

**City of Chandler, Arizona**  
**Substantial Amendments to the City of Chandler's FY 07/08 and FY 08/09**  
**ANNUAL ACTION PLANS**

**AMENDMENTS**

The City of Chandler proposes to amend the FY 2007/2008 and FY 2008/2009 Annual Action Plans for the purpose of reallocating HOME Investment Partnership funds in the amounts of \$297,912.44 and \$409,076.00 respectively for a total of \$706,988.44. The City of Chandler proposes to reallocate funds as follows:

- Amend the FY2007/2008 Annual Action Plan to reallocate \$297,912.44 in HOME funds originally budgeted for the activity of Housing Rehabilitation of Single Family Homes to a new activity, Chandler Community Land Trust program.
- Amend the FY2008/2009 Annual Action Plan to reallocate \$409,076.00 in HOME funds originally budgeted for the activity of Housing Rehabilitation of Single Family Homes to a new activity, Chandler Community Land Trust program.

**Added Project Summary:**

Project: Chandler Community Land Trust  
Eligibility Category: Homeowner Rehabilitation and Homebuyer Assistance  
Eligibility Citation: 24 CFR Part 92.205  
Sponsor: Newtown Community Development Corporation  
Address: 511 W. University Drive, Suite 4  
Tempe, AZ 85281

Funding: FY 07/08 \$297,912.44  
FY 08/09 \$409,076.00  
TOTAL \$706,988.44

Match Funds: \$176,747.11  
Match Fund Source: City purchase of lots for Habitat for Humanity

**Project Description:**

Newtown Community Development Corporation, a not-for-profit corporation, is proposing to use up to \$706,988.44 in HOME funds for the Chandler Community Land Trust Program which provides assistance to first time homebuyers whose annual household income is at or below 80% AMI (area median income).

Newtown's Community Land Trust (CLT) program provides access to homeownership for people who are otherwise priced out of the housing market. CLT homes are sold for a price well below the prevailing market. At the time of sale, the CLT buyer purchases the improvements only (the house) and enters into a 99-year renewable ground lease for the land. Newtown holds the land in perpetuity. The ground lease contains resale restrictions that require if the home is sold it must be sold to another income eligible buyer.

Permanent affordability is maintained through a shared equity provision that limits the amount of appreciation the seller may take and establishes an affordable sales price. The ground lease also requires owner-occupancy and gives Newtown a right of first refusal.

Newtown's CLT program is designed to balance the interests of individuals and the larger community. CLT homeowners have an opportunity to build wealth through homeownership. At the same time, the community's investment (subsidy) is protected; it is retained in the property and a long-term community asset is developed. Through the CLT program, a stock of permanently affordable homes is created and the homes stay affordable for future generations. In addition to meeting income eligibility requirements, all CLT homebuyers must successfully complete Newtown's HUD Certified Homebuyer Assistance and Individual Development Account Programs, counseling and attend a CLT Orientation. To date, no Newtown CLT homeowners have defaulted on their mortgages.

Newtown will acquire and rehabilitate traditional single-family homes for sale, foreclosed or abandoned within the city boundaries of Chandler. The final sales price will not exceed the cost of acquisition, rehabilitation, and resale.

The proposed Project will assist 35 individuals (10 first time homebuyers and their families) with the purchase of an affordable land trust home within the City of Chandler and creating an additional 10 permanently affordable homes and thus increasing Chandler's affordable housing stock.

**Site Location:** CLT homes may be purchased within the City of Chandler city limits as long as the applicant meets all income and program requirements.

<b>Benefit:</b>	Housing for low-income households
<b>Number Served:</b>	35 individuals, 10 homes
<b>Funding Source:</b>	HOME Investment Partnership Act