

**NOTICE OF PUBLIC MEETING  
PHOENIX CITY COUNCIL  
NEIGHBORHOODS, HOUSING AND DEVELOPMENT SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX CITY COUNCIL NEIGHBORHOODS, HOUSING AND DEVELOPMENT SUBCOMMITTEE** and to the general public, that the **PHOENIX CITY COUNCIL NEIGHBORHOODS, HOUSING AND DEVELOPMENT SUBCOMMITTEE** will hold a meeting open to the public on **Tuesday, November 19, 2013 at 10:00 a.m. located at Phoenix City Hall, 1<sup>st</sup> Floor Atrium, Assembly Rooms A, B, & C, 200 West Washington Street, Phoenix, Arizona.**

One or more Subcommittee members may participate via teleconference.

The agenda for the meeting is as follows (items may be discussed in a different sequence than posted):

1.	<b>Call to Order</b>	Daniel Valenzuela, Chair
2.	<b>Call to the Public:</b> Consideration, discussion and comments from the public; those wishing to address the Subcommittee need not request permission in advance. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date.	Daniel Valenzuela, Chair
3.	<b>Review and Approval of the October 15, 2013 Neighborhoods, Housing and Development Subcommittee Meeting Minutes</b>	Page 5
<b>Item 4 is for consent action. No presentations are planned; however staff will be available to answer questions.</b>		
4.	<b>REVISED AFFORDABLE HOUSING LOAN PROGRAM AND UNDERWRITING GUIDELINES</b> This report requests the Subcommittee recommend City Council approval and adoption of the revised City of Phoenix Affordable Housing Loan Program and Underwriting Guidelines ("Revised Guidelines") as published at <a href="http://www.phoenix.gov/housing/building">www.phoenix.gov/housing/building</a> . <b>This item is for consent action.</b>	Karl Matzinger, Housing  Page 11
<b>Items 5-6 are for information and discussion.</b>		
5.	<b>NEIGHBORHOOD STABILIZATION PROGRAM UPDATE</b> This report provides an update to the Subcommittee on the Neighborhood Stabilization Program (NSP). <b>This item is for information and discussion.</b>	Chris Hallett, Neighborhood Services  Karl Matzinger, Housing  Page 17

6.	<p><b>WELLS FARGO NEIGHBORHOODLIFT PROGRAM UPDATE</b></p> <p>This report provides the Subcommittee with an information update on the Wells Fargo NeighborhoodLIFT<sup>SM</sup> program.</p> <p><b>This item is for information and discussion.</b></p>	<p>Chris Hallett, Neighborhood Services</p> <p>Karl Matzinger, Housing</p> <p>Page 23</p>
<p><b>Items 7-8 are for information, discussion and possible action.</b></p>		
7.	<p><b>SOUTH PHOENIX VILLAGE/TARGET AREA B REDEVELOPMENT AREA PLAN UPDATES</b></p> <p>This report requests that the Subcommittee recommend Council approval to reaffirm the Council adopted redevelopment area plans for South Phoenix Village and Target Area B; authorize the NSD to issue a Request(s) for Proposals; authorize staff to enter into preliminary negotiations with the selected developer(s), subject to City Council approval and request staff to engage the community advisory committees and community to update the redevelopment area plans (South Phoenix Village and Target Area B) and investigate amendment options.</p> <p><b>This item is for information, discussion and possible action.</b></p>	<p>Chris Hallett, Neighborhood Services</p> <p>Page 25</p>
8.	<p><b>PLATS THAT CHANGE STREET FRONTAGE IN OR NEAR HISTORIC NEIGHBORHOODS</b></p> <p>This report provides information regarding an issue with plats that change the street frontage adjacent to historical districts.</p> <p><b>This item is for information, discussion and possible action.</b></p>	<p>Alan Stephenson, Planning and Development</p> <p>Page 27</p>
<p><b>Item 9 is for information and discussion.</b></p>		
9.	<p><b>DEVELOPMENT PROCESS AD HOC TASK FORCE UPDATE</b></p> <p>This report provides information to the Subcommittee on the current status of several streamlined development processes and other follow up items from the Development Process Ad Hoc Task Force.</p> <p><b>This item is for information and discussion.</b></p>	<p>Alan Stephenson, Planning and Development</p> <p>Page 29</p>
10.	<p><b>Future Agenda Items:</b> This item is scheduled to give Subcommittee members an opportunity to mention possible topics for future Subcommittee agendas or to request City staff to follow-up on Subcommittee issues.</p>	<p>Daniel Valenzuela, Chair</p>

11.	<b>Call to the Public:</b> Consideration, discussion and comments from the public; those wishing to address the Subcommittee need not request permission in advance. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date.	Daniel Valenzuela, Chair
12.	<b>Adjournment</b>	Daniel Valenzuela, Chair

For further information, please call Brandie Barrett, Management Assistant, City Manager's Office, at 602-262-7684 or Thaddis Jackson at 602-262-5099.

**Persons paid to lobby on behalf of persons or organizations other than themselves shall register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-262-6811.**

For reasonable accommodations, call Brandie Barrett at Voice/602-262-7684 or TTY/602-534-5500, or Thaddis Jackson at 602-262-5099 as early as possible to coordinate needed arrangements.

**Subcommittee Members**

Councilman Michael Johnson  
Councilman Tom Simplot

Councilman Jim Waring  
Councilman Daniel Valenzuela, Chair

November 14, 2013

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**Phoenix City Council  
Neighborhoods, Housing and Development Subcommittee  
Summary Minutes  
Tuesday, October 15, 2013**

1<sup>st</sup> Floor Atrium  
Assembly Rooms A, B, and C  
200 West Washington Street  
Phoenix, Arizona

**Subcommittee Members Present**

Councilman Daniel Valenzuela, Chair  
Councilman Tom Simplot  
Councilman Jim Waring

**Subcommittee Members Absent**

Councilman Michael Johnson

**Staff Present**

Michelle Dodds  
Kweilin Waller  
Rachel Milne  
Chris Hallett  
Ernest Martinez  
Greg Gonzales  
Jeff Jamison  
Deanna Jonovich  
Gary McCarthy  
Angela Duncan  
Jennifer Emerson  
Martin Whitfield

**Staff Present**

Maria Bears  
Karl Matzinger  
John Wayne  
Clifton Pendergrass  
Elizabeth Morales  
Dave Hepburn  
Brandie Barrett  
Neal Young  
Harry Markley  
Rick Naimark  
Alan Stephenson  
Penny Parrella

**Staff Present**

Penelope Norville  
Elizabeth Bissa  
Mary Ann Fotinas  
Erynn Crowley  
Sandy Estrella  
Jesse Garcia  
Kent McCarthy  
Berenice Baca  
Lisa Takata  
Aubrey Anaya  
Cindy Stotler  
Thaddis Jackson

**Public Present**

Dani Buskohl  
Joanna Hauber  
Patricia Duarte  
Jake Hinman  
Brandie Mead  
Carolyn Williams  
Bill Bennett  
Jennifer Corey  
Carrie Smith

**1. Call to Order**

Chairman Valenzuela called the meeting to order at 10:07 a.m. with Councilman Simplot and Councilman Waring present. Councilman Johnson was absent.

**2. Call to the Public**

None.

**3. Review and Approval of the September 17, 2013 Neighborhoods, Housing, and Development Subcommittee Meeting Minutes**

Councilman Simplot moved to approve the minutes from the September 17, 2013 meeting. Councilman Waring seconded the motion, which passed 3-0.

**4. Housing Department Development and Homeownership Activity for FY 2012-2013**

This item was for information only.

**5. Retroactive Approval to Apply For, Accept and Disburse Two Family Self Sufficiency (FSS) Grants**

**6. 2014-15 Annual Action Plan and CDBG Request for Proposals**

Councilman Simplot moved to approve items 5 and 6. Councilman Waring seconded the motion, which passed 3-0.

**7. Zoning Ordinance Text Amendment TA-3-13 to Allow an Historic Preservation-Landmark (HP-L) to Open to the Public, Subject to a Special Permit**

Michelle Dodds, Historic Preservation Officer, stated that the application to designate the David and Gladys Wright House as a landmark was still pending. She indicated, however, that the Wright House's current zoning classification of RE-35 restricted it from being accessible to the public. She added that all of the designated landmarks in Phoenix were open to the public.

Ms. Dodds explained that the Special Permit process was initiated to re-zone the Wright House to make it accessible to the public. She also listed the supplementary requirements that were added to the application (such as a parking study and a lighting and signage plan) to better accommodate the public. Ms. Dodds emphasized that feedback from the public was sought during Neighborhood and Village Planning Committee Meetings, and that the Historic Preservation and Planning Commissions had already approved the above process and plans. She added that the proposed text amendment would be presented before City Council November 6, 2013.

Councilman Simplot moved to recommend City Council approval of Zoning Ordinance Text Amendment TA-3-13 to allow an Historic Preservation-Landmark (HP-L) to open to the public, subject to a Special Permit. Councilman Waring seconded the motion, which passed 3-0.

**8. Infill Advisory Group Update**

Rick Naimark, Deputy City Manager, explained that the Planning and Development Department established three goals to make its processes more efficient and transparent, and to provide better service to its customers. Mr. Naimark stated that while the first goal of updating the Department computer system was already underway, the second goal of streamlining the zoning ordinance was identified as a future project. Mr. Naimark noted that the Department's third goal was to construct a plan to facilitate the development of infill lots which consist of unimproved land or vacant buildings.

Alan Stephenson, Acting Planning and Development Director, stated that Phoenix's infill goals have not been accomplished due to the suburban nature of its zoning ordinance and development standards. Mr. Stephenson explained that the purpose of the new infill plan was to promote and sustain growth along the Light Rail. Mr. Stephenson noted that the Department held several public meetings at which the input of business owners, residents, engineers, and other stakeholders in the development community was solicited and used to create two advisory groups. He commented that the first advisory group focused on generating technical recommendations for Phase I of the plan, and the second advisory group focused on

addressing neighborhood concerns and issues for Phase II. Mr. Stephenson displayed the proposed boundaries of the new infill map to the Subcommittee, and invited Cindy Stotler, Assistant Planning and Development Director, to share the details of Phase I.

Councilman Waring asked if the Planning and Development Department was confident that a large group of residents and business owners would not protest the boundaries of the newly proposed infill map. Mr. Naimark replied that the feedback the Department received during public hearings from business and home owners was overwhelmingly supportive of the proposed map. Mr. Naimark added that the technical recommendations implemented in the infill area were similar to a pilot project. He remarked that the strategies that successfully developed properties within the infill map would be adopted on a larger scale throughout the City when possible.

Ms. Stotler remarked that the advisory group for Phase I recommended eliminating technical appeals for storm water retention, automatic public utility easements, slope sewers, and minimum fire lines and to institute a new Department schedule of weekly Appeals Meetings and bi-weekly Code Modification Meetings.

Ms. Stotler commented that the advisory group worked with Solid Waste staff and the Water and Fire departments to create a publishable list of reduced development requirements for the infill area that would help the public navigate through planning and construction processes. Ms. Stotler also mentioned several recommendations that would be enacted throughout the City, such as the allowance of existing driveways and parking lots when more intensive uses were not proposed.

Ms. Stotler mentioned that a traffic study to integrate pedestrian and bicycle connectivity into the infill area, as well as the establishment of an Infill Development Team dedicated to infill projects, were two suggestions that were made by stakeholders in the development community during public meetings.

Councilman Simplot acknowledged the need to develop vacant lots and buildings in Downtown and along the Light Rail, and thanked the Planning and Development Department for the policy tools it had created to facilitate the infill process.

Chairman Valenzuela recognized the efforts the staff of the Planning and Development Department made to include the public throughout the process and to incorporate its feedback into the infill map and recommendations.

Councilman Simplot moved to recommend City Council approval of the newly proposed infill map and the Phase I technical recommendations. Councilman Waring seconded the motion, which passed 3-0.

## **9. Anti-Graffiti Task Force Update**

Chris Hallett, Director of Neighborhood Services, explained that the Anti-Graffiti Task Force was created to build capacity among residents and business owners to develop plans to combat graffiti. Mr. Hallett noted that the Task Force decided to conduct a pilot Graffiti-Free Program in an area that included a high incidence rate of graffiti and approximately nine hundred properties. He added that the goal of the

year-long pilot was to motivate property owners to partner with the City to proactively work to remove graffiti from their property.

Mr. Hallett commented that the Task Force initiated an educational campaign that explained to every property owner and tenant that s/he was in the pilot area, and would receive three free graffiti removals before receiving a Notice of Violation from Code Enforcement. Mr. Hallett indicated that whenever the task force removed graffiti from a property, an educational door hangar and color match paint was left on-site for the tenant or property owner. He observed that out of the nine hundred properties in the pilot area, ninety-eight received a Notice of Violation and thirteen received a citation.

Mr. Hallett remarked that the Task Force also attempted to fight graffiti last year through support of House Resolution (HR) 2561, which did not ultimately receive a hearing. He explained a new initiative would be proposed in the upcoming legislative cycle that would require businesses to stock materials used to produce graffiti in spaces or containers that are inaccessible to the public, and demand that customers who purchase such materials provide proof that they were eighteen or older. He added that these two ideas enjoyed the most support among current legislators.

Chairman Valenzuela commented that the success of the pilot program was rooted in the investments of funds and personnel that were made available to the task force to educate property owners and tenants, remove graffiti from property, issue citations, and prosecute court cases.

Councilman Simplot exited the meeting at 11:08 a.m.

Councilman Waring inquired if the projected cost of implementing the Graffiti-Free Program throughout Phoenix was known. Mr. Hallett responded that a lot of data had to be analyzed before that question could be answered, and recommended that the Task Force be given the opportunity to inform the next steps in the City's fight against graffiti.

#### **10. Neighborhood Stabilization Program Update**

This item was deferred to the November 19, 2013 meeting.

#### **11. Housing and Human Services Initiatives to Address Chronic and Veteran Homelessness**

Council man Simplot returned to the meeting at 11:10 a.m.

Deanna Jonovich, Human Services Director, stated that the Maricopa Association of Governments (MAG), the Valley of the Sun United Way, and other community partners were working to develop a coordinated regional plan to serve the area's high-priority homeless populations: veterans, the youth, and individuals and families who experienced chronic (long-term or frequent and periodic) homelessness.

Ms. Jonovich commented that the City participated in Chicago's Boot Camp on Chronic Homelessness, and set a goal of housing 165 chronically homeless families in one hundred days. Ms. Jonovich noted that the City and its partners provided housing for over 200 families in 100 days, and were on the way ending chronic homelessness in the region by December 2015. Ms. Jonovich mentioned that



President Obama and Shaun Donovan, Secretary of Housing and Urban Development (HUD), recognized the Phoenix partnership for its efforts and achievements.

Ms. Jonovich explained that Human Services allocated approximately four million dollars to services that support the homeless, including funding food banks, emergency shelters, and family service centers, as well as the homeless street count. She identified the implementation of a homeless prevention model for youth, the relocation of roughly 25 chronically homeless families to public housing, and the continuation of eviction prevention at the family service centers as the Department's future goals.

Karl Matzinger, Interim Housing Director, informed the Subcommittee that a Housing First Program in Denver reached the conclusion that policies that supplied housing solutions were the most effective and cost-efficient tools to combat homelessness. Mr. Matzinger stated that while HUD provided new funding resources to fight homelessness in general, it did not offer any supplemental resources to address chronic homelessness. He explained that the Housing Department, in partnership with Human Services, initiated a pilot program to implement a housing first strategy in Phoenix. Mr. Matzinger commented, for example, that the Housing Department used vouchers and other programs to provide Tenant Based Rental Assistance, to supply gap financing to private developers to build affordable housing, and to help the Department of Economic Security reunite and relocate families into homes.

Mr. Matzinger noted that the Housing Department would continue to partner with the Human Services Department to create more comprehensive wrap-around services, to conduct another homeless count, and continue to work with partners in the region and state to identify and implement more permanent housing solutions.

Councilman Simplot inquired if it was possible to add a survey question in the next homeless count that asked participants if they were members of the Lesbian, Gay, Bisexual or Transgender community. He noted that a more comprehensive understanding of homeless populations would enable the City to refine its strategies to fight chronic homelessness.

## **12. Operation Safe Housing**

Mr. Matzinger introduced Gary McCarthy, Housing Department Investigator, and explained that Operation Safe Housing was a pilot program between the Housing and Police Departments. Mr. Matzinger noted that the goal of the program was to establish and maintain a safe environment in city-owned public housing apartments.

Mr. McCarthy stated that Operation Safe Housing was an example of community policing that required building bridges of communication and trust between residents, housing staff, the Phoenix Police Department (specifically the Family Investigations and Major Crimes Bureaus), the Arizona Departments of Public Safety and Economic Security, and multiple federal agencies. Mr. McCarthy commented that cooperation between these groups has facilitated the identification and removal of criminals from public housing through the use of surveillance, annual background checks, search warrants, and arrests. He observed that these preventative measures have increased the level of safety and security for housing residents and

staff by reducing the presence of gangs, criminal activity, and the percentage of service calls to the Police Department.

Mr. McCarthy announced that due to the success of Operation Safe Housing, the decision was made to recruit and train officers in other precincts to replicate the program in every city-owned apartment complex and Section 8 housing unit throughout Phoenix.

Councilman Simplot asked if Operation Safe Housing would incorporate single-family homes in the City's public housing inventory. Mr. McCarthy responded that the primary focus was currently on apartment complexes due to their density, and that more comprehensive plans were being formulated to manage the City's entire public housing portfolio.

Chairman Valenzuela remarked that he witnessed the ability of Operation Safe Housing to increase the level of safety and security in the Santa Fe Springs apartment complex. He stated that the residents and management team of the complex have noticed the improvements, and expressed his belief that Santa Fe would become another success story for the Housing Department.

**13. Development Process Improvements Update**

This item was deferred to the November 19, 2013 meeting.

**14. Requests for Future Agenda Items**

Councilman Waring asked for a report regarding the cost to implement the Graffiti Task Force's pilot program throughout the City.

Neal Young, Senior Executive Assistant to the City Manager, stated that items 10 (Neighborhood Stabilization Program Update) and 13 (Development Process Improvements Update) would be presented during the November 19, 2013 meeting.

**15. Call to the Public**

None

**16. Adjournment**

Chairman Valenzuela adjourned the meeting at 11:44 a.m.

Respectfully Submitted,  
Thaddis Jackson

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**CITY COUNCIL REPORT**

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TO: Neal Young  
Senior Executive Assistant To The  
City Manager

FROM: Karl Matzinger  
Interim Housing Director

SUBJECT: REVISED AFFORDABLE HOUSING LOAN PROGRAM AND  
UNDERWRITING GUIDELINES

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This report requests the Neighborhoods, Housing and Development Subcommittee (NHD) recommend City Council approval and adoption of the revised City of Phoenix Affordable Housing Loan Program and Underwriting Guidelines (“Revised Guidelines”) as published at [www.phoenix.gov/housing/building](http://www.phoenix.gov/housing/building).

**THE ISSUE**

The City Council first adopted the Underwriting Guidelines in October 2005. Since then, the Guidelines have been periodically updated to reflect current City priorities, federal funding regulations and changes in lending practices. The Guidelines were last updated in December 2011. The goals of the Guidelines are to:

- Provide long-term housing affordability
- Outline clear guidelines for quality, well-constructed or rehabilitated housing
- Create predictable, clear underwriting and approval process
- Manage risk and encourage high performing projects

The proposed Revised Guidelines, which are available on the City’s website as an electronic document, have been updated to reflect July 2013 changes in the HOME Investment Partnerships Program (HOME) Rule, market conditions and selection criteria which were tested during the last Notice of Funding round. Changes include the following:

1. Revised application review process
2. Revised underwriting affecting affordable multi-family rental and special needs housing
3. Revised Single Family Loan Programs
4. Inclusion of Minimum Standards for New Construction and Rehabilitated Affordable Units
5. Inclusion of Rehabilitation Loans for Non-Profit Developers of Affordable Housing
6. Revised Affordable Housing Development Community Priorities

**OTHER INFORMATION**

The Revised Guidelines address four types of lending programs: Single Family Rental, Multi-family Rental, Special Needs Housing and the newly created Rental Rehab Loans for Non-profit Developers of Affordable Housing. The Revised Guidelines discuss updated City Council Housing Priorities, outline updated loan terms and project

requirements and summarizes the City's internal application and project review process. The most notable changes are discussed below.

### **1. Revised Application Review Process**

As federal funding diminishes, available affordable housing loans become more competitive. Therefore, a department-appointed selection committee will be convened to review and prioritize proposed projects based on the criteria below. The committee will be made up of representatives from City departments and community partners with housing development expertise who are not competing for the funding.

Criteria for selection will weigh the following:

- Developer Capacity – Experience in producing and managing affordable housing, experience and capacity using federal funds and history of developer's compliance with past city loan agreements
- Project – Evaluation will consider soundness of concept and developer's ability to partner with agencies who can deliver support services to develop self-sufficiency in homeless clients
- Financial Feasibility – Cost of development project, degree of and potential for financial commitments and ability to fund operations
- Construction, Design and Location – Consideration will be given to high energy efficiency, location near or in major transportation corridors, quality design which encourages a sense of community and location per HUD's Site and Neighborhood Standards

### **2. Revised Underwriting Changes Affecting Affordable Multi-family Rental and Special Needs Housing**

Revisions of the federal HOME regulations result in the following changes:

- Enhanced definition of what constitutes a Community Housing Development Organization (CHDO) and new instructions on when to submit documentation for the City to certify a non-profit organization as a CHDO
- Inclusion of the Uniform Physical Condition Standards as the standard by which all initial and annual inspections of federally funded properties will be inspected
- Inclusion of 24 CFR 983.57(e)(2) and (3) Site and Neighborhood Standards as criteria by which proposed projects will be evaluated
- Revision to how utility costs are determined for a proposed project

### **3. Revised Single Family Loan Programs**

Staff recommends the following changes to Single Family Loan Programs to better align with current housing market conditions that reflect rising prices and interest rates which have the potential to squeeze low and moderate income families out of the housing market. The following changes to the down payment, closing cost loans will be as follows:

- Increase maximum loan amount "up to" \$15,000 from \$10,000
- Reduce the loan term to 15 years, forgiven, in equal amounts after the first five years
- Change housing/debt ratios to align with private lending practices; and up or down

- Utilize “Purchase Price Limits” as required by changes to the HOME regulations to determine allowable purchase prices

Additionally, the Housing Department recommends the deletion of the Shared Appreciation Down Payment Assistance Program. Shared Appreciation was applicable when housing markets were seeing monthly increases of four percent or more. Through Shared Appreciation, the “flipping” of houses, purchased with assistance of federal funds, was discouraged, thereby, only attracting the most serious owner occupant buyer. Although housing prices are currently rising, today’s increases are slower and indicative of a market correction of housing prices that plummeted in 2008 to 2011. Maintaining a Shared Appreciation Loan policy could create a hardship for future low and moderate income families when they try to transition into new housing situations.

#### **4. Inclusion of Minimum Standards for New Construction and Rehabilitation**

The revised federal HOME rule restated and emphasized the requirement that participating jurisdictions who receive HOME funds must have minimum property standards which dictate materials and methods to be used in the construction of new or rehabilitated housing. In order to be compliant with the regulation and to provide clear guidance to developers of affordable properties, staff from the Housing and the Neighborhood Services departments developed the Minimum Property Standards Manual (“Manual”).

This Manual goes beyond the International Code Council International Residential Code and International Building Code, which is applied to projects permitted through the City of Phoenix. The Manual has been designed to ensure that all properties acquired, constructed or rehabilitated with federal funds can pass the Uniform Physical Conditions Requirements as set forth in the revised HOME regulation and which has been utilized in public housing inspections since 1998. Through the Manual, minimum standards and criteria for the health and safety have been established to ensure quality repairs, renovation and construction of affordable units. The Manual calls for the inspection of all single family and multi-family housing units prior to (in the case of rehabilitation), during construction, and upon completion of construction for compliance with these requirements. Energy efficiency, construction materials, useful life of major systems, accessibility and lead based paint requirements are also discussed in the Manual.

The Housing Department sought input from developers who typically apply to the City’s Loan Program by circulating a draft copy of the Manual. Additionally, the Housing Department circulated the draft Manual through its ListServe and posted on its website. No objections were made.

#### **5. Inclusion of Rehabilitation Loans for Non-Profit Developers of Affordable Housing**

The City has been funding new construction or rehabilitation of affordable housing for over 25 years. Some of those properties are now facing structural or system issues which require repair or overhaul. Because affordable properties typically serve populations with low income, rents are usually set very low, thereby, not generating sufficient income to maintain a capital reserve which can be utilized when significant repairs are required.

The department has surveyed non-profit developers of affordable housing and has learned that assistance is needed to upgrade properties for energy efficiency, make units or community rooms more accessible or which have major systems to repair. For these reasons, the Housing Department is proposing to create a new loan program, available only to non-profit developers/owners of affordable housing who have previously partnered with the City to produce affordable housing. Loan terms will be at variable interest rates including zero percent, and will be “up to” the lesser of \$15,000 per unit or \$350,000 per property. Borrowers within this loan program will be required to extend or adopt use restriction on their properties for five additional years, on at least, 51 percent of their units. A full description of this program is available in the Revised Guidelines.

HOME, Community Development Block Grant Program (CDBG) or Housing Opportunities for Persons with AIDS (HOPWA) federal funds will be utilized for this program.

## **6. Revised Affordable Housing Development Community Priorities**

The Affordable Housing Development Community Priorities (“Priorities”) allow the City to be proactive in communicating housing needs to developers of affordable and/or special needs housing who intend to apply to the City of Phoenix Affordable Housing Loan Program for gap financing and/or request City support for Low Income Housing Tax Credit (LIHTC) applications to the Arizona Department of Housing.

Gap funding makes development possible when equity investment (through LIHTC) and rents are not adequate to support development of the kind of affordable housing the City would most favor. The source of funds for gap funding is HOME and CDBG funds.

Level funding of HOME funds will allow for approximately two affordable projects through the coming fiscal year of 2014-2015. The Housing Department recommends the Priorities remain narrow, targeting supportive housing projects that serve the most vulnerable, frail and homeless and which assist low income families in home-buying.

The Housing Department recommends the following priorities:

- Acquisition, rehabilitation, and/or new construction of properties that focus on homeless or special needs populations and that provide appropriate services to assist and sustain these population, including redevelopment of public housing or leveraging already-awarded federal development grants
- Rehabilitation of existing affordable properties, owned by non-profit developers and currently or previously funded by the City of Phoenix
- Down payment, closing cost assistance for low and moderate income families at 80 percent of median income (\$50,500 for a family of four)

### **Stakeholders’ Input**

The Housing Department sought input from developers who typically apply to the City’s Loan Program concerning the new Rehabilitation Loan Program for Non-Profit Developers and the Minimum Property Standards by circulating draft versions and providing notice of the draft Revised Guidelines and Manual through the Housing Department ListServe. The drafts were made available for review on the Department website.

## **HOUSING IMPACT**

Affordable housing is generally defined as housing provided to individuals or families between 40 and 60 percent of adjusted family median income (\$25,250 - \$37,860 for a family of four). The approval of this assignment and amendment of the City Loan will assist the Housing Department in preserving affordable rental housing to low-income families in Phoenix.

## **RECOMMENDATION**

Staff requests the Neighborhoods, Housing and Development Subcommittee recommend City Council approval and adoption of the revised City of Phoenix Affordable Housing Loan Program and Underwriting Guidelines.

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**CITY COUNCIL REPORT**

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TO: Lisa Takata  
Deputy City Manager

Neal Young  
Senior Executive Assistant to the  
City Manager

FROM: Chris Hallett  
Neighborhood Services Director

Karl Matzinger  
Interim Housing Director

SUBJECT: NEIGHBORHOOD STABILIZATION PROGRAM UPDATE

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This report provides an update to the Neighborhoods, Housing and Development Subcommittee on the Neighborhood Stabilization Program (NSP).

THE ISSUE

The U.S. Department of Housing and Urban Development (HUD) awarded the City of Phoenix three Neighborhood Stabilization Program (NSP) grants totaling approximately \$115 million; \$39.4 million in NSP1 funds from the Housing and Economic Recovery Act of 2008 (HERA) awarded in September 2009, \$60 million in NSP2 funds under the American Recovery and Reinvestment Act (ARRA) awarded in February 2010 and \$16 million in NSP3 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act awarded in March 2011.

The program required tight deadlines and concentration of strategic efforts in areas hardest hit by foreclosures in order to maximize the neighborhood stabilizing impact of the funding. Both NSP1 and NSP2 deadlines were met this past spring. The NSP3 100 percent deadline is March 2014 and the program is on track to meet the deadline with 60.45 percent or \$9.7 million of the allocated \$16 million spent and drawn from Treasury.

OTHER INFORMATION

To date, Phoenix has addressed 2,584 vacant, foreclosed housing units. The program initial goal was 2,017 total units. Additional detail on NSP activity and outcomes is included in “Attachment A – NSP Properties Update” and “Attachment B – General Summary of NSP Program Impact and Highlights.”

**Multi-Family**

Substantial rehabilitation is complete at six multi-family properties with three properties still in the rehabilitation stage. Construction at Santa Fe Springs and Ocotillo Apartments is expected to be wrapped up this fall. Phase Two of the rehabilitation at

Park Lee will complete the remaining 117 units by December 2013, for a total of 523 units available for leasing. Five communities (Collins Court, West Eleventh, Park Lee, Pine Crest and Summit Apartments) have maintained occupancy at more than 90 percent of the total renovated units.

### **Single Family Progress and Home Sales**

One neighborhood at a time, NSP has turned vacant foreclosed houses back into homes, resulting in desirable communities where people want to live, work and play. Of the 718 single-family homes to be assisted, 532 are complete with 506 sold. Eighty three have been demolished for future infill development. An additional 103 units are in progress. Currently, 14 homes are under contract and nine are available for sale. Due to the low inventory in the open housing market, NSP homes have been in high demand. NSP will continue to sell homes through the coming year.

### **Gordon Estates Green Building Workshops**

The Gordon Estates project is the first subdivision in the United States to achieve the following green certifications and efficiency standards: National Green Building Standard Gold, ENERGY STAR v3, EPA WaterSense, and Indoor Air Plus certifications. Rescuing the failed subdivision has addressed three program goals:

- New home construction with high efficiency at an attainable price and creating jobs in the community
- Homes that cost less to operate and provide a healthier environment for the homeowner
- Educate industry professionals and homebuilders on how to build green homes at a lower price on a production scale

To demonstrate that affordable green homes can be developed in a production approach, the development team led by G Street Inc. hosted four workshops and provided tours of Gordon Estates during construction. A total of 175 developers, real estate professionals, appraisers, lenders and others attended the workshops.

### **Additional Phoenix NSP Activity**

The Arizona Department of Housing (ADOH) “Your Way Home AZ” NSP Program, as well as the Chicanos Por La Causa NSP2 Program, contributed significant NSP activity in addition to the City’s efforts with 489 and 514 units respectively.

### **NSP Program Recognition**

#### **33<sup>rd</sup> Annual Arizona Forward Environmental Excellence Awards recipients**

The Neighborhood Stabilization Program (NSP) was honored with Arizona Forward 2013 Crescordia Environmental Excellence Award for their Single Family Home Green Initiatives. Arizona Forward, in partnership with Salt River Project (SRP), hosted this gala event known as the “Academy Awards” of the environmental community spotlighting statewide green projects that demonstrate a high level of greening initiatives. This distinguished award recognizes sustainable communities under the category of Livable Communities. NSP initiatives include green demolition, Habitat for Humanity Central Arizona’s LEED Platinum Home, Energy–Efficient Rehabilitation and New Construction NAHB Gold Certified Homes. In addition, Mandalay Communities, one of the City’s NSP developer partners, received a 2013 Environmental Excellence Merit Award for the Green NSP Gordon Estates Subdivision Project. This award

recognizes green Building and Structures under the Arizona Forward Residential category.

### **US Department of Energy (DOE) Challenge Home Builder Award Finalist**

The NSP subdivision, Gordon Estates is a Housing Innovation Award Finalist for this first time national award program recognizing sustainable, energy efficient homebuilding innovation. DOE considers this project a significant accomplishment and Mandalay Communities is recognized for leadership in paving the way for sustainable building practices for the rest of the U.S. housing industry. The grand award winners will be announced on Friday, October 4.

### **HUD Phoenix Field Office Most Valuable Partner (MVP) Award**

The City of Phoenix Neighborhood Services Department (NSD) was selected to receive the HUD Phoenix Field Office MVP Award for supporting HUD initiatives to strengthen the nation's housing market. The award recognizes the Department performance in providing diversity in homeownership under the Neighborhood Stabilization and Family Self-Sufficiency Programs. NSD will be recognized at the Phoenix Field Office Awards Ceremony on Thursday, October 17.

### **Current Market Condition**

The metro Phoenix housing market continues to improve with sales prices rising over 60 percent since early 2012. A low inventory of for sale homes continues to drive rising values. Fewer than 10 percent of listed homes are foreclosures. Vacant homes are now within the high end of a 'normal' range for metro Phoenix according to area economist Elliott Pollack. According to Mike Orr, director at Arizona State University (ASU) Center for Real Estate Theory and Practice, the Greater Phoenix housing market is moving towards equilibrium with increasing inventory and weakening demand. ASU's monthly real estate report also noted that 27 percent of the houses sold in July were purchased by investors, compared to 40 percent in July 2012. Investor activity is often credited with improving the valley's housing market.

Foreclosure activity has fallen below normal, short sales will continue for a while but the volume is decreasing and loan delinquency is approaching normal levels. Arizona has benefited from the federal government Housing Affordable Modification Program (HAMP) with 33,979 homeowners able to keep their homes through loan modifications. Lender's own modification programs (non-federally supported) have contributed to over 100,000 Arizona households with modified loans.

Economist Elliott Pollack recently said in an article for The Arizona Republic even though the market will continue to improve, it will be "a long slow recovery."

### **RECOMMENDATION**

This report is for information only.

Attachments

## ATTACHMENT A

### NSP Properties Update

The following information provides a general summary of the current program status and highlights of the program activities undertaken:

<b>NSP Strategies Update</b>	<b>NSP1</b>	<b>NSP2</b>	<b>NSP3</b>	<b>Total</b>
Multi-Family Units - Rehab Completed	725	823	154	1,702
Multi-Family Units - Rehab In Progress	84	5	75	164
<b>Multi-Family Units</b>	<b>809</b>	<b>828</b>	<b>229</b>	<b>1,866</b>
Single Family – Rehabs Completed	105	222	0	327
Single Family – Rehabs In Progress	3	47	32	82
Homeownership Assistance- Buyers Assisted	190	0	1	191
Subdivision New Home Construction – In Progress	N/A	14	N/A	14
Acquisition/Demolition – Completed	67	13	3	83
Acquisition/Demolition – In Progress	0	20	1	21
<b>Single-Family Units</b>	<b>365</b>	<b>316</b>	<b>37</b>	<b>718</b>
<b>Total Units</b>	<b>1,174</b>	<b>1,144</b>	<b>266</b>	<b>2,584</b>

## **ATTACHMENT B**

### **General Summary of NSP Impact and Highlights**

#### Neighborhood Impact:

- 68 percent of NSP activity clustered in targeted areas
- 67 percent of neighborhoods with clustered activity saw greater market recovery than comparable areas
- 79 percent of NSP single-family homes are located within a half-mile proximity to public transportation
- 5 of the 9 NSP multi-family rental communities are on the light rail corridor
- 99.8 percent of NSP homeowners have remained current on their mortgage

#### Sustainability/Energy Efficiency:

- \$593 in estimated annual energy savings on renovated Move-in Ready (MIR) homes
- \$1,809 in estimated annual energy savings on newly constructed homes
- All 15 newly constructed homes are solar powered
- All renovated NSP multifamily properties have energy star appliances and the renovation of Summit Apartments included solar water heaters.

#### Community Connections with NSP:

- Over 2,000 residents learned about NSP through more than 54 community outreach events
- Over 7,366 members of the Real Estate and Lending community were oriented to learn about and participate in NSP
- Educated 175 homebuilders and real estate professionals on affordable green building practices at four Green Home 101 workshops at Gordon Estates
- News releases and NSP Program Outcomes display

#### Households Benefited:

- 506 total NSP homebuyers to date
- 233, or 47 percent, of homebuyers had incomes at or below 80 percent of Area Median Income
- 307 total NSP homebuyers benefited from homes with energy efficiency renovations (Home Improvement Program and MIR)
- 118 total NSP homebuyers received additional leveraged down payment assistance from other sources (Neighborhood LIFT, Hope VI, etc.)

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**CITY COUNCIL REPORT**

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TO: Lisa Takata  
Deputy City Manager

Neal Young  
Senior Executive Assistant to the  
City Manager

FROM: Chris Hallett  
Neighborhood Services Director

Karl Matzinger  
Interim Housing Director

SUBJECT: WELLS FARGO NEIGHBORHOODLIFT PROGRAM UPDATE

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This report provides the Neighborhoods, Housing and Development Subcommittee with an update on the Wells Fargo NeighborhoodLIFT<sup>SM</sup> program.

THE ISSUE

NeighborhoodLIFT<sup>SM</sup> was a unique collaborative effort between Wells Fargo, NeighborWorks<sup>®</sup> America, Neighborhood Housing Services of Phoenix (NHS), a charter member of NeighborWorks<sup>®</sup> America, and the City of Phoenix. This innovative community development initiative provided homeownership resources to households with an income at or below 120 percent of the Area Median Income (AMI) with up to \$15,000 in down payment assistance, housing counseling, homebuyer education and access to affordable single-family homes. The program was designed to help Phoenix overcome the effects of the foreclosure crisis, stabilize neighborhoods struggling with high inventories of unsold homes and attract qualified, prospective homebuyers.

Phoenix was chosen by Wells Fargo as the third market for the bank's pilot program based on the number of foreclosures, delinquencies and high inventory of unsold homes in Phoenix. Wells Fargo made an \$8 million investment in Phoenix for down payment assistance grants and homebuyer support programs to help consumers achieve successful sustainable homeownership and included \$1 million in grant funds for local nonprofit organizations to be used toward furthering community development priorities. Complementing this commitment, Wells Fargo established a five-year goal to invest another \$3 billion in mortgage purchase loans.

In addition, Wells Fargo provided \$1 million in grants to six Phoenix nonprofit organizations working on homelessness, job counseling and creation, economic development, neighborhood beautification and arts programs. Measures of success for the program, all of which contribute to the recovery of Phoenix's housing market, have included:

- Educating and preparing homebuyers ready to achieve and sustain responsible homeownership;
- Reducing vacancies and inventory;
- Stabilization of home values;
- Neighborhood stabilization and revitalization;
- Increased consumer confidence and neighborhood pride.

### OTHER INFORMATION

Since the start of the program on March 23, 2012, NHS Phoenix has assisted 372 households providing over \$5,565,000 in down payment and closing cost assistance which helped stimulate the depressed housing market. The last NeighborhoodLIFT<sup>SM</sup> homebuyers will close on their homes by the end of 2013. Also, NeighborhoodLIFT<sup>SM</sup> has leveraged over \$58 million in first mortgage loans throughout the city of Phoenix and leveraged business partnerships with mortgage banks, bankers, lenders and local realtors. Additionally, Wells Fargo Phoenix is on pace to meet or exceed their \$3 billion, five year mortgage purchase lending commitment through their direct and indirect channels.

The City was able to leverage Phoenix's Neighborhood Stabilization Program down payment and closing cost assistance with NeighborhoodLIFT<sup>SM</sup> on 80 NSP Move-in Ready and two Homeownership Assistance Program homes in neighborhoods which were hardest hit by the foreclosure crisis, for a total of \$1.23 million in leveraged funding for eligible homebuyers in these areas.

### RECOMMENDATION

This report is for information only.



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**CITY COUNCIL REPORT**

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TO: Lisa Takata  
Deputy City Manager

FROM: Chris Hallett  
Neighborhood Services Director

SUBJECT: SOUTH PHOENIX VILLAGE/TARGET AREA B REDEVELOPMENT AREA  
PLAN UPDATES

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This report request that the Neighborhoods, Housing and Development Subcommittee recommend Council Approval to reaffirm the Council adopted redevelopment area plans for South Phoenix Village and Target Area B; authorize the NSD to issue a Request(s) for Proposals; authorize staff to enter into preliminary negotiations with the selected developer(s), subject to City Council approval and request staff to engage the community advisory committees and community to update the redevelopment area plans (South Phoenix Village and Target Area B) and investigate amendment options.

THE ISSUE

The City originally adopted the Target Area B Redevelopment Area plan in 1980, followed by the South Phoenix Village Redevelopment Area Plan in 1989. Council later adopted action plans to realize four redevelopment projects as a result of a series of community stakeholder meetings. The projects that were identified as critical to the revitalization of the two areas were:

1. Infill housing, South Phoenix Village
2. Retail and commercial development at 24<sup>th</sup> Street and Broadway Road
3. Subdivision housing development at 24<sup>th</sup> Street and Southern Avenue
4. Retail and commercial development at Central Avenue and Broadway Road

Housing development has been and remains critical to revitalizing the areas, filling vacant land, eliminating blighting conditions and attracting private retail and commercial investment. Progress has been made via the CopperLeaf subdivision development at 24<sup>th</sup> and Roeser Road and with scattered sites infill housing development in South Phoenix Village for a combined total of over 750 new homes. Through redevelopment efforts the city has invested in land assemblage, established quality standards to improve both the quantity and range of housing opportunities and improved the infrastructure to support new homes. As the economy and housing market improves staff believes residential development can be re-initiated through a Request for Proposals in support of the currently adopted redevelopment area plans.

Additionally, the Four Corners Conceptual Master Plan (1996) and the Four Corners Overlay District (2004) established the intersection of 24<sup>th</sup> Street and Broadway Road for community commercial land uses. Staff believes the more recent developments in the South Mountain are, specifically along the Baseline Corridor, necessitates revisiting the Four Corners development opportunities and land uses with community stakeholders. To that end, the first in a series of community meetings was held on November 4, 2013 to review the current plans and initiate a community discussion.

Input was taken from over 80 attendees with high interest in investigating and updating options to include a combination of both commercial and residential uses. A follow up community meeting is tentatively scheduled for November 18<sup>th</sup>.

### OTHER INFORMATION

There is interest in updating the Four Corners plans, realizing unmet commercial needs and to continue development of housing in the area. Pending the outcome of further community discussion, staff would return to Council to initiate an amendment to the land use designations around the Four Corners. In order for preferred land uses to be pursued, the redevelopment plan will need to be amended. State Statute requires that prior to a public hearing on a proposed amendment, the Planning Commission must make a finding that the amendment conforms to the General Plan. Both a General Plan amendment and Redevelopment Area plan amendments will include notification to property owners and the citizen advisory committees.

### RECOMMENDATION

This report request that the Neighborhoods, Housing and Development Subcommittee recommend Council Approval to reaffirm the Council adopted redevelopment area plans for South Phoenix Village and Target Area B; authorize the NSD to issue a Request(s) for Proposals; authorize staff to enter into preliminary negotiations with the selected developer(s), subject to City Council approval and request staff to engage the community advisory committees and community to update the redevelopment area plans (South Phoenix Village and Target Area B) and investigate amendment options.

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**CITY COUNCIL REPORT**

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TO: Rick Naimark  
Deputy City Manager

FROM: Alan Stephenson  
Acting Planning and Development  
Director

SUBJECT: PLATS THAT CHANGE STREET FRONTAGE IN OR NEAR HISTORIC  
NEIGHBORHOODS

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This report provides information to the Neighborhoods, Housing and Development (NHD) Subcommittee regarding an issue with plats that change the street frontage adjacent to historical districts.

THE ISSUE

In 2012, a plat was approved that changed the alignment of a condominium complex located at 11th Avenue and McDowell Road. This complex is near the FQ Story and Encanto-Palmcroft Historic Neighborhoods. The plat combined four lots into one and changed the orientation of the complex to front 11th Avenue instead of the previous McDowell Road frontage for all four lots. The owner’s plan was to remodel the condominiums and add a pool and guest parking area. With the change in orientation, the McDowell Road side of the lot became a side yard allowing a six foot fence to be constructed along McDowell Road for the length of the complex.

Once construction began on the fence, neighbors expressed concerns about the new six foot masonry fence along McDowell road. The neighbors felt this wall was not consistent with the openness of their nearby historic neighborhoods, would attract graffiti, and would negatively affect the look and feel of the neighborhood. After hearing from the neighbors, Planning and Development Department (P&D) staff brought the neighbors and the owner together to discuss their concerns. The owner stated that he needed the fence to block the view to the new pool area and provide noise reduction for the condominium residents. However, he was willing to work with the neighbors regarding the look of the fence and ultimately added extra trees, shrubbery, and vines to soften the view from McDowell Road. In addition, the owner moved the sidewalk back from 11th Avenue (the new frontage) and added trees and shrubbery to blend in with the historic homes further south on 11th Avenue.

OTHER INFORMATION

Following the experience with the plat at 11th Avenue and McDowell, representatives of historic neighborhoods formally requested a review of the plat process to add a public notification component in an effort to allow neighborhood involvement in future plats. Upon receiving this request, staff reviewed the City Code regulations and Arizona Revised Statutes pertaining to plats. The plat process is governed by City Code and typically occurs after the public processes of rezoning or zoning adjustment hearing officer actions. Currently, there is no public notification component in the plat process.

Plats are engineering documents that describe land boundaries, right-of-way, public infrastructure, and public utility easements. Staff review plats for conformance with zoning stipulations, city codes, and right-of-way standards. Once this plan review is complete and approved by staff, the plat is sent to City Council for formal approval. The plat review process is administrative, not legislative, and there is no staff or City Council discretion if the conditions are met by the applicant. If staff has determined the plat meets code, the City Council is legally required to approve the final plat as designed. Inserting a public notice requirement would give the public an unreasonable expectation that the City Council's decision is discretionary.

Staff understands the neighborhood concerns, but public notice requirements are most appropriately used to educate the public about legislative actions that allow for discretionary decisions. Since there is no discretionary action permitted with the plat review process, staff recommends that changes be made to the Zoning Ordinance to require enhanced wall design and/or landscaping for properties that replat adjacent to historically zoned properties. The staff recommended approach will require that a property owner address the issue when they replat adjacent to single-family residential properties within a historic preservation overlay. The text amendment would require a property owner who submits a plat adjacent to a historic zoned neighborhood to provide design elements surrounding new side walls and new frontage to enhance its compatibility with the neighborhood. These design elements can come from a menu of options including architectural features, offsetting portions of a fence or wall, and enhanced landscaping to enhance neighborhood compatibility.

#### RECOMMENDATION

Staff recommends the Neighborhoods, Housing and Development Subcommittee provide direction regarding the initiation of a text amendment to enhance perimeter wall design and/or increase landscaping quantity requirements for properties that are adjacent to historic preservation zoned neighborhoods.

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**CITY COUNCIL REPORT**

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TO: Rick Naimark  
Deputy City Manager

FROM: Alan Stephenson  
Acting Planning and Development  
Director

SUBJECT: DEVELOPMENT PROCESS AD HOC TASK FORCE UPDATE

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This report provides information to the Neighborhoods, Housing and Development (NHD) Subcommittee on the current status of several streamlined development processes and other follow up items from the Development Process Ad Hoc Task Force.

THE ISSUE

City Council approved the final recommendations from the Development Process Ad Hoc Task Force on November 7, 2012, for streamlining and improving the development process. Some of the recommendations were implemented immediately and others were effective in phases. This report provides a status report on the processes that were implemented over the summer of 2013 as well as an update of the processes that were immediately implemented.

24 Hour Inspection Turnaround Policy

City Council approved a Planning & Development (P&D) inspection policy for 24 Hour Turnaround in November 2012. The policy directs staff to schedule all inspections for the business day following the request and make every effort to meet this schedule so that delays in the development process are avoided. In FY12-13, 95% of all residential and 97% of all commercial inspections were completed within one business day of the request.

Self-Certification Program Expansion

The Self-Certification Program continues to grow by allowing registered professionals to bypass the normal plan review process and obtain permits to begin construction in one day. As a result of recommendations from the Ad Hoc Task Force, eligibility criteria was expanded making Self-Certification a viable option for most projects. There are currently 203 certified professionals with over 450 total projects submitted. Since inception of the program, over 550 permits have been issued with a \$415 million permit valuation.

Consolidation of Fire New Construction Inspections

On October 1, 2012, the New Construction Fire Inspections group was successfully transferred from the Fire Department to P&D, resulting in improved coordination with the other commercial inspection disciplines. Customers have appreciated the new approach to scheduling inspections and are receiving Certificates of Occupancy faster due to the improved coordination.

### Increased Use of Oncall Contracts

P&D is seeing an upward trend in permits and inspections. Single family home permits are up 25% from last fiscal year and 88% from FY 10-11. Subdivision lots are up 471% from last fiscal year and 1,774% from FY 10-11. To address the increased workload, the Department utilized oncall services from 29 reviewers and inspectors for a total of over \$1.4 million in plan review and inspection services. This total is significantly higher than the \$320,000 contract total in FY 11-12 and \$314,000 in FY 10-11. Due to this increase, additional temporary positions were requested and approved for contract oversight, management and inspections for FY 13-14.

### Electronic Plan Review

Electronic Plan Review (EPR) allows for the submittal of construction plans via the internet. Plans are then reviewed and marked up electronically using software purchased and customized for Planning & Development. The system allows customers to submit plans 24 hours a day and reduces the need for physical trips to city hall. An EPR pilot began on June 24, 2013. The pilot allowed staff and customers to test the software and identify gaps in the system while the final touches were completed on the website interface. About 30 projects were submitted during the pilot and P&D went live with EPR to the general public on November 4, 2013. The pilot program is critical to work through technological issues and maintain a high level of customer service.

### Five Day Development Site Plan Review

On July 1, 2013, Five Day Development Site Plan Review was implemented with a goal to perform 90% of all site plans in five days or less. To achieve this goal, staff coordinated the scanning and indexing of all existing zoning files, and five dedicated staff were brought on board. The Site Development Section was moved to the Planning Division to allow for improved coordination between the zoning and site planning functions. These changes were effective at bringing what was previously a 20-30 day turnaround time to an average of five days in July and August. Additionally, the team exceeded the goal by reviewing 95% of over 300 total site plans submitted within five days.

### Privatized Non-Life Safety Inspection Program

The Privatized Non-Life Safety Inspection Program is a voluntary program that allows development customers to hire qualified independent private inspectors to perform non-life safety inspections for the following eligible inspection types; energy, green building and landscape. Staff developed a policy outlining minimum qualifications and requirements for customers who choose this option. The program began in January 2013.

### Building Maintenance Registration Program Expansion

The Building Maintenance Registration (BMR) Program is intended for electrical and plumbing/mechanical maintenance projects and is a cost-effective way for an organization to benefit from P&D's building safety inspection services. Previously, the program was limited to small projects such as relocating receptacle outlets or lighting fixtures, but through the Ad Hoc Task Force, staff recommended expansion to Level 1 alterations from the existing building code. Program implementation was coordinated with the effective date of the 2012 building codes on July 1, 2013. The expanded program has been utilized by the City of Phoenix Public Works and Water Services Departments, and by John C. Lincoln Hospital.

Fire Permit Consolidation

Also in conjunction with the July 1, 2013 code adoption, consolidation of fire off-site, on-site and backflow permits was implemented. Access control permits that previously required approval by the Fire Department and P&D were combined to require only one approval. Sprinklers in single family homes can now be a deferred submittal on a single family home permit, allowing customers to begin construction prior to having sprinkler plans approved.

RECOMMENDATION

This item is for information only.