

Homebuyer Assistance Programs

*Community Homebuyer Assistance, Permanent
Affordability & Employer Assisted Housing*

OCTOBER 2026



**FLAGSTAFF
HOUSING**
DIVISION



Community Homebuyer Assistance Program (CHAP)



CHAP Background:

- Funded by the City of Flagstaff Housing Bond, passed by the voters in 2022. The bond dedicated \$7 million toward down payment/closing cost assistance to help eligible buyers with the up-front costs of homeownership.
- The City of Flagstaff contracted with Housing Solutions of Northern Arizona (HSNA) to administer the bond-funded CHAP programs and the City's Employer Assisted Housing Program (EAH) in August 2025.

Community Homebuyer Assistance Program (CHAP)



About HSNA:

- HSNA is a HUD-Approved Housing Counseling Agency, serving Flagstaff and northern Arizona since 1990. We have partnered with the City of Flagstaff since 1999 to administer financial assistance to eligible first-time homebuyers, combined with pre-purchase housing counseling and education.
- Since 1995, HSNA has administered financial assistance to benefit 522 first-time homebuyer households in northern Arizona.

Community Homebuyer Assistance Program (CHAP)



About CHAP:

- CHAP provides up to \$50,000 in matching loan funds to buyers who are mortgage eligible but who need help with the up-front costs of homeownership such as down payment, closing costs and/or interest rate buy-down.
- Buyer funds are matched 10 to 1 with CHAP assistance. Up to \$5,000 of buyer contribution can be matched with up to \$50,000 in CHAP loan funds.
- CHAP is a LOAN, which is NEVER forgiven. The loan is recorded in second position behind the buyer's primary mortgage loan, secured against the property.

Community Homebuyer Assistance Program (CHAP)



CHAP Eligibility:

- Buyers must be a first-time Flagstaff homebuyer who has not owned a home in the Flagstaff area (defined as the Flagstaff Metropolitan Planning Organization boundary) in the most recent 3 years. HUD's definition has some specific exceptions.
- Home must be located within Flagstaff City Limits.
- At least one homebuyer in the household (and on the primary mortgage) must have lived or worked in the Flagstaff Metropolitan Planning Organization boundary for at least 12 consecutive months prior to purchase.
- Must complete Housing Solutions' online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract.

Community Homebuyer Assistance Program (CHAP)



CHAP Eligibility:

- Household income (from all adults in the household, even if they are not on the first mortgage) must not exceed 150% of the area median income. These limits are set by the City of Flagstaff and adjusted annually (usually in the spring). Income limits are created using HUD-provided data.

2026 Flagstaff 150% AMI Limits:

Family Size	1 person	2 person	3 person	4 person	5 person
Annual Income Limit	\$117,600	\$134,400	\$151,200	\$168,000	\$181,500

Community Homebuyer Assistance Program (CHAP)



CHAP Repayment:

- CHAP assistance is NEVER forgiven and ALWAYS repaid.
- Repayment occurs when the buyer/owner triggers repayment with an action: (1) sale of the home or change in title, (2) refinance for cash out, or (3) the home is not owner-occupied.
- If purchasing a home with a resale formula that restricts future sales price, the amount of CHAP assistance repaid is the amount of assistance received.

Community Homebuyer Assistance Program (CHAP)



CHAP Repayment:

- If the buyer purchases a home on the market without resale restrictions, the amount of CHAP assistance repaid is based on a shared-appreciation formula:
 - Repayment is the full amount of assistance received, plus a share of the home's appreciation, which is equal to the assistance amount divided by the original purchase price. That percentage is applied to the amount of appreciation that occurred between the time the home was purchased and the time of repayment.
 - If the buyer repays CHAP assistance within 7 years of purchase, the shared appreciation percentage is cut in half.

Community Homebuyer Assistance Program

Permanent Affordability

(CHAP-PA)



CHAP-PA Background:

- Funded by the City of Flagstaff Housing Bond, passed by the voters in 2022. The bond dedicated \$7 million toward down payment/closing cost assistance to help eligible buyers with the up-front costs of homeownership.
- The City has dedicated a portion of that \$7 million to a permanent affordability pilot program. Funds allocated on a first-come, first-served basis.
- The intent of the program is to increase affordable homeownership opportunities for Flagstaff homebuyers, while growing a stock of permanently affordable ownership units.
- The program lowers buyer acquisition costs through strategic city investments in exchange for permanent affordability.

Community Homebuyer Assistance Program

Permanent Affordability

(CHAP-PA)



CHAP-PA Eligibility:

- Buyers must be a first-time Flagstaff homebuyer who has not owned a home in the Flagstaff area (defined as the Flagstaff Metropolitan Planning Organization boundary) in the most recent 3 years. HUD's definition has some specific exceptions.
- Home must be located within Flagstaff City Limits.
- Home sales price cannot exceed \$600,000.
- At least one homebuyer in the household (and on the primary mortgage) must have lived or worked in the Flagstaff Metropolitan Planning Organization boundary for at least 12 consecutive months prior to purchase.
- Must complete Housing Solutions' online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract. Counseling is free; online homebuyer education is \$75 with discount.

Community Homebuyer Assistance Program Permanent Affordability (CHAP-PA)



Eligibility:

- Household income (from all adults in the household, even if they are not on the first mortgage) cannot exceed 125% of the area median income. These limits are set by the City of Flagstaff and adjusted annually, typically in the spring.

2026 Flagstaff 125% AMI Limits:

Family Size	1 person	2 person	3 person	4 person	5 person
Annual Income Limit	\$98,000	\$112,000	\$126,000	\$140,000	\$151,250

Community Homebuyer Assistance Program

Permanent Affordability

(CHAP-PA)



CHAP-PA Assistance Terms:

- CHAP-PA assistance is NOT a loan. Instead, a deed restriction or 99-year ground lease will secure the City's investment in the permanently affordable housing unit.
- Assistance Amount: up to 30% of the purchase price/home value. (Example: if the home purchase price is \$500,000 CHAP-PA assistance would be \$150,000 (30% of the \$500,000)).
- The ground lease or deed restriction agreement will be recorded at the same time as the primary mortgage, at home purchase.
- Buyer must occupy the property as their primary residence.
- Refinancing the first mortgage loan in the future is permitted. Refinancing with cash out is permitted, provided the total first mortgage principal after refinance does not exceed projected resale price of the home.

Community Homebuyer Assistance Program

Permanent Affordability

(CHAP-PA)



Resale Restrictions:

- Resale restrictions limit sale to an eligible buyer, as explained in the ground lease or deed restriction.
- Resale price is determined by a formula:
 - Initial market price - City CHAP-PA assistance = Initial Affordable Purchase Price
 - Resale formula is appraisal-based.
 - Initial Affordable Purchase Price + [(Appraisal 2 - Appraisal 1) x 25%] = Affordable Resale Price

Community Homebuyer Assistance Program

Permanent Affordability

(CHAP-PA)



Resale Price Calculation Example:

- Market Value of home purchased with CHAP-PA = \$400,000
- City CHAP-PA assistance = 30% of market value, which is \$120,000
- That makes the Initial Affordable Purchase Price = \$280,000.
- Assumption: Home appreciates during ownership so the new market value = \$500,000.
- Market value appreciation (Appraisal 2 - Appraisal 1) = \$100,000.
- That market value appreciation would be multiplied by 25%, which equals \$25,000.
- The resale price would be the Initial Affordable Purchase Price plus resale appreciation calculation (above): $\$280,000 + \$25,000 = \$305,000$.

City of Flagstaff *Employer Assisted Housing Program* (EAH)



About EAH:

- Funded by the City of Flagstaff through annual general fund allocation. Funding availability is contingent on the City's budget allocation for the fiscal year and program demand.
- EAH provides up to \$20,000 in matching loan funds to buyers who are eligible employees of the City of Flagstaff and are mortgage eligible.
- Buyer funds are matched 2 to 1 with EAH assistance. Up to \$10,000 of buyer contribution can be matched with up to \$20,000 in EAH loan funds.
- EAH is a LOAN, which has PARTIAL forgiveness. The loan is recorded in second position behind the buyer's primary mortgage loan, secured against the property.

City of Flagstaff *Employer Assisted Housing Program* (EAH)



Eligibility:

- At least one buyer must meet employment requirements with City of Flagstaff.
- City of Flagstaff employee must not have owned a home within the Flagstaff Metropolitan Planning Organization (FMPO) boundary within the last three years.
- Must complete Housing Solutions' online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract.
- Must occupy the home purchased as the buyer's principal residence.
- As this is a city employee benefit there are no income restrictions for the EAH program.
- Home located within FMPO Boundary.

City of Flagstaff

Employer Assisted Housing Program

(EAH)



Repayment:

- EAH assistance is a LOAN with no payments and no interest.
- Up to \$10,000 of the loan is forgiven (on a pro-rata basis) over 10 years if the home is owner-occupied and the buyer remains employed with the City of Flagstaff.
- When funds are forgiven, the IRS considers this income. Forgiven EAH assistance will be added to employee's W-2 for tax purposes.
- Funds are repaid immediately to the City of Flagstaff when any of the following occur:
 - Sale of home or change in title.
 - Refinance to access equity in the home (City will subordinate behind new first mortgage allowing a refinance to reduce payment or interest rate).
 - Employment with the City of Flagstaff is terminated for any reason.
 - Home is no longer owner-occupied.

Outreach



- In partnership with the City of Flagstaff, completed an information session at City Hall for interested buyers and partners; presentation was recorded and is available electronically.
- Completed podcast with NAAR President re: assistance programs
- Spoke to three Realtor Office Meetings re: assistance programs
- Daily Sun news articles about the launch of CHAP/EAH and HSNA serving 500 first-time homebuyers
- Participated in city-sponsored housing events, including Fair Housing Month booths
- Ongoing social media postings about program impact
- Featuring first-time homebuyer impact in our monthly e-newsletter
- Communicated re: program design to Housing Commission and HSNA's volunteer HAP Committee, comprised of local lenders
- Working to create virtual Realtor/lender training that can be accessed at any time

Homebuyer Assistance Impacts

(August 2025 – September 2026)



CHAP Impact:

# of Households	Total Assistance	Average Assistance	Average Buyer Contribution	Average Mortgage	Average Purchase Price	Average Household Income	Average Household AMI %
25 (52 people)	\$1,137,300	\$45,492	\$21,100	\$334,023	\$393,294	\$99,357	110.15%

- Five buyers purchased permanently affordable homes. Three buyers layered CHAP with the City's FAHP program to purchase a developer-built affordable home. Two buyers used CHAP to purchase an HSNA CLT home.
- 28% of buyers were female-headed households
- Average length of time living in Flagstaff prior to purchase = 12.3 years.

Homebuyer Assistance Impacts

(August 2025 – September 2026)



CHAP Impact:

Employers	# of Employees Benefitted
Northern Arizona University	6 employees
Government	6 employees
Medical Field	3 employees
Flagstaff Unified School District	2 employees
WL Gore	4 employees

- Three additional households are under contract to purchase utilizing CHAP assistance.

Homebuyer Assistance Impacts

(August 2025 – September 2026)



CHAP-PA Impact:

# of Households	Total Assistance	Average Assistance	Average Buyer Contribution	Average Mortgage	Average Purchase Price	Average Household Income	Average Household AMI %
2 (6 people)	\$292,500	\$146,250	\$16,849	\$334,941	\$510,071	\$114,751	113.89%

- Two buyers purchased permanently affordable homes through the CHAP-PA Program.
- Average length of time living in Flagstaff prior to purchase = 10.5 years.
- Both buyers work for NAU.

Homebuyer Assistance Impacts

(August 2025 – September 2026)



EAH Impact:

# of Households	Total Assistance	Average Assistance	Average Buyer Contribution	Average Mortgage	Average Purchase Price	Average Household Income	Average Household AMI %
7 (16 people)	\$134,000	\$19,143	\$57,960	\$436,025	\$487,500	\$139,933	150.23%

- Average length of time living in Flagstaff prior to purchase = 14.7 years.
- Eight City of Flagstaff employees benefited from the program, including 3 firefighters and two police officers; 3 co-borrowers employed in the medical field benefited.

Homebuyer Assistance Programs



Impact:

"A few months ago, our dream of owning a home was fully realized. The littlest of things that we do like unlocking our front door, hanging mementos on our walls, or choosing paint colors still feel very surreal ... Now that spring is approaching we are looking forward to planting vegetables and fruits in our garden which is a great metaphor for how Northern Arizona Housing Solutions has planted the seeds of housing stability and security for not just our family, but for many others in our region."

Tamara, 1st-time homebuyer w/ CHAP Assistance

Homebuyer Assistance Programs



Impact:

“Purchasing our first home was a major milestone for our family and the beginning of a new chapter. We are grateful to have a place we can call our own, where we can build memories, create stability, and grow together for years to come.”

Alyssa, 1st-time homebuyer w/ CHAP Assistance

Homebuyer Assistance Programs



Impact:

“Thanks to you, we get to live and love in our forever home in Flagstaff. It is so rare that working families can afford homes in this town and your team works tirelessly to make this possible. ”

John, 1st-time homebuyer w/ CHAP Assistance

Historic Homebuyer Impacts

(May 1999 – September 2026)



Flagstaff Homebuyer Impact:

# of Households	Total CHAP Assistance/ Families	Total EAH Assistance/ Families	Total CHAP-B Assistance/ Families	Total CHAP-PA Assistance/ Families	Total Homebuyer Contribution	Total Leveraged Assistance	Total Leveraged Mortgages
380 (966 people)	\$4,113,214 (310)	\$519,832 (45)	\$1,137,300 (25)	\$292,500 (2)	\$4,447,787	\$1,907,034	\$69,101,615

- 37% of buyers were female-headed households.
- Average household AMI% = 89.36%

Housing Solutions of Northern Arizona

Questions?



housingnaz.org/prepurchase

(928) 214-7456

1500 E Cedar Ave. Ste 86

Flagstaff, AZ 86004

(928) 214-7456