eligible buyer, a Declaration of Affirmative Land Use Restrictive Covenant for HOME Project shall be executed between the City's Developer and the City and recorded against the land to secure the Period of Affordability as required by HUD. The Period of Affordability shall be based on the total amount of HOME funds invested in the housing.

Eligible buyers will be required to complete an approved homebuyer education class and homeownership counseling. Eligible buyers also will be required to complete a CLT orientation, at which time the ground lease, resale restrictions, shared equity, and all other provisions of the CLT program shall be fully explained.

- 2.2. Project Purpose: The Project will create homeownership opportunities for a low- to moderate-income household that is rated as a high priority in the Consolidated Plan.
- 2.3. Project Beneficiaries: Two (2) first-time homebuyers at or below 80% of the area median income will benefit from this Project. Beneficiaries' income eligibility will be verified by the City's staff and will comply with 24 C.F.R. §. 92.203(d)(1).
- 2.4. Eligible buyers will be required to complete an approved homebuyer education class and homeownership counseling.
- 2.5. Project Staff: The City shall maintain staff qualified to perform the duties of the project. The City shall immediately notify the County regarding any changes in staff committed to the project. The City reserves the right to review the qualifications of new staff committed to the project after the execution of this Agreement. The City will be responsible for all communications with the Maricopa HOME Consortium, providing all updates and as needed reporting. In addition, any complaints will be the responsibility of the City.
- 2.6. Subcontractors: The City will oversee every aspect of the project. This oversight includes, but is not limited to, day-to-day operations; preparing budgets; managing the budget, timeline, and change orders; issuing a Request for Proposal and selecting the general contractor and Subcontractors. The City shall select Subcontractors in accordance with the Administrative Requirements of this Agreement. The City shall contract with responsible and qualified Subcontractors to perform the duties of the project. The City shall verify the qualifications of each Subcontractor through license verification, references, and SAM.gov.
- 2.7. Project Affordability: The family or individual acquiring the housing must qualify as low-income, as defined in 24 C.F.R. § 5.609, and maintain the housing as the principal residence throughout the period of affordability, which shall be for a period of 15 years from the date that the completion report is entered into HUD's Integrated Disbursement and Information System (IDIS). Resale provisions will be used to ensure compliance with the period of affordability required by HUD at 24 C.F.R. § 92.254 of the HOME regulations.

Upon sale to an eligible buyer, a Declaration of Affirmative Land Use Restrictions (LURA) will be executed to secure the Period of Affordability and require the housing to be used as the buyer's principal residence, as required by HUD. The LURA will include a due on sale clause to ensure that funds are recaptured if the property is sold during the Affordability Period.

3.0 OBJECTIVES AND OUTCOMES:

OBJECTIVE	OUTCOMES		
	AVAILABILITY/ ACCESSIBILITY	AFFORDABILITY	SUSTAINABILITY
DECENT HOUSING	<input type="checkbox"/> Single-Family Housing Rehab and Emergency Rehab, Homebuyer Assistance	<input checked="" type="checkbox"/> Homebuyer Activities, Acq./Rehab of rental housing, Acq./New Construction of rental housing, Expansion of assisted rental units in the private marketplace	<input type="checkbox"/> Housing Activities in a targeted revitalization area

4.0 ACTIVITY GOALS:

Activity Goal	ACTIVITY GOALS			
	Acquisition and Rehabilitation for Resale of Single-Family Homes	Supportive Services	Acquisition and Development of Non-Congregate Shelters	Tenant Based Rental Assistance
Estimated Number of New Units/ Beds Developed	2			
Estimated Number of Households to Benefit	2			

5.0 LOGIC MODEL: PERFORMANCE INDICATORS:

INPUTS/ RESOURCES	OUTPUTS		OUTCOMES	OBJECTIVES
	ACTIVITIES	PARTICIPATION		
Development Staff, Funding and Contractors	Acquire and rehabilitate two (2) units of Affordable Housing to be held in the CLT	Two (2) Households	Increased affordable housing for a low-income family. Increased homeownership. Improved neighborhoods and quality of life.	Decent and affordable housing

6.0 PROPOSED BENEFICIARIES:

Targeted Population by Income Level	Number of Households PY 2023	Total Number of Units
Households at or below 50%		
Households at or below 60%		
Households at or below 80%	2	2
TOTAL	2	2

7.0 PRIORITY POPULATIONS:

Complete the table below only if the Activity will specifically set-aside units for a priority population. Set-asides will be enforced through contract provisions.

Priority Populations	No. of Units PY 2023	Total
Elderly		
Physically Disabled		
Other Priority Populations: Veterans		
Homeless		

8.0 PERFORMANCE REPORTING GOALS/TIMELINE OF ACTIVITIES:

MILESTONES: Tasks to be Performed	COMPLETION DATE
Application/market study	January 2023
Execute City Agreement with Maricopa County	April 2024
Environmental Review approval	December 2024
Acquisition of properties	December 2024
RFP for rehabilitation activities	March 2025
Homeownership counseling/buyer preparation	June 2025
Rehabilitation	December 2025
Sale of Unit	June 2026
Homebuyer financing secured	June 2026
Expend Proceeds	June 2026
Final Close-out /Project Completion Form	September 2026

Any change to the Timeline will need to be approved by the County.

9.0 ACTIVITY BUDGET SUMMARY:

ACTIVITY	PY 2023 HOME FUNDS	Additional Sources* (defined in Table 10 below)	TOTAL ACTIVITY BUDGET
Acquisition	\$278,884	\$464,454	\$278,884
Rehabilitation		\$60,000	\$60,000
Developer Fee		\$80,600	\$80,600
Inspections, Title, Appraisals		\$5,000	\$5,000
Other Soft Costs		\$20,000	\$20,000
Administration-City of Peoria	\$18,592		\$18,592
TOTALS	\$297,476	\$630,054	\$927,530

Note: A total of \$3,000 per activity will be withheld as retainage from the total amount of HOME funds obligated to each activity until a completion report is submitted to the County.

10.0 SOURCE AND AMOUNT OF OTHER RESOURCES:

OTHER RESOURCES	AMOUNT
Newtown – Alliance Bank of America Line of Credit	\$630,054

11.0 ACTIVITY MATCH:

AMOUNT	FORM OF MATCH	SOURCE
\$69,721	Forgivable loans	Federal Home Loan Bank – San Francisco

Match commitment must equal 25% of the HOME funds requested. Documentation is due at the time of each request for payment

12.0 SALES PRICE:

12.1. To ensure the homes are affordable for the target income group, the sales price shall be calculated so that each buyer’s monthly housing expenses (including principal, interest, property taxes, and home insurance) does not exceed 35% of the buyer’s gross monthly household income, unless there are documented compensating factors. In addition, the housing will have an initial purchase price or estimated after rehabilitation that does not exceed 95% of the median purchase price for the area, as described in 24 C.F.R. § 92.254 (a)(2). Refer to Attachment 3 to this Agreement.

12.2. The buyer must obtain a mortgage loan with a fixed term and interest rate and lender fees may not exceed 5% of the mortgage amount. The income of the buyer shall be determined according to the requirements at 24 C.F.R. § 92.203.

13.0 PROGRAM INCOME:

All proceeds generated from the development activities shall be considered Program Income and subject to the Program Income requirements set forth in HOME Program regulations as defined in 24 C.F.R. § 92. Program Income shall be retained and expended by the City for the acquisition and rehabilitation of additional properties under this Agreement. Program Income shall be tracked by the City and reported to the County with each Request for Reimbursement and at the request of the County.

14.0 CONVERSION TO RENTAL:

If the home has not been sold to an eligible homebuyer within nine (9) months after the receipt of a Certificate of Occupancy, then it must be converted to a HOME rental unit that complies with all HOME requirements for the period of affordability applicable to such rental units, according to 24 C.F.R. § 92.254(a)(3). If the vacant property is not converted, then HOME funds must be repaid to the County