

FAHP

Flagstaff Affordable Homeownership Program

Community Land Trust and Deed Restriction Programs



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About FAHP

The City's Affordable Ownership Programs allow low to moderate income households to access homeownership through a shared equity model. In exchange for an affordable purchase price, homeowners agree to limit their equity so that the next qualified buyer can benefit from an affordable sales price. This agreement is secured through either a ground lease between the City and the homeowner or a deed restriction placed onto the unit.

Loan Requirements

- Loan-to-Value ratio no less than 79% of the purchase price.
- Arms-length transaction.
- Housing ratio between 30-35% of gross monthly income; Debt-to-income ratio not to exceed 45%.
- Conforming, fixed-interest rate loan.
- Loan/lender fees must be reasonable and based on industry standards.

Eligibility

To be eligible for this program you must:

- Be at least 18 years of age.
- Be a citizen of the USA or a registered alien.
- Be a resident of or have employment commitments within the Flagstaff Metropolitan Planning Organization (FMPO) area.
- Meet income eligibility guidelines.
- Have enough income to qualify for the home without being housing-cost burdened, based on projected monthly housing costs. Down payment assistance programs are allowed to defray costs and reduce monthly housing costs.

Maximum/Minimum Income

- Households must have an annual income which does not exceed 80-125% (depending on the home purchased) of the Area Median Income (AMI) for Flagstaff, Arizona, based on household size. AMI percentages are adjusted annually. Some specific housing units will have lower income restrictions (chart below gives income limits).
- Household monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the home in question. Households that require a co-signer to obtain a mortgage will not be considered. *(continued on reverse)*

Contact Us

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2023 125% and 100% Flagstaff AMI Limits

	1	2	3	4	5
125%					
Family Size	1	2	3	4	5
AMI Limit	\$92,000	\$105,125	\$118,250	\$131,375	\$141,875
100%					
Family Size	1	2	3	4	5
AMI Limit	\$73,600	\$84,100	\$94,600	\$105,100	\$113,500

Documents

- 3 most recent (concurrent) paycheck stubs for everyone in the household 18 and older, even if they are not going to be on the mortgage.
- Proof of income for any other income in the household which may include: child support (judgment or print-out from the courts), social security award letters, unemployment, workman's comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording "for work only" must also bring their legal residence card.
- Signed Income Tax Returns for the most recent 2 years including W-2(s), 1099's, 1098's, etc.
- Additional documents may be required by the grant funder.

Eligibility

Maximum/Minimum Income *(Continued from previous page)*

- Applicants must not have owned a home within the FMPO boundary during the last three years.
- Households must have proof of history of fulfilling financial responsibilities, and must be able to obtain a mortgage.
- Applicants must complete the City of Flagstaff Permanent Affordability Homeownership Programs orientation and are encouraged to complete homebuyer education through Housing Solutions of Northern Arizona.

What constitutes a household?

- The total number of persons living in the home regardless of marital, familial or legal status.
- Gross income from all household members shall be considered in determining compliance with income eligibility requirements.

Permanent Affordability Details

As an owner of the home, you will agree (at purchase) to restrictions on the use of the home and future resale. Key program details are:

- Future sale of the home is limited to eligible buyers (defined by the City of Flagstaff).
- Future resale price of the home shall be determined by a resale formula, which limits appreciation of the property to ensure it's affordable to future buyers.
- The use of the home/land is limited to residential purposes.
- The home must be occupied by the owner and serve as primary residence.
- Owner may refinance their mortgage, but cannot have additional liens filed against the property.
- Owner is responsible for all maintenance and repairs for the home.
- Owner must obtain and maintain casualty and liability insurance (homeowner's insurance).
- The City of Flagstaff reserves the Right of First Refusal regarding purchase of the home.
- If the home is in the City's Community Land Trust Program, the home is owned by the homebuyer and the land underneath is leased to the homebuyer through a 99-year, renewable ground lease. There is a nominal monthly lease fee. Homeowners are responsible for maintaining the land and landscaping underneath and around their home.
- If the home is Deed Restricted, the owner owns the home, but there are restrictions recorded against the property limiting use and resale. Deed Restrictions are used for condominium properties where there is no land in the home to lease. The City of Flagstaff reserves the Right of First Refusal at resale, which allows them to purchase the home from the homeowner the same way an eligible buyer would.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.

