

Home Again - Mesa: A Collaboration Building Better Neighborhoods One Family at a Time

Need Factor Analysis – NSP2

July 13, 2009

Application No. 339608544

PROGRAM SUMMARY

Home Again – Mesa is collaboration, building better neighborhoods one family at a time. This collaboration has been working jointly for over for over twenty years. The collaboration was formalized in order to access NSP2 funds for the purposes of stabilizing some of the hardest hit neighborhoods in the city of Mesa. These neighborhoods are located in 19 contiguous census tracts located within four zip codes of Mesa, Arizona. The nineteen census tracts of our application are: 4205.01; 4210.00; 4211.02; 4212.02; 4213.01; 4213.02; 4214.00; 4215.01; 4216.01; 4218.01; 4218.02; 4219.01; 4219.02; 4220.01; 4220.02; 4221.02 and 4221.06. Our Average Max Score for these census tracts is 19.46. Our application number is 339608544.

The Home Again – Mesa: A Collaboration Building Better Neighborhoods One Family at a Time is comprised of the lead member, Marc Center of Mesa. Marc Center, a private not-for-profit corporation, provides affordable housing, educational, therapeutic rehabilitation and social service to children and adults with disabilities.

Mesa, Arizona is one of the nation’s largest suburbs. Now with a population well over 450,000, Mesa grew rapidly during the run up of real estate values. Maricopa County is witnessing one of the worst foreclosure situations in the country. According to the most recent Cromford Report there are 5,000 foreclosures every month in Maricopa County The MLS systems shows that approximately 1,998 of these properties were located in Mesa; and 57 percent of them were purchased at a trustee sale.

The Collaboration is unique because it includes management resources unusual in the nonprofit sector and has developed a strong partnership with a for-profit construction company. A strength of the Collaboration is our significant experience and readiness to meet the challenge of NSP2 implementation. One of our critical team members is Kay Moore, a local Realtor®/broker. Kay and her staff have access to the most current information on housing availability. She brings 12 years of experience to our efforts. She and her staff will provide purchase opportunities to the Collaboration. Given the current conditions in our market, the ability to understand the local real estate market and have current home availability information is critical to our success.

Native American Connections and Marc Center have a combined 35 years of property management experience. Native American Connections oversees the management and operations (over 350,000 square feet) of our affordable housing communities, licensed behavioral health facilities, office rental properties, and the Native American Community Service Center. John Smith, President and CEO of Housing Our Communities, serves as the chair of the largest coalition of community development organizations in the state, the

SHO Coalition. Housing Our Communities has more than 20 years experience preparing families for homeownership and has a less than one percent foreclosure rate among the 1,600 families that enjoy homeownership. To date, Housing Our Communities has provided affordable housing information and referrals for over 31,400 clients, homebuyer education for almost 3,200 clients, individual counseling for more than 4,600 clients, post-purchase education and counseling for 450 clients, and financial literacy classes for over 900 families.

Native American Connections originally created its own in-house property management division to improve services and communication between the organization's behavioral health programs and the property management team. We managed to create a balance for effectively serving those in recovery while also abiding with all Fair Housing and Landlord/Tenant laws and requirements.

BCS opened its door for business 53 years ago in the heart of the target region. It has been providing contracting services to the cities of Mesa, Phoenix, Tempe, Chandler, Gilbert, Scottsdale, Glendale and Maricopa County plus the State of Arizona for over 40 years. BCS's biggest impact has been in the commercial side of the construction industry. It has been an integral part in the budgeting, scheduling and processes for key Arizona projects such as the Phoenix Convention Center (not once, but twice), Tucson International Airport rehabilitation and renovation and Bank One Ballpark, home of the professional baseball team the Arizona Diamondbacks.

Residential construction has been just as important to its overall success. BCS has been involved in renovation, rehabilitation and demolitions since the mid 1960s. In that time they have been involved in over 10,000 renovations, rehabs and demos whether it be for individual owners, housing tracts, transportation corridors or revitalization plans by local municipalities. Initially a specialty contractor, BCS established their general contracting license 15 years ago. Construction management services became a focus of the business for the past five years. BCS averaged for the past four years the management of over 220 projects a year.

The Collaboration will work to further develop our working partnerships with the financial institutions in the community. Our effort will focus upon targeting banks in the greater metro area. Marc Center, the lead member of the Collaboration enjoys a more than 50 year lending relationship with Chase Bank. Further, Wells Fargo Bank's community development manager has provided a letter of support for this application. Wells Fargo's Leading the Way Home[®] outreach program is designed to help communities understand and act on efforts to stabilize neighborhoods. This will result in an additional selling attribute for purchasing our homes.

It will be a combination of commitment to these census tracts by the people who already live in them, city government, other social and religious institutions within the area, and the Home Again Mesa Collaboration bringing an exciting home acquisition product that will significantly advance the stabilization and revitalization of the target neighborhoods. The City of Mesa has committed to facilitating the permit and zoning process in order to

assist the Collaboration in meeting the target investment of 50 percent of the NSP2 funds in twenty-four months.

The targeted census tracts of our application are about 19% of the city's planning area, yet it experiences approximately 38% of the Part I crimes and over half of the foreclosures happened. Part I crimes occur at twice the incident rate of any other area in the city. Mesa Police have made significant strides in these areas, and the Home Again Mesa Collaboration will help support this trend by stabilizing the neighborhood via increasing homeownership.¹

Nonetheless, Mesa remains a place where families seek affordable homes because the community cares and efforts are underway to arrest and reverse the decline. The county's newest effort at improving public transit has generally exceeded rider estimates and user acceptance. The eastern terminus of the line ends at Mesa's western boundary: right at the point where the Home Again Mesa effort begins. This light rail line will be extended into the heart of downtown, historic Mesa by 2012 and this brings the line right between the census tracts identified in the first Map. By a radius drawn around the census tracts, at build out will be three miles away at the most and easily accessible by bus routes. Not only does Transit Oriented Development (TOD) typically follow light rail line and currently a condominium project just east of the terminus under development. Increasing access to public transportation is an important attribute that crosses demographics. Light rail provides this option in an environmentally friendly manner.

The Collaboration will ensure that highest level of neighborhood stabilization is achieved by constantly monitoring the market for available inventory and by acquiring distressed properties, rehabilitating them to include energy efficiencies, and reselling the homes to credit worthy and educated buyers. The Collaboration will focus upon properties that investors do not. This will not constitute the entire inventory of the Collaboration, but the worst property on the street will need to be addressed if any substantive and sustainable change can take place. Thus, the Collaboration will work within the market guided by community based purposes and principles.

A summary of this plan can be found on our website, at www.marccenter.com.

¹ To the Mesa Police Department's credit, in Home Again - Mesa: A Collaboration Building Better Neighborhoods One Family At A Time's relevant areas, Part I crimes have dropped from 2215 in the six month reporting period of 01/07-06/07 to 2070 in the period 01/08-06/08 to 740 in the most recent six month reporting period of 01/09-06/09.