



1

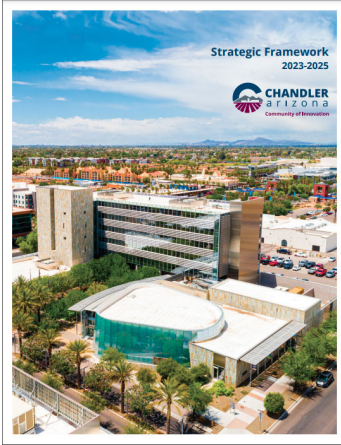


Meeting Intent

- Strategic Framework Direction
- How is Housing Defined?
- Why is Housing Affordability a Growing Issue?
 - Data / Market Conditions
- What is the City Already Doing?
- Comprehensive Housing Plan

2

Council Direction



Strategic Framework

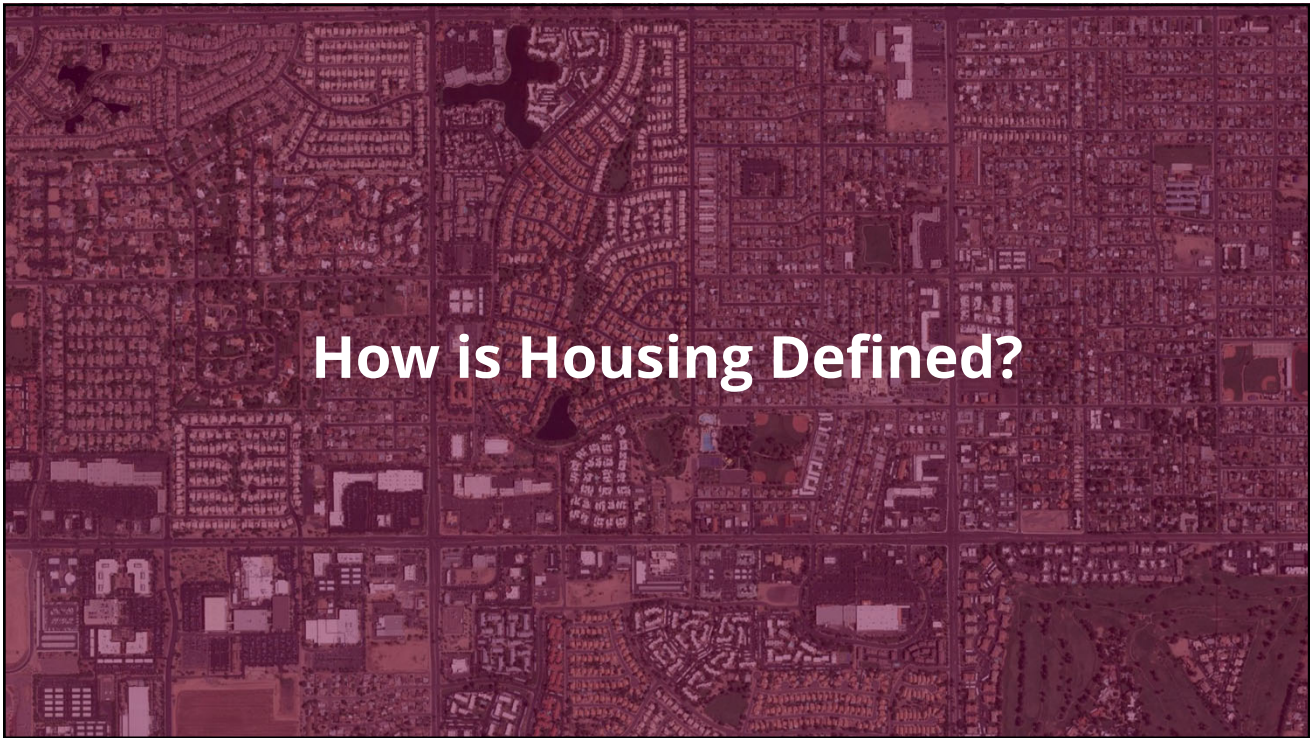
- Continue executing the City’s affordable housing strategy, including commencing construction of Chandler’s first Rental Assistance Demonstration (RAD) project and planning for subsequent repositioning of public housing assets.
- Identify innovative programs that preserve neighborhood quality and streamline processes to approve housing options that meet residents’ diverse needs.

What Do The Guiding Documents Say?








General Plan and Other Guiding Documents

- Provide for a variety of housing choices for all income levels
- Continue to encourage private investment in affordable housing
- Increase capacity for and coordination of affordable housing programs and projects
- Concentrate of improving housing affordability citywide
- Encourage compatible infill projects
- Housing Element included the General Plan
- Downtown Area update

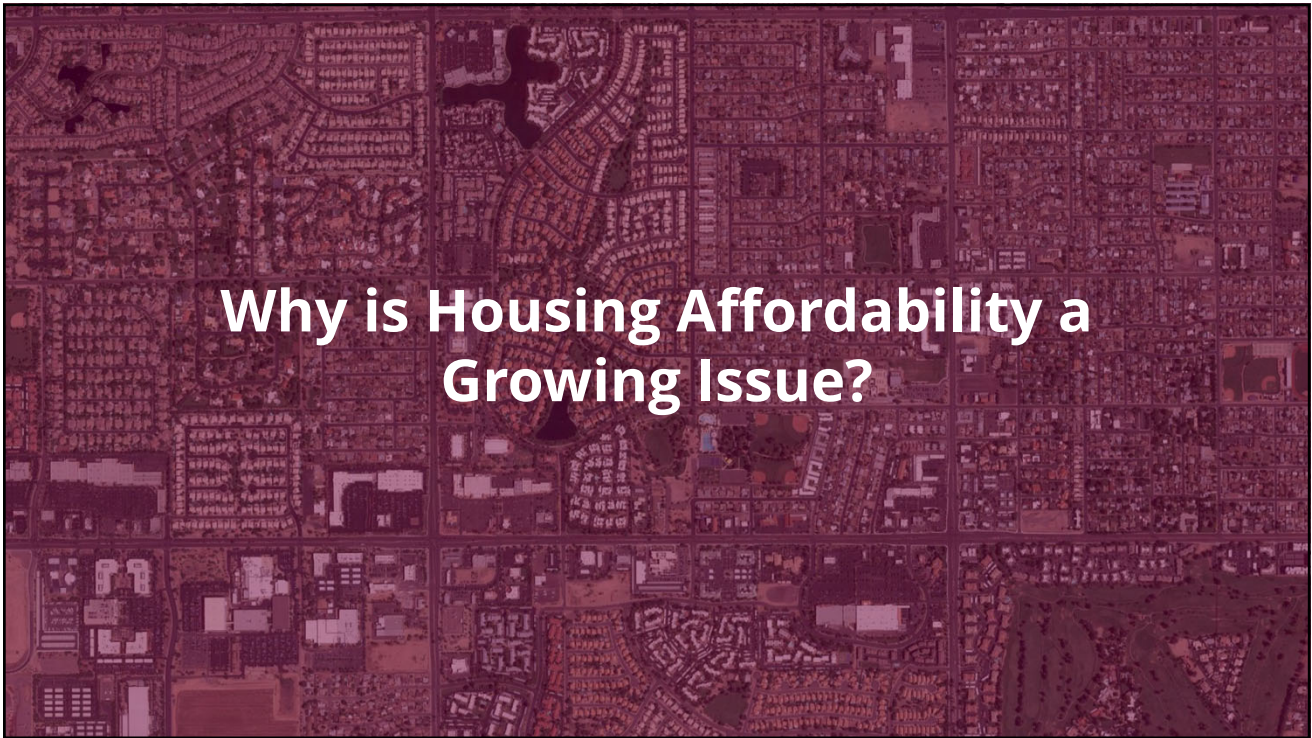


5

<h2>Housing Continuum</h2> <p>Housing affordability is generally defined as occupants paying no more than 30% of gross income for housing costs, including utilities.</p>					
<p>\$99,000* Maricopa County Area Median Income (AMI) 2024 (4 ppl HH)</p>	<p><30% AMI \$31,200 – Below</p>	<p>31% - 50% AMI \$31,201 - \$51,400</p>	<p>51% - 80% AMI \$51,401 - \$82,250</p>	<p>81% - 120% AMI \$82,251 - \$123,350</p>	<p>Over 120% AMI \$123,351 - Higher</p>
<p>Percent HH by Income</p>	7.1%	6.6%	13.7%	9.9%	62.5%
<p>HH Paying No More Than 30% of Gross Income</p>	\$780 Max Monthly Payment	\$780 – \$1,285 Max Monthly Payment	\$1,286 – \$2,056 Max Monthly Payment	\$2,056 - \$3,083 Max Monthly Payment	\$3,083 + Monthly Payment
<p>General Description</p>	Extremely Low Income Homeless People with Service Needs People Exiting Out of Incarceration	Very Low Income People with Episodic Housing Crisis and Service Needs	Low Income Working Poor Fixed Income	Moderate Income Workforce Housing	Average Median Income Market Rate Housing
<p>Housing Type</p>	 Emergency Shelter Transitional SROs Supportive Housing	 Subsidized Affordable Public Housing Project Based LIHTC Housing Choice Voucher	 Subsidized Affordable Public Housing Project Based, Housing Choice Voucher LIHTC	 First Time Home Buyer Rent/Income Restricted Partnership Initiatives	 Non-Subsidized Housing Private Market High Market Rental Homeownership
<p>*2022 AMI was \$79,000 (4 ppl HH)</p>					

6

6



7

Factors and Impacts

Factors

- High employment and population growth
- Low housing inventory for some income households
- Unstable supply chains, labor/material costs
- Interest rates – lending challenges
- High inflation

Impact

- Increased housing costs and incomes not keeping pace
- Diminishing housing affordability
- Increased housing cost burden
- Inventory is low due to interest rate increase –lower buyer pool

8

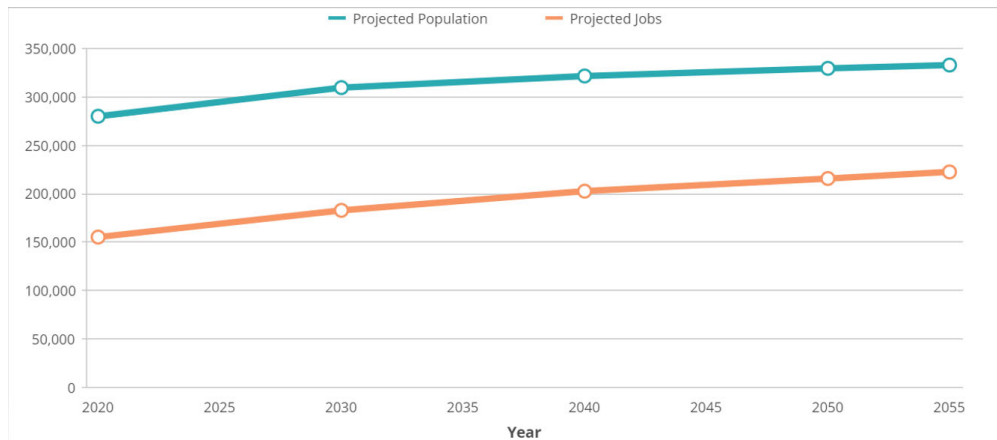
8

Constraints and Limitations

- Chandler nearing buildout, limited land available for housing options and most is intended for employment
- State law prohibits municipalities from implementing certain controls on rent increases
- State law prohibits municipalities from requiring affordable housing as a condition of zoning
- Housing projects often take several years before units become available

Population Growth & Employment

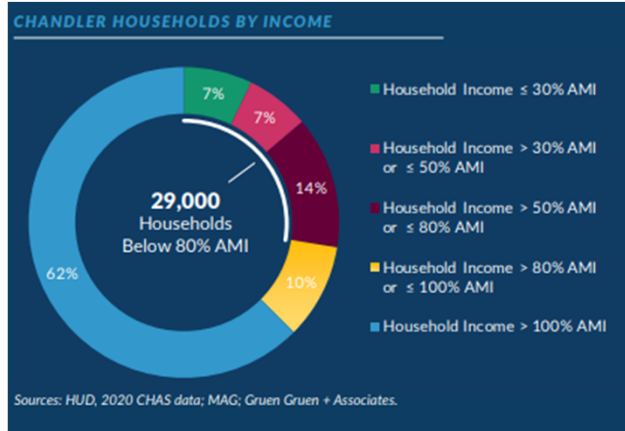
Population growth 2007-2020 with largest increase age group: 55+
Job growth projection: Increase of 67,300 new jobs over 2020-2055 period



Sources: MAG Socioeconomic Projections; Gruen Gruen + Associates

Chandler Household By Income

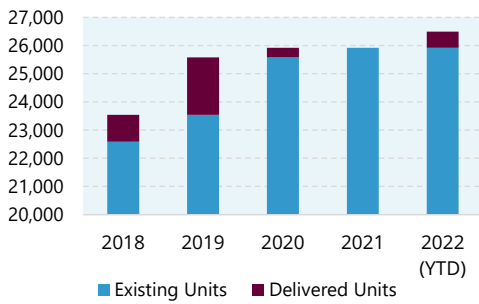
About 28% of all Chandler households are Extremely Low, Very Low, or Low Income households, earning less than 80% AMI



Sources: MAG Socioeconomic Projections; Gruen Gruen + Associates 2023

Limited Housing Supply

Multi-Family Apartment Inventory in Chandler



Source: City of Chandler- 2021

Homes for Sale*

Homes currently on the market per MLS: Approximately 17,360 (vs 5,000 April 2022)

Homes typically on the market per MLS historically: 22-24,000

Currently 72% of normal

*Maricopa and Pinal County 2023

Housing Cost Increases (Owners)

Average effective monthly rent in Chandler \$1,744 per unit

TABLE 5: Market Rents for New Multi-Family Rental Product¹ in Chandler

	Average Unit Size in Square Feet	Average Effective Monthly Rent Per Unit	Average Monthly Rent Per-Square-Foot	Percent of AMI Required to Afford Unit ²
One-Bedroom	724	\$1,647	\$2.27	102%
Two-Bedroom	1,121	\$2,163	\$1.93	93%
Three-Bedroom	1,493	\$2,429	\$1.63	95%

¹ Includes a sample of 1,507 units recently built in 2021, 2022, and 2023.
² Based on 2023-24 income limits for Phoenix-Mesa-Scottsdale MSA, adjusted for household size. Assumes 1.5 persons per bedroom per Arizona Department of Housing and IRS standards in determining rent limits for Low Income Housing Tax Credit (LIHTC) properties. Utility allowances of \$81 to \$122 per unit (monthly) deducted from gross affordable rents.

Sources: City of Chandler; CoStar; Arizona Department of Housing; Gruen Gruen + Associates.

Housing Cost Increases (Renters)

Average cost for a three-bedroom home is \$519,529

TABLE 6: Current Sales Pricing for Ownership Housing Product in Chandler

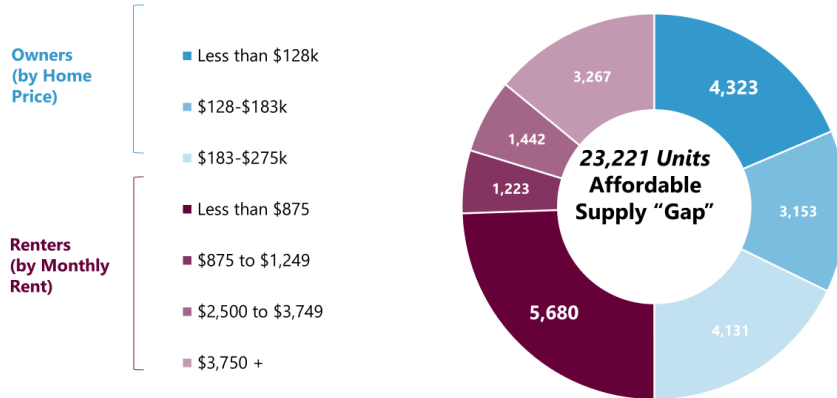
	Number of Sales in Past 3 Months ¹	Average Unit Size in Square Feet	Average Sales Price Per Unit	Average Sales Price Per-Square-Foot	Percent of AMI Required to Afford Unit ²
Studio/1-Bedroom	11	901	\$254,272	\$274	113%
2-Bedroom	143	1,373	\$398,282	\$292	148%
3-Bedroom	255	1,798	\$519,529	\$292	167%
4-Bedroom	137	2,577	\$734,823	\$285	212%
5+ Bedrooms	53	3,536	\$932,785	\$265	260%

¹ Includes a sample of 608 sales occurring in the prior three months (September-November 2023).
² Based on 2023-24 income limits for Phoenix-Mesa-Scottsdale MSA, adjusted for household size. Assumes 1.5 persons per bedroom.

Sources: Arizona Regional Multiple Listing Service (ARMLS); Redfin; Gruen Gruen + Associates.

Diminishing Housing Affordability

Past Affordability "Gap Analysis" for Chandler

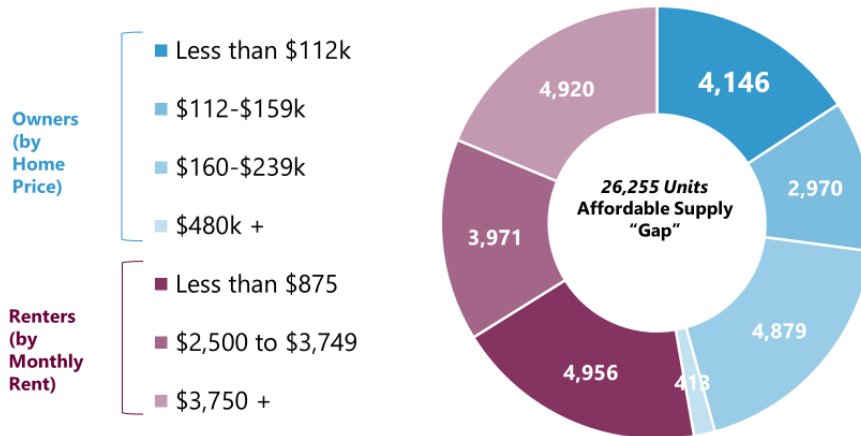


Note: Renters in higher price brackets can also afford units affordable to lower incomes (e.g., a household that can afford \$2,500 in monthly housing cost can also afford units in the \$1,250 to \$1,874 price bracket).

Source: Gruen Gruen + Associates 2022

Diminishing Housing Affordability

Current Affordability "Gap Analysis" for Chandler



Note: Renters in higher price brackets can also afford units affordable to lower incomes.

Source: Gruen Gruen + Associates 2023

Need for Lower Priced Housing Units

Lower Priced Housing Units

17,000

to Meet Existing Affordable Housing Needs

- Ownership (for-sale) units priced below \$240,000
- Rental units priced below \$875 monthly gross rent

Household Income	Maximum For-Sale Housing Price	Maximum Monthly Gross Rent
Less than \$35,000	Below \$112,000	Below \$875
\$35,000 to \$49,999	\$112,000 to \$159,999	\$875 to \$1,249
\$50,000 to \$74,999	\$160,000 to \$239,999	\$1,250 to \$1,874

For detailed calculations, see Table 2 and Table 3 of the "Update to Affordable Housing Needs Assessment and Data" report.

17

17



Council Direction: Continue executing the City's affordable housing strategy, including commencing construction of Chandler's first Rental Assistance Demonstration (RAD) project and planning for subsequent repositioning of public housing assets.

18

Actions and Strategies

- **Create More Homes for More People**
- **Keep Housing Affordable and in Good Repair**
- **Help People Stay in Their Homes and Communities**
- **Utilize Land for Housing**
 - Increase inventory of all types and for all incomes



Actions and Strategies

Create More Homes for More People

- **Units Added from January 2018 - April 2024**
 - 3,183 Single Family Units
 - 5,154 Multi-Family Units
- **Additional Affordable Units**
 - Newtown Community Land
 - 71 Homes
 - ARM
 - 16 Affordable Rental Units
 - Habitat For Humanity
 - 15 Homes
 - Low Income Housing Tax Credit (LIHTC) Units
 - 447 Units
 - Affordable/Workforce Housing concepts introduced during preliminary discussions with developers

Housing For All



Actions and Strategies Keep Housing Affordable and in Good Repair

- **City Public Housing Authority providing 303 units**
 - 163 Family Units
 - 37 Senior Units
 - 103 Single-family homes
- **Repositioning Public Housing through Rental Assistance Demonstration (RAD)**
- **Housing Rehabilitation Program**
 - Average of 25 homes per year received assistance with repairs related to health and safety
- **Let's Pull Together**
 - FY 2023/2024, volunteers worked on over 250 homes



21

21

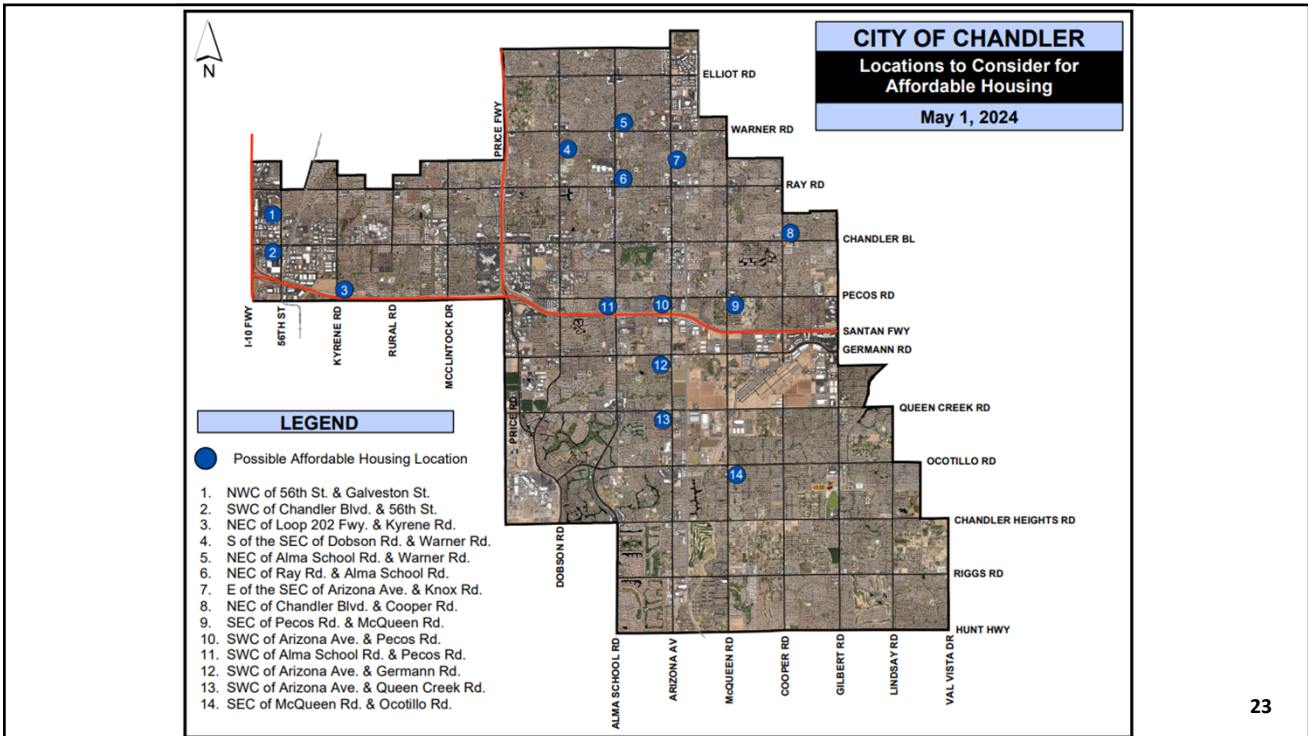
Actions and Strategies Permitting Process and Timelines

- **The review time for both civil and building submittals is 20 working days per cycle**
- **On average civil approval takes three cycles and building approval two**
- **These timeframes are affected by the time that it takes the applicant to re-submit a complete/revised package**
- **Pre-Technical Review**
- **Electronic Plan Review**



22

22



Actions and Strategies Utilize Land for Housing

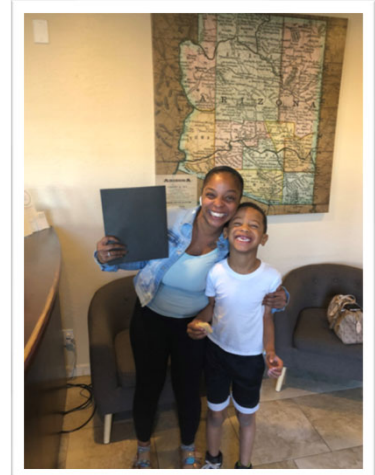
1. SWC Arizona Avenue and German Road
2. SWC Arizona Avenue and Queen Creek Road (Recently re-zoned to PAD Multi-Family w/support retail)
3. NEC Alma School and Warner roads
4. NEC Loop 202 and Kyrene Road
5. E of SEC Arizona Avenue and Knox Road
6. NEC Chandler Blvd. and Cooper Road
7. SEC McQueen and Ocotillo roads (application filed to rezone to PAD Residential)
8. NEC Ray and Alma School roads
9. S of SEC Dobson and Warner roads (Recently re-zoned PAD Multi-Family)
10. NWC 56th and Galveston streets
11. SWC Chandler Blvd. and 56th streets
12. SWC Arizona Avenue and Pecos Road
13. SWC Alma School and Pecos roads
14. SEC Pecos and McQueen roads

Actions and Strategies Help People Stay in Their Homes and Communities

- **Tenant Based Rental Assistance (TBRA)**
 - 25 vouchers providing for 24 months of assistance
 - HOME funded
 - Follow HUD payment standards
 - Tenant pays 30% of their income

- **Emergency Housing Vouchers (EHV)**
 - 28 vouchers provide assistance through 2030
 - ARPA funded
 - Follow HUD payment standards
 - Tenant pays 30% of their income

- **Veteran Affairs Supportive Housing (VASH)**
 - 10 Veterans with wrap around services from VA



25

25

Current Happenings

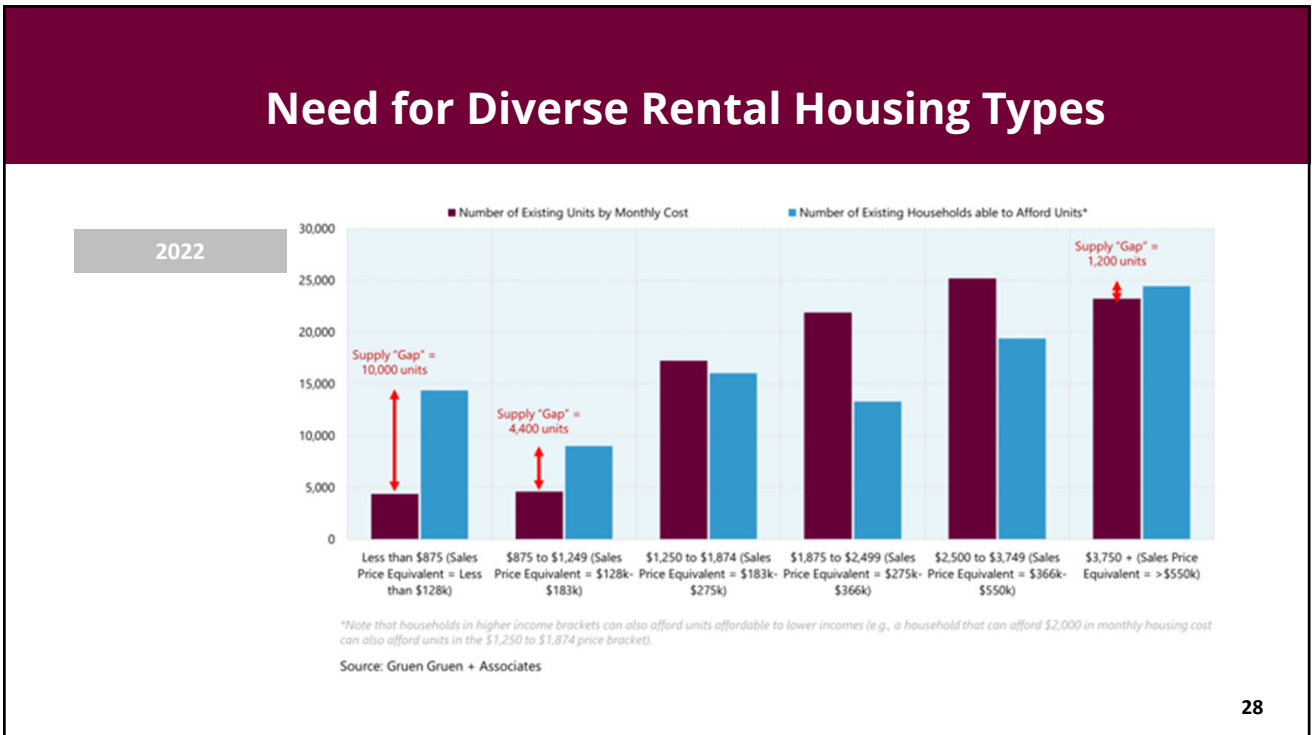
- **Continue Repositioning of Public Housing to Increase Availability of Units**
 - Villas on McQueen Construction start Summer 2024
- **RFQ and RFP to redevelop public housing site 73 S. Hamilton**
- **Use planning tools and incentives to stimulate private sector housing affordability solutions**
 - Low Income Housing Tax Credits
 - Bonds through IDA
- **Updates codes and area plans to reflect need for more housing options**
 - Allow Accessory Dwelling Unites (ADU)
 - Setback reduction within infill areas
- **State and Federal efforts to address housing strategies and affordability**
 - 10% of commercial space to residential HB2297
 - Housing Assessment SB1162
- **General Plan Update**

26

26



27

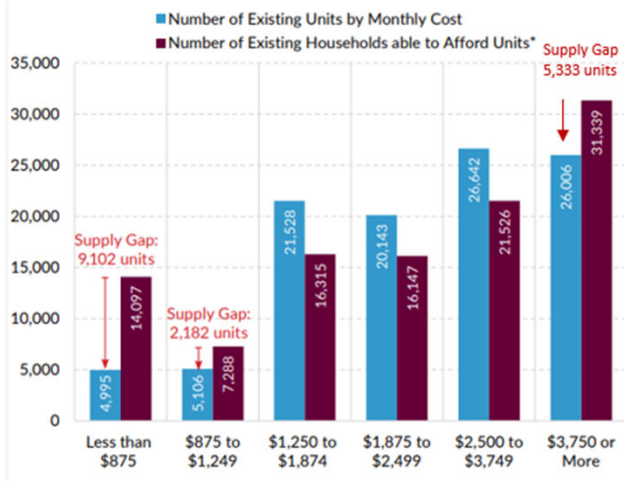


28

28

Continued Need for Rental Diverse Housing Types

2023



* Note that households in higher income brackets can also afford units affordable to lower incomes (e.g., a household that can afford \$2,000 in monthly housing cost can also afford units in the \$1,250 to \$1,874 price bracket).

29

29

Elements of a Comprehensive Housing Plan

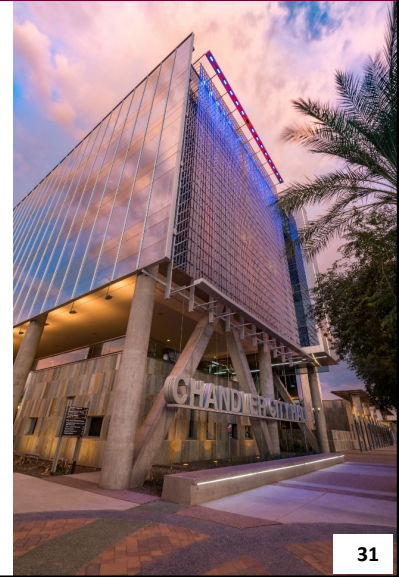
- Analyze market demand/housing needs, including submarkets and specific geographic areas
- Identify medium and long-term goals
- Consider best practices of how cities successfully create housing options
- Find highest and best use of city owned sites
- Identify housing product types and locations
- Recommend competitive funding/grants/leverage private sector funding
- Identify ways to acquire and develop resources (staff, funding, management systems, partnerships)
- Recommend certain number of affordable/workforce housing units through development agreements
- Evaluate future impact of housing projects and what influences specific project characteristics
- Address HB 2297 and SB1162 requirements and General Plan Housing Element requirement

30

30

Next Steps

Council Subcommittee	May 7, 2024
Funding Carryforward Request	May 20, 2024
Create Steering Committee	June 2024
Define Scope of Work	July 2024
Issue Request for Proposals	Aug. 2024
Select Vendor/Consultant/Kickoff	Sept. - Oct. 2024
Community and stakeholder meetings	Jan. - March 2025
Final Plan Submitted to City	June 2025
Integration into Housing Element for the General Plan	2025

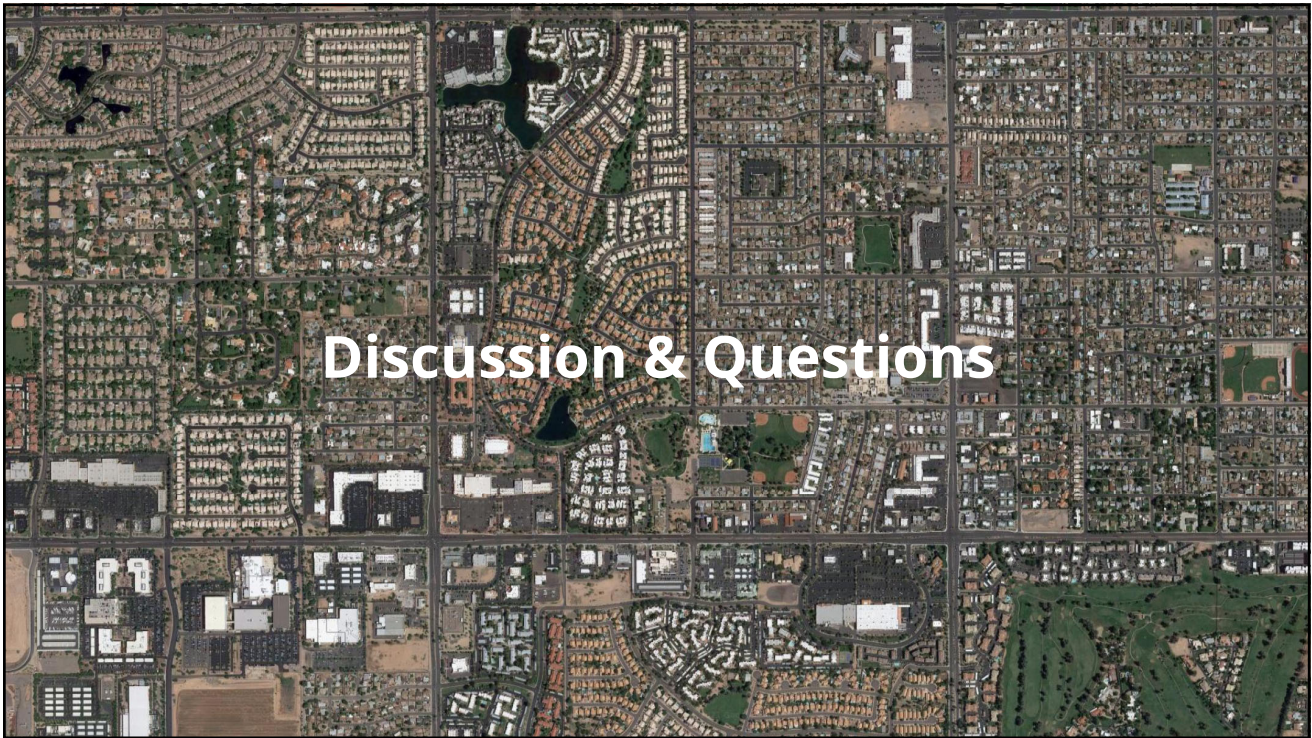


Steering Committee and Stakeholders

Potential Partners and Stakeholders

- Social Services Agency
- Affordable Housing Developers
- Mission Based For Profit Housing Developers
- School Districts
- Chamber of Commerce
- Non-Profits
- Churches





33



34