

FCLT

Flagstaff Community Land Trust Program

Homeownership Opportunity for Flagstaff Residents



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About the FCLT

This is a housing program administered by the City of Flagstaff. It is used as a tool to help provide ownership opportunities to Flagstaff residents who may not be able to afford a home in the open market. The program is designed to help first time homebuyers by reducing the cost of housing. The long-term affordability of the unit is maintained because the home owner accepts restrictions on the equity and appreciation in exchange for the reduced price of the home. The homebuyer only purchases the house and improvements, while leasing the land from the City through a 99-year renewable ground lease.

Loan Requirements

- Loan to Value Ratio no less than 79% of the purchase price
- Arms-length transaction
- Housing Ratio between 30% - 35%; Debt-to-income ratio not to exceed 45%
- Conforming, fixed interest rate
- 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 or have employment commitments within the Flagstaff Metropolitan Planning Organization area
- Meet income eligibility guidelines
- Have enough income to qualify for the home without being housing cost burdened. Down payment assistance programs are allowed to defray costs.

Maximum 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. AMI percentages are adjusted yearly according to household size. Some specific housing units will have lower income restrictions (see chart below).

Minimum Income

- 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 cosigner to obtain a mortgage will not be considered. (continued on reverse)

About Us

Housing Solutions of Northern Arizona helps families prepare for homeownership and navigate the purchase process. Learn more at housingnaz.org

2021 125% and 100% Flagstaff AMI Limits

| | 1 | 2 | 3 | 4 | 5 |
|-------------|----------|----------|----------|----------|-----------|
| 125% | | | | | |
| Family Size | 1 | 2 | 3 | 4 | 5 |
| AMI Limit | \$67,250 | \$76,875 | \$86,500 | \$96,000 | \$103,750 |
| 100% | | | | | |
| Family Size | 1 | 2 | 3 | 4 | 5 |
| AMI Limit | \$53,800 | \$61,500 | \$69,200 | \$76,800 | \$83,000 |

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

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 Land Trust Program orientation and are encouraged to complete homebuyer education through a local provider

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.

Ground Lease Details

As an owner of the home, you will have a 99 year ground lease with the option to renew at the end of the term. The lease includes the following provisions:

- The use of the land is limited to residential purposes
- Home must be occupied by the owner and serve as a primary residence
- Lessee must pay a monthly ground lease fee
- Lessee may refinance, but prohibit liens from being filed against the land
- Lessee is responsible for all maintenance and service
- Lessee must obtain and maintain casualty and liability insurance
- City reserves the right of first refusal regarding purchase of the home
- Where possible, a mediation and arbitration process is preferred
- Purchase of a land trust home limits the resale price of the home to other eligible buyers
- The resale price of the home shall be determined through a resale formula. For more details, please contact Housing Solutions.

Contact Us

If you're interested in this program, please call us to complete an initial screening with our housing counselor:

Phone

(928) 214-7456
711 (Relay service for hearing impaired)

Email

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Fax (928) 774-6937

Physical Address

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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.

