



Intergovernmental Agreement with Maricopa County for American Rescue Plan Act Affordable Housing Funding Award (Ordinance S-50095)

Request to authorize the City Manager, or his designee, to accept \$10 million in American Rescue Plan Act (ARPA) Affordable Housing Funds from Maricopa County for affordable housing activities, enter into an Intergovernmental Agreement (IGA), and execute all documents and agreements necessary to carry out the awarded projects. Further request authorization for the City Treasurer to accept, and the City Controller to disburse, all funds related to this item. There is no impact to the General Fund.

Summary

In February 2023, the Housing Department and Office of Homeless Solutions submitted grant applications to Maricopa County requesting \$5 million each in ARPA funding for two affordable housing initiatives: 1) Horizon on Villa Choice Neighborhoods multifamily rental community and 2) Super 8 Hotel Conversion for Affordable Supportive Housing. In April 2023, the City received notice that the Maricopa County Human Services Department recommended awarding both projects.

The Housing Department requested \$5 million in ARPA funds to assist with construction costs associated with the redevelopment of Horizon on Villa, a mixed-income multifamily rental community as part of the Edison-Eastlake Community (EEC) Choice Neighborhoods (CN) Program. Horizon on Villa, to be located on the site of the former A.L. Krohn Homes public housing community, will entail the construction of 109 new units of affordable and mixed income housing (ranging from one- to five-bedroom units), a Family Education Center, and outdoor community space with a public art component, made possible by a CN Implementation Grant awarded by the U.S. Department of Housing and Urban Development (HUD). Horizon on Villa is the third phase of the CN housing redevelopment plan that calls for 577 aged and obsolete public housing units to be demolished and redeveloped into 1,016 mixed-income rental and homeownership units across nine phases. Construction of Horizon on Villa is anticipated to commence in summer 2024 and will represent an estimated \$43 million investment in the EEC upon completion.

The Office of Homeless Solutions requested \$5 million in ARPA funds to assist with providing needed renovations to a 125-room former hotel that the City of Phoenix

purchased and is converting to affordable rental housing units, prioritizing people aged 55 and over. The renovations will provide safe, affordable units, including accessible or adaptable units for individuals with disabilities. The hotel conversion will also support a larger community revitalization effort including a building to the north of the future housing complex that is currently being renovated by a private nonprofit entity to be an emergency shelter for seniors. Residents will also have opportunities to utilize the Innovation 27 programming directly to the south of the housing development that will be a large City of Phoenix Workforce Development and Training Center. The center will allow clients access to education, workforce training and job opportunities.

Contract Term

The Housing Department and Office of Homeless Solutions will execute one IGA, or separate IGAs, with Maricopa County to accept the \$5 million ARPA funds for the respective projects and will adhere to ARPA requirements.

Financial Impact

The total federal ARPA grant award is \$10 million. There is no impact to the General Fund.

Concurrence/Previous Council Action

- On Oct. 4, 2017, through Ordinance S-43959, the City Council authorized applying for and implementing a \$30 million HUD Choice Neighborhoods Implementation Grant for the EEC, that also included approval to apply for and accept grants and to expend matching funds, in-kind and other funding sources to support and implement the Grant.
- On Dec. 14, 2022, City Council approved implementing additional CN Program resources, initiatives, and program amendments, including any HUD approved amendments or revisions through Ordinance S-49244.
- On Dec. 14, 2022, City Council approved the use of \$11.7 million in reallocated City ARPA funds for the acquisition and renovation of the Super 8 hotel.
- On April 5, 2023, City Council approved acquisition of the Super 8 property through Ordinance S-49566.

Location

1) Horizon on Villa will be situated on the former A.L. Krohn Homes public housing site bordered by Villa and McKinley streets from 18th to 20th streets and 2) the former Super 8 hotel is located at 8130 N. Black Canyon Highway.

Council Districts: 5 and 8

Responsible Department

This item is submitted by Deputy City Manager Gina Montes, the Housing Department and the Office of Homeless Solutions.