

**AMENDMENT 1 TO THE NEIGHBORHOOD STABILIZATION PROGRAM
SUBSTANTIAL AMENDMENT TO THE CITY OF CHANDLER'S FY 2010 ANNUAL
ACTION PLAN**

Jurisdiction(s): City of Chandler, AZ Jurisdiction Web Address: www.chandleraz.gov	NSP Contact Person: Jennifer Morrison Address: 235 S. Arizona Ave. Chandler, AZ 85225 Telephone: 480-782-4320 Fax: 480-782-4350 Email: Jennifer.Morrison@chandleraz.gov
--	---

City of Chandler, Arizona is proposing to amend its Neighborhood Stabilization Program (NSP) through a Substantial Amendment to the FY 2010 Action Plan, which was approved by HUD in May 2010. This City of Chandler proposes to amend its approved budget of \$2,415,100 to:

- **NSP Down Payment Assistance, Activity 1**, will remain unchanged.
- **NSP Chandler Community Land Trust, Activity 2**, will remain unchanged.
- **NSP Permanent Affordable Rental Housing, Activity 3**, will remain unchanged
- **NSP Program Administration, Activity 4**, program budget will be reduced from \$241,500 to \$56,500
- **NSP City of Chandler Land Bank (New Activity 5), to allow up to \$185,000 to be utilized as Land Bank/Trusts for properties per NSP eligible activity (c)**

The City of Chandler has determined that it is in the best interest of the community to reallocate dollars from one current NSP activity to a new NSP activity. All activities remain in compliance with HUD's NSP requirements.

Attached is the amended budget for Activity 4 and new Activity 5.

Activity 4

ADMINISTRATION AND PLANNING COSTS

- (1) **Activity Name:** NSP Program Administration
- (2) **Activity Type:** Administration up to 10% of allocation 24 CFR 570.206
- (3) **National Objective:** N/A
- (4) **Activity Description:** The City of Chandler proposes reduce the original NSP Administration budget from \$241,200 to \$56,500 to pay for personnel costs associated with administering the NSP program
- (5) **Location Description:** N/A
- (6) **Performance Measures:** N/A
- (7) **Total Budget:** Revised from \$241,200 in original budget to \$56,500 in Substantial Amendment #1
- (8) **Responsible Organization:** The City of Chandler, Arizona 235 S. Arizona Ave. Chandler, AZ 85225
- (9) **Projected Start Date:** February 1, 2009
- (10) **Projected End Date:** March 31, 2011
- (11) **Specific Activity Requirements:** Not applicable

Activity 5

LAND BANKS

- (1) **Activity Name:** City of Chandler Land Bank

Activity Type: Establish land banks with residential properties that have been foreclosed upon under 24CFR 570.201 (a) Acquisition and (b) disposition
§2301(c)(3)(C) establish land banks for homes that have been foreclosed upon;
- (2) **National Objective:** Provides land for development of affordable housing that will be occupied by a household whose income is at or below 120% of area median income.
“low-, moderate- and middle-income” (LMMI)
“low-, moderate-and middle-income housing” (LMMH)

- (3) **Activity Description:** The City of Chandler proposes to operate a Land Bank Program as described in Attachment A. The City proposes to utilize no more than \$185,000 to pay for the acquisition of vacant properties in foreclosure that serve as a blighting influence in neighborhoods. Abandoned and foreclosed properties will be purchased at a discount. Each property considered for purchase will be appraised in accordance with the NSP regulations. The appraisal will be used to negotiate a discount of at least 1% less than appraised value, using the formula prescribed under the NSP program. The Land Bank will hold, for no more than a ten year period, properties acquired with NSP funds. The Land Bank will be used as part of an overall neighborhood revitalization strategy to eliminate blighting structures to provide the opportunity for the development of affordable housing.
- (4) **Location Description:** The City of Chandler will carry out this activity in the targeted area indicated in Attachment B which is located in High Priority Census Tract 523002.
- (5) **Performance Measures:** Two vacant and foreclosed 1-4 unit multi-family properties will be land banked.
- (6) **Total Budget:** \$185,000
- (7) **Responsible Organization:** The City of Chandler, Arizona 235 S. Arizona Ave. Chandler, AZ 85225
- (8) **Projected Start Date:** December 1, 2010
- (9) **Projected End Date:** December 31, 2011
- (10) **Specific Activity Requirements:**

Discount rate for purchase: An appraisal will be made in conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by the City of Chandler.

Land bank properties acquired by the City of Chandler will ensure that the sale, rental or redevelopment of abandoned and foreclosed upon homes will be used for continued affordable housing to individuals or families whose incomes do not exceed 120 percent of the area median income.

Land bank properties acquired by the City of Chandler will ensure proper boarding and securing of all said properties and will provide ongoing property maintenance during the length of term in the land bank to reduce blight.

Attachment A: Land Bank Program Guidelines
Attachment B: Land Bank Program Target Area