

Grantee: Chandler, AZ

Grant: B-08-MN-04-0502

October 1, 2012 thru December 31, 2012 Performance Report



Grant Number:

B-08-MN-04-0502

Obligation Date:**Award Date:****Grantee Name:**

Chandler, AZ

Contract End Date:

03/20/2013

Review by HUD:

Submitted - Await for Review

Grant Amount:

\$2,415,100.00

Grant Status:

Active

QPR Contact:

Janice Tanzer

Estimated P/RL Funds:

\$1,000,000.00

Total Budget:

\$3,415,100.00

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The HUD 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:

June 2012: Funds have been reallocated from Administration and Planning Costs to activities and projects in Eligible Use B, increasing down payment assistance and funds for acquisition, rehabilitation, resale activities. In addition, a separate activity has been established for Newtown's Housing Counseling Program. All funds remain obligated and none of the changes require public comment or a substantial amendment process.

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 \$54,500 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 &dash No more than \$91,800 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.

January 2013: A new activity was created for the Land Trust properties that were purchased by low-income homebuyers. This activity is set up under the LH25 National Objective and will reflect progress toward the 25% set aside. One homebuyer meets the low-income criteria, and the cost of the property was \$95,333. The Chandler Land Trust activity budget was reduced by that amount and the new Chandler Land Trust Under 50% AMI activity budget was set at that amount. Additionally, \$5,358.37 was re-allocated from the DPA09 project to Administration, increasing the Administration budget to \$97,658.37 and reducing the DPA09 budget to \$48,641.63.



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.

Additionally, an activity was set up for properties acquired under the Community Land Trust project for low-income homebuyers. One property is included in this activity for the amount of \$95,333.

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	\$3,415,100.00
Total Budget	\$655,100.00	\$3,415,100.00
Total Obligated	\$0.00	\$3,271,300.00
Total Funds Drawdown	\$127,536.91	\$3,002,380.28
Program Funds Drawdown	\$110,965.30	\$2,368,768.24
Program Income Drawdown	\$16,571.61	\$633,612.04
Program Income Received	\$16,571.61	\$633,612.04
Total Funds Expended	\$165,856.40	\$3,042,214.76
Match Contributed	\$0.00	\$0.00



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	\$86,840.22
Limit on State Admin	\$0.00	\$86,840.22

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$603,775.00	\$750,433.00

Overall Progress Narrative:

City staff continued assisting Newtown by reviewing purchase contracts for conditions including an approved site-specific environmental review, a purchase price of at least 1% below appraised value and verification that properties were foreclosed and vacant with evidence of tenant protections. Staff also reviewed rehab cost estimates and verified properties were in the specified target areas. Newtown submitted monthly program income reports. Staff met monthly with Newtown to discuss expenditure deadlines and goals, outreach to potential clients and project status.

Staff met monthly with ARM regarding their repayment of NSP1 administrative funds. ARM and City staff worked on a plan of action for ARM to use these funds for needed rehab on affordable rental properties purchased through NSP1.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
09ACQ, Land Bank Acquisition	\$0.00	\$1,400.00	\$1,400.00
09Admin, Administration and Planning Costs	\$2,678.91	\$91,800.00	\$86,840.22
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	\$54,500.00	\$48,641.63
LT09, Acquisition/Purchase and Rehabilitation	\$108,286.39	\$2,612,300.00	\$1,576,786.39



Activities

Grantee Activity Number: 09Admin
Activity Title: Administration

Activity Category:

Administration

Project Number:

09Admin

Projected Start Date:

03/30/2009

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration and Planning Costs

Projected End Date:

03/12/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$97,658.37
Total Budget	\$0.00	\$97,658.37
Total Obligated	\$0.00	\$91,800.00
Total Funds Drawdown	\$2,678.91	\$86,840.22
Program Funds Drawdown	\$2,678.91	\$86,840.22
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$5,484.79	\$91,161.09
City of Chandler	\$5,484.79	\$91,161.09
Match Contributed	\$0.00	\$0.00

Activity Description:

No more than \$91,800 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. In November, 2012, \$5,358.37 was re-allocated from the DPA09 project to Administration, increasing the budget to \$97,658.37.

Location Description:

Activity Progress Narrative:

Staff worked closely with ARM on their repayment of funds previously used for administrative expenses. Staff is meeting monthly with ARM to ensure the timely expenditure of NSP1 funds that will now be available for rehabilitation of their NSP1 affordable rental properties units to ensure funds are spent by the NSP1 expenditure deadline.

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: 09PRH

Activity Title: Permanent Rental Housing

Activity Category:

Acquisition - general

Project Number:

09PRH

Projected Start Date:

06/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Purchase and Rehabilitation

Projected End Date:

03/12/2013

Completed Activity Actual End Date:

Responsible Organization:

ARM of Save the Family

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$655,100.00
Total Budget	\$655,100.00	\$655,100.00
Total Obligated	\$0.00	\$655,100.00
Total Funds Drawdown	\$0.00	\$655,100.00
Program Funds Drawdown	\$0.00	\$655,100.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$655,100.00
ARM of Save the Family	\$0.00	\$0.00
City of Chandler	\$0.00	\$655,100.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Approximately \$655,100 will be used to purchase and rehabilitate up to six vacant, foreclosed single family attached 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.

Location Description:

HUDs 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.

Activity Progress Narrative:

City has requested ARM repay ineligible administrative expenses. ARM is currently rehabbing 6 rental units to expend these funds by February 2013. City staff continues to work with ARM regarding the additional rehab.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**



# of Properties	0	6/6
# of buildings (non-residential)	0	0/6
# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0
# of Parcels acquired voluntarily	0	6/6
Total acquisition compensation to	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	6/6	0/0	6/6	100.00
# of Persons	0	0	0	0/0	0/0	0/0	0
# Renter Households	0	0	0	6/6	0/0	6/6	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
			Arizona	-	Not Validated / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00



Grantee Activity Number: CLT09

Activity Title: Community Land Trust

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:

03/12/2013

Completed Activity Actual End Date:

Responsible Organization:

Newtown Community Development Corp.

Overall

	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$2,516,967.00
Total Budget	\$0.00	\$2,516,967.00
Total Obligated	\$0.00	\$2,468,500.00
Total Funds Drawdown	\$124,858.00	\$2,115,065.43
Program Funds Drawdown	\$108,286.39	\$1,481,453.39
Program Income Drawdown	\$16,571.61	\$633,612.04
Program Income Received	\$16,571.61	\$633,612.04
Total Funds Expended	\$65,038.61	\$2,150,579.04
City of Chandler	\$0.00	\$1,284,877.07
Newtown Community Development Corp.	\$65,038.61	\$865,701.97
Match Contributed	\$0.00	\$0.00

Activity Description:

The amount of \$2,612,300 will be used to purchase and sell up to 17 formerly vacant, foreclosed single-family homes to income-qualified residents. This amount includes \$1,582,300 in NSP1 funds for acquisition, \$30,000 for housing counseling, and the balance is estimated Program Income. 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. The Land Trust is managed by Newtown Community Development Corp. As a result of HUD direction, we created a separate subrecipient agreement with Newtown for housing counseling and one for Newtown's developer activities.

In January 2013 a new activity was created for the Land Trust properties that were purchased by low-income homebuyers. This activity is set up under the LH25 National Objective and will reflect progress toward the 25% set aside. One homebuyer meets the low-income criteria, and the cost of the property was \$95,333. The Chandler Land Trust activity budget was reduced by that amount and the new activity budget was set at that amount.

Location Description:

HUDs 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 conducted an open house in late October to showcase one of the homes purchased last quarter. Industry partners, lenders and City staff and officials were all invited to see first-hand an example of how NSP1 funds were working in the community. Newtown also purchased and began rehab on a home located in Chandler's first federally designated historic district. The home's windows were replaced with float glass, returning that component of the home back to the original condition. The windows need to cure for about 2 weeks and then the remainder of rehab will begin.

One homebuyer previously reported in the CLT09 activity meets the low-income criteria, and the cost of the property was \$95,333. The CLT09 activity funds expended were reduced by that amount and shown in the new CLT09-LM activity.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		16/17	
Total acquisition compensation to	0		2/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		16/17	
# of Singlefamily Units	0		16/17	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	1/2	14/10	16/17	93.75
# Owner Households	0	0	0	1/2	14/10	16/17	93.75

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00



Grantee Activity Number:	CLT09-LM
Activity Title:	Community Land Trust Under 50% AMI

Activity Category:

Acquisition - general

Project Number:

LT09

Projected Start Date:

04/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Purchase and Rehabilitation

Projected End Date:

03/12/2013

Completed Activity Actual End Date:

Responsible Organization:

Newtown Community Development Corp.

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$95,333.00
Total Budget	\$0.00	\$95,333.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$95,333.00
Program Funds Drawdown	\$0.00	\$95,333.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$95,333.00	\$95,333.00
Newtown Community Development Corp.	\$95,333.00	\$95,333.00
Match Contributed	\$0.00	\$0.00

Activity Description:

A new activity was created for the Land Trust properties that were purchased by low-income homebuyers. This activity is set up under the LH25 National Objective and will reflect progress toward the 25% set aside. One homebuyer meets the low-income criteria, and the cost of the property was \$95,333. The Chandler Land Trust activity budget was reduced by that amount and the new activity budget was set at that amount.

Location Description:

HUDs 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:

One homebuyer previously reported in the CLT09 activity meets the low-income criteria, and the cost of the property was \$95,333. The CLT09 activity funds expended were reduced by that amount and shown in the new CLT09-LM activity.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1



	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	0/1	0
# Owner Households	0	0	0	0/0	0/0	0/1	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

