

**AMENDED AGENDA
DECEMBER 13, 2006**

NEW ITEM ADDED 6A.

AMENDED AGENDA



**SPECIAL SESSION
MAYOR AND COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
473 S. Main Street, Room #106
WEDNESDAY, DECEMBER 13, 2006
at 6:30 P.M.**

1. **Call to Order**

As a reminder, if you are carrying a cell phone, pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption of tonight's meeting.

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

- 1) November 29, 2006 – Executive Session
- 2) November 29, 2006 – Special Session Council Hears P&Z

b) **Set Next Meeting, Date and Time:**

- 1) Regular Session – December 20, 2006 - **CANCELLED**
- 2) Council Hears P&Z – December 27, 2006 – **CANCELLED**
- 3) Regular Session – January 3, 2007 at 6:30 p.m.
- 4) Special Council Hears P&Z – January 10, 2007 at 6:30 p.m.
- 5) Regular Session – January 17, 2007 at 6:30 p.m.
- 6) Council Hears P&Z – January 24, 2007 at 6:30 p.m.

5. **Call to the Public for Items not on the Agenda.**

6. **Discussion, consideration, and possible approval of Resolution 2006-700, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and adopting the Town of Camp Verde Housing Rehabilitation Guidelines as revised.**

6A. **PRESENTATION AND DISCUSSION OF TECHNICAL ASSISTANCE FROM THE DRACHMAN INSTITUTE, TO DRAFT A MASTER PLAN FOR THE TOWN-OWNED 5-ACRE PARCEL IN THE VERDE CLIFFS SUBDIVISION.** The Arizona Department of Housing is providing funding for this assistance.

7. **Discussion, consideration, and possible acceptance of the streets within the Verde Cliffs subdivision into the Town's Street Maintenance System.**

8. **Call to the Public for Items not on the Agenda.**

There will be no Public Input on the following items:

9. **Advanced Approvals of Town Expenditures**

10. **Manager/Staff Report**

11. **Council Informational Reports** Individual members of the Council may provide brief summaries of current events and activities. These summaries are strictly for informing the public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

12. **Adjournment**

Posted by: *O. Jones*

Date/Time: *12-12-06 3:30 p.m.*

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

**TOWN OF CAMP VERDE
Council Agenda Action Form**

Meeting Type: Regular

Meeting Date: 12-13-06

**Submitting Department: Affordable Housing & Neighborhood Revitalization
Contact Person: Matt.Morris**

Consent: **Regular:** **Requesting Action:** **Report Only:**

Type of Document Needing Approval (Check all that apply):

- | | | |
|---|---|--|
| <input type="checkbox"/> Acceptance/Approval | <input type="checkbox"/> Agreement/Contract | <input type="checkbox"/> Emergency Clause |
| <input type="checkbox"/> Final Plat | <input type="checkbox"/> Grant Submission | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Liquor/Bingo Application | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Preliminary Plat |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Resolution | <input type="checkbox"/> Special Consideration |
| <input type="checkbox"/> Special/Temp Use Permit | <input type="checkbox"/> Other: | |

Agenda Text (Be Exact): Presentation and discussion of technical assistance of the Drachman Institute, funded by the Arizona Department of Housing (ADOH), for the Town owned 5-acre site within the Cliffs Subdivision.

Staff Recommendation: None Budgeted/Amount Yes \$0.0 _____

Finance Director Review (if item in unbudgeted, under budgeted, or exceeds budgeted amount)

Line Item/Fund:

Purpose of Item and Background Information: The Arizona Department of Housing has awarded the Town a Technical Assistance Grant to pay for support from the Drachman Institute. The Drachman Institute will assist the Town in drafting a master plan for the Town owned 5-acre property that incorporates the needs of the town, which includes both revenue for the Town Library and for the inclusion of below market housing opportunities. To accomplish this task, the Institute will utilize the latest public participation techniques to develop a plan that fits within the surrounding context and that meets the needs of the Town.

List All Attachments as Follows: Draft Proposal from Drachman Institute approved by ADOH _____

Type(s) of Presentation: Verbal Only

Special Equipment needed for Presentation:

- | | | |
|--|---|---------------------------------|
| <input type="checkbox"/> Laptop Computer* | <input type="checkbox"/> Overhead Projector | <input type="checkbox"/> TV-VCR |
| <input type="checkbox"/> Remote Microphone | <input type="checkbox"/> Conference Telephone | <input type="checkbox"/> Other |

*Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

Please Note: You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

Signatures of Submitting Staff:

Name:  Title: AFFORDABLE HOUSING / NEIGHBORHOOD REVITALIZATION

Town Manager/Designee: _____

SCOPE OF WORK:

Town of Camp Verde Mixed-Income Housing Development Design

1. Abstract

The Drachman Institute (DI), through a contract with the Arizona Department of Housing (ADOH), has been requested to provide the following services for the Town of Camp Verde:

- A multi-use design of a mixed income residential neighborhood on Town-owned property.
- Housing designs and detailed schematic drawings. The designs should be cost-effective, site built homes that are energy efficient, water-conserving, and environmentally friendly.

DI intends to accomplish this work in cooperation and coordination with the Town of Camp Verde. Specific representatives of the Town will be designated for this work. Interaction with neighborhoods and other representatives of the community shall be as designated and coordinated with these representatives.

The intent of this work is to provide a potential developer an incentive with clear direction, defined parameters, and community support for the development of the designated site and the design of the housing to be constructed.

DI will provide a recommendation for a mixed-income housing strategy based on the four-part process as outlined below:

(1) Information Gathering

DI will compile general information on demographics and code requirements. In addition, DI will analyze the site conditions, facilitate one public meeting and design charrette, and meet once with Town officials. All meetings and events will be set, coordinated, and publicized by the Town, and invitations extended by the Town's designated representatives to the Project.

(2) Investigating Alternative Design Strategies

DI will investigate strategies through alternative site plans and housing designs. This exercise will explore potential design solutions and integrate deductions from the research.

(3) Design Development

From a review of the alternative plans and designs, DI staff will develop one site plan and three housing designs that best meet the goals and objectives of this project.

(4) Documents

DI staff will produce a written report and a presentation board that describes our findings for the use of the Town to solicit support and interested investors.

2. Background

Project Description

The Town of Camp Verde was gifted property with the intention that they would build a public library. However, a different parcel was purchased near the town's center for the library, and the gifted parcel is being reconsidered for an alternative use. The Town of Camp Verde, as a condition of this change in direction, needs to recuperate some money from this project to invest in the new public library. No specific amount has been determined.

The Town of Camp Verde has a good amount of design flexibility because it owns the land. The Town may be required to get voter approval if the land is sold for more than \$500,000. They are concerned that it will be difficult to get community support for this type of project on this particular parcel.

The Town of Camp Verde is contributing to the project by doing preliminary development planning, which should in theory streamline the efforts of a developer. It is intended that this encourage an investor to build the project, including components advocated by the community and the Town, and allow them to profit off the end product.

It was expressed in the initial meeting that a higher density and/or mixed-use development should be considered. A thoughtful investigation and design process with alternatives should provide options to consider.

A mixed-use development is also to be explored as an asset to the community providing services to the neighbors. A number of different uses could be considered by the Town officials and by the residents of the Town of Camp Verde at a public meeting. Examples of compatible uses would be offices, childcare, and neighborhood retail services appropriate to the neighborhood context. These uses could also be considered in conjunction with the clientele base determined by the Town. If this housing is to serve senior residents, then perhaps a barber shop, beauty salon, small senior center, and/or a doctor's office would be appropriate. If this housing is to serve young families, then perhaps a childcare facility, park, and corner market would be more compatible.

Parcel Information

The described land (parcel number 404-28-439) is located within Yavapai County on Cliffs Parkway. It is approximately 5 acres and has a significant change in grade. Full engineering documents are almost complete, as well as a plat for low density development. Their proposed plat includes 6 half-acre parcels accessed from a new neighborhood road. The Drachman Institute is asked to re-evaluate the property's subdivision.

The size and zoning of the half-acre parcels would allow owners to have horses. This however, is not a compatible use for the context of this neighborhood. The Town of

Camp Verde would like to see a different product proposed. A Planned Area Development Plan could be used as a tool to redefine restrictions for the purpose of developing an innovative asset for the community.

Community Development

A public design process may be necessary for both integration with the existing neighborhood and to generate public support (in the case that it goes to voters). There is concern that the community may not support any type of project on that site.

The population for which this project is intended to serve has yet to be determined. Community meetings and surveys are important to determine the needs, assets, and goals of this project. The Town of Camp Verde should consider methods to determine these factors, as well as define potential partners that may contribute.

A precedent of this design process was distributed at the initial meeting. A project by the ASU Stardust Center was referenced. It is located on West Main Street in Mesa, Arizona at the last station of the light rail line. The Town of Camp Verde seemed most interested in the interactive design workshops, the mixed-use component, and the integration into the existing community. However, they found that the density of this precedent was out of scale with the Town of Camp Verde.

Affordable Housing Component

The Town of Camp Verde must define who they would like to assist with the affordable housing component, and whether it should be owned or rented. There are a variety of funding sources available that have income level restrictions. Partnerships may be developed as an alternative source of subsidization.

More funding may be accessed if the project were to serve a lower income category (60% of median income rather than 80%, for example). However, this may come with NIMBY concerns. There is concern that neighboring areas may be more opposed to this marketed demographic.

Seniors may be an alternative target clientele base. There may be more funding sources available for that demographic and there seems to be a need in this community. Housing specifically for this group may be limited to one development here, as was suggested at the meeting. It was also mentioned that there are two main types of financial assistance for senior housing. One is a tax credit which is typically for 40 or more units. The other is a HUD 202 grant.

If this proceeds as an employer-assisted housing project, potential partners may include the Yavapai Nation, the Camp Verde Unified School District, the police department, and possibly others. The Town of Camp Verde should pursue this alternative through surveys, correspondence, or interviews.

3. Work Plan

Task 1: Demographic Information

This information will be used to establish the need for affordable housing in the Town of Camp Verde. In addition to data from the US census, data will be gathered from the Arizona Department of Housing and through the Town of Camp Verde Assessor's office (to establish current land costs) and the Town of Camp Verde Housing Strategy report.

Task 2: Funding Resources

DI staff will review funding sources selected by the Town as relevant to the design and development of the land. The Town of Camp Verde may consider funds from state and/or federal agencies, as well as private funds.

Task 3: Site Analysis

DI will perform a general inventory and analysis of the property's existing condition. Design-related opportunities and limitations will begin to emerge and provide insight. This document will clarify the context for the site and its surrounding area, and it will help define the project's potential and parameters.

Task 4: Code Review

DI will research general code requirements for design implications, as is applicable for this development in the relevant jurisdictions. This analysis will determine if a Planned Area Development Plan, or other similar tactic, is necessary to achieve the objectives of this project.

Task 5: Public Meeting & Design Charrette

As mentioned previously, the Town of Camp Verde has expressed interest in an interactive public design meeting to encourage involvement and gain support of this project. This type of meeting will require extensive preparation by DI to facilitate design exercises that will contribute to the project. DI will provide promotional material (originals only) to be printed, distributed, and advertised by the Town to the appropriate community members, neighbors, and stakeholders as determined by the Town of Camp Verde. At this meeting we hope to explore density options, define community interests, and listen to community concerns. After the conclusion of the meeting, DI will document the findings and include it in the project report as part of our research.

Task 6: Spatial Program Development

DI will develop a spatial program that defines the scope of the design. The architectural programming of spaces will be based on the information gathered up to this point, through the various tasks listed and through conversations with the specified representatives of the Town of Camp Verde. Goals and objectives will be defined through this process. This document will list what spaces should be included in the design of this parcel, anticipate the size, quantity, and any special requirements of spaces, and outline and analyze spatial relationships.

Task 7: Development of Site Plan Alternatives

Strategies to implement the program will be explored by DI through three alternative site plans. DI and the specified representatives of the Town of Camp Verde shall then need to meet to review these different approaches to the design challenge. A clear decision and direction will be needed to proceed with the following tasks.

Task 8: Development of the Selected Site Plan

This task will incorporate the research, community input, design investigation, and decisions made by the Town of Camp Verde (in conjunction with DI) and formalize a single site plan and land use strategy for the Town to pursue.

Task 9: Development of Units

DI will develop three housing unit designs that support and elaborate the intentions of this project (as specified by the Town and ADOH in the Project Assignment). Detailed schematic drawings of housing designs that are cost-effective, energy-efficient, water-conserving, and environmentally-friendly, will be provided for this site.

Task 10: Compilation of Information

DI will compile all collected and generated material into a comprehensive project report.

4. Reports and Deliverables

DI will deliver two printed reports along with one digital copy of the report and of all presentation material as generated through this housing design process. The preparation of one presentation board showing the developed site plan and housing units is anticipated.

5. Timeframe

The Town of Camp Verde indicated that it is not on a deadline; however a proposed timeline is as follows:

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07
<i>Task 1: Demographic Information</i>					
<i>Task 2: Funding Resources</i>					
<i>Task 3: Site Analysis</i>					
<i>Task 4: Code Review</i>					
<i>Task 5: Public Meeting & Design Charrette</i>		●			
<i>Task 6: Spatial Program Development</i>					
<i>Task 7: Development of Site Plan Alternatives</i>					
<i>Task 8: Development of Selected Site Plan</i>			●		
<i>Task 9: Development of Units</i>					
<i>Task 10: Compilation of Information</i>					

● Meeting to be scheduled

AGENDA



**SPECIAL SESSION
MAYOR AND COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
473 S. Main Street, Room #106
WEDNESDAY, DECEMBER 13, 2006
at 6:30 P.M.**

1. **Call to Order**

As a reminder, if you are carrying a cell phone, pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption of tonight's meeting.

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

- 1) November 29, 2006 – Executive Session
- 2) November 29, 2006 – Special Session Council Hears P&Z

b) **Set Next Meeting, Date and Time:**

- 1) Regular Session – December 20, 2006 - **CANCELLED**
- 2) Council Hears P&Z – December 27, 2006 – **CANCELLED**
- 3) Regular Session – January 3, 2007 at 6:30 p.m.
- 4) Special Council Hears P&Z – January 10, 2007 at 6:30 p.m.
- 5) Regular Session – January 17, 2007 at 6:30 p.m.
- 6) Council Hears P&Z – January 24, 2007 at 6:30 p.m.

5. **Call to the Public for Items not on the Agenda.**

6. **Discussion, consideration, and possible approval of Resolution 2006-700, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and adopting the Town of Camp Verde Housing Rehabilitation Guidelines as revised.**

7. **Discussion, consideration, and possible acceptance of the streets within the Verde Cliffs subdivision into the Town's Street Maintenance System.**

8. **Call to the Public for Items not on the Agenda.**

There will be no Public Input on the following items:

9. **Advanced Approvals of Town Expenditures**

10. **Manager/Staff Report**

11. **Council Informational Reports** Individual members of the Council may provide brief summaries of current events and activities. These summaries are strictly for informing the public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

12. **Adjournment**

Posted by: *V. Jones*

Date/Time: *12-08-06* *10:35 a.m.*

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

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**MINUTES
SPECIAL SESSION
COUNCIL HEARS PLANNING & ZONING
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
WEDNESDAY, NOVEMBER 29, 2006
at 6:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion.

1. **Call to Order**

The meeting was called to order at 6:30 p.m.

2. **Roll Call**

Mayor Gioia, Vice Mayor Hauser, Councilors Baker, Smith, Kovacovich, Parrish and Parry were present.

Also Present: Town Manager Bill Lee, Housing Director Matt Morris, and Recording Secretary Margaret Harper. **Note:** Town Attorney Brad Woodford was present by speaker telephone during the meeting.

3. **Pledge of Allegiance**

The Pledge was led by Gioia.

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

- 1) November 15, 2006 – Regular Session
- 2) November 8, 2006 – Work Session

b) **Set Next Meeting, Date and Time:**

- 1) Regular Session – December 6, 2006 at 6:30 p.m.
- 2) Regular Session – December 13, 2006 at 6:30 p.m.
- 3) Regular Session – December 20, 2006 - **CANCELLED**
- 4) Council Hears P&Z – December 27, 2006 – **CANCELLED**
- 5) Regular Session – January 3, 2007 at 6:30 p.m.
- 6) Work/Special Council Hears P&Z – January 10, 2007 at 6:30 p.m.
- 7) Regular Session – January 17, 2007 at 6:30 p.m.
8. Council Hears P&Z – January 24, 2007 at 6:30 p.m.

On a motion by Baker, seconded by Kovacovich, the Consent Agenda was unanimously approved as presented.

5. **Call to the Public for Items not on the Agenda.**

Robert Johnson launched an attack on what he perceived as affronts from two of the Council members during recent meetings; Mayor Gioia advised him that personal attacks will not be tolerated.

6. **Discussion, consideration, and possible acceptance of the streets with Verde Cliffs subdivision into the Town's Street Maintenance System.**

On a motion by Parry, seconded by Gioia, the Council voted 4-3 to table acceptance of the streets with Verde Cliffs subdivision into the Town's Street Maintenance System until the numerous cracks and deficiencies are identified; with Smith, Baker and Kovacovich opposed.

Town Manager Lee reported that he had toured the area with the Town Engineer for a final review of the corrections that had been requested of the developer; Lee believes everything has been taken care of and recommends acceptance of the streets.

There were concerns stated by members regarding cracked sidewalks noted within the last two days that have not been corrected as claimed, or overlooked. **Joe Contadino**, the owner of

Universal Homes, explained that he believes that corrections that had been identified had been repaired as recently as today. He assured the Council that if there are further repairs required they will be taken care of, including problems caused by homeowners' landscaping projects. Contadino said that there is a warranty period of one year from the date of final acceptance by the Town Engineer, adding that, in any event, the developer would not just walk away leaving things in a damaged condition. Lee suggested that the roadways and sidewalks could be accepted at this time and that the Town would be protected by the warranty. After further discussion the majority of the Council preferred to defer acceptance until all of the numerous deficiencies are identified and corrected, rather than accept the project at this time based on a list of corrections to be made.

There was no public input.

7. **Discussion, consideration, and possible approval of Resolution 2006-714, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting Amended Final Plat 2006-09 for the Preserve Subdivision adding a utility easement on Lot 1.**

On a motion by Gioia, seconded by Baker, the Council unanimously approved Resolution 2006-714, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting Amended Final Plat 2006-09 for the Preserve Subdivision adding a utility easement on Lot 1.

Matt Morris, representing the Community Development Director, explained that the application involves a previously-approved plat; it was found that the necessary easement for some utilities had not been provided for. The subject amendment will add the additional easement on the subject Lot 1. Morris confirmed that the easement will not affect adjacent property, and that it is a utility easement only.

PUBLIC INPUT

Jeremy Bach questioned whether a final plat that has been approved must come back before the Council if subsequent changes are made through development. Attorney Woodford said that only certain changes would require an amendment to the plat, generally those involving a change in lot lines, or changes in dedications.

There was no further public input.

8. **Discussion, consideration, and possible approval of SPR 2006-04, a site plan submitted by Edward Sawyer Jr., agent for CSK Auto, for a commercial development to be located on parcel 403-23-103X zoned C2-4 in Simonton Ranch PAD.**

On a motion by Gioia, seconded by Hauser, the Council voted unanimously to continue this item to the meeting next week.

STAFF PRESENTATION

Matt Morris, using transparencies for illustration, reviewed the details presented on the site plan, including its location in the Simonton Ranch development, square footage of the building and sales area, provisions for parking, landscaping, proposed buffer between the project and future residential development, curbs and gutters, and materials to be used on the building.

PUBLIC HEARING OPEN

Applicant's Statement

Ed Sawyer, architect, said that the plan was well received by the Planning & Zoning Commission, that CSK Auto wants to be a good neighbor wherever they build, and that the proposed landscaping theme will be carried along Finnie Flat as well for continuity around the site.

COMMENT FROM OTHER PERSONS

There was no comment from other persons.

APPLICANT'S REBUTTAL

There was no applicant's rebuttal required.

PUBLIC HEARING CLOSED

Council Discussion

The Council discussed the proposed design of the building, the goal of being in keeping with the themes wanted by the community, the support from Scott Simonton in that regard, and offered suggestions to Mr. Sawyer for some changes to his design. The suggested changes were discussed in detail with Mr. Sawyer, together with the plans for using building materials and landscaping to conform to the plans for the Simonton Ranch development. Mr. Sawyer expressed his understanding of the importance of the project setting the tone for other future commercial buildings. After further discussion with the members, Mr. Sawyer agreed that he would work on addressing some of their concerns, as well as attempt to incorporate design suggestions from the Council, and would be prepared to present a revised site plan for review at the next Council meeting.

8a. DISCUSSION, CONSIDERATION, AND POSSIBLE DIRECTION TO STAFF REGARDING PROPOSED PROJECTS THAT ARE SUBJECT TO THE DESIGN REVIEW PROCESS IN THE EVENT THAT THE DESIGN REVIEW BOARD IS NOT ESTABLISHED BY DECEMBER 4, 2006 WHEN THE DESIGN REVIEW ORDINANCE BECOMES EFFECTIVE.

Staff was directed as follows: First, if possible, the project will be delayed until there is a seated Design Review Board; second, if there is a need to address something expediently Matt Morris will handle it.

Matt Morris reported on the efforts to solicit applicants for the Design Review Board who are qualified to represent the desired categories; four individuals have applied to date, and there are others who have expressed interest. In the interim between the effective date of the ordinance on December 4th and the actual seating of qualified members of the Board, Morris proposed four options: (1), have applicants for design review of their proposed projects wait until a Board is in place; (2), temporarily assign the duties of design review to the Planning & Zoning Commission, which would have to be done through adoption of an ordinance; (3), temporarily appoint staff to handle design review; and (4), in the meantime, grant a waiver for applications that come in; that is, continue as before when there was no design review ordinance in effect.

The Council briefly discussed the recruitment of members for the Board and the probability that there would be no Board in place before January. It was suggested that Matt Morris be temporarily appointed if possible. Morris pointed out that the ordinance provides for appointment of the Community Development Director, and that was his suggestion. Attorney Woodford agreed with the opinion of Attorney Sims that the Planning & Zoning Commission would be the obvious choice under the ordinance; that staff is allowed to do design review under the ordinance, but just not for major projects. After further discussion it was agreed that it would be better to delay some projects until a Board is seated, but in case of an emergency Matt Morris could handle the design review in the interim. Mayor Gioia added that Morris was suggested in place of the Community Development Director because of his past work and experience on development of the Design Review Ordinance.

There was no public input.

9. **Discussion, consideration, and possible direction to staff regarding possible Development Agreement with Griffith Enterprises.** Note: Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation for legal advice with the attorney and (A)(4) for discussion or consultation with the attorney in order to consider Council's position and instruct the attorney regarding Council's position regarding

contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

On a motion by Gioia, seconded by Parry, the Council voted unanimously to go into Executive Session.

There was no action taken.

Prior to going into Executive Session, the Council agreed to first address the remaining items on the Agenda.

10. **Call to the Public for Items not on the Agenda.**

Robert Johnson expressed his opinion on the water availability for the proposed trees on the Simonton Ranch subdivision.

There was no further public input.

11. **Advanced Approvals of Town Expenditures**

There were no advanced approvals of Town expenditures.

12. **Manager/Staff Report**

Lee reminded everyone about the Parade of Lights scheduled for this coming Saturday.

13. **Council Informational Reports**

Baker said that December 9th is the date set for celebrating the Town's 20 years of incorporation Anniversary, combined with the Merchants' celebration on the 9th and 10th. The Anniversary event will be held from 11:00 a.m. to approximately 3:00 p.m. at Wingfield Plaza; past and present Council members will be invited, as well as all the public. Baker also described what the merchants are planning for their promotion that begins at 9:00 a.m. on December 9th.

Parry reported that he had happened upon a session of Grasshopper Basketball, and described how entertaining it was to watch the children. Parry added that it would be a great thing to be able to use the elementary school gym and suggested talking to the new Schools Superintendent.

Parrish pointed to the bottles of water purchased by staff from Costco as a poor example when it comes to urging the community to shop in Camp Verde.

Hauser reported that football season has ended and wrestling and basketball are starting; she commented on the accomplishments and awards earned, adding that the football team had its best season in 20 years. Hauser reminded the members of the Christmas shopping to be done for the seven members of their adopted family; it was agreed that those available would meet at Alco on Friday at 3:00 p.m. Attorney Woodford confirmed that since no formal action would be taken, it would not be a violation of the Open Meeting Law.

Gioia commended Baker on the work she has done with staff on the upcoming Anniversary event; he added that he has a meeting scheduled with the Schools Superintendent regarding several issues, and intends to also discuss the possibility of using school facilities for the Town's needs for recreational activities. Gioia said that the Verde Lakes Water Company Board is receptive to the idea of holding the Town's water portfolio; that item will be brought for Council approval, possibly in January.

A recess was called at 8:04 to go into Executive Session.

The meeting was called back to order at 8:24 p.m.

14. **Adjournment**

On a motion by Baker, seconded by Hauser, the meeting was adjourned at 8:25 p.m.

Tony Gioia, Mayor

Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Special Session of the Town Council of Camp Verde, Arizona, held on the 29th day of November 2006. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2006.

Debbie Barber, Town Clerk

**TOWN OF CAMP VERDE
Council Agenda Action Form**

Meeting Type: Special

Meeting Date: 12/13/06

Submitting Department: Housing

Contact Person: Matt Morris

Consent:

Regular:

Requesting Action:

Report Only:

Type of Document Needing Approval (Check all that apply):

Acceptance/Approval

Agreement/Contract

Emergency Clause

Final Plat

Grant Submission

Intergovernmental Agreement

Liquor/Bingo Application

Ordinance

Preliminary Plat

Public Hearing

Resolution

Special Consideration

Special/Temp Use Permit

Other:

Agenda Text (Be Exact): Discussion, consideration, and possible approval of Resolution 2006-700, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and adopting the Town of Camp Verde Housing Rehabilitation Guidelines as revised.

Staff Recommendation: Approve

Budgeted/Amount N/A \$ _____

Finance Director Review (if item in unbudgeted, under budgeted, or exceeds budgeted amount)

Line Item/Fund:

Purpose of Item and Background Information: The State of Arizona requires that Council approve the revised Housing Guidelines by motion or resolution. Since the original Guidelines were approved by Resolution, staff has prepared a new resolution adopting & approving the revisions. The Housing Commission has reviewed & approved the guidelines, but ask that they review any revisions that might be required by the Department of Housing.

List All Attachments as Follows: Revised Housing Rehabilitation Program Guidelines.

Type(s) of Presentation: Verbal Only

Special Equipment needed for Presentation:

Laptop Computer*

Overhead Projector

TV-VCR

Remote Microphone

Conference Telephone

Other

*** Signatures of Submitting Staff:**

Name:  **Title:** _____

Town Manager/Designee: _____



RESOLUTION 2006-700

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,
APPROVING AND ADOPTING THE TOWN OF CAMP VERDE
HOUSING REHABILITATION PROGRAM GUIDELINES AS REVISED.**

Whereas, the Mayor and Common Council of the Town of Camp Verde is desirous of undertaking affordable housing development activities; and

Whereas, the Mayor and Common Council of the Town of Camp Verde approved and adopted the original Housing Rehabilitation Program Guidelines (guidelines) on February 17, 1999; and

Whereas, 1999 guidelines met the requirements of the State of Arizona Department of Housing; and

Whereas, the State of Arizona Department of Housing administers the State Housing Fund Program and the Town has applied for and plans to continue to apply for State Housing Funds to develop affordable housing projects; and

Whereas, the State Housing Fund requires that State Housing Funds benefit low-income households; and

Whereas, a recipient of State Housing Funds is required to comply with program guidelines, State and Federal Statutes and regulations; and

Whereas, the Town of Camp Verde Housing Commission has reviewed and approved the revised guidelines,

NOW THEREFORE, BE IT RESOLVED THAT THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE approves and adopts the Housing Rehabilitation Program Guidelines as Revised 12/06, and that the Mayor and Common Council of the Town of Camp Verde will comply with all State Housing Fund Program Guidelines, State and Federal Statutes and regulations applicable to the State Housing Fund Program (HOME program and/or State Housing Trust Fund).

PASSED AND APPROVED by majority vote of the Mayor and Common Council at their Special Session on December 13, 2006.

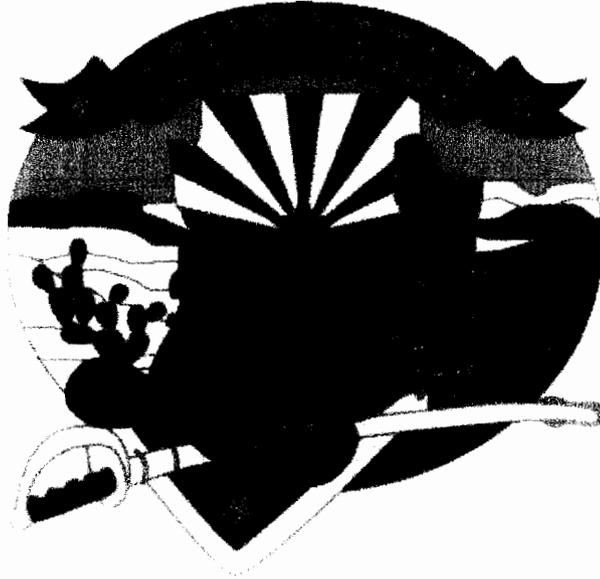
Tony Gioia, Mayor

Attest:

Deborah Barber, Town Clerk

Approved as to form:

Town Attorney



Town of Camp Verde
Housing Rehabilitation
Program Guidelines

Approved & Adopted by Town Council December 13, 2006

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Introduction

As implied by its title, the Housing Rehabilitation Program provides for one of our most basic human needs, housing. The preservation and development of adequate and affordable housing are fundamental concerns of Camp Verde elected, and appointed public officials and our residents. The Camp Verde Housing Strategy identifies housing quality and affordability as two of Camp Verde's most compelling housing needs.

Historically, Camp Verde has provided housing rehabilitation projects through Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), and Housing Trust Funds (HTF). These projects have resulted in improvements to approximately 50 owner-occupied homes located within the Town limits of Camp Verde. Funding awards also permitted the development of innovative projects such as the Mobile Home Replacement Program that replaced twenty substandard units throughout Camp Verde.

In 1998, the Mayor and Council of the Camp Verde used \$295,750 of CDBG funds as seed money to fund a Revolving Loan Fund Program. The Revolving Loan Fund (RLF) provides a means in which the Rehabilitation Program could continue to provide housing-related services on an on-going basis.

To ensure the success of this program Camp Verde approached the Arizona Department of Housing for assistance to develop RLF Program Guidelines and to prepare a strategy that addressed current and future housing needs.

Mission

The decision to develop guidelines for the Housing Rehabilitation Program (Program) is a culmination of prior programs, as well as current and future housing needs of the Town of Camp Verde. The mission of the Housing Rehabilitation Program is to provide continuing assistance in the areas of housing, housing maintenance, and financial management through various avenues such as funding, technical assistance, and educational opportunities. The mission will assist Camp Verde's low to moderate-income families regardless of race, color, religion, sex, handicap, familial status, or national origin to improve their standard of living by acquiring housing that is safe, decent and affordable.

A proactive approach involving continuing research and establishing a source of various funding sources will ensure the success of this mission.

Need

Incorporated in 1986, Camp Verde is a small rural community located in the scenic Verde Valley of Yavapai County, Arizona. Community involvement with the development of the General Plan gives credence to the residents' desire to retain Camp Verde's "small town", western rural character. Residents hope to direct future growth in such a manner as to avoid many of the larger metropolitan concerns such as high crime rates, pollution, etc., through the development of comprehensive plans and programs to ensure open space and to maintain our identity.

Substantial growth occurred with an astonishing 63.26% increase in population between 1980 and 1990, and another 51.4% between 1990 and 2000. The growth rate has remained high at an estimated 14% through 2005. The most recent 2005 Department of Economic Security (DES) Population Technical Advisory Committee (POPTAC) figure estimates a Camp Verde population of 10,730, well above prior population projections. Camp Verde currently represents 5.6% of the population of Yavapai County.

Camp Verde and Yavapai County have a significantly higher percentage of households earning under \$15,000 per year than the state as a whole. The state has 15% of its households in this income range, while Camp Verde is at 18.2% and Yavapai County is at 17.1%. People within this income range are often challenged to find adequate housing due to the lack of housing choices and availability. The persons most likely to live in poverty in Camp Verde are those between the ages of 25 and 34. Within this segment of the population, 14.0% of persons live below the poverty level. Perhaps the most remarkable in regards to this age group is that this segment of the population is the most likely to be gainfully employed. This segment is also the most likely to have children under five years of age. More than one in four children in Camp Verde live below the poverty level.

A survey conducted by Town staff in September 1998 indicated that 27% of the housing stock is substandard and in need of either rehabilitation or replacement. This condition is due primarily to the fact that the majority of the housing stock was constructed before the adoption of the Uniform Building Code (UBC) in 1994. Within the Town Site Area, 32% or 162 structures of the 508 structures surveyed need rehabilitation and 13% or 66 structures need complete replacement. The cost of new home construction is often less than the cost to purchase existing housing and make required improvements. It is evident that the availability of safe, decent and affordable housing for the Camp Verde low to moderate-income population is critically deficient and continuing to decline. (The Town plans to conduct a town-wide survey in 2007 to update the Housing Inventory.)

Goals

The goals on which the Housing Rehabilitation Program (Program) should focus have been identified as the following:

- 1) The primary goal of the Program is to assist very low, low, and moderate-income homeowners in improving their standard of living through housing rehabilitation. The Program will provide the opportunity for safe, decent and affordable housing.
- 2) Improve and preserve the quality and appearance of the housing stock and the overall environment in the community.
- 3) Make accessible various funding sources such as repayable loans, conditional deferred payment loans, forgivable loans, or a combination of loans.

Objectives

The following objectives will ensure that Program goals are met, as well as provide benchmarks in which to determine the progress of the Program.

- 1) Secure a variety of funding sources to allow the implementation of a comprehensive housing rehabilitation program to bring all eligible properties into compliance with all adopted Town codes.
- 2) Provide technical assistance that shall encompass the following:
 - a. Home ownership responsibilities
 - b. Financial management to include budgeting to provide for items such as home maintenance, property taxes and insurance, as well as address savings needs for the client's long term goals
 - c. Energy conservation
 - d. Home and property maintenance
 - e. Counseling services to include coordination of and referrals to various sources and agencies that will address issues such as loan funding, job skill training, credit counseling, etc.
- 3) Encourage collaboration between the Town, Camp Verde Unified School District, Yavapai College, Yavapai-Apache Tribe and the Camp Verde Adult Reading Program, as well as suggesting the use of alternative learning sites.
- 4) Bring code enforcement activities in conjunction with rehabilitation services as an educational process to remove health and environmental hazards, and promote cleanliness and pride of ownership.
- 5) Develop and offer continually revolving funding resources and programs that facilitate the means to rehabilitate homes that will maintain their value and preserve neighborhoods that are safe, pleasant and attractive.
- 6) Develop partnerships with local builders, businesses, Habit for Humanity, manufactured housing dealers and/or industry representatives to create incentives for participation in the Housing Rehabilitation and Replacements Programs.
- 7) Provide referral services to various agencies offering assistance in the area of housing for those who do not qualify for assistance within the program guidelines.

Tools

Goals and objectives can be properly implemented and accomplished by having the following available:

- 1) Properly trained rehabilitation services personnel to provide assistance from initial contact through completion of the work and loan services.
- 2) Properly trained code enforcement officials to serve as a liaison for all available programs, as well as beautification/environmental tasks.

- 3) Funds from a variety of sources, primarily: Housing and Urban Development (HUD), CDBG, HOME, Camp Verde Revolving Loan Fund, Rural Development Administration (RDA), etc. Any rehabilitation project may have one or any combination of funds/components to accomplish the goal of providing safe, decent, and affordable housing. Note: Any and all funds are subject to availability and conditions described by the funding source. Additional funds not described may become available from time-to-time and will be disbursed as prescribed by the funding source.

SECTION I - PROGRAM ELEMENTS

Eligible Beneficiaries

- ✓ Beneficiaries will have an annual household income that does not exceed 80% of the area median income adjusted by family size. The household must be income eligible at the time the rehabilitation commitment is made to the homeowner. Income will be determined and verified per CDBG/HOME guidelines.
- ✓ The Program shall assist any income-qualified person, elderly, handicap, single head of household, families with children, within the designated area regardless of race, color, religion, sex, handicap, familial status or national origin.
- ✓ The property must be owner-occupied for at least twelve (12) months prior to rehabilitation and the owners must certify that the property is their primary and only residence.
- ✓ The successful applicant will have the ability to repay the mortgage(s) and maintain property insurance and taxes at all times. This will be verified through a credit report and direct contact with the mortgage holder, utility companies, banks, etc.
- ✓ In cases where there is no repayment capacity due to limited income, the applicant may be eligible to receive a conditional deferred payment or forgivable loan. However, the applicant must continue to demonstrate the capacity to keep current property taxes, which will likely increase due to improvements, and maintain insurance at all times.
- ✓ The personal assets of the applicant, including furnishings and two automobiles, may not exceed \$15,000 (home is not included in personal asset total). If this amount is exceeded, the applicant shall contribute the surplus to the rehabilitation project thus reducing the Town's contribution dollar for dollar. The asset value will be determined and verified per CDBG/HOME guidelines.

Ineligible Beneficiaries

- ✓ Applicants whose loan-to-value and or debt ratio exceed Program limits are not eligible until those issues are brought into compliance. Every effort will be made to provide referrals and assistance to the applicant to bring ratios into compliance. Once loan-to-value and or debt ratio meet program limits, the applicant may then reapply for acceptance into the Program.
- ✓ Applicants who have excessive derogatory credit history may be ineligible. Every effort will be made to provide referrals and assistance to the applicant to mitigate credit problems. An applicant may reapply after one year of showing that he or she has made timely payments in an attempt to mitigate derogatory credit or other issues.

- ✓ Funds will not be granted for a property with the potential for repossession, pending judgments or bankruptcy. Eligibility will be based solely on the ability of the homeowner to pay, rather than the current balance on the first mortgage.

Eligible Property Types

The following property types are eligible:

- 1) Single-family housing units
- 2) Condominium housing units
- 3) Manufactured Housing only if the completed unit will be:
 - a. Placed on a permanent foundation and connected to permanent utility hookups.
 - b. Is located on land that is held in a fee-simple title, or a long-term ground lease with a term of at least 99 years.
 - c. Meets construction standards in Federal Manufacture Home Construction and Safety Standards (24 CFR 3280), if manufactured after June 15, 1976.

Ineligible Properties

Ineligible properties are those that do not meet the aforementioned eligibility requirements.

Eligible Forms of Ownership

- ✓ Fee Simple title to the subject property, or
- ✓ A 99-year leasehold on the property

Income Limits

Income eligibility for loans, grants or Conditional Deferred Payment Loans (CDPL) is as follows:

CDBG: up to 80% of Area Median Income

HOME: up to 80% of Area Median Income

Types of Resources

One of the goals of the Program is to achieve a continual source of financial resources and programs as a means to rehabilitate homes. To achieve this goal, Camp Verde provides the following loan resources:

✓ **Repayable Loans**

Repayable loans are made available to applicants with repayment ability. Repayment ability is determined through underwriting. (See Section II) All loans must be repaid over a period of twenty (20) years and will bear simple interest ranging from 0% to 3% at an annual rate. There is no pre-payment penalty. Loan repayment terms are specified in the promissory note. Loan funds are secured by a deed of trust.

Interest rates shall be based on the HUD Low and Moderate Income Limits for Yavapai County, adjusted per family size as follows:

- 70% to 80% of Area Median Income (AMI) shall pay not less than 3%
- 60% to 69% of AMI shall pay not less than 2%
- 40% to 59% of AMI shall pay not less than 1%
- Less than 30% of AMI shall receive zero % interest rate loans

✓ **Conditional Deferred Payment and Forgivable Loans (CDPL)**

CDPL are made available to applicants with no repayment ability. Repayment ability is determined through underwriting. (See Section II.) CDPL are secured by a deed of trust and promissory note, both of which are released at the end of fifteen (15) years and one month, provided the loan recipient has satisfied all loan conditions. The CDPL bears no interest.

✓ **Combinations of Loan Resources**

In the event limited repayment ability is evidenced by loan underwriting (See Section II), a combination of amortizing and CDPL resources may be made available.

✓ **Minimum & Maximum Loan Amounts**

The minimum loan amount is \$5,000 and the maximum loan amount is \$100,000. When less than \$5,000 in rehabilitation is needed, Camp Verde will utilize the CDPL option.

✓ **Conflicts of Interest**

In accordance with Town policy and State and Federal guidelines, employees at all levels shall be free from any interest, influence, or relationship that might conflict or appear to conflict with the best interest of the Town. The existence of an actual or potential conflict of interest depends on specific facts applied to either Town policy and or state laws governing conflicts of interest. In any uncertain situation, the employee should protect him or herself by immediately discussing the matter fully and frankly with the appropriate supervisor. Where there is any further doubt concerning conflict, the specific facts should be noted in writing and sent to the Town Manager for resolution. The continuing requirement to disclose serves to inform the Town, and at the same time, protects the employee from the harmful effects of any subsequent revelation of activities, associations or interests that might constitute a prohibited conflict of interest.

SECTION II - APPLICATION PROCESSING

Briefing

Briefing meetings are held at times and locations convenient and accessible to the general public. Potential applicants that have conflicts with scheduled briefings may request an individual briefing. Individual briefings will be scheduled only for those with work schedule conflicts, or those requesting a reasonable accommodation. Less than 10% of Camp Verde's population is non-English speaking. Thus, briefings, advertisements, etc. are unavailable in a language other than English. An interpreter may be made available if the applicant so requests. When a potential applicant is married or will otherwise have a co-applicant, both the applicant and co-applicant are encouraged to attend the briefing. Potential applicants are requested not to bring children to the briefing. Childcare is not provided.

Prior Denial

Prior to submitting a housing rehabilitation loan application to the Town, applicants must first make application to and be denied a loan by a lending institution. Evidence of recent loan denial, within six (6) months, must be submitted with the loan application.

Assistance with Completion of Application

The Housing Director will review each application for completeness and provide additional guidance as necessary. Incomplete applications will be placed in a pending file, and will not be further processed until the applicant provides required information and or documentation.

Applicants with disabilities or those requiring assistance with application completion must contact the Housing Director at least five (5) days in advance of scheduled meetings or briefings.

Acceptance of Application

Applications are accepted on a periodical bases, as advertised. The Housing Director, with assistance from support staff, mails or makes available program applications to eligible beneficiaries. Potential Applicants are required to attend a briefing meeting that explains the parameters of the Program, prior to receiving a program application.

The program application is accompanied by a brief explanation of the program and a list of materials and supporting documentation that must be brought to the Housing Director for application submittal. During the briefing meeting, the applicant may schedule an appointment with the Housing Director for application submittal or to review the application for completeness and to receive additional guidance if needed.

Incomplete applications will be placed in a pending file, and will not be further processed until the applicant provides required information and or documentation.

Eligibility Determination

The Housing Director will review each application to determine eligibility.

Program Eligibility

Program Eligibility is based on the following:

- 1) Owner-occupant of residential unit located within Town limits. Evidence will include a limited title search, Motor Vehicle Department (MVD) Title (for manufactured housing), and certification of principal residency.
- 2) The applicant must earn no more than 80% of the AMI.
- 3) The property must be located within the Camp Verde Town limits or within a targeted area.
- 4) Property must be capable of rehabilitation within the parameters of the Program. Evidence will be based on preliminary inspection by Community Development staff.
- 5) Ability to repay (see Loan Underwriting) and loan qualification:
 - a. 70 to 80% of AMI, capable of repaying 100% of the loan amount at 3% interest.
 - b. 60 to 69% of AMI, capable of repaying 100% of the loan amount at 2% interest.
 - c. 40 to 59% of AMI, capable of repaying 100% of the loan amount at 1% interest.
 - d. Less than 40% of AMI, capable of repaying 100% of the loan amount at 0% interest.

Debt Counseling with Derogatory Credit

Once selected for participation in the Program (deemed program eligible), the applicant and co-applicant must attend debt counseling provided by a qualified agency. The qualified debt counseling agency provides counseling at times and locations convenient to the general public. The debt-counseling agency will provide the applicant and co-applicant with a certificate of completion that must be delivered to the Housing Director for inclusion in the loan application package if there is derogatory credit.

Loan Underwriting

Upon receipt of a completed loan application, including the Debt Counseling Certificate and all supporting documentation, the Housing Director will complete project underwriting.

Prior to obtaining credit reports, the Housing Director will analyze the ability of the applicant to repay the requested loan amount. This analysis will be performed utilizing the individual loan underwriting report that reflects the Program's established debt-to-income and loan-to-value ratios for amortizing loans.

Once repayment ability is evidenced, the Housing Director will obtain credit reports. Credit reports will be analyzed by the Housing Director and reviewed against the acceptability criteria of the Town. While the acceptability criteria of the Rehabilitation Program are more flexible than those of private lending institutions, the criteria reflect the necessity of establishing a continuing source of housing rehabilitation funding.

Basic underwriting concepts will be explained during the applicant briefing. Potential applicants will be asked to self-evaluate their ability to participate in the Program before requesting an application package. A self-evaluation worksheet will be provided to each briefing participant. Each participant will have the opportunity to prepare the self-evaluation at the direction of the briefing presenter.

If an applicant does not meet underwriting criteria, a loan committee package, including negative recommendation, will be prepared for presentation at the next scheduled Loan Committee meeting. The package will follow a proscribed format and will be provided to the Loan Committee at least three days in advance of the next Loan Committee meeting. The Housing Director will make package presentation to the Loan Committee.

Loan Committee Membership

The Loan Committee Membership shall be comprised of no less than nor more than three (3) members of the Housing Commission. Commission members may either volunteer or be appointed by the Housing Commission to serve on the Loan Committee on a case-by-case basis.

Presentation to the Loan Committee

All applications, whether resulting in positive or negative recommendation, will be presented to the Loan Committee.

Loan committee meetings will follow a standard agenda and will take place as needed when loan applications are pending. It is the responsibility of the loan committee to review each loan package, attend loan committee meetings, and request addition information, when appropriate.

The Housing Director will submit a loan committee package that includes an identification number, rehabilitation items, estimated cost of rehabilitation, the underwriting worksheet, which includes all relevant financial information, and a recommendation for loan classification. The loan committee may also review the supporting documentation.

In the event, the loan committee requires additional information, the Housing Director will follow up to ensure information and or documentation is made available. A special meeting may be held or loan approval and classification may be delayed until the next regularly scheduled loan committee meeting.

Loan Approval or Denial

Final decision for approval or disapproval of each loan application, as well as approval of loan classification, interest rate and type, rests with the Loan Committee. In the event an application is approved by the Loan Committee with a classification other than that recommended by the Housing Director, the loan application will be delayed until all other loans appropriately classified have been made. This policy will apply only when the Town has limited loan fund parameters (i.e. 100% repayment ability at a specified interest rate). Applications delayed due to loan classification will be re-presented, with priority, when the fund is accepting loans with the applicable classification.

Notification to Applicant

It is the responsibility of the Housing Director to inform the applicant of the loan committee decision. The Housing Director will notify the applicant within five (5) business days with written correspondence that explains the loan committee decision and the next steps.

Loan Closing

Upon approval of a loan application and classification, and applicant notification and acceptance, the Housing Director will prepare instructions to the selected Title Company. The Title Company will draft loan documents based on the instructions of the Housing Director and will schedule a loan closing with the applicant.

The Title Company will handle all aspects of the closing process, including closing scheduling, document preparation and document recordation. The closing will follow a standardized process that complies with Town requirements. The Town will provide a closing checklist to the Title Company to ensure compliance.

Ranking System

In the event that no pending applicants have repayment ability and available resources are limited, the Town will utilize a ranking system to ensure the neediest of Camp Verde residents are served.

Applications will be taken during specified periods only and applicants will be ranked according to the following schedule. An eligibility list will be maintained. The highest scoring applicants will be served first with the Conditional Deferred Payment Loan.

The ranking system is as follows:

25 points	Equal to or below very, very low-income level (30% of AMI)
20 points	Equal to or below very low-income level (50% of AMI)
20 points	Single head of household with dependent children
15 points	Pre-1970 mobile home
10 points	Handicapped family member
10 points	Frail elderly applicant or spouse

Maximum 100 points available

Reapplication

Applicants who have been deemed program ineligible are eligible to reapply at any time they can show that the circumstance(s), which resulted in the ineligible status, have been mitigated.

Grievance Procedure

In the event of a disagreement between any of the parties involved in the Housing Rehabilitation Program, namely; contractor, homeowner, housing staff, suppliers, or other interested parties, regarding any process of the Program including, but not limited to the Procurement, Bid Process, Bid Award, Payment Schedule, Change Orders, Workmanship, and Warranties, a formal grievance procedure must be followed. Steps and periods are described as follows:

- 1) Informal verbal complaints may be addressed to the Housing Director. The Housing Director will attempt an immediate resolution.
- 2) If the resolution is not satisfactory, the complaint shall be submitted to the Housing Director in writing. The Housing Director will contact the complainant and attempt to resolve the problem. The Housing Director will provide a written response to the complainant within 15 working days.
- 3) If this resolution is not satisfactory, the complainant shall prepare and submit the complaint to the Town Manager, who will schedule a meeting with the Housing Director to review the findings. The Town Manager shall provide a written response to the complainant within 10 working days. The Town Manager's decision is to be considered FINAL.
- 4) The Housing Director will assist in providing the proper 504 or Americans with Disabilities Act (ADA) procedure(s) for all complaints regarding alleged discrimination.
- 5) The approval or rejection by the Loan Committee on all loan applications is **final**. Loan Committee decisions are **NOT** subject to appeal.

These guidelines do not preclude the complainant from appealing to other parties they deem necessary, i.e., Town Council, the funding agency, Arizona Registrar of Contractors, or Trade/Licensing.

SECTION III - REHABILITATION PROCESS

Property Insurance and Taxes

The homeowner must provide proof that the home is insured and that property tax payments are current. When repayment is required, taxes and insurance payments shall be impounded and included in the mortgage payment. These payments will be also included in the debt assessment and determination of ability to repay the loan amount.

Work Write-Up

Town staff prepares the work write-up. Staff is experienced in the construction, drafting and inspection fields and is required to keep abreast of the latest code requirements, construction methods, materials, and preservation. The finished product shall complement the surrounding area. Although a standard set of forms is used to complete the Work Write-Up, the work and materials will be individually tailored for each dwelling unit.

The Housing Director is responsible for reviewing the accuracy of the Work Write-Up as it applies to Program guidelines. The Work Write-Up will call for items that meet code as per the Rehabilitation Standards, but may specify quality, sizes, location, etc. Materials specifications in the Work Write-Up may not be changed or altered without prior written approval by the Building Inspector and Housing Director.

Compliance with Codes and Ordinances

In addition to loan qualification, borrowers must agree pursuant to the Town Code, to rid their property of junk, debris, weeds and other exterior conditions as identified by Town staff to be in non-compliance. To facilitate the removal of these items, the Town may provide dumpsters using available resources such as CDBG, or local civic, faith-based and charitable organizations. Conditions must be satisfactorily corrected prior to acceptance into the Program.

Cost Estimates

The Building Inspector is responsible for the preparation of a cost estimate for each job. In addition to the experience and training previously mentioned under Work Write-Up, staff must also keep abreast of the economic conditions in our area with regard to the construction trade including the availability of qualified contractors, and materials and labor costs.

The Building Inspector shall prepare a cost estimate for each individual dwelling based on scope of work and technical specifications as determined in the Work Write-Up. The cost estimate will include all costs for materials and labor as well as costs for permits, clean up, overhead and profit.

Contractor Selection and Communication

The Town of Camp Verde has a formal bid process for the Housing Rehabilitation Program. During the initial interview, the homeowner(s) is made aware of each step of the process, the details for each step and the approximate period between such steps. Example below:

- Approximately two weeks from approval of application, the Building Inspector and Zoning Inspector will schedule an appointment for a detailed inspection.
- Two weeks from inspection, consultation with homeowner to approve specifications and plans and discussion of allowable and non-allowable items, warranties, etc.
- Upon approval of specifications and plans from homeowner, bid and advertisement in newspapers and journals.
- Contractors from a pre-qualified list may be used if permitted in requirements of applicable funding program(s).
- During the Request For Proposals (RFP) period, the contractor(s) inspects the home before bid submission.
- Formal sealed bids will be opened within thirty days from initial advertisement for RFP. Staff, contractor, homeowners and any other interested persons may attend. Attendance is documented.
- Conference with homeowner for bid award. The homeowner will select the contractor. However in most cases, staff will recommend the lowest, most responsive bid. The homeowner may award a higher bid if the dollar difference between the low bid and the selected contractor is paid for by the homeowner and deposited in the program account prior to the start of construction.
- The Housing Director verifies that contractors are not on the HUD de-barred list, and are licensed and or bonded with the Registrar of Contractors. All information submitted by the contractor will be verified by the Housing Director before the award.
- The Program may advertise more than one dwelling for bid at a time, depending on the project description. The sealed bid process will remain the same for the individual homes.
- The Program has adopted the procurement and grievance procedures as outlined in the CDBG Administration Handbook, and any amendments or additions to the same. The Handbook is available to all contractors, homeowners, or any interested persons.

- The Program does not normally permit the homeowner to perform any scope of the work. The intent of this restriction is to avoid any question or misinterpretations of warranty items and workmanship warranty in future "call-back" notices. The Contractor is responsible for any damages, theft or materials, etc. at the subject property until the project is completed. Therefore, any labor provided by other than those for which the contractor is responsible may not be allowed. There may be exceptions to this section, i.e. volunteer work that is to be supplied as leverage. The Housing Director must approve these exceptions.
- The homeowner is required to bring the subject property into compliance with all applicable Town codes and ordinances prior to acceptance into the Program. Any property found to be in violation of all applicable codes and ordinances would be deemed Program ineligible. Funds may be provided to supply bins or to assist with debris removal. Refer to the Rehabilitation Contract for additional conditions or restrictions for homeowner and contractor.

Agreements, Construction Contracts and Other Documents

Please see exhibits for sample forms of agreements, contracts and other documents. These include the Application, Privacy Act Statement, Bid Proposal, Bid Advertisement, Bid Opening Form, Contract, Notice to Proceed, Lead Based Paint Notification, Promissory Note, Notice of Opportunity to Rescind Transaction, Authorization to Disburse Funds, Inspection and disbursement orders, Certification of Final Inspection and Disposition of Funds. These forms apply to all government-funded projects. Additional forms may be necessary depending on what other sources of funds may require for documentation.

A check list is maintained in each individual file noting all documents and additional documentation such as income verification, property tax statement, title report, title insurance, affidavit of Affixture, etc. This checklist will reflect the type of documents included in each file and will note those that do not apply as "N/A". Each file will contain a Deed of Trust and Promissory Note.

Pre-construction Conference

A pre-bid conference with the homeowner will take place before bid advertisements. Once the homeowner agrees and understands the scope of work to be performed, the work that will NOT be done, period for construction, temporary housing, etc., the project will be let for bid.

The Housing Director will hold a pre-construction conference at the property with the Building Inspector, Zoning Inspector, successful contractor and homeowner present. This provides an opportunity to answer questions regarding the work and perhaps prevent misunderstandings between the parties involved.

Property Inspections

The Building Inspector shall ensure that all work complies with the applicable building codes and will perform inspections during the course of construction. The Building Inspector is required to be certified in his/her field and additional training is provided on a continuing basis.

The Housing Director will also conduct inspections to monitor progress, identify problems that may need to be addressed, and to ensure compliance with HUD requirements and non-code items. All staff is experienced in their respective inspection fields.

Change Orders

A change order may be requested by the contractor for circumstances that were not included in the original work write-up due to unforeseen safety or code violations. The contractor must have written approval from the Building Inspector and Housing Director before undertaking any change order work. The homeowner(s) must be informed of any changes to the contract or other problems encountered during the rehabilitation work.

Payments and Warranties

The Building Inspector will inspect the job to determine percentage of work in place and certify the same.

The Administrator will determine the amount of draw eligible to ensure the minimum ten-percent (10%) retention and approve payment. The Housing Director will submit a check request to the Finance Director, with attached documentation. The Finance Director will approve payment and instruct Finance Department staff to issue a check for the requested amount. The check will be given to the Housing Director for disbursement. The Administrator will copy the check for file documentation and will release it to the contractor.

Final payment including retained funds will not be released until the Building Inspector has certified completion of the work and the Town is in receipt of all required lien waivers and warranties.

Case Management and Tracking

The Housing Director is responsible for reporting procedures and for the maintenance of all case files. The Administrator is also responsible for all performance reports to Arizona Department of Housing including contractor profiles (minority, handicap, etc.) and for the maintenance of a current log of all properties that have participated in the Rehabilitation Program.

The Housing Director is responsible for the contact and counseling of families regarding violations of conditions of the RLF or CDPL. The Housing Director may, upon review of the violation(s) find that the family's situation merits close consideration. In situations where the family's income has been drastically reduced due to death or serious illness in the family, the Housing Director may, with Town Manager's approval, grant a moratorium on the RLF or CDPL for a period not to exceed 90 days per calendar year. Payments will be deferred until the

end of the contract/affordability period. See Loan Servicing, Section V, for additional information.

SECTION IV - MARKETING

General

It is recommended that a comprehensive housing study/marketing plan be conducted at least every five to ten years to determine and physically locate and evaluate each dwelling unit in targeted areas. The results of the study will provide the Town with the information necessary to assess existing programs and services and implement new programs as needed.

Camp Verde's Housing Rehabilitation Program is founded on the premise of helping those who wish to help themselves. Thus, participants in the program are voluntary. The Housing Director will make every possible effort to inform and promote program awareness to every segment of the community. Flyers shall be developed and placed in strategic places throughout the community, i.e. Town bulletin boards, the post office, local businesses, the Senior Center and the Head Start Center. Local newspaper advertisements, notices and/or articles will also be utilized.

In an effort to control costs, staff will develop all promotional materials and perform other marketing tasks. The Housing Director will be responsible for ensuring that all marketing costs are within the approved budgeted amount. The Housing Director is also responsible for the translation and review for accuracy and clearness of the contents of any marketing materials. All marketing material will include fair housing and non-discrimination statements.

Program Partners

Program Partners, such as the debt-counseling agency will provide basic information regarding the program during debt counseling sessions. The loan committee will assist with program marketing through word-of-mouth. Local lending institutions may provide referrals to the Program when loan applications are deemed ineligible.

Contractors

The Housing Program follows the procedures for procurement and contracting as established in the Procurement and Contracting handbook distributed by the Arizona Department of Housing, CDBG Program. This handbook and any updating information/additions to the same are kept by the Housing Director and are available for review and reference by any interested persons.

It is standard procedure to advertise for rehabilitation bids in the local newspaper(s) and other contractors' journals that are distributed to the surrounding areas. Contractors are also notified by mail, telephone or in person of any jobs that may be let out for bid. It is also common to refer to the yellow pages to invite companies to submit proposals.

Every effort is made to obtain a minimum of three bids for each project. Minority, small business, and women owned firms (using MBE, WBE, etc.) are encouraged to bid on all projects.

The successful contractor must provide insurance and/or bonds, be appropriately licensed by the State for each specified project, and hold a current Town business license.

General Public

The Town of Camp Verde makes every effort to promote program awareness to the general public by distributing flyers, contacting agencies that serve the low to moderate income population, and contacting the media. The Program is also available for review and public comments at scheduled public hearings held before application intake.

SECTION V - LOAN SERVICING

The Town will contract with a loan-servicing agency (Title Company) to provide services on behalf of the Town.

Payments

All loan payments shall be made to the loan-servicing agency selected by the Town. Loan payments are due on the first day of each month, regardless of loan closing date.

Statements & Lien Release

The servicing agency will prepare and mail monthly payment coupons and or invoices, send payments to the Town, send IRS interest and loan forgiveness information, calculate late payments and send late payment statements and collection notices, and notify major credit reporting agencies of late payments, delinquencies and defaults.

Upon receipt of the final payment, the Title Company shall prepare lien release documents for signing and forward the documents to the Housing Director. The Housing Director shall secure the necessary signatures and prepare any related project close out reports and forward the release to the client for filing. The lien release shall meet statutory requirements regarding timelines, etc.

Late Charges

Late charges are applied to all payments received by the loan-servicing agency after the 15th of the month. A standard late charge equal to four percent (4%) of the monthly payment amount will be assessed on all late payments.

Collections

The Arizona Revised Statutes will govern all collection activities. The Town Attorney will oversee and approve all actions relating to collection.

All payments will be due and payable on the first day of each month. Notices will be sent to clients whose payments are more than ten (10) days delinquent. Follow-up notices will be sent every ten (10) days until payment is received. If the client becomes two payments due, the Housing Director will initiate personal contact to ascertain the reason for the delinquency. After attempting resolution, the Housing Director will schedule a meeting with the Town Manager to discuss the reasons for the late payments. The Administrator may recommend a resolution, however the Manager will make the final determination.

When an account becomes 90 days past due and the client has refused or neglected to cooperate in a resolution, foreclosure proceedings as defined by Title 33, Chapter 6 of the Arizona Revised Statutes will begin.

Reports

The loan-servicing agency provides reports to the Housing Director regarding the status of individual loans and the status of all loans serviced on behalf of the Town. Town staff reviews these reports. Additional reports are prepared to track the status of the rehabilitation loan program.

Annual Certifications by Homeowner

The Housing Director will also prepare and mail a certification to each borrower on an annual basis. The certification will include statements regarding continued occupancy as a principal residence, evidence that taxes and insurance remain current, and a statement regarding any new lien filings. The certification must be returned to the Town within 30 days.

Recapture

In the event a property is no longer owner-occupied, taxes and insurance are not current or additional lien filings have occurred, the Town must take action to recapture the outstanding loan amount. The Housing Director will contact the borrower regarding any compliance concerns and will provide guidance to the borrower regarding steps the borrower must take to remedy non-compliance. Foreclosure proceedings may result from any violation of program requirements.

Deferrals

Borrowers are responsible for contacting the Housing Director to obtain a formal deferral of any loan payments. Initial contact may be made by phone, but must be followed up with written documentation supporting the request for deferral. Loan deferral shall be made only in the event of catastrophic illness, involuntary loss of employment, or death of the applicant, co-applicant, applicant spouse or primary household wage earner. There are no exceptions to this deferral policy. During the deferral period, the outstanding balance shall continue to accrue interest at the rate specified in the promissory note. Depending upon the circumstances leading to the borrower's request for deferral, the Town may offer to renegotiate the terms of the loan.

Consistently Late

When borrowers make late payments more than three times, the borrower will be considered consistently late and the Housing Director will contact the borrower and recommend the borrower attend additional debt counseling. In the event the borrower makes a fourth late payment, the Housing Director will instruct the Title Company to begin reporting subsequent late payments to credit reporting agency.

Delinquent

When borrowers are more than 30-days late and have not contacted the Housing Director regarding a deferral, they are considered delinquent. In the case of delinquency, the Housing Director will contact the borrower to assess the personal situation of the borrower. Initial contact will be made via phone and followed up with written correspondence prepared by the Housing Director and signed by the Town Attorney. Written correspondence will specify the steps the borrower must take to bring the loan current and explain other options available to the borrower and the Town. Based on available options, the Housing Director will work with the borrower to establish a plan to bring the payments current. The Housing Director may also require the borrower obtain individual credit counseling to establish a plan or to further ensure the payment plan is followed. Loan terms may be renegotiated as part of a payment plan. The Title Company shall report all delinquencies to the credit reporting agencies.

Default

When borrowers are more than 60-days late, have not contacted the Housing Director regarding a deferral, and have not taken steps to implement a payment plan, they are considered in default. In the case of default, the Housing Director will begin the process of renegotiating loan terms. Initial contact will be made via phone and followed up with written correspondence prepared by the Housing Director and signed by the Town Attorney. Written correspondence will specify the steps the borrower must take to bring the loan current and explain other options available to the borrower and the Town. Based on available options, the Housing Director will work with the borrower to establish a repayment plan to bring payments current. If the borrower fails to provide information necessary to renegotiate loan terms or is otherwise uncooperative, the Town Attorney will begin foreclosure proceedings. All borrowers classified as delinquent must attend additional debt counseling in order to renegotiate the terms of their loan.

Renegotiation and Reclassification

When renegotiation and/or reclassification are required, the application processing, underwriting, approval and closing processes shall be followed. The borrower must provide supporting documentation and additional information that enables the Housing Director to underwrite the loan to current loan fund standards and borrower conditions. Renegotiated loan terms and classification will be brought to the loan committee for approval or denial in accordance with current loan committee processes and fund requirements. The renegotiation and reclassification process will be undertaken within ten (10) days of the request of referral and completed not later than 45 days from request or referral. During the renegotiation and reclassification process, the borrower is responsible for all payments unless a deferral has been granted.

Refinancing of First Mortgage (Loan Subordination)

The Town will allow refinancing of first mortgages after acceptance of a rehabilitation loan only if the refinancing will result in a lower monthly housing payment. There is no penalty for pre-payment of housing rehabilitation loans; therefore homeowners are encouraged to repay the full amount of the rehabilitation loan if refinancing will not meet this condition.

Home Equity Loans and Lines of Credit

The Town will not subordinate the rehabilitation loan to any Home Equity Loan or Line of Credit.

Program Income Policies and Procedures

A. Program Income Procedures

Receipt of Funds:

The Town maintains an interest bearing account into which all repayments are deposited. The client sends their monthly payments to the Title Company. The Title Company prepares a monthly statement related to the client that shows the principal payment and the interest and escrow payments, and forwards the check to the Town. To meet statutory requirements with regard to interest-bearing accounts, the Finance Department receives the check, receipts the funds and deposits them into the Town's General Fund Account, and then prepares a separate check to deposit into the interest-bearing Revolving Loan Fund account.

Expenditures:

All receipts are tracked and reports are prepared to submit to Council on a monthly basis. All expenditures must be made pursuant to the Town Code and the Town's financial policies and procedures (i.e. purchase orders, check requests, Manager/Council approval, etc.) in addition to funding source requirements.

When expenditures are required from the account, authorized staff prepares a withdrawal request and submits it to the bank. The bank then prepares a cashier's check made out to the Town. The check is deposited then into the Town's General Fund account and the associated expenditure is paid from the General Fund account.

Copies of receipts and expenditures documentation is filed in the associated client file in addition to that which is kept in the Finance Department.

B. Return of Program Income:

At various times, as grant funding cycles permit, the Town may receive monies from sources that do not permit program income, such as HOME monies. In cases where the funding source(s) do not permit the Town to retain program income in the Revolving Loan Fund Program and the assisted unit cannot or does not continue to serve an income/program-qualified family, the funds will be returned to the appropriate funding source. The Deed of Trust documents prepared by the Title Company will indicate recapture requirements.

The Town requires the Title Company to prepare the payout check in the name of the funding source (i.e. State of Arizona Department of Housing). The Housing Director will prepare associated close out reports and forward the check and any other project-related documents to the funding source upon receipt of a payout.

SECTION VI - ORGANIZATION & PROGRAM PARTNERS

Administrative Structure

To ensure the Program is successfully implemented, the Town utilizes a variety of staff and contracted expertise. Staff and subcontractors are experienced in their respective fields and have varied roles and responsibilities throughout Program implementation.

Town Council

The Town Council is responsible for approving Program parameters and amendments, and applications for funding to granting agencies.

Housing Commission

The Housing Commission is responsible for making recommendations to the Council regarding housing related issues, Program parameters, and amendments, and applications for funding to granting agencies. In addition, members of the Housing Commission may serve from time-to-time on the Loan Committee.

Town Staff

The Town Manager, Housing Director, Community Development staff and clerical staff have the following responsibilities:

Town Manager has ultimate responsibility for Town-related activities, including the housing rehabilitation loan program and all Town staff. Consequently, the Town Manager works closely with staff to ensure implementation of the housing rehabilitation program in accordance with Town and Program guidelines.

Housing Director reviews monthly servicing agency reports and prepares a monthly report that states total dollars outstanding, remaining cash balance, undrawn obligations, expected repayments, and amount available for new loans. This monthly report serves as the basis for program operation. The Housing Director also serves as the Program Administrator and is responsible for the application process, verification and presentation to the loan committee, as well as reporting to funding agencies and file documentation.

Building Inspector/Rehab Specialist is responsible for all work write-ups, development of the scope of work description; cost estimates; on site inspections to ensure compliance with all applicable laws; direct supervision of construction work; and final approval of completed construction work.

Code Enforcement Officer is responsible for ensuring compliance with all applicable codes with initial and on-site inspections. Inspections shall also be conducted on an “as-needed basis”, but no less than on an annual basis.

Loan Committee

In order to ensure equitable lending, the Town utilizes a three-member loan committee. The membership of the loan committee includes three members of the Housing Commission.

The Housing Director will prepare an application package for the loan committee's consideration. It is the responsibility of the loan committee to review each loan package, attend loan committee meetings, and request additional information, when appropriate. Final decision for approval or disapproval of each loan application, as well as approval of loan classification (interest rate, deferred) rests with the loan committee.

The loan committee follows standard operating policies and procedures. These policies and procedures govern meeting agendas and the conduct of loan committee members.

Lending Institutions

Because the Town accepts rehabilitation loan applications only from homeowners recently (within six months) denied a loan by a lending institution, the role of lending institutions is critical to the operation of the Program. The Housing Director will work with lending institutions and homeowners to determine the reason(s) for loan denial. The Housing Director may also refer creditworthy applicants to lending institutions.

Title Company

The Title Company will ensure all loan documentation is appropriately processed and recorded. The Town may utilize multiple title companies. The Title Company drafts loan documents based on the instructions by the Housing Director and schedules loan closing with the applicants.

The Title Company also handles all aspects of the closing process, including closing scheduling, document preparation and document recordation. Each closing follows a standardized process that complies with Town requirements.

Loan Servicing Agency

The loan servicing agency prepares and mails monthly payment coupons and or invoices, deposits payments into the Town Local Revolving Fund account, sends Internal Revenue Service (IRS) interest and loan forgiveness statements to borrowers, provides the IRS with required interest and loan forgiveness information, calculates late payments and sends late payment statements and collection notices, and notifies major credit reporting agencies of late payments, delinquencies and defaults.

The servicing agency also prepares and submits to the Housing Director the reports necessary to ensure continued operation of the Program within the Program guidelines.

Debt Counseling Agency

Debt counseling will ensure that loan applicants understand the obligations they assume by participating in the housing rehabilitation program. The debt-counseling agency explains basic budgeting and loan concepts and provides additional guidance to loan applicants as may be necessary.

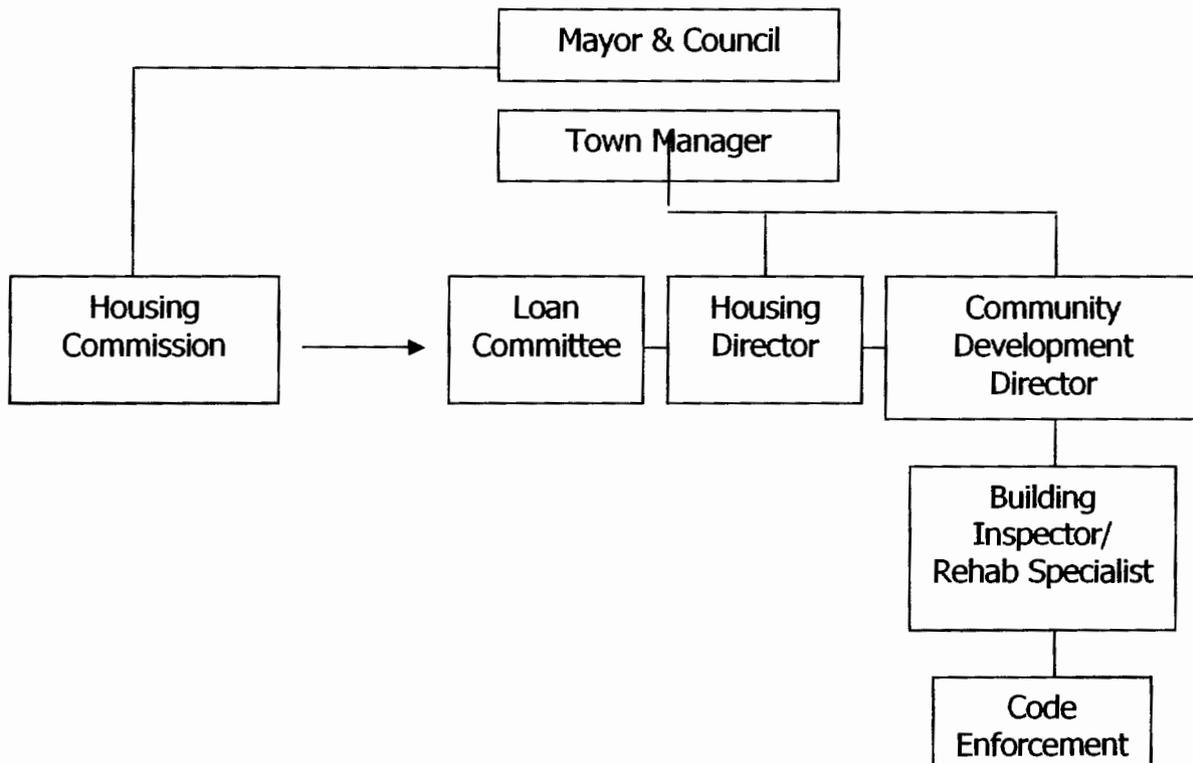
Contractors

The Program adheres to the procurement procedures as established by the Town and or the Procurement and Contracting Handbook distributed by the Arizona Department of Housing, CDBG Program. The Housing Director will verify contractor status with the HUD debarred list and the Arizona Registrar of Contractors. Contractors must be licensed in appropriate fields and hold a current Town business license.

The Town of Camp Verde has a formal bid process for the Program. During the initial interview, the participant is made aware of each step of this process and the approximately timeline involved. The homeowner will select the contractor; however, in most cases Town staff will recommend the lowest, most responsive bid. The homeowner may award a higher bid if the dollar difference between the low bid and the selected contractor is deposited by the homeowner into the Program account before the start of construction.

Administrative Organizational Chart

The following diagram illustrates the relationship between the various staff, commissions, and committees with regard to the Housing Program:



Applicants and Loan Recipients

The success of the Housing Rehabilitation Program is dependent upon applicants and loan recipients undertaking their responsibilities at each stage of the Program.

Application

Prior to requesting a loan application, the applicant must attend a briefing that is structured to provide an overview of the program and its requirements. If the applicant does not understand the Program and its requirements, it is the applicant's responsibility to ask questions or request clarification.

The applicant must complete the application and submit the required documentation. If the applicant is not able to complete the application or submit the required documentation, it is the responsibility of the applicant to request assistance or withdraw the application, as appropriate. If the Town requires additional information at any time during the application or loan process, the applicant must provide the requested information.

Debt Counseling

Upon acceptance into the Program, the applicant and co-applicant must attend debt-counseling classes structured to ensure an understanding of the obligations that the applicant is assuming. The applicant and co-applicant must submit the debt-counseling certificate of completion to the Housing Director for inclusion into the loan application.

Loan Closing

The applicant and co-applicant must attend the loan closing and provide all information required prior to and at the time of loan closing. The applicant and co-applicant must sign all documents requiring signature and pay any closing costs due at the time of closing.

Loan Payments

The loan recipient(s) are responsible for loan payments, late charges, and filing of appropriate tax documents. If the loan recipient(s) are unable to make payments and wish to request deferral, they must contact the Housing Director within the specified time period.

Compliance with Program Requirements

The applicant and co-applicant must certify on an annual basis that they continue to occupy the rehabilitated unit as their primary and only residence and that all taxes and homeowners insurance are current.

SECTION VII

REHABILITATION STANDARDS AND SPECIFICATIONS

- 1) The Town of Camp Verde has adopted all of its Town Codes as the Rehabilitation Standards. The scope of work must comply with all adopted International Code Council codes (ICC), as well as Town Zoning and Fire Department regulations, particularly if additions to the home are necessary.
- 2) Also included in the Rehabilitation Standards are Town adopted ordinances and codes including:
 - a. Zoning Ordinances - Setback requirements, illegal business operation, etc.
 - b. Health and Sanitation Codes, Article 10 of the Town Code - No violations of these codes will be allowed on rehabilitated property, i.e. junk cars, litter, fire hazards, etc.
- 3) Rehabilitation Standards may include exterior aesthetic work which is not necessary to the structural integrity of the home, but which will provide for curb appeal, increase value of the property and surrounding properties, and will benefit the community as a whole. These may include items such as small porches for energy conservation, overhangs, and paint.
- 4) In addition, the State's Housing Rehabilitation Standards, energy conservation measures and abatement of hazardous materials (i.e. lead based paint) as prescribed by HUD are also included in the definition of minimum rehabilitation standards.
- 5) The following are examples of work that cannot be accomplished with program funds:
 - a. Items that exceed the quality of products as specified, i.e. upgraded carpet/tile
 - b. Luxury items not considered a necessity, i.e. fireplaces, swimming pools, connection to cable television, etc. However, many Camp Verde residents, particularly low to moderate-income families use wood burners to provide winter heat. This is primarily due to the lack of affordable energy sources available in our rural area. In a rehabilitation project in which a wood burner is already present, the wood burner will not be determined a "luxury fireplace". The existing wood burner must meet minimum safety and environmental standards. Thus, it is possible that wood burner repair or replacement will be considered in rehabilitation costs. A wood burner will NOT be added to a rehabilitation project where one is not present.
 - c. Additions for family rooms, recreation rooms, etc. (Bedroom additions will be considered based on family structure and over-crowding in existing house.)

SECTION VIII

Definitions

- 1) **Income:** All wages, financial assistance, SS, VA, DES, spousal support, child support, unemployment, and any other income from any source. Food stamps will not be considered as income. Income will be verified with the most recent tax returns, the last two paycheck stubs (four, if paid on a weekly basis) and a copy of bank statements covering the previous three months. If the applicant is retired or receives disability income, he/she will provide DES, SS or SSI verification forms. All court-ordered spousal and/or child support payments will be verified through the court.
- 2) **Family/Household:** All persons occupying the house including permanent extended family, i.e. elderly parents, single or minor/dependent children with children. In the case of more than one family per unit, every effort will be made to refer the non-owner to another agency to decrease overcrowding. If this is not possible, the property may become ineligible due to monetary constraints in providing the proper number of sleeping rooms. In any event, the income of all household members will be included.
- 3) **Homeownership:** means ownership in fee simple title or a 99-year leasehold interest in a one to four unit dwelling or in a condominium unit, ownership or membership in a cooperative or equivalent form of ownership approved by HUD. The ownership interest may be subject only to the restrictions on resale required under CFR 92.254(a); mortgages, deeds of trust, or other liens or instruments securing debt on the property as approved by the Town and/or Arizona Department of Housing; or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest.
- 4) **Housing:** includes stick-built homes, mobile and manufactured housing and manufactured housing lots.
- 5) **Decent, Safe and Sanitary Housing:** means housing which relates to the general health and safety of all occupants. Minimum standards include the following which must be adequate, or be repaired or replaced before consideration of any other work:
 - a. Removal of hazardous materials,
 - b. Health and safety hazards;
 - c. Stable and weather tight roof;
 - d. 100-amp electrical service with no unsafe conditions;
 - e. Plumbing (including hot water) must be in good working order and be safe and sanitary;

- f. Heating and cooling system must be adequate and safe with a reasonable (3-year) useful life; and
 - g. Egress in accordance with local health and safety codes.
- 6) **Very Low-income families:** means families whose annual incomes do not exceed 50 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low incomes.
 - 7) **Low-income neighborhoods:** means a neighborhood that has at least 51% of its households at or below 80 percent of median income for the area.
 - 8) **Low-income families:** means families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low incomes.
 - 9) **Moderate-income families:** means families whose incomes are 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low incomes.
 - 10) **Frail elderly:** means that person 65 years of age or older whose health is in a fragile condition and results in at least one of the following areas of major life activity: substantial limitations in mobility, self-care, self-direction, or capacity for independent living.
 - 11) **Person with disabilities:** means a household composed of one or more persons (at least one of whom is an adult), who has a severe disability. A person is considered to have a severe disability if the person:
 - a. uses a wheelchair, or has used another special aid for six (6) months or longer;
 - b. is unable to perform one or more functional activities or needs assistance with an activity of daily living (ADL) or instrumental activity of daily living;
 - c. is prevented from working at a job or doing housework; or
 - d. has a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or mental retardation. Those persons less than 65 years of age and whom Medicare or SSI covers are also considered to have a severe disability.

- Functional activities include seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking.
- Activities of Daily Living (ADL) includes getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting.
- Instrumental Activities of Daily Living (IADL) include going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone.

12) Program Income: is income that is the direct result of a CDBG or HOME funded activity. The Revolving Loan Fund was established for the sole purpose of providing a continuing housing rehabilitation funding resource. All monies repaid to the RLF will be used only for housing-related purposes stated herein. All RLF monies will be deposited into a fund that is separate and independent from the Town's general fund, and will be used to continue the same activity(ies) which generated these resources.

- Program Income generated from HOME funded activities must be returned to the Arizona Department of Housing HOME program.

13) Program Income Records: Records of all program income received will include the source of the program income: CDBG/HOME contract number, activity number and other identifying information; amount and date of receipt; date of deposit and location of depository; date, amount and purpose of each expenditure; and interest earned (if any) records which include the date and amount of such interest earned, interest rate and the depository of such interest.

14) Project: means a site or an entire building (including a manufactured housing unit) that is to be assisted with CDBG or HOME funds. Project includes all the activities associated with the site and the building.

15) Project Completion: means that all necessary title transfer requirements and construction work have been performed and the project complies with the requirement; the final drawdown has been disbursed for the project; and a Project Completion Report has been submitted and processed in the Cash and Management Information System (CMI) as prescribed by HUD.

16) Reconstruction: means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be increased or decreased as a part of the reconstruction project, but the number of rooms per unit may be increased or decreased. The reconstructed housing must be substantially similar (i.e. single- or multi-family housing) to the original housing. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of this part.

- 17) Revolving Loan Fund:** is defined as a separate and independent set of accounts, established for the specific purpose of funding housing rehabilitation loans.
- 18) Single parent/head of household:** means an individual who is unmarried or legally separated from a spouse; and a) has one or more minor children for whom the individual has custody or joint custody; or b) is pregnant.
- 19) Single family residence:** means a dwelling that is used to house no more than two adults and their children.

**TOWN OF CAMP VERDE
Council Agenda Action Form**

Meeting Type: Regular

Meeting Date: November 29, 2006

Submitting Department: P&Z

Contact Person: Nancy Buckel

Consent: **Regular:** **Requesting Action:** **Report Only:**

Type of Document Needing Approval (Check all that apply):

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Acceptance/Approval | <input type="checkbox"/> Agreement/Contract | <input type="checkbox"/> Emergency Clause |
| <input type="checkbox"/> Final Plat | <input type="checkbox"/> Grant Submission | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Liquor/Bingo Application | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Preliminary Plat |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Resolution | <input type="checkbox"/> Special Consideration |
| <input type="checkbox"/> Special/Temp Use Permit | <input type="checkbox"/> Other: | |

Agenda Text (Be Exact): Discussion and possible approval of acceptance of the streets within Verde Cliffs Subdivision into the Town's Street Maintenance System.

Staff Recommendation: Approve Budgeted/Amount N/A \$ _____

Finance Director Review (if item in unbudgeted, under budgeted, or exceeds budgeted amount)

Line Item/Fund: N/A

Purpose of Item and Background Information: Staff has received a request from the Developer, UH Partners, for the Town to accept the finished roadway system within Verde Cliffs Subdivision into the Town's Street Maintenance System. The Street Inspector has done a visual inspection of the street infrastructure and issued a memo to the Engineer as to the condition of the improvements within the subdivision. This report is provided in the packet for review. The Town Engineer has issued a letter of recommendation that is also included in the packet. In his letter, the Engineer is recommending that the Council approve this request with the stipulation that the warranty period of one year not begin until all outstanding issues are addressed by the developer. Staff has received as-builts for the paving, water, sewer and drainage facilities within the subdivision.

List All Attachments as Follows: Developer's letter of Request, Street Inspector's Report and Engineer's Letter of Recommendation.

Type(s) of Presentation: Verbal Only

Special Equipment needed for Presentation:

- | | | |
|--|--|---------------------------------|
| <input type="checkbox"/> Laptop Computer* | <input type="checkbox"/> Overhead Projector | <input type="checkbox"/> TV-VCR |
| <input type="checkbox"/> Remote Microphone | <input checked="" type="checkbox"/> Conference Telephone | <input type="checkbox"/> Other |

Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

Please Note: You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

Signatures of Submitting Staff:

Name: Nancy Buckel Title: Community Dev. Dir.

Town Manager/Designee: B. Lee



TOWN OF CAMP VERDE

P.O. Box 710 ♦ 473 S. Main Street ♦ Camp Verde, Arizona 86322 ♦ (928) 567-6631 FAX 567-9061
Marshal 567-6621 ♦ Parks & Recreation 567-0535 ♦ Community Development 567-8513 ♦ www.campverde-az.gov

November 16th, 2006

To: Nancy Buckel, Community Development Director
From: Ron Long, Public Works Engineer

Re: Acceptance of roads within the Views at Verde Cliffs

The roads within the Views at Verde Cliffs have been completed in accordance with the approved plans prepared by Hoskin-Ryan Consultants Inc. Town Staff has completed an inspection of the Public improvements and has prepared a list of deficiencies that have been sent to the developer, UH Partners I, L.L.C. These deficiencies must be corrected and accepted by Town staff prior to the start of the warranty period.

The warranty period of 1 calendar year for the public improvements will start upon acceptance by Town Council and the accepted completion of all deficiencies.

I recommend that these roads be accepted into the Town of Camp Verde road system.

I also recommend the contractor be reminded of his obligation to complete Fog seal this year.

Sincerely,

Ron Long
Public Works Director/Engineer



UH PARTNERS I, L.L.C.

2401 W. BEHREND DRIVE, SUITE 65 PHOENIX, ARIZONA 85027
PHONE: (623) 879-8888 FAX: (623) 879-8890

November 1, 2006

Town of Camp Verde
Marvin Buckel, Street Inspector
473 S. Main Street, Ste 102
Camp Verde AZ 86322

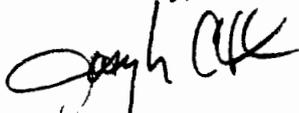
Re: Acceptance of Street Improvements

Dear Marvin,

UH Partners I, L.L.C., has completed the street improvements at the Views at Verde Cliffs in accordance with the approved plans prepared by Hoskin-Ryan Consulting Engineers. We believe that the Town's staff has completed an inspection of these improvements and agrees that they have been completed with the approved engineering plans

You may use this letter as our formal request for the warranty period to begin on the street improvements at the Views at Verde Cliffs on November 1, 2006. If you have any questions concerns or issues, with respect to this request, please advise.

Sincerely,



Joseph Contadino
Managing Member

Memo

To: Nancy Buckel, Community Development Director
Cc: Ron Long, Engineer & Ray Floyd, Building Inspector
From: Marvin Buckel, Street Inspector
Date: 11/09/2006
Re: Verde Cliffs or the Views at Camp Verde- Sidewalks

At this time, all the internal sidewalk repairs are completed with the exception of one broken section at 453 Lone Peak, one broken section at 635 Saddle Creek, one broken section at 557 Saddle Creek. These three repairs will complete the interval project.

External sidewalk repairs needed along the west side of Cliffs Parkway include 34 broken sections as previously listed.

All roadway sections and rolled curb section are good at this time and the project is built out and complete. Only the custom lots remain undeveloped.

Thank you



Marvin Buckel

Street Inspector

Memo

To: Ron Long, Public Works Engineer
Cc: Nancy Buckel, Community Development Director
Ray Floyd, Building Inspector
From: Marvin Buckel, Street Inspector
Date: 11/09/2006
Re: Verde Cliffs or the Views at Camp Verde

As of this morning's inspection, the following issues remain un-changed on this project:

1. The upper detention basin inlet on Cliffs Parkway has not been re-worked as requested.
2. The lower detention basin inlet on Cliffs Parkway has been re-worked but not grouted.
3. The basin at the Mobile Home Park has not been cleaned as requested.
4. No work on preventing silt & debris from entering the basin at the Mobile Home Park has been undertaken; as talked about & requested. Other issues discussed that I am not aware of having been solved at this time.
 1. Project as built stamped by Haskin Ryan; as required.
 2. As built for detention basins; as requested and required.

Thank you,



Marvin Buckel

Street Inspector