

**Pima County
Community Development / Neighborhood Conservation Department
HUD NSP Quarterly Progress Report,
Second Quarter, April-June 2010**

The HUD NSP Grant Agreement with Pima County (AZ) was approved on March 19, 2009, for the amount of \$3,086,867. The following was submitted into the HUD Disaster Recovery Grant Reporting System on-line for the quarterly progress report for the county's NSP grant:

Second Quarter (April-June 2010) Progress Narrative

Pima County Community Development and Neighborhood Conservation Department (CD/NC) continued with its three main NSP1 activities in the Second Quarter of 2010.

Pima County CD/NC established a contract with the International Sonoran Desert Alliance (ISDA) of Ajo, AZ this quarter. ISDA will serve as the non-profit developer for the Redevelopment of an historic structure into new retail space, and for the Demolition of scattered blighted and vacant residential structures at highly-visible locations in the community.

Pima County CD/NC continued to coordinate with Primavera Foundation for their NSP activities in the community of South Tucson, AZ. These included Acquisition and Rehabilitation of vacant foreclosed homes for 120% and 50% AMI households; Demolition of blighted and vacant houses; and Redevelopment of vacant residential lots with new utilities and services to make them ready for new affordable home construction.

Pima County CD/NC also continued its Acquisition and Rehabilitation of vacant foreclosed residential properties for 120% and 50% AMI households. CD/NC acquired its last three vacant foreclosed single-family homes – this brings the total number of homes acquired to eleven and completes the acquisition phase of these Activities. Contracts for the rehabilitation work on all eleven houses were solicited and approved in Q2, and rehab work is in various stages of starting and/or completion.

On an administrative note, the entire CD/NC Department accounting staff, including the grants accountants, were transferred into a new department and physically re-located to a new office building. This made it difficult to stay current with Q2 fund obligations and draws in DRGR for NSP1.

1. Project Administration

Budgeted:	\$308,687
Quarter Expenditure:	\$ 6,623
Total Expenditure:	\$ 85,116

Pima County CD/NC Department continued the various NSP1 grant Program Administration activities within the county and with non-profit sub-grantees.

CD/NC purchased the last of its foreclosed single-family residential properties in this quarter, and established contracts for rehabilitation activities on all eleven properties. Activities included completing NEPA / NHPA compliance review on acquisition of properties, and drafting work write-ups and conducting walk-through inspections with contractors on each property for rehab.

CD/NC also worked with Primavera and ISDA on their NSP1 activities in South Tucson and Ajo, respectively. Activities included establishing and amending contracts and completing NEPA / NHPA compliance review.

2. Cardinal / Valencia Foreclosed Property Acquisition & Rehabilitation

Budgeted:	\$ 903,263
Quarter Expenditure:	\$ 227,192
Total Expenditure:	\$ 613,021

Pima County CD/NC Department solicited and accepted bids from our residential rehabilitation contractors on eight of our eleven total foreclosed properties acquired.

Rehabilitation includes registering homes in the Pima County Regional Residential Green Remodeling Program, to increase resource, energy and water efficiency. Homes are also undergoing "blower door" pressure diagnostics energy testing to determine the amount of air leakage in the HVAC system, ductwork, window and door seals, and home in general. Rehabilitation on these 8 residences is in various stages of starting and/or completion.

3. South Tucson, AZ – Primavera Foundation

Budgeted (acquisition/rehab):	\$ 375,000
Budgeted (demolition)	\$ 28,000
Budgeted (redevelopment)	\$ 20,000
Quarter Expenditure:	\$ 70,500
Total Expenditure:	\$ 186,859

The NSP contract with Primavera was amended and additional funding added for demolition of blighted structures, and redevelopment of vacant lots owned by Primavera (installing and up-grading utilities) in South Tucson, AZ.

Primavera Foundation performed rehabilitation activities on two of its foreclosed residential acquisitions this quarter. The first property was completed and Primavera is in the process of qualifying a buyer for purchase of the property; work on the second unit continues apace.

Primavera completed demolition of two blighted single-family residences in the community of South Tucson, AZ this quarter. The residence at 325 W 28th Street was removed outright; at 338 W 35th Street, only the front residence was removed and a guest-house on the same lot is undergoing rehabilitation.

Primavera also installed utilities on two vacant lots under their ownership at 420 W 27th Street and 121 W 31st Street, in preparation for construction of single-family manufactured housing units (funded through another source).

4. Ajo, AZ – International Sonoran Desert Alliance

Budgeted (Redevelopment):	\$ 750,000
Budgeted (Demolition):	\$ 50,000
Quarter Expenditure:	\$ 64
Total Expenditure:	\$ 64

Pima County CD/NC Department has contracted with the ISDA as the non-profit developer for Redevelopment and Demolition activities in the town of Ajo, AZ. The contract with ISDA was approved by the Pima County Board of Supervisors on April 6, 2010, to run for a term of 3 years.

ISDA will undertake Redevelopment activities in the former grocery and mercantile stores in the south Ajo Plaza building to include: remediation of identified environmental issues in the building (lead-based paint and asbestos tile mastic identified in a Phase I ESA); up-grading building utilities and systems (electric, plumbing, HVAC, accessibility); partitioning the existing space into smaller retail spaces; and identifying retail tenants for businesses to serve the local population. In this quarter, ISDA held an on-site consultation with the Arizona State Historic Preservation Office and the Pima County Office of Cultural Resources and Historic Preservation to discuss proposed project activities on the south Plaza building.

At a community meeting in March 2009, Ajo residents expressed an interest in using NSP funds for demolition of blighted structures at scattered sites in the community. In this quarter, ISDA has convened a working group to identify and prioritize properties for demolition, and collated a list of property owners to begin contacting.

Properties will remain in private ownership; ISDA will secure all necessary permits and legal permission to access and conduct demolition activities. Pima County CD/NC Department received a \$400,000 EPA Brownfields grant for use in Ajo - this funding will help defray the costs of the environmental inspections on properties with structures to be demolished.

5. 50% Area Median Income Foreclosed Property Acquisition & Rehabilitation

25% of the entire NSP grant is set aside on foreclosed property acquisition and rehabilitation (\$ 771,717) to benefit households at or below 50% of area median income

Budgeted (CDNC) :	\$ 589,917
Budgeted (Primavera):	\$181,800
Quarter Expenditure (CDNC):	\$ 2,509
Quarter Expenditure (Primavera):	\$ 88,838
Total Expenditure:	\$ 94,064

We divided the 50% AMI set-aside funds between CD/NC and Primavera Foundation to continue respective acquisition/rehab of vacant foreclosed residential properties in the Cardinal/Valencia region and South Tucson.

Pima County CD/NC purchased its last two foreclosed properties for general acquisition and rehabilitation in the Cardinal / Valencia region. We also solicited and accepted bids from our residential rehabilitation contractors, and established rehab contracts on three of our eleven total foreclosed properties acquired.

Rehabilitation includes registering homes in the Pima County Regional Residential Green Remodeling Program, to increase resource, energy and water efficiency. Homes are also undergoing "blower door" pressure diagnostics energy testing to determine the amount of air leakage in the HVAC system, ductwork, window and door seals, and home in general.

Primavera Foundation purchased a vacant, foreclosed duplex in the City of South Tucson. Primavera is currently investigating the necessary rehabilitation (or demolition) of the structures on the two foreclosed properties acquired under this Activity.