

Action Plan

Grantee: Chandler, AZ

Grant: B-11-MN-04-0502

LOCCS Authorized Amount:	\$ 1,332,011.00
Grant Award Amount:	\$ 1,332,011.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 0.00
Total Budget:	\$ 1,332,011.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Chandler proposes to utilize NSP 3 funds to provide a multi-faceted approach to reducing foreclosures within the greatest need census tracts of the City of Chandler by providing a variety of NSP 3 activities: down payment assistance, acquisition/rehabilitation for first time homebuyers (Chandler Community Land Trust), permanent affordable rental unit development and acquisition/demolition and reduction of blight.

The City of Chandler proposes to allocate \$419,643 in NSP 3 funds to develop three (3) permanent affordable rental units. The housing units will be targeted and rented to income-qualified (below 50% AMI) working poor, formerly homeless families and low-income Veteran families. All affordable rental units will be located in the 422209 census tract (NSP3 Need Score 18).

The City of Chandler proposes to allocate \$200,000 in NSP 3 funds to provide down payment assistance to 20 first time homebuyers whose annual household income does not exceed 120% AMI. Up to \$10,000 in assistance will be available for qualified first time homebuyers. It is estimated that 15 first time homebuyers will have a median income between 51%-80% and would also be eligible for Individual Development Account (IDA) match funds up to \$15,000. It is estimated that five (5) first time homebuyers will have a median income of 81%-120%. A total of 16 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 523002 census tract (NSP 3 Need Score 19) and 4 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 422209 census tract (NSP 3 Need Score 18).

The City of Chandler proposes to allocate \$492,447 in NSP 3 funds to the Chandler Community Land Trust which will acquire, rehabilitate and resell seven (7) vacant, foreclosed homes to qualified first time homebuyers. The Land Trust creates permanently affordable housing stock in the City of Chandler as it resells just the structure to homebuyers and the land remains in the land trust. It is estimated that six (6) homes will be purchased, rehabilitated and resold to first time homebuyers whose median area income is at or below 80%. One home will be purchased, rehabilitated and resold to a first time homebuyers whose annual household income is at or below 50% AMI. All seven Land Trust homes are proposed to be purchased in the 523002 census tract.

Finally, the City of Chandler proposes to allocate \$150,000 to establish the Chandler Land Bank Program. Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment. These structures will be located in the 523002 census tract.

During the months of August and September 2012, the City developed, sought Public Comment for, and City Council approved a Substantial Amendment to the NSP3 Program Action Plan to expand the number of Census Tracts for the NSP3 Program. In the City's original Action Plan submittal for NSP3, two Census Tracts were designated for NSP3 program operations. Due to the decline in the number of foreclosed properties citywide, the expansion of the NSP3 eligible areas was necessary in order to insure timely expenditure of NSP3 funds. In addition to Census Tracts 422209 and 523002, the Substantial Amendment approved the addition of Census Tracts 522902, 523102 and 522729. The five tracts all have a Needs Score of 18 or 19.

In July of 2013 City Council approved Substantial Amendment #2 to Chandler's NSP3 Program after the required public notification and public comment was sought in June of 2013. This Amendment was required to reallocate the budget amounts of three originally approved NSP3 activities including the deletion of the Chandler Land Bank activity, a decrease to the budget for



Newtown Community Development Corporation's Home Ownership Assistance Program (DPA) and an increase to the Chandler Land Trust Program (CLT) operated by Newtown. The purpose of Substantial Amendment #2 was to focus the City's remaining NSP3 funds on programs which have the greatest demand and away from programs with low utilization/expenditure rates. In January of 2014, the City reallocated \$11,000 from the Administration Activity to the Chandler Community Land Trust activity. The decision to reallocate these funds was made for two reasons. First, after projecting the amount of Administrative funds to be used through the expenditure deadline, staff made the decision to reallocate funds to an activity where a higher volume of expenditures were occurring. In addition, the Land Trust activity could utilize the funding for expenditures relating to the final acquisition of a housing unit in a timeframe that would meet HUD's NSP3 expenditure requirements. This reallocation decreases the Administration allocation to \$58,921.38 and increases the Land Trust allocation to \$843,447.

How Fund Use Addresses Market Conditions:

The City has developed a strategic approach in targeting areas where NSP 3 activities will have a larger impact on more residents and where service providers can provide an effective program that will meet NSP 3 expenditure deadlines. Originally Chandler selected two census tracts to target NSP 3 activities which had NSP 3 Need Scores of 18 and 19. In the summer of 2012, as the number of foreclosures on the market decreased, Chandler approved a Substantial Amendment to expand the Census Tracts where the NSP3 program can operate. With the creation of NSP 3 activities and layering them within target areas of other Chandler programs and resources, such as HOME and NSP 1 activities, Chandler can make a visual and positive impact to reducing the number of vacant and foreclosed properties from the market. This will help to stabilize the targeted neighborhoods, allow opportunities for first time homebuyers to purchase homes without the risk of obtaining financing by a subprime mortgage related loan and remove slum and blighted conditions caused by vacant foreclosures.

Ensuring Continued Affordability:

The City of Chandler will ensure continued affordability for NSP 3-assisted housing by adopting the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f) for rental units and 92.254 for homeownership units.

The affordability period for NSP 3-assisted acquisition or acquisition/rehab of rental and homeownership units will, at a minimum, meet the HOME standard:

Per-unit NSP 3 Assistance	Min. Affordability Period
up to \$15,000	5 years
\$15,000-\$40,000	10 years
above \$40,000	15 years

Definition of Blighted Structure:

Chapter 30 of the Chandler City Code defines blight as:

Blight or blighted. Unightly conditions including [including -- not limited to] accumulation of debris; fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting; landscaping that is dead, characterized by uncontrolled growth, lack of maintenance, or is damaged; any other similar conditions of disrepair and deterioration; and the exterior visible use or display of tarps, plastic sheeting, or other similar materials as flexible or inflexible screening, fencing, or wall covering upon a residential lot; regardless of the condition of other properties in the neighborhood.

Definition of Affordable Rents:

* Apartment/Walk-up: 65% of current HOME rental limit: Currently these rents are- 2 bedroom-\$480/mo, 3 bedroom-\$520/mo and 4 bedroom-\$555/mo. These rents are 35% below the low HOME Rental limit.

* Townhouse/Row House & Semi-detached duplex: 70% of the current low HOME rental limit: 2 bedroom-\$550/mo, 3 bedroom-\$600/mo, and 4 bedroom-\$645.00/mo. These limits are 30% below the low HOME Rental limit.

* Detached house: 2 bedroom-75% of current low HOME rental limits: \$620/mo, 3 bedroom-\$670/mo and 4 bedroom-\$715/mo. These rental limits are 25% below the HOME rental limit.

The City of Chandler Section 8 Program Rent Limits effective October, 2010 indicates a 2 bedroom FMR is \$890/mo, for a 3 bedroom the FMR is \$1,227/mo and for a 4 bedroom is \$1,437/mo. Proposed rental rates are substantially lower.

In addition, ARM proposes to pay the water, sewer and refuse and if applicable, the HOA fee.

Housing Rehabilitation/New Construction Standards:

All rehabilitation under the NSP 3 program will meet the HUD CDBG Rehabilitation Standards (25 CFR 570.208(b) (1-2)) and local City of Chandler building codes. All rehabilitation must meet a minimum standard that public health, safety and welfare are maintained or enhanced as work is performed. All work must be completed in a professional workmanlike manner in compliance with the workmanship standards and licensing requirements of the Arizona Registrar of Contractors as established by Arizona Statute. All units rehabilitated with NSP 3 funding will meet at a minimum Housing Quality Standards and include Residential Energy Standards.

Vicinity Hiring:

Although none of the proposed projects anticipate hiring of new staff, the City of Chandler will require all subrecipient rehabilitation bids, contracting, or new hiring be accomplished through vicinity hiring practices as required by NSP 3. Proposed subrecipients included procedures for vicinity hiring in their NSP 3 funding applications which included preference for rehabilitation contracts that hire low-income Chandler residents and/or contract with Chandler businesses who have low-income employees.

Procedures for Preferences for Affordable Rental Dev.:

The City of Chandler announced a preference for permanent affordable rental development projects during the Request for Proposal process stating that applications with viable proposals to increase permanent affordable rental in Chandler will receive additional preference scoring during the review process. The City received one (1) application for permanent affordable rental development and proposes to fully fund this activity.

Grantee Contact Information:

City of Chandler, Jennifer Morrison, Neighborhood Resources Director, 235 S. Arizona Ave. MS 600, Chandler, AZ 85225
480-782-4347, Fax 480-782-4350, jennifer.morrison@chandleraz.gov, www.chandleraz.gov

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
9999	Restricted Balance	<i>No activities in this project</i>	
AcqReh2011	Acq/Rehab	2011 NSP3 Acq/Rehab CLT	Newtown CLT LMMH
		2011 NSP3 Acq/Rehab Rental ARM	Acq/Rehab LH25
Admin2011	NSP3 Administration	2011 NSP3 COC Admin	COC NSP 3 Administration
FM1	Financing Mechanisms	2011 NSP3 Newtown DPA	Newtown DPA LMMH
LandBank2011	Land Banking	2011 NSP3 COC Land Bank	COC LandBank LMMH - Cancelled



Activities

Project # / Title: AcqReh2011 / Acq/Rehab

Grantee Activity Number: 2011 NSP3 Acq/Rehab CLT
Activity Title: Newtown CLT LMMH

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Acq/Rehab

Projected End Date:

02/15/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 843,447.00

Other Funds \$ 0.00

Total Funds \$ 843,447.00

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
11	3	4	63.64
11	3	4	63.64

of Households

Proposed Accomplishments

of Singlefamily Units

Total

11

of Housing Units

11

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Newtown Community Development Corp.

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Organization Type

Proposed



Location Description:

All seven vacant and foreclosed homes to be purchased, rehabilitated and resold to eligible first time homebuyers will be located in the 523002 census tract, one of Chandler's NSP 3 targeted neighborhoods. This census tract has a NSP 3 Need Score of 19. Under the recently approved Substantial Amendment for NSP3, Newtown estimates it will purchase and resell housing units in the following Census Tracts: 422209 - 1 unit; 523002 - 3 units; 522729 - 1 unit; 522902 - 1 unit; and 523102 - 1 unit.

Activity Description:

The City of Chandler, through a partnership with Newtown Community Development Corporation, will purchase seven vacant, foreclosed homes to be included in the Chandler Community Land Trust. The Land Trust purchases homes, rehabilitates them and resells the structure only to income qualified first time homebuyers. The land is retained in the land trust. Chandler proposes that six first time homebuyers will have annual household incomes at 80% or below AMI. One first time homebuyer will have an annual household income at 50% or below AMI.

As a result of Substantial Amendment #2, funds from the Chandler Land Bank and Newtown's Homeownership Assistance Program (DPA) were reallocated to the Newtown Community Land Trust (CLT) Program. Specifically, \$330,000 additional funds were allocated to the CLT Program bringing Newtown's total allocation for NSP3 to \$822,447. Consequently, the number of units Newtown proposes to develop under NSP3 will increase from 7 to 11.

Subsequent to the Substantial Amendment, \$10,000 was reallocated from DPA to CLT, increasing the CLT allocation to \$832,447.

In January of 2014, the City reallocated \$11,000 from the Administration Activity to the Chandler Community Land Trust activity. The decision to reallocate these funds was made for two reasons. First, after projecting the amount of Administrative funds to be used through the expenditure deadline, staff made the decision to reallocate funds to an activity where a higher volume of expenditures were occurring. In addition, the Land Trust activity could utilize the funding for expenditures relating to the final acquisition of a housing unit in a timeframe that would meet HUD's NSP3 expenditure requirements. This reallocation increases the Land Trust allocation to \$843,447.

Grantee Activity Number: 2011 NSP3 Acq/Rehab Rental
Activity Title: ARM Acq/Rehab LH25

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Acq/Rehab

Projected End Date:

12/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 419,642.62

Other Funds \$ 0.00

Total Funds \$ 419,642.62

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	3	3		100.00
# of Households	3	3		100.00

Proposed Accomplishments

	Total
# of Multifamily Units	3
# of Housing Units	3
# of Properties	3

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

ARM of Save the Family

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
ARM of Save the Family	For Profit	\$ 419,642.62



Location Description:

All three vacant, foreclosed multi family units to be purchased, rehabilitated and rented to low income (50% AMI or below) families and will be located in one of the City's NSP 3 targeted census tracts 422209. This targeted census tract has an NSP 3 Need Score of 18.

Under the recently approved Substantial Amendment for NSP3, ARM estimates it will purchase and rehabilitate housing units in the following Census Tracts: 422209 - 1 unit; 523002 - 1 unit; 522902 - 1 unit; and 523102 - 1 unit.

Activity Description:

The City of Chandler proposes to award funds to Affordable Rental Movement of the Save the Family Organization, who will purchase three vacant and foreclosed multi-family units (single-family detached) for the use of permanent affordable rental development. Housing rental units will be rented to income qualified (at or below 50% AMI) working poor, formerly homeless families and low income Veteran families.

The budget was reduced by \$0.38 to reflect the actual expenditures for the activity, and \$0.38 was added to the Administration budget.

Project # / Title: Admin2011 / NSP3 Administration

Grantee Activity Number:	2011 NSP3 COC Admin
Activity Title:	COC NSP 3 Administration

Activity Type:

Administration

Activity Status:

Completed

Project Number:

Admin2011

Project Title:

NSP3 Administration

Projected Start Date:

05/01/2011

Projected End Date:

03/31/2015

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:**Activity Draw Block by HUD:**

Not Blocked

Activity Draw Block Date by HUD:**Block Drawdown By Grantee:**

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Total Budget: \$ 58,921.38

Other Funds \$ 0.00

Total Funds \$ 58,921.38

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA



Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

City of Chandler2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Chandler2	Local Government	\$ 58,921.38

Location Description:

The City of Chandler proposes to administer all NSP 3 activities in the two specified targeted census tracts 523002 and 422209. Under the recently approved Substantial Amendment, the number of eligible Census Tracts for implementation of the NSP3 program has been expanded from two tracts to five. City staff will oversee the administration of NSP3 program activities in these five areas.

Activity Description:

The City of Chandler will utilize \$69,921 or 5% of its total NSP 3 allocation for administration of Chandler's NSP 3 programs. Funding will be utilized for portions of staff salaries for implementation of the City's NSP 3 activities and for oversight of the subrecipient NSP 3 activities.

The budget for the ARM Acq/Rehab LH25 activity was reduced by \$0.38 to reflect the actual expenditures for the activity, and \$0.38 was added to the Administration budget.

In January of 2014, the City reallocated \$11,000 from the Administration Activity to the Chandler Community Land Trust activity. The decision to reallocate these funds was made for two reasons. First, after projecting the amount of Administrative funds to be used through the expenditure deadline, staff made the decision to reallocate funds to an activity where a higher volume of expenditures were occurring. In addition, the Land Trust activity could utilize the funding for expenditures relating to the final acquisition of a housing unit in a timeframe that would meet HUD's NSP3 expenditure requirements. This reallocation decreases the Administration allocation to \$58,921.38.

Project # / Title: FM1 / Financing Mechanisms

Grantee Activity Number: 2011 NSP3 Newtown DPA
Activity Title: Newtown DPA LMMH

Activity Type:

Homeownership Assistance to low- and moderate-income

Activity Status:

Completed

Project Number:

FM1

Project Title:

Financing Mechanisms

Projected Start Date:

05/02/2011

Projected End Date:

06/30/2013

Project Draw Block by HUD:**Project Draw Block Date by HUD:**

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

EXEMPT

Benefit Report Type:

Direct (Households)

Activity Draw Block Date by HUD:

Total Budget:

\$ 10,000.00

Other Funds

\$ 0.00

Total Funds

\$ 10,000.00

Proposed Beneficiaries

Owner Households

Total

Low

Mod

Low/Mod%

1

1

100.00

of Households

1

1

100.00

Proposed Accomplishments

Total

of Singlefamily Units

1

of Housing Units

1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Newtown Community Development Corp.

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Newtown Community Development Corp.

Organization Type

Non-Profit

Proposed

\$ 10,000.00

Location Description:

Twenty (20) first time homebuyers will receive assistance to purchase vacant foreclosed homes in both of the City's NSP 3 targeted areas, census tracts 523002 and 422209. Sixteen homeowners will be targeted in Census tract 523002 which has an NSP 3 Need Score of 19. Four homeowners will be targeted in Census tract 422209 which has an NSP 3 Need Score of 18. Under the recently approved Substantial Amendment for NSP3, Newtown estimates it will provide homebuyer assistance in the following Census Tracts: 422209 - 3 homebuyers; 523002 - 5 homebuyers; 522729 - 6 homebuyers; 522902 - 2 homebuyers; and 523102 - 4 homebuyers.

Under Substantial Amendment #2, 1 homebuyer in Census Tract 522902 was assisted.

Activity Description:

The City of Chandler, in partnership with Newtown Community Development Corporation will provide up to 20 first time homebuyers with up to \$10,000 in down payment assistance to purchase a vacant, foreclosed home in either of Chandler's two NSP 3 targeted census tracts.

Under Substantial Amendment #2, the amount of funding for Newtown's DPA program was reduced from \$200,000 to \$20,000 and the number of clients projected to be served decreased from 20 to 2. The tightening of the



foreclosure market significantly decreased the availability of homes for participants of the DPA program to purchase. Funds from this activity were reallocated to Newtown's Community Land Trust Program. Subsequent to the Substantial Amendment, \$10,000 was reallocated from the DPA program to the Community Land Trust Program, reducing the DPA allocation to \$10,000 with 1 homebuyer being assisted.

Project # / Title: LandBank2011 / Land Banking

Grantee Activity Number: 2011 NSP3 COC Land Bank
Activity Title: COC LandBank LMMH - Cancelled

Activity Type:

Land Banking - Acquisition (NSP Only)

Project Number:

LandBank2011

Projected Start Date:

07/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

COMPLETED

Benefit Report Type:

Area Benefit (Survey)

Activity Status:

Cancelled

Project Title:

Land Banking

Projected End Date:

06/30/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00

Other Funds \$ 0.00

Total Funds \$ 0.00

Proposed Accomplishments

of Multifamily Units

of Housing Units

of Properties

Total

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Chandler2

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Chandler2

Organization Type

Local Government

Proposed

\$ 0.00

Location Description:

The two vacant, foreclosed, blighted multi-family structures will be located in the NSP 3 targeted census tract of 523002. This census tract has a NSP 3 Need Score of 19.

Activity Description:

The City of Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment. As part of the City's substantial Amendment #2, funds allocated for the Chandler Land Bank were reallocated to Newtown's Land Trust Program for first time homebuyers. No foreclosed properties were available in the defined Land Bank area during the grant period.

Action Plan Comments:

Reviewer - City corrected typos. AP approved.

Reviewer - AP reviewed and approved. City modified AP to include the new census tracts.

Reviewer - 11/26/13 Marilee Hansen: Plan approved with comments for improvement the next time the plan is worked on.

Reviewer - 1/17/14 Marilee Hansen: AP reviewed and approved.

Reviewer - Marilee Hansen: AP approved with comments.

Action Plan History**Version**

B-11-MN-04-0502 AP#1

B-11-MN-04-0502 AP#2

B-11-MN-04-0502 AP#3

Date

04/24/2015

04/16/2014

02/28/2014



B-11-MN-04-0502 AP#4	01/17/2014
B-11-MN-04-0502 AP#5	11/26/2013
B-11-MN-04-0502 AP#6	10/24/2012
B-11-MN-04-0502 AP#7	07/29/2011

