

Grantee: Chandler, AZ

Grant: B-08-MN-04-0502

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-08-MN-04-0502

Obligation Date:**Grantee Name:**

Chandler, AZ

Award Date:**Grant Amount:**

\$2,415,100.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Original - In Progress

QPR Contact:

No QPR Contact Found

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tract within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

Distribution and and Uses of Funds:

After analyzing foreclosure trends and code complaints, staff proposes targeting the 85225 zip code for programs using the NSP funds with the following NSP strategies: 1. Development of a Chandler Community Land Trust (CCLT) – The amount of \$1,468,500 will be used to purchase, rehabilitate and sell up to 15 formerly vacant, foreclosed single-family homes to income-qualified residents. Under this program the participants will purchase only the structure, the home, and not the land. The land will remain in possession of the Land Trust and leased to the homeowner until they sell the home. When the homeowner chooses to sell the home, the lease is terminated and any appreciation in the home's value will be split between the homeowner and the Land Trust. This system will reduce the purchase costs for the participant while sharing equity and ensuring that the home will remain permanently affordable as part of the Land Trust. The families that are envisioned for these properties are between 81% and 120% of area media income (AMI), or approximately \$53,300 to \$79,900 annually for a family of four. Qualifying to purchase only the house also greatly reduces the amount of the mortgage for which these families would have to apply. 2. Creation of permanent affordable rental housing – Approximately \$ 655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed multifamily properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the partnering non-profit for their suitability for the program. The partnering non-profit will assume responsibility for the on-going maintenance of the properties after acquisition. 3. Down Payment Assistance – Approximately \$50,000 will be used to assist qualified potential homebuyers with down payment assistance. These funds will be distributed to residents purchasing a house through the Land Trust to make the Land Trust component even more affordable. The downpayment assistance will be secured with a ten-year forgivable lien on the purchased property. The partnering non-profit will qualify, educate and monitor the new homeowners. Within the 85225 zip code, these three strategies will be targeted to Census Tracts identified by HUD as most at risk for foreclosure. 4. Administrative support – No more than \$241,500 can be used for staff support of any of the programs initiated through the NSP. This can include the staff support provided by the City and the City's non-profit partners in these programs.

Definitions and Descriptions:

Low Income Targeting:

While 25% of our grant amount set aside for low-income housing activities (under 50% AMI) is \$603,775, we have actually awarded \$655,100 to the Affordable Rental Movement. This is \$50,000 more than originally budgeted (\$605,100) as a result of a reallocation of NSP funds when the Downpayment Assistance activity was reduced from \$100,000 to \$50,000 as a result of a revised analysis of demand. The \$655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed multifamily properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the partnering non-profit for their suitability for the program. The partnering non-profit will assume responsibility for the on-going maintenance of the properties after acquisition.

Acquisition and Relocation:

Acquisition of approximately 15 single family homes will be acquired through our Community Land Trust Program and an additional 6 homes will be acquired through our Permanent Rental Housing program. No relocations will be performed through these activities.

Public Comment:

In addition to the standard published comment period, a public hearing was held at the February 12, 2009 City of Chandler Council Meeting. No comments were made during the public comment period or at the public hearing.

On March 20, 2010 the City of Chandler published our Amendment I to the Substantial Amendment for a 15-day comment period. No comments were made during the public comment period.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,415,100.00
Total CDBG Program Funds Budgeted	N/A	\$2,415,100.00
Program Funds Drawdown	\$0.00	\$1,919,554.93
Program Funds Obligated	\$0.00	\$2,415,100.00
Program Funds Expended	(\$18,619.22)	\$1,996,049.49
Match Contributed	\$0.00	\$0.00
Program Income Received	\$154,725.01	\$456,816.35
Program Income Drawdown	\$0.00	\$302,091.34

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$362,265.00	\$0.00
Limit on Admin/Planning	\$241,510.00	\$56,500.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$603,775.00	\$655,100.00

Overall Progress Narrative:

The overall program has expended 85% of NSP funds including \$456,816.35 in Program Income. The acquisition rehab program for rental housing is 100% complete. The Downpayment Assistance and Community Land Trust activities continue to work with potential homebuyers. The Land Trust program purchased and rehabbed 2 homes during this quarter. One first time homebuyer purchased their home in August. 2 additional homebuyers had hoped

to be able to purchase homes but had difficulty getting their home loans. The financing problems appear to have been resolved and both homebuyers are expected to purchase their homes during the next quarter.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
09Admin, Administration and Planning Costs	\$0.00	\$241,500.00	\$56,500.00
09PRH, Acquisition/Purchase and Rehabilitation	\$0.00	\$655,100.00	\$655,100.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DPA09, Acquisition/Purchase and Rehabilitation	\$0.00	\$50,000.00	\$38,641.63
LT09, Acquisition/Purchase and Rehabilitation	\$0.00	\$1,468,500.00	\$1,169,313.30

Activities

Grantee Activity Number:	09Admin
Activity Title:	Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

09Admin

Project Title:

Administration and Planning Costs

Projected Start Date:

03/30/2009

Projected End Date:

03/30/2012

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Chandler

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$241,500.00
Total CDBG Program Funds Budgeted	N/A	\$241,500.00
Program Funds Drawdown	\$0.00	\$56,500.00
Program Funds Obligated	\$0.00	\$241,500.00
Program Funds Expended	(\$1,252.39)	\$60,583.75
City of Chandler	(\$1,252.39)	\$60,583.75
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

– No more than \$241,500 can be used for staff support of any of the programs initiated through the NSP. This can include the staff support provided by the City and the City’s non-profit partners in these programs.

Location Description:

Activity Progress Narrative:

The City of Chandler continued to provide administrative oversight of Chandler’s NSP 1 program. Activities this quarter include following up on issues identified in the on-site monitoring of the 2 nonprofit subrecipients during the last quarter of 2011, reviewing and approving invoices, tracking and reporting program income, working with HUD on program documentation, and completing the QPR report.

NOTE: Adjustments need to be made to administrative expenses in previous quarters to correct the total expended for this activity. An adjustment of -\$1,252.39 is needed to correct the total Program Funds Expended to \$60,583.75.

Total Actual Program Funds Expended for this quarter: \$4,083.75

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 09DPA

Activity Title: Down-payment Assistance program

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

DPA09

Project Title:

Acquisition/Purchase and Rehabilitation

Projected Start Date:

07/01/2009

Projected End Date:

07/01/2012

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Chandler

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$50,000.00
Total CDBG Program Funds Budgeted	N/A	\$50,000.00
Program Funds Drawdown	\$0.00	\$38,641.63
Program Funds Obligated	\$0.00	\$50,000.00
Program Funds Expended	\$0.00	\$38,641.63
City of Chandler	\$0.00	\$38,641.63
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Approximately \$50,000 will be used to assist qualified potential homebuyers with down payment assistance. These funds will be distributed to residents purchasing a house through the Land Trust to make the Land Trust component even more affordable. The downpayment assistance will be secured with a ten-year forgivable lien on the purchased property. The partnering non-profit will qualify, educate and monitor the new homeowners.

Location Description:

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment risk for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tracts within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

Activity Progress Narrative:

A home was identified last quarter to be eligible for \$10,000 in downpayment assistance in addition to being available through the Community Land Trust program. 2 potential homebuyers were unable to secure the required financing to purchase this home. Another homebuyer has been identified and is expected to complete the purchase during the next quarter, 2011.

All 6 homebuyers assisted with Downpayment Assistance purchased Community Land Trust (CLT09) homes. These homebuyers and their homes are also reported through the CLT09 activity.

Corrections to the number of clients assisted were made this quarter. 2 clients were reported to have been assisted in past quarters, but were unable to finalize financing and complete the purchase of their home. The total number of homebuyers that have purchased a home through this program has been corrected. The current total is 6.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	-2		6/5	
# of Singlefamily Units	-2		6/5	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	-2	0	-2	1/0	5/5	6/5	100.00
# Owner Households	-2	0	-2	1/0	5/5	6/5	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: CLT09

Activity Title: Community landtrust

Activity Category:

Acquisition - general

Project Number:

LT09

Projected Start Date:

04/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Purchase and Rehabilitation

Projected End Date:

04/30/2012

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$1,468,500.00
Total CDBG Program Funds Budgeted	N/A	\$1,468,500.00
Program Funds Drawdown	\$0.00	\$1,169,313.30
Program Funds Obligated	\$0.00	\$1,468,500.00
Program Funds Expended	(\$17,366.83)	\$1,241,724.11
City of Chandler	(\$17,366.83)	\$1,241,724.11
Match Contributed	\$0.00	\$0.00
Program Income Received	\$154,725.01	\$456,816.35
Program Income Drawdown	\$0.00	\$302,091.34

Activity Description:

The amount of \$1,468,500 will be used to purchase and sell up to 17 formerly vacant, foreclosed single-family homes to income-qualified residents. Under this program the participants will purchase only the structure, the home, and not the land. The land will remain in possession of the Land Trust and leased to the homeowners until they sell the home. When the homeowner chooses to sell the home, the lease is terminated and any appreciation in the home's value will be split between the homeowner and the Land Trust. This system will reduce the purchase costs for the participant while sharing equity and ensuring the home will remain permanently affordable as a part of the Land Trust. The families that are envisioned for these properties are between 81% and 120% of area media income (AMI), or approximately \$53,300 to \$79,900 annually for a family of four. Qualifying to purchase only the house greatly reduces the amount of the mortgage for which these families would have to apply.

Location Description:

HUD's Estimated Foreclosure Abandonment Risk Score ("Risk Score") measures the estimated risk of home foreclosure and abandonment risk for every Census Tract in the State. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. The Risk Scores were developed by HUD to assist grantees in targeting the areas of greatest need within their jurisdictions. Utilizing the HUD provided dataset, Chandler identified the zip code 85225 as having the most significant risk of foreclosure. This strategy will focus on eligible Census Tracts within the 85225 zip code that HUD has identified as having the highest risk for foreclosures.

Activity Progress Narrative:

Newtown purchased 2 homes in July and completed rehabilitation work on them during this quarter. The rehab work is being completed using other funds. First time homebuyers have been identified to purchase 3 homes that have been bought and rehabbed by Newtown. One homebuyer closed on their home in August. The other 2 homebuyers had problems with securing financing, prevented them from purchasing their homes during this quarter. The problems appear to be resolved and both homebuyers are expected to be able to purchase their home during the next quarter. The following homebuyer classes were provided in Chandler during this quarter to help educate first time homebuyers.

1. Attendees at First Time Homebuyer Orientation: 70

- 2. Attendees at Community Land Trust Orientation: 19
- 3. Attendees at 8 hour Homebuyer Education Classes: 19

The total number of Properties and Housing Units assisted was over reported by two in previous reports. A Land Trust home was sold to an eligible first time homebuyer this quarter, but -1 units is reported for this quarter to correct the total number of properties and units assisted.

Actual # of Properties for this quarter: 1

Actual # of Housing Units for this quarter: 1

NOTE 1: The initial Program Income expenditure of \$89,777.64 for this activity was also reported as Program Fund expenses in June 2010, over reporting the Program Funds Expended To Date. -\$17,366.83 in Program Fund expenses is reported this quarter to correct the total expenditures for this activity.

NOTE 2: The Program Funds Expended and Program Income amounts reported in this report are for the 6 month period April 1 through Sept. 30, 2011. Errors in the June 30 QPR for this activity prevented the inclusion of the Land Trust activity in the previous quarter QPR. The Land Trust activities for the previous quarter were reported in the overall program narrative.

Program Fund Expenditures for last quarter = \$0 Program Fund Expenditures for this quarter = \$72,410.81.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	-1	11/17
Total acquisition compensation to	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	-1	11/17
# of Singlefamily Units	-1	11/17

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	9	11	1/2	9/10	11/17	90.91
# Owner Households	1	9	11	1/2	9/10	11/17	90.91

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	