

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO



“Housing Matters” – Leading with Solutions

In keeping with our ongoing responsibility to ensure that Arizona state government remains open and transparent, the Arizona Department of Housing (ADOH) produces the quarterly e-newsletter, “Housing Matters.”

“Housing Matters” is a key component of our ongoing efforts to keep the general public informed of current housing conditions and events around the state as well as a vehicle to share the Department’s goals and success stories. By keeping the publication entirely electronic, it allows us to reach a larger audience without a fiscal impact.

Through this publication, we have been successful in promoting our programs and services to a wide audience consisting of nearly 2,000 recipients in about 40 different states. Housing advocates, developers, nonprofits, media outlets, government, and even our elected officials receive an electronic copy of “Housing Matters” each quarter. Since its inception, it has been a highly effective and well received communications and marketing tool which we believe other states should consider replicating, especially given difficult budget constraints.

One of the greatest qualities of our newsletter is the amount of resources that goes into its creation. Photographs and information are gathered from all areas around the state to promote the work of the Department and our partners to help highlight the success of the many housing projects funded through ADOH in addition to our other programs and services.

Over the last year, “Housing Matters” has covered a wide variety of key housing topics ranging from our federally funded Hardest Hit Fund program, Save Our Home AZ, to the importance of providing fair housing for individuals living with disabilities. Additionally, we have used the publication to highlight the success of the Low-Income Housing Tax Credit program within Arizona.

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Arizona Department of Housing
Housing Matters; Quarterly Newsletter

We in Arizona know firsthand just how important housing issues are to our economy, our job market, and our communities. Whether we are highlighting the growing demand for low-income transit oriented developments, projects to assist our growing special needs and homeless populations, promoting upcoming events, sharing human interest stories, our federal and state legislative updates, or our ongoing efforts to provide foreclosure prevention assistance, our message is clear, concise, constant, and compelling, "Housing Matters."

Housing Matters

SPRING 2014
Volume 13 | Number 2

LEADING WITH SOLUTIONS



▲ HUD withdraws Letter of Findings after two year standoff. See page 1

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ADOH RESOLVES DISPUTE WITH HUD

► In 2008 the U.S. Department of Housing and Urban Development (HUD) approved the Arizona Department of Housing's (ADOH) request for authority to use HOME grant funds to build Apache ASL Trails, a 75 unit, low income apartment complex, that would provide accessible housing to individuals who were deaf, hard of hearing, and deaf blind. Located in Tempe, Arizona, Apache ASL quickly became a vibrant, thriving, barrier free community.

In June 2011, Apache ASL Trails won the prestigious Charles L. Edson Tax Credit Excellence Award for Accessible Design. However, just days later, HUD issued a Letter of Findings that placed a cloud over the community, saying that too many deaf people were residing at the property.

As a result for the purported Findings, HUD began enforcement efforts to limit the property's ability to provide a preference to disabled individuals for these accessible units, to only 25 percent. Additionally, in February of 2013, HUD issued a letter directing the City of Tempe to terminate the project-based Section 8 vouchers that had been promised to the property.

Refusing to give in to HUD's requests, ADOH and Cardinal Capital Management, the property's developer, fought tirelessly for two years defending the rights of the residents of Apache ASL Trails to have priority in renting these critically needed accessible units. Additionally, the National Association of the Deaf submitted a letter with sign-ons from 75 other deaf organizations to HUD in April 2013 demanding that HUD respect the wishes of deaf and hard of hearing people to live where they want, including at accessible housing such as Apache ASL Trails. Congresswoman Kyrsten Sinema, Congressman Matt Salmon, Senator Jeff Flake and other members of the Arizona delegation also sought a resolution with HUD on behalf of the residents.

In the United States, experts estimate that there are less than 400 units of low-income housing that are accessible for individuals who are deaf. Apache ASL Trails fills a desperately needed void as they are the only accessible units in the Southwest that provide a full range of amenities for deaf and deaf-blind individuals.

Apache ASL Trails was designed by a deaf architect and great care was taken to ensure that the community would be accessible to this underserved population. Features such as visual alarms, video access at the entrance, enhanced capacity for video relay use, open sight lines, reduced vibrations in the building design, and visual alerts on fans and disposals were built into every unit.

Perhaps more important than the physical features is the embracing of culture and skills that allow residents to communicate in American Sign Language with the manager, their neighbors and with the hairdresser, doctor, and other service providers who have

REP. SINEMA VISITS APACHE ASL

On February 19th, Congresswoman Kyrsten Sinema (CD9) visited with her constituents at Apache ASL Trails in Tempe.

Thank you Congresswoman Sinema, Congressman Salmon and Senator Flake for all that you have done and continue to do on behalf of the residents of Apache ASL Trails!

offices on the first floor. Hearing residents are provided interpreters so that they too can participate in the active social life at Apache ASL Trails. The motto of this wonderful and accessible housing is "Banish Extreme Loneliness."

After a two year standoff, HUD finally announced in late January of this year that they would withdraw the Letter of Findings and close their investigation. ADOH Director Michael Traylor, who championed this fight, applauded the long awaited resolution, saying, "All citizens have the right to be a vibrant part of their community, to choose where they want to live."

This resolution comes as a great relief to the residents of Apache ASL Trails, who have eloquently asserted their rights to be part of their community and to have housing that is both safe and barrier free; however, more needs to be done.

There are over 900,000 Arizonans living with disabilities. While all of them may not need supportive housing, a significant number of them do. Unfortunately, there a major shortage of housing options that promotes independence and dignity for people with disabilities in the state. Additionally, among Arizonans with disabilities, only one in five are employed. Therefore the need for "affordable" accessible housing is critical and must continue to be addressed.



SAVE OUR HOME AZ UPDATE

While there has been a noticeable improvement in the state's housing market, approximately 20 percent of Arizona homeowners are still underwater with several others still facing a potential foreclosure. Moving forward, the Save Our Home AZ program remains dedicated to assisting troubled homeowners and is constantly looking to

adjust the program and find new and creative ways to reach homeowners who may not have heard about the assistance.

Currently, the agency has been able to assist 2,861 families avoid foreclosure and stay in their homes. Over \$90.0 million in program assistance is expended or committed to individual homeowners as of March 31, 2014, through the program which is funded by the United States Department of the Treasury.

Additionally, Arizona's foreclosure hotline has assisted over 69,717 troubled homeowners with important information and housing counseling services.

ELIMINATING NEGATIVE EQUITY

The Save Our Home AZ program has been a leader in combining principal reduction assistance with HARP 2.0, a program designed to help responsible homeowners who are current with their mortgages but continue to face a negative equity positions with their mortgages. The program became available in July 2012. To date, we have disbursed over \$29.4 million to homeowners who are "underwater," reducing their mortgages by an average of \$51,940.

In February, the program received approval from Treasury to expand its negative equity assistance to homeowners whose negative equity position creates a disincentive for them to remain in their mortgage, as long as the homeowner is otherwise eligible for the program. This would allow homeowners with an affordable mortgage payment, but significant negative equity, to receive relief from their underwater mortgage position, creating more flexibility for their future with respect to refinancing or selling the property. Approximately 20 percent of Arizona homeowners continue to be plagued with negative equity positions which is a continued drag on Arizona's real estate market.

Save Our Home AZ was created to assist homeowners avoid foreclosure on their primary residence. The program provides assistance in the form of Principal Reduction Mortgage Modification, Unemployment/Underemployment Mortgage Assistance, Second Lien Elimination and Short Sale Assistance.

For additional information, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the **ARIZONA FORECLOSURE HELP-LINE** at **1-877-448-1211**.

Governor Brewer Declares April Fair Housing Month in Arizona

On April 11, 1968, President Lyndon Johnson signed the Civil Rights Act of 1968 into law. Popularly known as the Fair Housing Act, this historic legislation prohibited discrimination concerning the sale, rental, and financing of housing based on race, religion, national origin, sex, handicap, and family status.

Well into the late 1960s, race-based housing patterns were still quite prevalent throughout the country. Despite a number of Supreme Court cases prohibiting the discrimination of minorities from the opportunity to live in certain sections of cities, the problem persisted.

Although the subject of a contentious debate in Congress, this critical legislation was finally passed shortly following the assignation of civil rights leader Dr. Martin Luther King, Jr. Prior to its passage and King's funeral, President Johnson argued that this bill would be a fitting tribute and testament to King's legacy.

In honor of the 46th anniversary of this momentous legislation, Governor Jan Brewer has signed a proclamation declaring April 2014, Fair Housing Month, in Arizona.





FEDERAL LEGISLATIVE UPDATE

PRESIDENT RELEASES FY2015 BUDGET

➤ On March 4, the Obama administration sent Congress its FY2015 budget totaling \$3.901 trillion. The President's proposal includes \$46.7 billion in spending for HUD programs which is a 2.6 percent increase over the FY2014 funding level. While very little of the President's budget is expected to become law or seriously considered by Congress, it does serve as a benchmark for congressional Democrats.

Some of the Administration's FY15 budget requests include:

- HOME Investment Partnership Program: \$950M, 5 percent less than FY2014 level
- Community Development Block Grants: \$2.8B, 8 percent less than FY2014 level
- Housing Choice Vouchers: \$20M, 5 percent more than FY2014 level
- Section 8 Project-Based Rental Assistance: \$9.7B, 2 percent less than FY2014 level
- Homeless Assistance: \$2.4B, 14 percent more than FY2014 level
- Elderly Housing (Section 202): \$440M, 15 percent more than FY2014 level
- Persons with Disabilities (Section 811): \$160M, 27 percent more than FY2014 level
- AIDS Housing (HOPWA): \$332M, 1 percent more than FY2014 level

The US House on April 10 passed its FY2015 Budget Resolution, drafted by Congressman Paul Ryan (R-WI); however the Senate will not be moving forward with a counter proposal given that Congress already agreed to a FY2015 discretionary spending cap of \$1.014 trillion in the Bipartisan Budget Act of 2013. Therefore there will be no budget conference between the Senate in the House for FY2015 and Congress will not adopt a joint budget resolution this year.

TAX REFORM UPDATE: BIPARTISAN PROPOSAL KEEPS LIHTC PROGRAM

➤ U.S. House of Representatives Ways and Means Committee Chairman, David Camp (R-MI), recently released his much anticipated proposal for comprehensive tax reform. In a memorandum to his Committee members, the Chairman expects the Committee to "continue its efforts to both educate members and stakeholders" on the tax reform discussion draft he released February 26, "as well as collect and analyze feedback from members and taxpayers on the policy decisions contained in it." Congressman Camp plans to hold hearings on specific portions of the bill and "begin advancing permanent legislation through the Committee that paves the way for tax reform by making incremental progress towards full reform."

Under the Camp proposal, the Low-Income Housing Tax Credit program is preserved; however, several modifications are made to the program.

Below are some of the proposed modifications to the LIHTC program:

- Credit allocating agencies would allocate qualified basis, rather than Credit amounts.
- The annual amount of allocable basis for each State would be equal to \$31.20 multiplied by the State's population, with a minimum annual amount of \$36,300,000. The annual amount would continue to include unused basis allocations from the prior year plus basis allocations returned to the State during the calendar year from previous allocations.
- The national pool of unused Credits would be eliminated.
- The Credit period would be extended from 10 years to 15 years to match the current 15-year compliance period.
- The recapture rules also would be repealed "as no longer necessary to ensure that the building continues to be a low-income housing project for the duration of the tax benefit."
- The 4 percent Credit would be repealed.
- The 9 percent Credit for newly constructed property and substantial rehabilitations would be retained.
- Federally funded grants would not be taken into account in determining the eligible basis of a building for purposes of the Credit.
- The amount of the Credit would continue to equal the qualified basis in the qualified low-income building multiplied by the applicable percentage. The IRS would determine the applicable percentage generally for the month that the building is placed in service, which would be equal to the percentage that would yield over a 15-year period a Credit amount that would have a present value equal to 70 percent of the qualified basis of the building.
- The increased basis rule for high-cost and difficult development areas would be repealed.
- The general public-use requirement would be revised to eliminate the special occupancy preference for members of specific groups under certain Federal or State programs and the special preference for individuals involved in artistic and literary activities. Instead, occupancy preferences would only be permitted for individuals with special needs and for veterans.
- The requirement that States include in their Credit allocation selection criteria the energy efficiency of the project and the historic nature of the project would be repealed.

See **FEDERAL UPDATE** on page 4



STATE LEGISLATIVE UPDATE

52ND LEGISLATURE ADJOURNS SINE DIE

➤ On Thursday, April 24, the 52th Arizona State Legislature adjourned sine die after 101 days in session. While lawmakers were not faced with the daunting challenge of having to close a budget deficit, the budget did influence and dominated the tone of the legislative session with education funding and the development of a new child-welfare agency taking center stage.

LEGISLATURE AND GOVERNOR FINALIZE \$9.23B BUDGET DEAL

➤ On April 7, the Arizona Legislature approved a \$9.23 billion budget which included \$41.5 million in new spending. While the final version was not exactly what Governor Brewer had recommended to the Legislature back in January, her office was fairly pleased with the final outcome, given the State's budget limitations. Governor Brewer signed the complete budget package on April 11; however, she did use her line-item powers to preserve \$4.64 million for critical areas such as child welfare and education.

For several weeks the House and Senate were at odds with one another going back and forth on several budget amendments. In March, the House had approved a \$9.24 billion budget package expecting the Senate to sign onto the deal; however, just days later, the Senate made some significant changes to the House version, stripping off millions in proposed spending.

The House had proposed \$56 million in new spending with the Senate offering up \$27 million. The House refused to accept those changes sending the budget to a conference committee. After several days of negotiations and consultation with the Governor's Office, the House and Senate leadership agreed to split the difference with their numbers and settled on \$41.5 million in new spending measures.

Education spending for universities and for district schools that have converted to charters were some of the more contentious issues. Additionally Governor Brewer and several members of the Legislature were troubled with language in the Senate proposal that did not include a firm commitment by the body to add additional funding for the newly proposed child-welfare agency that will soon replace CPS.

The final budget agreement included \$4.5 million more for state universities and \$24.5 million for district schools that convert to charters; however, there will be a moratorium on public school conversions following FY2015. Additionally, the budget deal contained intent language from the Legislature to go back and add additional funding for the soon to be created child-welfare agency. Governor Brewer will call a special legislative session for members to address this matter and fully fund the new agency sometime in late May or early June.

FEDERAL UPDATE *continued from page 3*

Despite a strong push for tax reform among Democrats and Republicans, Congress is not expected to seriously a comprehensive tax reform measure until at least next year due. The Senate Finance Committee did pass a tax extenders package in early April that would extend for two years many expiring tax provisions, including a provision extending the minimum 9 percent Housing Credit rate for allocations made before January 1, 2016; however, the House has not fully committed to an extenders bill at this point.

HOUSING FINANCE REFORM UPDATE

➤ Senate Banking Committee Chairman Tim Johnson (S-SD) and Ranking Member Mike Crapo (R-ID) released their well anticipated housing finance reform legislation on March 16th, entitled the Housing Finance Reform and Taxpayer Protection Act of 2014.

Among other reforms, the proposed legislation would gradually wind down Fannie Mae and Freddie Mac, replacing them with the Federal Mortgage Insurance Corporation (FMIC), a government agency that would provide catastrophic reinsurance for mortgage-backed securities. Under their proposal, private entities would be expected to cover losses of at least 10 percent of the principal of a covered security before the FMIC's coverage went into effect.

While there is an overall consensus among Congressional members that housing finance reform is long overdue, the Johnson-Crapo plan may have trouble securing enough support in both legislative chambers. Many Congressional members, especially in the House believe that the government should get out entirely from the mortgage industry. House Financial Services Chairman, Jeb Hensarling (R-TX) in his own proposal is calling for the immediate elimination of Fannie Mae and Freddie Mac with no government reinsurance on mortgages.

Regrettably, like tax reform, proposals to reform the housing finance system are not expected to move forward this year; however, members on both sides of the aisle are hoping to continue the dialogue in order to keep the momentum going for the next Congress.

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Featured Groundbreakings & Grand Openings

LA MESITA | Mesa, AZ



➤ Located at 2254 W. Main Street, within walking distance of the Valley Metro Light Rail in Mesa, La Mesita was developed by A New Leaf, Inc. who partnered with Native American Connections, Inc. to complete this project.

This 80 unit, low-income, apartment complex will serve residents at 30, 50, and 60 percent of area median income. 24 of the units are set aside for households with children and 30 are set aside for the chronically homeless, under the Housing First model.

The “Housing First” concept places individuals into a stable environment which includes access to social and medical services. Rather than gradually working their way through various shelters or temporary housing facilities, “Housing First” individuals go immediately into permanent housing, regardless of their current

circumstances. This approach is based on the belief that an individual is more likely to succeed by removing the instability that comes with being homeless.

A New Leaf will provide a mix of supportive services including access to a New Leaf’s Child Care Program, before and after school educational programs, computer training and workforce development initiatives and financial literacy. La Mesita was constructed to meet LEED Gold certification. The property includes a multipurpose room, pool, common laundry area, playground, exercise equipment, theater and game rooms, a Ramada and BBQ areas.

La Mesita held their grand opening on March 31.



STEPPING STONE | Phoenix, AZ



➤ Located in the Central City Village Planning District of Phoenix at 1311 N. 14th Street, Stepping Stone Place is a permanent supportive housing community developed by Native American Connections.

Stepping Stone Place is the redevelopment of an existing affordable housing community consisting of 83 low-income units set aside for individuals at 40, 50 and 60 percent of -area median income. 17 of the units are set aside for veterans.

Case management and supportive services will be provided on-site, or at the Native American Connections Service Center, for tenants who are chronically homeless, seriously mentally ill, and/or have been diagnosed with HIV/AIDS. The services will include case management, alcohol/drug rehabilitation

program services, mental health program services, employment services, access to entitlement benefits, counseling, education, healthcare, transportation, life skills training, and services through other community partners (legal, financial literacy, etc.).

The project has been constructed to meet LEED Gold certification. Amenities include a community room, a common laundry area, tenant services, a BBQ and picnic area, and a beautiful courtyard amphitheatre.

The grand opening for Stepping Stone Place took place on March 28th.



TEMPLE SQUARE | Mesa, AZ



▶ Temple Square, located at 324 S. Horne Street, hosted their grand opening on January 8th to celebrate the project's \$23 million rehabbing. The project was developed by the Greater Phoenix Urban League along with 202 Developers, LLC.

Formerly known as the Palms at Mesa, Temple Square is conveniently located within walking distance of the Valley Metro Light Rail system. This 152 unit complex, with 61 units set aside specially for families, offers before and after school programs, parenting classes, computer training, job training, job placement and financial counseling for individuals who are at 40, 50, and 60 percent of area median income. Additionally, there are two separate childcare centers located within a half a mile of the complex.

Temple Square's amenities include a community room, a common laundry area, security, tenant services, a playground and BBQ areas.

Arizona Housing Finance Authority Activities

▶ The Board of Directors of the Arizona Housing Finance Authority at its meeting March 13, 2014 approved a change to the Home Plus program that provides an additional 1 percent downpayment and/or closing cost assistance to qualified military personnel using the Home Plus program. Qualified military personnel can now receive a total of 5 percent assistance to help in the purchase of a home. Representative Sonny Borrelli suggested this change to AzHFA staff in order to provide additional assistance for those military personnel who serve or have served our country.

The Home Plus program has been up and running since April 2013. Since its inception, there have been over 280 loans reserved or closed in the amount of \$35 million. The Home Plus program combines a first mortgage loan with downpayment/closing cost assistance of 4 percent of the loan amount. The downpayment assistance is a grant that does not have to be repaid. Additional information on the Home Plus program may be found on the website: www.azhousing.gov.

The AzHFA also offers a Mortgage Credit Certificate (MCC) program for first time homebuyers. The MCC provides a federal income tax credit for part of the interest paid annually on the borrower's first mortgage loan. Additional information on the MCC program can also be found at: www.azhousing.gov.

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SCHEDULED MEETINGS

June 12, 2014

**check website for times*

DO SOMETHING!
2014 Arizona Housing Forum
 Sept 10-12 • JW Marriott Starr Pass • Tucson, AZ

► The Arizona Department of Housing invites you to attend the eleventh annual Arizona Housing Forum, September 10-12, 2014. This event is currently the only statewide housing conference in Arizona, annually drawing over 300 attendees. The theme of this year's Forum is "Do Something!" The 2014 Forum will be held at the J.W. Marriott Starr Pass Resort, located in an area considered to be the "birthplace of Tucson."



This year's keynote speaker, Dr. Uche Odiatu, is the author of **Fit for the LOVE of It** and **The Miracle of Health**. An NSCA certified personal trainer, international speaker and consultant, Dr. Uche breathes enthusiasm and life into his audiences with his energy, insights, practical action steps and humorous observations.



Dr. Lee McPheters is back with 2014 Economic Forecast.

Attendance at the Arizona Housing Forum is invaluable to anyone interested in Arizona's affordable housing industry. Attendees include developers, owners and managers of affordable housing projects, lenders, syndicators, and state and local housing agency staff. Sponsor and exhibitor information is now available on our website.

Once again, the Brian Mickelsen Housing Hero Awards will be presented at the Forum. Recipients of the awards are selected by their peers as the best in their field. The winners will be celebrated at a luncheon on Friday, September 12. Nominations are now open and will be accepted until July 15.

Registration starts at \$250.00 per person until August 15. For more information on this year's program, visit our website on the Event Calendar at www.azhousing.gov or click on the links below.

INFORMATION

REGISTRATION
AGENDA

SPONSORS
EXHIBITORS
HOTEL

GROUND
MEDIA

Housing Hero Award
Nomination



Calendar 2014

MAY	
26	OFFICE CLOSED - Memorial Day
JUNE	
12	Arizona Housing Finance Authority

Funding Deadlines

STATE HOUSING FUND for OOHR

For Federal FY2013 the Department expects to allocate approximately \$2,000,000.00 in State Housing Fund monies for housing rehabilitation programs for owner occupied single family dwellings.. Funds will be allocated through one competitive funding round and the application submission deadline is June 16, 2014 at 4:00 p.m. See Information Bulletin 03-14 for details.

CDBG to COLONIAS SET ASIDE PROJECTS

For FY 2013 and FY2014, the Department expects to allocate approximately \$1.8 million in Community Development Block Grant (CDBG) Program combined funds to Colonias Set Aside Projects. The FY 2013/2014 Colonias Set Aside funds will be distributed in one competitive funding round and the application submission deadline is July 17,2014 at 4 p.m. See Information Bulletin 05-14 for details.

ReinventPHX TOD Predevelopment Assistance Fund

\$500,000 is available through a competitive procurement process for matching predevelopment funds for qualified applications for transit oriented developments along the Phoenix light rail line. The City of Phoenix, in partnership with HUD's Office of Sustainable Housing and Communities, is soliciting proposals for projects that will serve as pilot projects demonstrating best practices in design, use and financing. A total of \$500,000 is available with a maximum of \$250,000 for any one project.

2014 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2014:

July 22-23	LIHTC Compliance Workshop #2
Phoenix Airport Marriott	8:00 am - 5:00 pm \$200.00
October 21-23	LIHTC Compliance Workshop #3
(Available HCCP exam) Casino del Sol, Tucson	8:00 am - 5:00 pm \$200.00
November 6	HOME Workshop
Phoenix Airport Marriott	8:00 am - 5:00 pm \$125.00

info Visit the Event Calendar at www.azhousing.gov for additional information regarding deadlines, registration and hotel accommodations.

New Faces



➤ Jovana Calderon join the Department as a Data Specialist in the Data Department. Jovana's past experience includes data and clerical support; she holds a Veterinary Assistant diploma from Carrington College.



➤ Anne Scott joins the Special Needs Division as a Specialist. Anne has more than 25 years experience in public policy and nonprofit consulting work. Anne holds a Bachelor of Arts in Political Science from the University of Arizona.



➤ Ada Lopez joins the Department as the Administrative Assistant in the Rental Department. Ada is a recent graduate of Arizona State University where she received a Bachelor's in Housing and Community Development. She most recently held a position with the Housing Authority of Maricopa County.



➤ Victoria Welan joins the Accounting Department as an Accounting Specialist and will work on the Hardest Hit Fund. Victoria's work experience includes 20 years in the mortgage and loan processing business.

Housing Matters

WINTER 2014
VOLUME 13 | NUMBER 1

LEADING WITH SOLUTIONS

IS YOUR MORTGAGE UNDERWATER?

Homeowners who played by the rules have a lifeline.

AZHousing.gov
or **1-877-448-1211**

▲ Since September 2010 the Save Our Home AZ program has been dedicated to providing meaningful assistance to homeowners who played by the rules. See story page 1

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Arizona
Department
of Housing

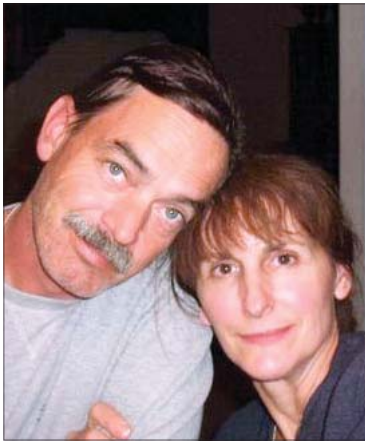




SOHAZ Program Provides Meaningful & Responsible Assistance to AZ Homeowners

The Save Our Home AZ (SOHAZ) program is committed to assisting Arizona homeowners avoid foreclosure, reduce negative equity, and stay in their homes. Since September 2010 the program has been dedicated to providing meaningful assistance to homeowners who played by the rules. In doing so, the program has been fiscally responsible, ensuring that those who need the assistance most are getting it, people like the Godesiabois family.

The Godesiabois Family



▶ David and Julie Godesiabois of Flagstaff, Arizona were blessed to discover the SOHAZ program. The program allowed their family to retain their home, retrain for reemployment, and ultimately assisted the family in reducing the negative equity that made remaining in their home a possible burden on their financial future

After Mr. Godesiabois, the primary bread winner, had become unemployed in the summer of 2011, the family struggled to make ends meet and fell two months behind in their mortgage payments. As the parents of three young children, the Godesiabois' found

the monthly assistance through the SOHAZ program to be a lifesaver, allowing Mr. Godesiabois to take the necessary training to become certified to drive a semi truck. After attaining his certification, he then worked his way up from being an unpaid trainee to a long-haul driver and regained full-time employment in 2013. Eventually, he began driving for a local company so he could be home at night with his family.

In addition to receiving monthly mortgage assistance for a year and a half, once Mr. Godesiabois was reemployed and the family became able to carry their monthly mortgage payments on their own, the SOHAZ program was able to reinstate past due amounts as well as reduce a significant amount of negative equity on their home.

Kim Haislet, a Homeownership Program Specialist with the Northern Arizona Council of Governments, who served as the family's housing counselor and aided them in

attaining assistance through the program said that the Godesiabois' story, "... just gets better. Mr. Godesiabois is now the Transportation Manager of the trucking firm."

SOHAZ WORKS

Everyone who applies to the program receives some type of assistance, either counseling, financial assistance, or both. As of December 31, 2013, over \$84 million in program assistance was committed to assist almost 2,600 homeowners.

The SOHAZ program provides assistance to eligible Arizona homeowners in the form of Principal Reduction Assistance for modification or eligible refinances, Second Lien Elimination, and Short Sale Assistance.

Additionally, SOHAZ has been a leader in the promotion and use of HARP 2.0, a program designed to help responsible homeowners who are current with their mortgages but have been hit hard by the recession and plummeting home prices. This program applies principal reductions to homeowners with negative equity.

Since its inception, SOHAZ has also invested over \$25 million assisting Arizona homeowners significantly reduce their negative equity, families like the Umana's of San Tan Valley.

The Umana Family

▶ Jose Umana, his wife and two daughters have lived in their home in San Tan Valley, Arizona for over six years. In November 2012, Mr. Umana lost his job as an

See SOHAZ on page 2

SOHAZ continued from page 1



insurance agent at a company where he had worked for years. Initially, Mr. Umana relied on unemployment insurance benefits to pay his mortgage, but after several months, Mr. Umana fell behind and faced foreclosure. Like other homeowners who had purchased a home in the last decade, after housing prices fell, his mortgage was seriously underwater. Mr. Umana found himself in a situation of owing fifty-four percent more on his mortgage than his house was currently worth.

After six months of searching for employment and many interviews, Mr. Umana received an offer by American Family Insurance to establish his own office here in Arizona, providing him with the opportunity to regain employment in his previous profession and to do that as a self-employed individual.

Although his employment situation was solved, his mortgage was still significantly underwater and delinquent. It looked to many like his best option was to hand the bank the keys to his family's home and walk away, becoming just another sad statistic in the mortgage foreclosure crisis. Fortunately, Mr. Umana found out about the SOHAZ program.

Utilizing the program's funds, SOHAZ was able to bring Mr. Umana current on his past due payments, eliminating the threat of foreclosure. Not stopping there, the program was able to help Mr. Umana by going one step further. SOHAZ was able to work with Mr. Umana's lender on a mortgage principal reduction that reduced the amount owed on his underwater mortgage, reducing his negative equity from 154% to only 112% of what the home is worth today.

The SOHAZ program is pleased to have been able to have provided the assistance needed to make a difference for both the Umana and the Godesiabois families, assisting them in avoiding foreclosure and giving them hope for a brighter future.

SOHAZ'S ONGOING COMMITMENT

Despite improvements in the state's housing market, nearly one in every four Arizona homeowners is still underwater. According to a recent study, Arizona ranks number three in the nation for the highest negative equity rates at the end of the third quarter for 2013. While home values throughout the state are rising, and foreclosures are back to normal levels, many Arizonans still need assistance. SOHAZ is constantly looking for new and creative ways to help struggling Arizona homeowners avoid foreclosure and reduce negative equity.

For additional information on the Save Our Home AZ program, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the **ARIZONA FORECLOSURE HELP-LINE** at 1-877-448-1211.

KEY HARP 2.0 Program

Qualifications:

- Homeowner's loan must be owned by Fannie Mae or Freddie Mac.
- Household may not have Gross Income of more than 150% of Area Median Income (AMI) (i.e., for a family of four in Maricopa County, the income limit is \$99,562.50 or less).
- Eligible properties may not have an outstanding mortgage(s) in excess of 150% of purchase price. Property must be the homeowner's primary residence.
- Current Loan to Value (LTV) or Combined Loan to Value (CLTV) must be more than 120%.
- Principal reduction target of 100% LTV after HARP 2.0 refinance.
- Assistance will be provided without a lien.
- Unsecured promissory note signed concurrently with HARP 2.0 refinance.
- May be combined with Second Mortgage Settlement Assistance.

Application Process:

- Homeowner verifies that mortgage is owned by Fannie Mae or Freddie Mac.
- Homeowner submits signed documents to SOHAZ by fax or mail (download and complete the Request for Certificate of Eligibility)
- Homeowner receives Certificate of Eligibility from SOHAZ to take to lender.
- Lender pre-approves customer for HARP 2.0 refinance.
- Customer completes SOHAZ online Self-Assessment & Application.
- Counselor completes credit counseling and collects any missing documents.
- Simultaneous close with HARP 2.0 refinance.



Director's Message

As we celebrate the grand openings of several new Low Income Housing Tax Credit (LIHTC) properties I am excited to see the great housing opportunities we are delivering to the marketplace.

Encore on First, Gracie's Village, Urban Living on 2nd Avenue, Villas at Pasadena and Escobedo at Verde Vista are all within walking distance to the Valley Metro Light Rail. Each has its own architectural style and serves different populations including seniors, families, disabled and extremely low income residents.

We're hearing heartwarming stories how residents are significantly reducing their housing and transportation costs, reducing their commute times and benefiting from the many supportive services offered at these location efficient housing communities.

Our development community is doing a great job of meeting the housing needs of Arizona's moderate and low income residents. New affordable housing communities in Tucson, Nogales, Sierra Vista, Flagstaff, Douglas and many other areas around our state are providing opportunities for citizens in need of safe decent housing.

Looking forward to 2014 we have some challenges.

If Congress ever gets to tax reform we will have to be diligent at demonstrating the effectiveness of the Low Income Housing Tax credit program.

Since its beginning in 1987 it has induced nearly 37,900 affordable multi-family apartment units to be built throughout Arizona. Construction activity to date has created nearly 36,000 person years of employment, \$1.3 billion in wages and nearly \$4.0 billion in economic activity. In addition, an estimated \$567.9 million in taxes and fees have been collected from construction related activity.

During the Great Recession LIHTC multifamily construction was a significant portion of overall construction activity in Arizona. Nearly 5,500 units within 80 different projects were approved and constructed from 2008 to 2013.

Our immediate efforts are focusing on permanently fixing the credit at 9% which expired at the end of 2013. Reducing the value of the credit to the floating rate of approximately 7 1/2% and the reduction in HOME funds and the State Housing Trust Fund used to provide gap financing will result in a smaller number of affordable housing units produced during a time of greater need.

The State Housing Trust Fund, along with many other state funded programs during the recession, was significantly reduced from an average of \$30 million per year to \$2.5 million per year. As the state's economy improves we hope to restore the State Housing Trust Fund.

Telling the story of how housing creates stability in families and communities has never been more important. As our country struggles with its massive budget deficit and the resulting reductions to various government funded programs we can't just say housing has value, we have to prove it. Then we need to present that proof to our political leaders and help them understand that housing not only provides stability in families and communities, it is an economic driver. Unfortunately with some it's an uphill battle as we learned with Medicaid expansion last year.

As we work toward our goals to provide attainable safe decent housing for our citizens and services that provide a path to self sufficiency we want to express our appreciation to all of our partners in government, nonprofit and for profit companies. It takes all of us working together to achieve our goals.

We look forward to serving our state with you in 2014.

Arizona Housing Finance Authority Activities

▶ The Annual Meeting of the Board of Directors of the Arizona Housing Finance Authority was held Thursday, October 10. The following Board members were elected to serve as officers for the upcoming year:

Robert Gardiner	Chairperson	John Sundt	Vice-Chairperson
Paul DeSanctis	Secretary	Randall Pullen.....	Treasurer

▶ The 2013 Home Plus program has been operational since April 2013. Since its inception, there have been over 200 loans reserved or closed in the amount of \$26.2 million. The Home Plus program couples a first mortgage loan with downpayment/closing cost assistance of 4% of the loan amount. The downpayment assistance is a grant that does not have to be repaid. Additional information on the Home Plus program may be found on the website: www.azhousing.gov.

▶ The AzHFA also offers a Mortgage Credit Certificate (MCC) program for first time homebuyers. The MCC provides a federal income tax credit for part of the interest paid annually on the borrower's first mortgage loan. Additional information on the MCC program can also be found at www.azhousing.gov.

info **Carl Kinney**, Arizona Housing Finance Authority Programs Administrator
(602) 771-1091 + carl.kinney@azhousing.gov

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

John Sundt
Vice Chairperson
Rusling Lopez & Lizardi, PLLC

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Zeek Ojeh
Cartwright School District

SCHEDULED MEETINGS

February 13, 2014

March 13, 2014

**check website for times*

Arizona Housing Commission Activities

GOVERNOR BREWER APPOINTS NEW HOUSING COMMISSIONERS

Governor Brewer recently made three appointments to the Arizona Housing Commission.

- ▶ Nancy Ramirez fills the open Farm Worker Housing position on the Commission. Ms. Ramirez serves as the Programs Manager for Campesinos Sin Fronteras located in Somerton, Arizona.
- ▶ Jackson Moll is the Deputy Director of Municipal Affairs for the Home Builders Association of Central Arizona. Mr. Moll fills the Statewide Housing Association opening on the AHC.
- ▶ Lisa Everhart is the Community Development Officer for Wells Fargo Government and Community Relations Group. Ms. Everhart fills the Banking/Lending vacancy on the Commission.

There are currently a few vacancies left on the Arizona Housing Commission. If you wish to apply or would like to receive more information regarding the qualifications to fill these vacancies, please visit the Governor's Office of Boards and Commissions at <http://azgovernor.gov/bc/>.

info **Daniel Romm**, Legislative Liaison/PIO

(602) 771-1008 + daniel.romm@azhousing.gov

SCHEDULED MEETINGS

March 28

**check website for times and locations.*

MEMBERS

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Lisa Deer
Salt River Financial Services

Albert Elias
City of Tucson

Deb Drysdale
George Washington Carver Elementary School

Lisa Everhart
Wells Fargo Bank

Peter David Herder
Herder Companies

John Kaites
913 W. McDowell, L.L.C.

Robert Michael McQuaid
JM Management Company

Jackson Moll
Central AZ Homebuilders Assn.

Nancy Ramirez
Campesinos Sin Fronteras

Daniel Ranieri
La Frontera

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House of Representatives

Federal Legislative Update

Bipartisan Budget Deal Reached

On December 10, 2013, the two Budget Conference Committee chairs, Congressman Paul Ryan (R-WI) and Senator Patty Murray (D-WA) announced that a bipartisan agreement had been made on the FY2014 and FY2015 spending levels.

The House overwhelmingly passed the bipartisan budget bill, 332-94 and the Senate passed the measure 64-36. President Obama signed the bill into law on December 26, 2013.

The vote was split among Arizona's Congressional delegation with Democrat Representatives Ann Kirkpatrick, Ron Barber, Ed Pastor, and Kyrsten Sinema all voting in favor of the package along with U.S. Senator John McCain. Southern Arizona Democrat, Congressman Raul Grijalva joined with Republican members Matt Salmon, David Schwiebert, Trent Franks, and Senator Jeff Flake in opposing the measure.

The legislation sets discretionary spending at more than \$1 trillion for the next two fiscal years and replaces some of the sequester cuts that were slated to take effect in January.

The \$63 billion in sequestration relief is split 50/50 between defense and domestic programs. It eliminates \$45 billion from the next round of the sequester cuts that are set to hit in January, as well as another \$18 billion scheduled for 2015.

On January 15th, the House and Senate overwhelmingly approved an omnibus bill with a mix of new appropriations for some federal agencies and a continuing resolution for others, avoiding another government shutdown.

The omnibus bill includes:

- \$1 billion for the HOME Investment Partnerships program (HOME), \$52 million more than its FY 2013 level.
- \$17.4 billion for the renewal of Section 8 Housing Choice Vouchers, \$1 billion more than its FY 2013 level, and \$1.5 billion for Public Housing Authorities' (PHA) administrative costs, almost \$200 million more than its FY 2013 level;
- \$9.9 billion for project-based Section 8, including \$265 million for performance-based contract administrators' administrative fees, \$1 billion more than its FY 2013 level;
- \$2.1 billion for homeless assistance grants, \$172 million more than its FY 2013 level; and
- \$3 billion for Community Development Block Grants (CDBG), \$48 million less than its FY 2013 level.

Congress will next turn its attention to the issue of raising the debt ceiling. If the debt ceiling is not increased, the federal government will be unable to borrow the money necessary to cover all of its payment obligations. Many economists fear that failure to raise the debt ceiling could result in another devastating recession and an increase in unemployment. Congress has until February 7, 2014 to reach an agreement; however, the Obama Administration continues to state that it will not negotiate on this issue.



Housing Finance Reform Will Have to Wait

While Congress continues to push for legislation to reform the Housing Finance system, their proposals will have to wait at least another year.

Over in the Senate, Senators Warner and Corker continue to push for bipartisan legislation that calls for the liquidation of Fannie and Freddie, replacing them with a government reinsurer of mortgage securities behind private capital. This new entity would be known as the Federal Mortgage Insurance Corp. Under the plan, private entities are responsible for the majority of the mortgage system's functions, not only as originators, but also as issuers of mortgage-backed securities.

Republicans on the House Financial Services Committee continue to push for a plan that would entirely eliminate the government's involvement in Fannie Mae and Freddie Mac immediately; however, there is not much support for this proposal among many Democrats.

Over the last couple of years, the House Financial Services Committee and the Senate Banking Committee have held several hearings exploring numerous housing finance reform options. While progress remains slow, there is optimism for perhaps something to move forward in 2014.

Tax Reform

The desire for a bipartisan bill to reform and simplify the tax code remains strong on Capitol Hill, but due to the complexity of the tax code and the politics involved, it is not likely that we will see a comprehensive bill until at least 2015.

Both the House and Senate are expected to continue to look into the issue when Congress resumes next year as lowering the corporate tax rate continues to be a priority for both parties. However, with Senator Max Baucus (D-MT), set to leave the Senate to become the next U.S. Ambassador to China, things may be more challenging. Senator Baucus has been one of the driving forces in the Senate for comprehensive tax reform.

Additionally, Senator Cantwell's SB1442 that would fix the floating rate for the Housing Tax Credit at 9 percent will also have to wait until next year; however, the measure does continue to gain bipartisan support in both legislative chambers. It is possible that this language could be included on a tax extenders bill sometime in 2014.

info Daniel Romm, Legislative Liaison/PIO
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State Legislative Update

51st Arizona State Legislature, 2nd Regular Session Set to Convene

➤ The 51st Arizona State Legislature reconvened on Monday, January 13, 2014. Once again, Governor Brewer kicked off the start of the legislative session by delivering her state of the state address before a joint session of the House and Senate.



The Governor laid out her priorities for the upcoming year and beyond. Job creation, K-12 education, and changes to Child Protective Services are some of the key issues both the Governor and lawmakers will be looking to address this legislative session.

Going into an election year, the stage is set for what is expected to be a much shorter legislative session compared to last year; however, tensions among members are expected to linger following last year's session. Members are hopeful for a 100 day session; however, the number of bills could increase compared to last year due to the large number of freshman lawmakers who held off running legislation last session because they were fairly new to the legislative process.

State Budget Update

➤ Once again, going into the 2014 legislative session, state lawmakers are expected to continue to take a cautious approach when addressing the state's budget.

Despite maintaining an operating balance of \$1.8 billion in addition to \$454.4 million in the state's rainy day fund, legislative budget analysts are predicting that state spending will outpace tax collections some time later this upcoming year. The Joint Legislative Budget Committee is predicting this to continue over the next several years which could leave Arizona with significant budget shortfall starting in FY2016.

There are also questions remaining regarding what Arizona may owe with respect to the sale-leaseback agreement for the Capitol buildings which generated \$1.5 billion during the economic recession. The terms of the agreement capped the amount Arizona could have in surplus funds, requiring that remaining dollars must be spent on either programs or deposited into the debt repayment reserve fund.

Additionally, depending upon the outcome of a pending Maricopa Superior Court case, Arizona could also be accountable for up to \$240 million to cover K-12 inflation spending from FY11 to FY13. That being said, lawmakers are expecting to remain fairly conservative on any spending initiatives over the next few years.

info Daniel Romm, Legislative Liaison/PIO
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2013 Employee of the Year

Dirk Swift



Dirk Swift has been named the 2013 Arizona Department of Housing Employee of the Year. Dirk, the Transaction Manager Coordinator for the Save Our Home AZ program, was nominated for his outstanding supervisory skills, as well as his dedication to the Department's guiding principles.

Dirk consistently and diligently executes his duties in a responsible and effective manner. He provides a positive working environment for his staff and co-workers. Senior management has come to rely on Dirk's insight and opinions about program matters and highly values his input into issues of concern.

On December 11, Dirk was recognized at the Department's December All Agency Staff Meeting and Holiday Celebration. For this honor, Dirk received recognition from Director Michael Trailor.

On behalf of the entire Arizona Department of Housing, we would like to congratulate Dirk Swift on receiving this honor and thank him for his continued dedication to the Department and the state of Arizona.

Featured Groundbreakings & Grand Openings



AURORA VILLAGE | Youngtown, AZ

➤ Aurora Village, located at 12238 North 113th Avenue in the town of Youngtown, is a 3-story affordable housing project with 65 units (44 one-bedroom, one bathroom and 21 two-bedroom, one bathroom). The project, developed by Indiana based Englewood Development Company, caters to seniors 62 years of age and older with incomes at 40, 50, and 60 percent of the area median income.

Amenities for the project include barbeque grills, picnic areas, perimeter fencing, covered parking, green and solar technologies, and a community center. The community center will offer on-site: weekly transportation services, blood pressure screening, diabetes testing, briefing on fall and flu prevention, emergency preparedness, and recreation and wellness classes every two months through the non-profit, TMM Family Services, Inc. and Area Agency on Aging. Additionally, the project is located within a half mile of many retail businesses and is only 3 blocks from the town's government offices, community center, library and museum.

The grand opening ribbon cutting ceremony was held on November 6 with several ADOH staff members present.



ENCORE ON FIRST | Mesa, AZ

➤ Located at 25 West First Avenue in Mesa, Encore on First is a transit oriented development for independent seniors. This project, owned by Mesa Housing Associates, features 81 units, 54 one-bedroom units and 27 two-bedroom units and is located just adjacent to the Valley Metro Light Rail. Developed by Urban Development Partners and PacifiCap Group, Encore on First caters to individuals 62 years of age and older with income levels at 40 50, and 60 percent of the area median income. 50 percent of the common area electric usage will come from solar energy. Amenities for the property include covered parking, a community room, a common laundry area, along with other tenant services.

Director Trailor joined Mesa Mayor, Scott Smith along with members of the Mesa City Council for the ribbon cutting ceremony on December 12.

FEATURED OPENINGS *continued from page 7*



ESCOBEDO AT VERDE VISTA | Mesa, AZ

➤ Located at 125 E. University Drive in Mesa, Escobedo at Verde Vista is a 70 unit, low to moderate income energy-efficient community. This \$16 million dollar development is a partnership between Gorman & Company and ARM of Save the Family Foundation, a certified Community Housing Development Organization (CHDO), as well as the West Mesa CDC and the City of Mesa.

Within walking distance to a future planned light rail station, the project is constructed to a LEED Gold Standard. Some of the amenities of the community include a computer lab, training center, theater, fitness center, playground, picnic tables, and barbeque grills.

Escobedo at Verde Vista will serve as the new headquarters for Save the Family Foundation, a non-profit organization in Mesa founded in 1988 to help homeless families become self-sufficient.

A grand opening ribbon cutting ceremony took place on December 6. Mesa City Council members David Luna and Chris Glover joined ADOH Director Michael Traylor for the ceremony.



GRACIE'S VILLAGE | Tempe, AZ

➤ Gracie's Village, located in Tempe, is a partnership between Gorman & Company, Grace Community Church of the Valley, the Arizona Department of Housing and the City of Tempe.

The project involves a mix of ground floor community facilities including a brand-new thrift store with three stories of 50 affordable residential housing units above the store.

Amenities for Gracie's Village include a multi-purpose room for on-site before- and after-school care, a Wi-Fi internet lounge, a roof deck, playground, picnic area, front-loaded energy-efficient washers & dryers inside each unit, hard-surface flooring, and electronically controlled entry.

The grand opening for Gracie's Village took place on November 27.

FEATURED OPENINGS *continued from page 8*



URBAN LIVING ON 2ND AVENUE | Phoenix, AZ

► Located at 650 N. 2nd Avenue in downtown Phoenix, Urban Living on 2nd Avenue (UL2), is the latest affordable housing project from Native American Connections, Inc.

UL2 is within walking distance of the Valley Metro Light Rail and features 70 units with 28 of them set aside specifically for families with children. The majority of the units are for families with income levels at 40, 50, and 60 percent of the area median income.

Amenities for this LEED Gold Certified project include gated parking for security, a fitness center, a 24 seat movie room, coffee bar, business center, a playground and barbeque/picnic areas. Additionally, the project offers tenant services for those that suffer from chronic substance abuse and other behavioral health issues.

ADOH Director Michael Trailor joined Congressman Ed Pastor, Mayor Greg Stanton, and Native American Connection's President and CEO, Dede Yazzie Devine for the project's ribbon cutting ceremony on December 17.



VILLAS AT PASADENA | Phoenix, AZ

► The Villas at Pasadena is a \$6 million redevelopment project by Hope Development, located at 1616 West Pasadena Avenue in Phoenix, next to the Valley Metro Light Rail. This transit oriented project consists of 18 rehabilitated one and two-bedroom apartments as well as 16 new spacious three-bedroom townhomes for individuals at 40,50, and 60 percent of AMI.

Amenities for the project include a community center, front porches, playground, basketball court, computer training room, shaded picnic areas, and garages in selected units.

A grand opening for the project took place on November 6.

ADOH Releases Fiscal Year 2013 Annual Report

▶ As 2013 came to a close, we are all encouraged by the latest trends in the housing market. Statewide, home values are quickly rising, foreclosures are significantly down, our distressed inventory has decreased, and permitting is picking up, which means more jobs.

In January, we released our Fiscal Year 2013 Annual Report highlighting this past year's outstanding efforts and activities from the Arizona Department of Housing (ADOH), the Arizona Housing Finance Authority (AzHFA), and the Arizona Home Foreclosure Prevention Funding Corporation (AHPFPC).

The Department continues to provide programs and critical resources to the most vulnerable populations of the state while serving as the driver for economic development and leveraging private capital. Whether it is through our work to provide safe and affordable housing, assistance to help aid our homeless and special needs populations, or our ongoing efforts to prevent Arizonans from losing their homes, we remain fully committed to finding responsible and reasonable solutions to counter the housing crisis facing our state and nation.

In FY2013, ADOH, AzHFA, and AHPFPC made combined commitments of over \$164 million in assistance available to support housing, community development activities, and foreclosure prevention initiatives throughout the state. Additionally through the federally funded Save Our Home AZ program, over 600 families were able to avoid foreclosure. Together, all our resources were able to assist over 105,000 Arizona households throughout all 15 counties.

This year's annual report cover features Encanto Pointe, located in Phoenix. Encanto Pointe is the latest housing project from Native American Connections. This 54 unit apartment complex is one of the state's first ever "Housing First" communities for residents that are chronically homeless.

The "Housing First" concept places individuals into a stable environment which includes access to social and medical services. Rather than gradually working their way through various shelters or temporary housing facilities, "Housing First" individuals go immediately into permanent housing, regardless of their current circumstances. This approach is based on the belief that an individual is more likely to succeed by removing the instability that comes with being homeless.

It is our pleasure to share with you our Fiscal Year 2013 Annual Report. To access the report, please visit www.azhousing.gov.

New Rent & Income Limits Posted

▶ HUD has released updated rent and income limits for Low Income Housing Tax Credit projects effective December 18, 2013. The new limits have been posted on the ADOH website under [Forms and Handbooks/Income & Rent Limits](#).

Arizona Public Housing Authority Scores a Perfect 100 Percent!

▶ The Arizona Public Housing Authority's Section 8 Housing Choice Voucher Program has received a perfect score under HUD's Section 8 Management Assessment Performance (SEMAP) certification. SEMAP enables HUD to better manage the Section 8 tenant-based program by identifying housing agency capabilities and deficiencies related to the administration of the Section 8 program.

Congratulations the entire Arizona Public Housing Authority team for your hard work and dedication to the program!

Low Income Housing Tax Credit Program

2014 QAP signed by Governor

▶ The 2014 Qualified Allocation Plan was signed by Governor Brewer on December 20, 2013 and posted to the Department's website on December 23, along with the ancillary documents and forms needed to make application for the 2014 round.

ADOH will also be providing "Clarifications to the 2014 QAP" in a Q&A log format on their website. This document will be continually updated and is provided as a service to ensure that current information, clarifications and interpretations are available to the development community and general public. Applicants are responsible for checking the site for updates to this document, which will be incorporated into the QAP document.

Calendar 2014

JANUARY	
20	OFFICE CLOSED - Martin Luther King, Jr. Day
FEBRUARY	
10-11	LIHTC Compliance Workshop
13	Arizona Housing Finance Authority
17	OFFICE CLOSED - Presidents' Day
MARCH	
12-13	UPCS Workshop
13	Arizona Housing Finance Authority
28	Arizona Housing Commission

2014 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2014:

February 10-11	LIHTC Compliance Workshop #1
Phoenix Airport Marriott	8:00 am - 5:00 pm (both days) \$200.00
March 12-13	U.P.C.S. Workshop
Phoenix Airport Marriott	8:30 am - 4:30 pm (both days) \$250.00
July 22-23	LIHTC Compliance Workshop #2
Phoenix Airport Marriott	8:00 am - 5:00 pm (both days) \$200.00
October 21-23	LIHTC Compliance Workshop #3 (Available HCCP exam)
Location TBD (Tucson)	\$200.00
November 6	HOME Workshop
Phoenix Airport Marriott	8:00 am - 5:00 pm \$125.00

Potential Rural Development Training in 2014.

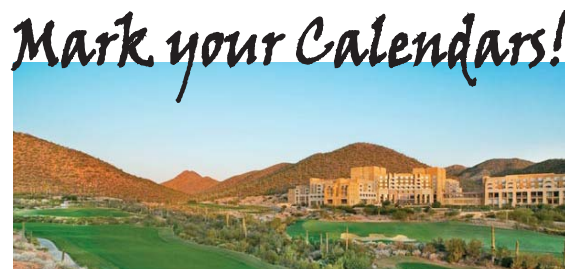
If you are interested in attending a one day workshop including a review of the RD program, application process, occupancy requirements (eligibility and income calculations), please contact Lisa Troy, Compliance Administrator, at lisa.troy@azhousing.gov.

info Visit the Event Calendar at www.azhousing.gov for additional information regarding deadlines, registration and hotel accommodations.

PHA Public Hearing

The Arizona Public Housing Authority has scheduled a Public Hearing regarding potential changes in the goals, objectives or policies for the Housing Choice Venture Program.

The Public Hearing will be held on March 19, 2014 at the Prescott Valley Civic Center, 7501 E. Civic Circle, Room 311, Prescott Valley, AZ.



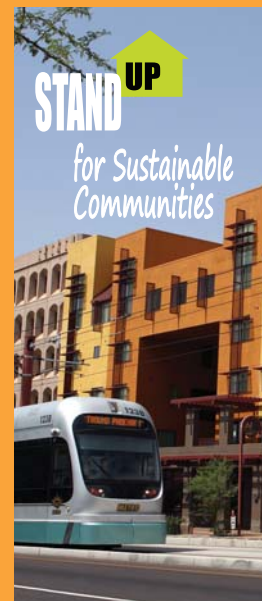
2014 Arizona Housing Forum J.W. Marriott Starr Pass | Tucson, AZ September 10-12, 2014

Questions relating to this year's program can be directed to Cynthia Diggelmann at cynthia.diggelmann@azhousing.gov.

Housing Matters

FALL 2013
Volume 12 | Number 4

LEADING WITH SOLUTIONS



▲ The theme of the 2013 Arizona Housing Forum, **Stand Up for Housing**, reminds us that though improvement in these areas is trending up, there is still a lot of work to do. See story page 1.

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Arizona
Department
of Housing





On September 18-20, the Arizona Department of Housing (ADOH) hosted the 2013 Arizona Housing Forum at the Talking Stick Resort in Scottsdale. Over 400 people were in attendance at the event which carried the message, **Stand Up for Housing.**

Participants were encouraged to stand up for individuals without a voice, for those that cannot stand and speak up for themselves. They were asked to stand up for affordable housing, accessible housing, and for sustainable housing. They were asked to stand up for our veterans, our homeless, and our grandfamilies.

Celebrating its 10th year, the Arizona Housing Forum continues to be the only statewide housing conference in Arizona and it has become a venue for elected officials, policymakers, industry professionals, advocates, and community leaders from across the state and nation to address the significant challenges facing Arizona's housing market.

While the latest news and trends regarding the housing market have been encouraging, our work is far from over. In order for the recovery to continue, and for us not to repeat the same mistakes of our past, it is critical that we all continue to Stand Up For Housing.

Stand Up for Affordable Housing

The need for affordable housing remains at a premium in the state. According to a recent Harvard study, the demand for affordable rental housing is more than twice the supply.

ADOH, through the Low-Income Housing Tax Credit (LIHTC) program continues to work to meet the demand for more affordable housing in our state. In just the last two years, ADOH has invested over \$260 million in financing to fund 24 affordable rental projects, creating more than 1,500 low income rental units in eight counties.

Stand Up for Accessible Housing

There are over 900,000 Arizonans living with disabilities. While all of them may not need supportive housing, a significant number of them do. Unfortunately, there is a major shortage of housing options that promote independence and dignity for people with disabilities in the state.

Additionally, among Arizonans with disabilities, only one in five are employed. Therefore the need for "affordable" accessible housing is critical. Unfortunately, improving accessibility, especially in rental housing, is easier said than done as this population often gets overlooked.

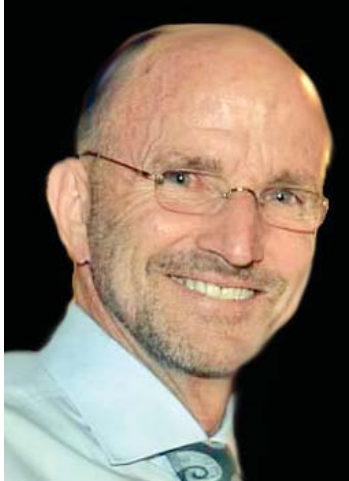
ADOH and our housing partners are dedicated to fighting for the rights of disabled Arizonans who deserve safe, accessible, and affordable housing. We are continuing to promote and finance the construction of rental projects that meet the needs of this important population.

Stand Up for Sustainable Housing

Reducing annual operating costs, conserving valuable resources and building healthier living environments are elements that should be incorporated into today's housing developments. The costs for energy and water are sure to rise and as our population continues to grow, it is becoming increasingly important that we develop strategies to conserve these resources. By changing some building materials, at a reasonable cost, we are able to create a healthier living environment and a more sustainable future.

Additionally, to help keep costs down, ADOH has increased efforts to promote affordable rental housing units within walking distance of mass transportation. Moving forward, we believe this should be a trend among low-income housing rental projects throughout the entire state.

See *STANDUP* on page 7



Director's Message

From the Desk of Michael Traylor

Thank you for attending the 2013 Arizona Housing Forum. Each year we challenge ourselves to improve the Forum with interesting topics and speakers that provide useful information to assist you in achieving your goals. We heard from many of you that this year's Forum was the best ever. We hope that you shared that experience.

We heard real life stories illustrating how the good work you are doing is improving people's lives.

Affordable housing projects like Victory Place are providing homes and supportive services to formerly homeless veterans. Veterans like Dex, are now working and giving back to others in need.

Grandparents like Francisco, who are raising their grandchildren, have safe, decent, affordable housing in a supportive community with other grandparents raising their grandchildren.

Darrel from A Bridge to Independent Living explained how people with disabilities often wait years to find appropriate housing due to the scarcity of accessible housing and how some developers are choosing to build all of their rental units to ADA standards.

Shannon and Ben shared the progress our cities are making to become more sustainable by adopting sustainable living standards. Increasing density, connecting housing to transportation and creating more walkable neighborhoods.

And the residents at Apache ASL Trails reminded us how important it is for all of us to be able to communicate with our neighbors.

October 29th the Arizona Coalition to End Homelessness will host the 1st Annual Ending Homeless Awards Dinner at the Black Canyon Conference Center. Please invite your friends, neighbors and business partners; we need a great turnout for this inaugural event.

Ending homelessness is a community responsibility. Come learn how Arizonan's are working together better than ever to collaborate, form public/private partnerships and leverage scarce resources to end homelessness in Arizona. I hope to see you there.



SAVE OUR HOME AZ UPDATE

Nearly One Quarter of Arizona Homeowners are Still Underwater—SOHAZ Can Help!

▶ Despite significant improvements in the state's housing market, nearly one in every four Arizona homeowners is still underwater. According to a recent CoreLogic report, Arizona ranked number 3 in the nation for the highest negative equity rates at the end of the second quarter for 2013. The report shows that over 300,000 Arizonans still

owe more than what their home is currently worth.

While home values throughout the state are rising and foreclosures are finally back to normal levels, many Arizonans still need assistance. The Save Our Home AZ program, utilizing the federal government's HARP 2.0 program, may be able to help.

The Arizona Department of Housing has been a leader in the promotion and use of HARP 2.0, a program designed to help responsible homeowners who are current with their mortgages but have been hit hard by the recession and plummeting home prices. This program applies principal reductions to homeowners with negative equity. The program was introduced late last year.

To qualify, the mortgage must be owned by Fannie Mae or Freddie Mac. The loan to value ratio must be more than 120 percent or more of the home's market value, while the mortgage cannot be more than 150 percent of the home's original purchase value.

It's a simple process: meet the qualifications and complete the application process of the Save Our Home AZ program, get pre-approved by a lender for the HARP 2.0 refinance and complete the credit counseling.

Save Our Home AZ was created to assist homeowners avoid foreclosure on their primary residence. In addition to the HARP 2.0 assistance described above, the program also provides assistance in the form of Principal Reduction Mortgage Modifications, Unemployment/Underemployment Mortgage Assistance, Second Lien Elimination and Short Sale Assistance.

For additional information on the Save Our Home AZ program, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the **ARIZONA FORECLOSURE HELP-LINE** at **1-877-448-1211**.



LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

- Homeowner's loan must be owned by Fannie Mae or Freddie Mac.
- Household may not have Gross Income of more than 150% of Area Median Income (AMI) (i.e., for a family of four in Maricopa County, the income limit is \$99,562.50 or less).
- Eligible properties may not have an outstanding mortgage(s) in excess of 150% of purchase price.
- Property must be the homeowner's primary residence.
- Current Loan to Value (LTV) or Combined Loan to Value (CLTV) must be more than 120%.
- Principal reduction target of 100% LTV after HARP 2.0 refinance.
- Assistance will be provided without a lien.
- Unsecured promissory note signed concurrently with HARP 2.0 refinance.
- May be combined with Second Mortgage Settlement Assistance.

Application Process:

- Homeowner verifies that mortgage is owned by Fannie Mae or Freddie Mac.
- Homeowner submits signed documents to SOHAZ by fax or mail (download and complete the Request for Certificate of Eligibility)
- Homeowner receives Certificate of Eligibility from SOHAZ to take to lender.
- Lender pre-approves customer for HARP 2.0 refinance.
- Customer completes SOHAZ online Self-Assessment & Application.
- Counselor completes credit counseling and collects any missing documents.
- Simultaneous close with HARP 2.0 refinance.

Arizona Housing Finance Authority Activities

The 2013 Home Plus program has been up and running since April 2013. Since its inception, there have been 144 loans reserved or closed in the amount of \$18.3 million. The Home Plus program couples a first mortgage loan with downpayment/closing cost assistance of 4% of the loan amount. The downpayment assistance is a grant that does not have to be repaid. Additional information on the Home Plus program may be found on the website: www.azhousing.gov.

The Arizona Housing Finance Authority announced a new annual award at the Department's Housing Forum this year. The award recognizes the lender that produces the highest volume of loans in the Authority's loan programs. The highest producing lender for the fiscal year ending June 30, 2013 was Guild Mortgage. Representing Guild Mortgage and accepting the award on behalf of Guild at the Forum was Humberto Santana, Branch Manager of Guild's Yuma, Arizona office. Congratulations to Guild Mortgage for all of their hard work in helping new homebuyers purchase their homes.

AZHFA VOTES TO REELECT OFFICERS FOR ANOTHER TERM

On October 10, 2013 at the Annual Meeting of the Board of Directors of the Arizona Housing Finance Authority elections were held for new officers for the coming year.

The AZHFA Board made the decision to reelect all four of their officers for another year term. Robert Gardiner with Northern Trust will remain in his post as Chairman of the AzHFA. John Sundt with the Law Firm of Rusing, Lopez & Lizardi was reelected as Vice-Chairman. Paul DeSanctis with Arizona Lending Specialists will continue to serve as the AzHFA Secretary and Randy Pullen with Oasis Partners will once again serve as Treasurer.

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Zeek Ojeh
Cartwright School District

Randall L. Pullen
Treasurer
Oasis Partners, LLC

John Sundt
Vice Chairperson
Rusing Lopez & Lizardi, PLLC

SCHEDULED MEETINGS

November 14, 2013

December 12, 2013

**check website for times and locations.*

Arizona Housing Commission Activities

GOVERNOR BREWER APPOINTS NEW HOUSING COMMISSIONERS

On September 20, 2013, Governor Brewer appointed three new members to the Arizona Housing Commission.

▶ Lisa Deer fills the Tribal Housing position on the Commission. Ms. Deer serves as the Director of Operations for Salt River Financial Services in Scottsdale, Arizona.

▶ John Kaites, owner of 913 W. McDowell LLC, a real estate holding company in Phoenix, fills the Private Sector Real Estate Industry opening on the AHC.

▶ Daniel Ranieri is the President & Chief Executive Officer of La Frontera in Tucson. Mr. Ranieri fills one of the nonprofit vacancies on the Commission.

There are currently a few vacancies left on the Arizona Housing Commission. If you wish to apply or would like to receive more information regarding the qualifications to fill these vacancies, please visit the Governor's Office of Boards and Commissions at <http://azgovernor.gov/bc>.

Daniel Romm, Legislative Liaison/PIO
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MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F. Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Lisa Deer
Salt River Financial Services

Albert Elias
City of Tucson

Deb Drysdale
George Washington Carver Elementary School

Peter David Herder
Herder Companies

John Kaites
913 W. McDowell LLC

Robert Michael McQuaid
JM Management Company

Daniel Ranieri
La Frontera

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House of Representatives

SCHEDULED MEETINGS

December 6, 2013

**check website for times and locations.*

FEDERAL LEGISLATION

GOVERNMENT REOPENS AND U.S. AVERTS DEFAULT FOR NOW

➤ The 16 day government shutdown came to an end on Thursday, October 17th when President Obama signed a bipartisan continuing resolution to keep the government funded through January 15, 2014. Additionally, Congress agreed to temporarily raise the debt ceiling until February 7th.

Moving forward, in the coming weeks, lawmakers will try to work out their differences on 2014 spending levels, entitlement and tax reform. House Budget Chairman Paul Ryan (R-Wisconsin) and Senate Budget Chairwoman Patty Murray (D-Washington) will hold a series of meetings to try and resolve the ongoing budget stalemate and craft a deal. One major stumbling block could be finding a way to reconcile the Democrats demands for new tax revenue and GOP opposition to any new taxes.

Throughout the federal government shutdown, the Arizona Department of Housing did not encounter any disruption in our programming or funding commitments.

TAX REFORM UPDATE

➤ Both House and Senate members continue to push for bipartisan tax reform and believe that despite the gridlock on Capitol Hill, it is still very attainable. However, given the complexity of the tax code and how many special interest groups are involved, reaching a consensus still appears to be a challenge and most predict that we will not see a comprehensive bill until at least 2015.

Both chambers have held numerous committee hearings and are continuing to work to find common ground on adjustments to the corporate and personal income tax rates and the elimination of various exemptions and loopholes.

Until recently, most tax measures in Congress, including a proposal to fix the floating rate for the Low-Income Housing Tax Credit program had been held up while both legislative chambers considered comprehensive tax reform. However, on August 1, Senate Finance Committee Member Maria Cantwell (D-WA) introduced legislation that would make permanent the temporary 9 percent floor for volume cap Housing Credits and create a new 4 percent floor for volume cap Housing Credits used for acquisition. Senator Cantwell's bill, S1442, mirrors legislation that she and former Senator Olympia Snowe (R-ME) introduced last year which failed to pass before the end of the session.

The current 9 percent floor, established in the Housing and Economic Recovery Act of 2008 (HERA) and extended for one year in the American Taxpayer Relief Act of 2012, expires for developments that do not receive Housing Credit allocations before January 1, 2014. If Congress does not extend the deadline, developments receiving allocations next year could be negatively impacted by lower credit rates, making it more difficult to create much-needed affordable rental housing.

In addition to restoring the value of the credit, this legislation will eliminate the financial risk of the current floating rate system, simplify state administration,

See **FEDERAL UPDATE** on page 7

ARIZONA LEGISLATION

POSITIVE NEWS ON THE STATE BUDGET CONTINUES

➤ Arizona continues to receive encouraging news with regard to the budget as state revenues continue to grow at a higher rate than anticipated. State budget analysts estimate a fiscal year 2013 ending cash balance of \$895 million, \$200 million more than the enacted budget forecast. In addition to this projected surplus, the state currently has \$454 million in the Budget Stabilization Fund (Rainy Day Fund).

Despite these positive numbers, state lawmakers are likely to remain cautious this upcoming legislative session. Recently, the state Supreme Court ruled that Arizona lawmakers ignored a year 2000 ballot initiative, failing to consider inflation funding for the K-12 school system.

According to the Supreme Court, the Legislature did not fully include inflation funding for Arizona schools in their fiscal year 2011, 2012, and 2013 budgets. Despite the Legislature allocating an extra \$82 million in this year's school budget, this ruling could translate into millions of additional dollars that must be allocated to Arizona schools. With lawmakers failing to account for the compounding effect of three years of lost funding, the state may be responsible for as much as \$300 million.

The final decision on what the state must pay will be determined by the Maricopa County Superior Court, where the lawsuit was originally filed. Additionally, some lawmakers predict that unless the state's economy rapidly picks up within the next couple of years, due to spending requirements along with inflation spending, the state could be facing a \$500 million deficit within three year. Education advocates argue that more of the state's surplus must be spent on funding education. Moving forward, this issue is sure to be a major point of contention among members throughout the legislative session and the budget process.

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Featured Grand Openings



Heritage Glen Apartments, Coolidge, Arizona

▶ Located on 1040 North 9th Street in Coolidge, Arizona, FSL's Heritage Glen Apartments is an affordable apartment community for seniors and individuals living with disabilities.

Funded in 2012, with tax credits and Housing Trust Fund dollars, the project is an acquisition and rehabilitation of twenty-eight units (25 one bedroom, one bathroom units and 3 two bedroom, one bathroom units) set aside for 40%, 50%, and 60% of AMI for persons 62 years of age or older.

The project includes on-site transportation for residents, on-site blood pressure checks every two months, and health and wellness classes every two months. Additionally, the property includes onsite laundry facilities, TV area in the lobby, and a community room.

On July 18th, FSL's Heritage Glenn Apartments hosted their grand opening



City Place Apartments, Phoenix, Arizona

▶ Located at 802 N. 30th Street in Phoenix, Arizona, City Place Apartments is a newly renovated affordable housing community developed by an affiliate of Atlantic Development & Investments, Inc. of Scottsdale, in partnership with the Greater Phoenix Urban League.

City Place features 134 townhome style units. The design features sustainable technology, including water efficient plumbing fixtures, Energy Star lighting fixtures, and a solar panel system that offsets almost 100% of the electrical load for the common areas of the property.

The Greater Phoenix Urban League provide a number of on-site supportive services, including an after school program and financial counselling. These services help connect low-income residents to financial, educational and employment resources



that will help them succeed.

City Place represents a financial investment of over \$25 million in an area of Phoenix that is undergoing revitalization. Sources of funding for the project include over \$20 million in tax credit equity from Credit Capital, LLC generated by an allocation of Low-Income Housing Tax Credits from the Arizona Department of Housing; construction financing and a permanent mortgage provided by National Mortgage Investors, and \$2 million in HOME funds from the City of Phoenix.



The grand opening of City Place Apartments took place on October 9th.

STANDUP continued from page 1

According to a study by Reconnecting America and the Center for Transit-Oriented Development, a household can save over \$9,000 a year by using public transportation instead of driving. For many years, Arizona families have made the decision to spend a substantial portion of their income on transportation, making the decision to trade shorter commutes to work in exchange for less expensive housing options. However, with gas prices continuing to rise, the demand for safe and affordable housing within close proximity to public transportation is at a premium.

Stand Up for Homelessness

In our ongoing efforts to combat chronic homelessness, we have seen firsthand how people's lives are transformed once they are safe and secure in stable permanent housing. However, providing permanent housing is only one component to ending chronic homeless. Individuals and families suffering from chronic homelessness need supportive services that assist people to become self-sufficient along with rental assistance. Fortunately, Arizona has people like Dede Yazzie Devine at Native American Connections, and Mark Holleran at Arizona Housing, Inc., who are willing to step up and tackle this important issue. Working with these groups and organizations like the Valley of the Sun United Way, and the Arizona Commission on Homelessness and Housing, we are on our way to ending chronic homelessness in the state.

Stand Up for Veterans

After sacrificing for our country's safety and freedom, no veteran should ever go homeless. That is our commitment to them. In Arizona we are making significant progress in putting an end to chronic homelessness among our veteran population. Thanks to LIHTC communities like Victory Place and Encanto Pointe in Phoenix, we are moving closer to our goal of eliminating chronic homelessness among veterans. At our current pace, we will eliminate chronic homelessness among veterans in Maricopa County by 2014.

Stand Up for Grandfamilies

Today, more and more grandparents are now raising their grandchildren. They are putting their retirement plans on hold and becoming parents all over again. Regardless of the reason, over 96,000 children in Arizona, seven percent live in a household that's headed by a grandparent.

Grandparents assuming the responsibility for their grandchildren can easily become overwhelmed by issues related to parenting along with the unexpected financial expense of having to raise another family. Additionally, society has changed since they were parents, and many children have come from a traumatic environment causing further parenting concerns.

Fortunately Arizona has Grandfamilies Place of Phoenix. Grandfamilies Place, featuring 56 units, is the first affordable rental housing complex of its kind in Arizona and only the second in the country for grandparents raising their grandchildren. All 56 units at Grandfamilies Place are filled and there is a waiting list to get in. A service coordinator is onsite to assist with social needs of both the grandparents and the children.

FEDERAL UPDATE continued from page 5

and create stability and predictability for owners and investors of Housing Credit developments.

Moving forward, it is absolutely vital that we communicate to our Congressional delegation the importance of fixing the floating rate in addition to preserving the Low-Income Housing Tax Credit (LIHTC) program.

The LIHTC program is the most successful rental housing program in history with over 2.5 million units (over 40,000 units in Arizona) of affordable, quality apartments constructed and preserved in rural, suburban, and urban areas across the country and it needs to be protected.

HOUSING FINANCE REFORM

➤ Back in early August, President Obama visited Arizona to push for housing finance reform by endorsing an approach that would significantly limit the government's role in the mortgage industry.

The President lent his support to a bipartisan bill sponsored by Senators Mark Warner (D-VA) and Bob Corker (R-TN) to liquidate Fannie and Freddie and replace them with a government reinsurer of mortgage securities behind private capital. This new entity would be known as the Federal Mortgage Insurance Corp. Under the plan, private entities would be responsible for the majority of the mortgage system's functions, not only as originators, but also as issuers of mortgage-backed securities.

Republicans on the House Financial Services Committee continue to move forward on a plan that would entirely eliminate the government's involvement in Fannie Mae and Freddie Mac immediately; however, there does not seem to be much support on this legislation from Democrats.

Moving forward, we would like to see Congress support a system that calls for a strong secondary mortgage market system with a robust affordable housing mission that engages HFAs as preferred affordable housing lending partners in meeting the needs of low and moderate-income families, enables them to maximize their lending potential, and responds to their capital and liquidity needs, including through any successor entities to Fannie Mae and Freddie Mac.



2013 Arizona Housing Forum

To see all of the photos, presentations and videos from the 2013 Arizona Housing Forum, visit our [2013 Forum conference page](#).

Don't forget to mark your calendar for September 10-12, 2014 for the 2014 Arizona Housing Forum being held at the J.W. Marriott Starr Pass Resort in Tucson. Check our website for updates on the program as they become available.

Thank you again to sponsors and Marketplace exhibitors whose participation helps make this conference possible.



Save the Date!

2014 Arizona Housing Forum

September 10-12 | J.W. Marriott Starr Pass Resort, Tucson

ADOH Recognizes 2013 Brian Mickelsen Housing Hero Award Recipients

The 2013 Brian Mickelsen Housing Hero Awards were presented at a special luncheon at the Arizona Housing Forum on September 20th. The Brian Mickelsen Housing Hero Awards recognize outstanding service by individuals and organizations for their commitment to numerous housing issues throughout the state. Nominees in seven different categories were selected based on their efforts to support affordable housing for moderate and low-income Arizona families. The awards are named in honor of the outstanding public service exemplified by the late Brian Mickelsen, an original member of the Arizona Housing Finance Authority and former city manager for the Town of Cottonwood.

209 West Jackson in Phoenix was recognized with the Innovative Supportive Housing Program Award. This award recognizes creative programs and services that provide outstanding housing related support and resources to individuals. 209 West Jackson provides a safe and affordable living environment for low income, single adults, small families, and young adults with disabling conditions or significant risks of homelessness. The 300 fully furnished studio apartments allow residents to maintain self-sufficiency in a healthy living environment.

The Outstanding Affordable Housing Initiative Award was presented to Blue Moon Garden of Tucson. Blue Moon Garden is Tucson's first fully-accessible community garden and is situated adjacent to the Tucson House, a public housing facility. The barrier-free, environmentally sustainable design includes 36 garden beds, 24 of which are raised to accommodate residents with limited mobility. Rainwater and air condition condensate, captured from the roof of the Tucson House, irrigates fruit trees and other plants in the garden. The Garden offers park-like amenities enjoyed by all residents.

This year's Tribal Initiatives Award was awarded to the Navajo Housing Authority. The Navajo Housing Authority conducted a housing survey among the Navajo people identifying an immediate need for 34,000 homes in 110 communities across the Navajo Nation. Based on the housing need, the Navajo Housing Authority, working with Swaback Partners, created a Sustainable Community Master Planning Initiative. Today the Navajo Housing Authority is getting ready to start building the first five demonstration housing sites and this construction will continue for the next 5-10 years to start meeting the housing needs of the Navajo Nation.

Steve Hastings, Director of Real Estate Services for the Foundation for Senior Living (FSL) was awarded with the Arthur Crozier Partner in Housing Award which celebrates the single action or a lifetime of success of an individual committed to improving the lives of families and the health of communities through recognition that decent, affordable housing is basic to our social fabric. Since joining FSL in 2003, Steve has added 354 affordable tax credit housing units to FSL's portfolio. His leadership and stewardship have also helped four other Arizona non-profits meet their affordable housing goals. This selfless approach will provide 203 additional units of permanent supportive housing for formerly homeless persons, veterans, persons with mental and physical disabilities and families throughout Arizona.

See *HOUSING HERO AWARDS*, page 10



Mark Halloran of Arizona Housing, Inc. accepts the award for 209 W. Jackson.



Gina Chorover and Andrea Ibanez From the City of Tucson accept the award for Blue Moon Garden.



Accepting for the Navajo Housing Authority are (l to r) Executive Director Aneva J. Yazzie, Wilson Ray, Jr., Richard Blackhorse, Shawnevan Dale, Vernon Swaback, Jeff Denzak and Kim Kanuho.



Steve Hastings of the Foundation for Senior Living accepts the Arthur Crozier Partner in Housing Arizona award.

HOUSING HERO AWARDS, continued from page 9

The Exemplary Urban Multi-Family Project Award recognizes an outstanding multifamily rental project in urban Arizona that serves low to moderate income individuals, families or seniors. Native American Connection's Encanto Pointe received this year's award for their outstanding project targeting the chronically homeless.

Encanto Pointe is a great example of what can be achieved when a community comes together to solve a problem. Located in Phoenix, this 54 unit apartment complex is the state's first ever "Housing First" community. The "Housing First" concept places individuals into a stable environment which includes access to social and medical services. Rather than gradually working their way through various shelters or temporary housing facilities, "Housing First" individuals go immediately into permanent housing, regardless of their current circumstances. This approach is based on the belief that an individual is more likely to succeed by removing the instability that comes with being homeless.

Apache Junction Townhomes was recognized with the Exemplary Rural Multifamily Project Award. Built by Adams Construction and Management Company, Apache Junction Townhomes is a brand new community, located in Apache Junction, featuring 88 beautiful homes. Residents of Apache Junction Townhomes are given the opportunity of homeownership after 15 years of renting. Residents, who desire, will receive a credit for every dollar in rent that they paid to apply to the purchase of their unit.

Mesa Councilman Dave Richins was presented with the 2013 Elected Official Award which recognizes an Arizona elected official who has demonstrated ongoing support for affordable housing projects and programs including housing for homeless, domestic violence, special needs and low income families and seniors. Councilman Richins exemplifies this award through his ongoing advocacy for affordable housing projects throughout the Mesa area.

In addition to the Brian Mickelsen Housing Hero Awards, the Arizona Department of Housing (ADOH) and the Arizona Housing Finance Authority (AzHFA) added two new awards to the program.

The AzHFA presented Guild Mortgage with the 2013 High Volume Producer Award for their amazing work assisting first time homebuyers in Arizona achieve the dream of homeownership. The loans for these homebuyers were made possible through the AzHFA's Mortgage Revenue Bond Plus program.

Finally, ADOH presented Guy Mikkelsen, CEO & President of the Foundation for Senior Living, with the Arizona Department of Housing Lifetime Achievement Award for his years of commitment and dedication to providing affordable housing and promoting quality of life for seniors, adults with disabilities, and their caregivers.



Accepting the Exemplary Urban Multi-Family Project award are (l to r) Diana Yazzie Devine, Lawrence Nuvayestewa, Tom Burke, Todd Sherman, Joe Keeper, CherylN Yazzie and Pedro Bravo.



Accepting the Exemplary Rural Multifamily Project award for Apache Junction Townhomes are (l to r) Jeff Adams, Paul Durr, Dave Adams, Greg Wagner and Keith Rhoton.



Mesa Councilman Dave Richins accepts the 2013 Elected Official award.



Guy Mikkelsen accepts the first ever Arizona Department of Housing Lifetime Achievement award.



Guild Mortgage Manager Humberto Santana accepts the Arizona Housing Finance Authority High Volume Producer award.

Calendar 2013

NOVEMBER	
5	Public Hearing on 2014-2015 Annual Action Plan
11	ADOH OFFICE CLOSED - Veterans Day
14	Arizona Housing Finance Authority
14	HOME Training
28	ADOH OFFICE CLOSED - Thanksgiving Day
DECEMBER	
6	Arizona Housing Commission
12	Arizona Housing Finance Authority
25	ADOH OFFICE CLOSED - Christmas Day

ADOH releases draft of 2014 QAP for comment, schedules Public Hearing

▶ On September 13th the Arizona Department of Housing published its first draft of the 2014 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit program. ADOH held a focus group for comments at the 2013 Arizona Housing Forum in Scottsdale on September 20 and a second focus group took place in Tucson on October 2.

Comments to the draft were accepted in writing up to October 11th. The latest version of the 2014 QAP is always available on www.azhousing.gov.

A public hearing to discuss the 2014 QAP will be held on Tuesday, November 5, 2013 at 10:00 am at the following location:

Carnegie Public Library

1101 W Washington Street
Phoenix, AZ 85007

Free parking is available on the street around the library and in the parking structure located on the northwest corner of Washington and 10th Avenue.

New Faces



JACOB SHOPE

Jacob Shope joined the Rental Division beginning Tuesday, October 15, as the new Senior Risk Assessment Officer. Mr. Shope has nearly 20 years of underwriting, lending and banking experience, having held positions with Bank One, Wells Fargo, and most recently, TrustBank. He has a passion for community development and became familiar with the LIHTC program early in his career while serving as an underwriter for Bank One. Mr. Shope also holds a B.S. in Finance from Arizona State University.

ADOH Training Calendar

HOME Training Workshop

November 14 Phoenix Airport Marriott
Registration Deadline: 10/31/2013

2014 LIHTC Application Workshop

January 9 Phoenix Airport Marriott
Registration Deadline: 1/3/2014

2014 LIHTC Compliance Workshop - #1

February 10-11 Phoenix Airport Marriott
Registration Deadline: 1/27/2014

UPCS Workshop

March 12-13 Phoenix Airport Marriott
Registration Deadline: 2/26/2014

2014 LIHTC Compliance Workshop - #2

July 22-23 Phoenix Airport Marriott
Registration Deadline: 7/8/2014

For additional information on training, please visit the calendar on the ADOH website.

Cynthia Diggelmann (602) 771-1016 +
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Housing Matters

SUMMER 2013
Volume 12 | Number 3

LEADING WITH SOLUTIONS



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Arizona
Department
of Housing



Housing Matters LEADING WITH SOLUTIONS

Arizonaans know firsthand just how important housing issues are to our economy, our job market, and our communities. As one of the hardest hit states, we felt the full force of the recent nationwide housing crisis. Today home values are quickly on the rise, foreclosures are significantly down, our distressed inventory has decreased, and permitting for new construction is picking up, which means more jobs.

While the latest news and trends regarding the Arizona housing market are encouraging, our work is far from over. In order for the recovery to continue and not repeat the same mistakes of the past, it is critical that we all **Stand Up For Housing**.

The Arizona Department of Housing invites you to attend the 2013 Arizona Housing Forum on September 18-20, 2013 at the beautiful Talking Stick Resort in Scottsdale, Arizona. Join us as we celebrate the 10th anniversary of this conference.

Attendance at the Arizona Housing Forum is invaluable to anyone interested in Arizona's affordable housing industry. Attendees will include developers, owners and managers of affordable housing projects, lenders, syndicators, and state and local housing agency staff.

We have brought back many of your favorite speakers including Dr. Lee McPheters, Director of the JP Morgan Chase Economic Outlook Center at ASU. Dr. McPheters will bring his charts, his unique brand of humor, and his insight on the economic pulse of Arizona.

You will not want to miss our Fair Housing Plenary. In light of some recent decisions by the U.S. Department of Housing & Urban Development, we have convened a panel of fair housing experts to discuss current issues highlighting the latest developments and trends in fair housing and Americans with Disabilities Act (ADA) compliance.

Popular motivational speaker, Lou Heckler, will present his brand of wisdom and insight at the Keynote Luncheon. Mr. Heckler is a seasoned educator and performer. His easy intimate style makes audience members feel as if he is speaking directly to them as he delivers a message filled with high concepts, hilarious insights, and hope.

The Brian Mickelsen Housing Hero Awards will be presented for the 10th straight year. Recipients of the awards are selected by their peers as the best in their field. The winners will be celebrated at a luncheon on Friday, September 20.

We look forward to seeing you there!



Talking Stick Resort will host the 2013 Arizona Housing Forum with Dr. Lee McPheters and attorney Tony Freedman on the agenda along with the presentation of the Housing Hero Awards.



PLATINUM SPONSOR



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REGISTRATION

On-line registration is now open at www.azhousing.gov

SPONSOR AND EXHIBITOR INFORMATION

Deadline: August 16, 2013

HOTEL INFORMATION

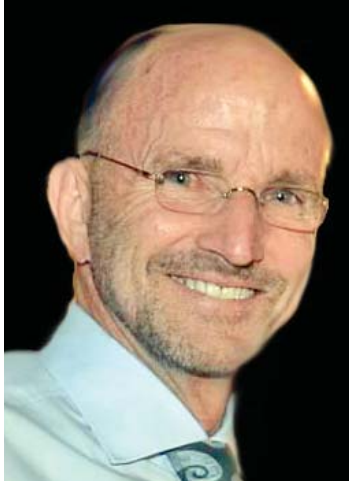
Reservations: 1-866-877-9897

Conference Rate: \$119 Deadline: August 26, 2013

CALL FOR SPONSORS AND EXHIBITORS

Join the Arizona Department of Housing to support the progress of affordable housing in Arizona by participating as a sponsor or exhibitor for this year's Forum. Review the benefits your organization will receive as a sponsor or consider being a part of the Marketplace, the center of the conference, as an exhibitor. Visit the ADOH website for sponsor levels and benefits.

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The economic downturn and recovery have presented housing agencies and the housing industry with unprecedented challenges. As our economy continues to improve, it is most important that we consolidate gains, share best practices and learn from each other what works, what hasn't worked, and what can be made to work.

On behalf of the Arizona Department of Housing, it gives me great pleasure to invite you to attend the 10th Annual Arizona Housing Forum, September 18-20. This year's Forum will be held at the Talking Stick Resort, located in Scottsdale.

Once again, our staff has put together a fantastic program that addresses the critical role housing plays in Arizona and the significant challenges we face. The theme of this year's Housing Forum is **Stand Up For Housing**. We hope that through our myriad of sessions you will leave this year's Forum with the tools and resources necessary to help address these challenges. In addition to gaining useful knowledge that will assist you and your organizations in the coming year, this will be an opportunity to renew old friendships and establish new ones.

We have brought back many of your past favorite speakers and added soon to be new favorites. Tony Freedman will provide us with an update on the Low Income Housing Tax Credit program. National consultant Monte Franke will also be returning to lead a CDBG Roundtable discussion and Lloyd Pendleton will be back to talk about Utah's ongoing plan to end chronic homelessness and reduce overall homelessness by 2014.

In light of HUD's recent disparate impact regulations, you will not want to miss our Fair Housing Plenary. We have convened a special panel of some of the country's top fair housing attorneys to discuss the impact of these new regulations and what it means for the future of Fair Housing.

Housing is many things: basic human need, part of the American dream, and the building block of communities. Your work is vitally important and we thank you for your efforts—efforts that have contributed to the revitalization of our communities and our economy. We hope that you will be able to join us at the Forum and **Stand Up For Housing**.



SAVE OUR HOME AZ UPDATE

Rising Home Prices, Declining Foreclosure Numbers

➤ Since its inception, the Save Our Home AZ program has assisted over 1,800 families avoid foreclosure and stay in their homes. As of June 30, 2013, over \$51.3 million in program assistance has been committed to assist Arizona homeowners. Additionally, our foreclosure hotline has assisted over 70,000 troubled homeowners with important information and housing counseling services.

While there has been a noticeable improvement in the housing market conditions, thousands of Arizona homeowners are still facing foreclosure and many more are significantly underwater. Fortunately, Save Our Home AZ is committed to assisting these troubled homeowners.

Save Our Home AZ was created to assist homeowners avoid foreclosure on their primary residence. The program provides assistance in the form of Principal Reduction Mortgage Modification, Unemployment/Underemployment Mortgage Assistance, Second Lien Elimination and Short Sale Assistance.

For additional information on the Save Our Home AZ program, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the **ARIZONA FORECLOSURE HELP-LINE** at 1-877-448-1211.



SAVE OUR HOME AZ EVENTS

ADOH-sponsored counseling opportunities

The Save Our Home AZ staff schedule sponsored counseling events around the state which are announced on the ADOH event calendar.

info Visit the **Event Calendar** at www.azhousing.gov for additional information regarding deadlines and registration.

LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

- Homeowner's loan must be owned by Fannie Mae or Freddie Mac.
- Household may not have Gross Income of more than 150% of Area Median Income (AMI) (i.e., for a family of four in Maricopa County, the income limit is \$98,250 or less).
- Eligible properties may not have an outstanding mortgage(s) in excess of 150% of purchase price.
- Property must be the homeowner's primary residence.
- Current Loan to Value (LTV) or Combined Loan to Value (CLTV) must be more than 120%.
- Principal reduction target of 100% LTV after HARP 2.0 refinance.
- Assistance will be provided without a lien.
- Unsecured promissory note signed concurrently with HARP 2.0 refinance.
- May be combined with Second Mortgage Settlement Assistance.

Application Process:

- Homeowner verifies that mortgage is owned by Fannie Mae or Freddie Mac.
- Homeowner submits signed documents to SOHAZ by fax or mail (download and complete the Request for Certificate of Eligibility)
- Homeowner receives Certificate of Eligibility from SOHAZ to take to lender.
- Lender pre-approves customer for HARP 2.0 refinance.
- Customer completes SOHAZ online Self-Assessment & Application.
- Counselor completes credit counseling and collects any missing documents.
- Simultaneous close with HARP 2.0 refinance.

Arizona Housing Finance Authority Activities

► The 2013 Home Plus program has been up and running for about four months. Since its inception, there have been 86 loans reserved in the amount of \$10.9 million. The Home Plus program couples a first mortgage loan with downpayment/closing cost assistance of 4% of the loan amount. The downpayment assistance is a grant that does not have to be repaid. Additional information on the Home Plus program may be found on the website: www.azhousing.gov.

The AzHFA also offers a Mortgage Credit Certificate (MCC) program for first time homebuyers. The MCC provides a federal income tax credit for part of the interest paid annually on the borrower's first mortgage loan. Additional information on the MCC program can also be found at: www.azhousing.gov.

The 2009 MRB Plus program, financed with tax-exempt bonds, has now been fully reserved. Over 450 first time homebuyers in the rural counties of the State used just under \$50 million of financing to help them purchase homes.

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SCHEDULED MEETINGS

September 12, 2013

October 10, 2013

*check website for times

Arizona Housing Commission Activities

► The Arizona Housing Commission continues to look at new and creative strategies to address the housing issues that currently affect Arizona. For more information on the Housing Commission and their scope of work, activities, and meeting schedule, please click on the Arizona Housing Commission tab on our website at www.azhousing.gov.

AHC VACANCIES

► There are currently several vacancies on the Arizona Housing Commission. If you wish to apply or would like to receive more information regarding the qualifications to fill these vacancies, please visit the Governor's Office of Boards and Commissions at <http://azgovernor.gov/bc/>

info **Daniel Romm**, Legislative Liaison/PIO
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SCHEDULED MEETINGS

August 30, 2013

October 2, 2013

*check website for times and locations.

MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Albert Elias
City of Tucson

Deb Drysdale
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Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

FEDERAL LEGISLATION

FEDERAL BUDGET - FY2014 HUD FUND LEVELS

► Unable to reach an agreement on a framework to form a conference committee to reconcile the budget, the House and Senate are independently moving forward with the appropriations process.

House Republicans have proceeded with 12 annual spending bills based on the overall sequester level, with increases for defense and deep cuts to social programs. The Senate is proceeding at a level that ignores the sequester, hoping Congress can come to terms on a plan to eliminate the automatic budget cuts.

In June, both the House and Senate Transportation-HUD Appropriations Subcommittees released their draft FY2014 funding bills. The House version includes deep cuts to the HUD budget where the Senate version looks to increase funding for most of the programs.

The Senate version of the bill would provide \$1 billion for the HOME Investment Partnership program, 6 percent more than its post-sequestration FY2013 funding level and \$300 million more than proposed in the House Subcommittee. The Senate version would provide \$3.15 billion for the Community Development Block Grant (CDBG) program, \$1.5 billion more than proposed in the House Subcommittee and \$72 million more than the post sequester FY2013 fund level. Additionally, the Senate bill allocates \$2.26 billion for homeless assistance grants programs, 17 percent more than its post-sequestration FY2013 fund level and \$170 million more than the House.

If Congress is unable to reach an agreement by October 1st, the country will be faced with a government shutdown and another round of automatic sequester cuts. As things currently stand, Republicans and Democrats appear to be far off from an agreement.

TAX REFORM - LIHTC FLOATING RATE

► Over the last few years both the House and Senate tax writing committees have been working towards a bipartisan tax reform bill. Despite the partisan gridlock on Capitol Hill, both Democrats and Republicans believe that bipartisan tax reform is very possible. Both chambers have held numerous committee hearings and are continuing to work to find common ground.

Back in February, the House Ways & Means Committee formed 11 working groups covering manufacturing, small businesses and pass-through entities, charitable and tax-exempt organizations, education and family benefits, energy, financial services, real estate, debt, equity and capital, income and tax distribution, international issues, and pensions and retirement. The Ways & Means Committee has already unveiled three working drafts dealing with various parts of the tax code.

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

LEGISLATIVE SESSION COMES TO A CLOSE WITH MEDICAID EXPANSION AND BIPARTISAN BUDGET

► On Friday, June 14th, the 51st Arizona State Legislature, First Regular Session, adjourned sine die after 151 days. While lawmakers were not faced with the daunting challenge of closing a budget deficit, the 2013 legislative session still turned out to be one of the most difficult sessions in state history, forcing lawmakers to work well beyond their target goal of 100 days.

Back in January, Governor Brewer called for Arizona to participate in the full expansion of Medicaid, in accordance with the Affordable Care Act. The Governor's decision drew criticism from several legislators, driving a wedge between those who supported the Governor's plan and those that did not. As a result, much of the legislative session, especially the budget, was tied to Medicaid expansion, creating a divide in both the House and Senate.

The pace of the session was significantly slower than in years past as lawmakers tried to find some common ground on the Medicaid expansion issue. After 151 days in session, a coalition of Republicans joined with the House and Senate Democrats to pass an \$8.8 billion bipartisan budget which included the Governor's Medicaid expansion plan. This was the first bipartisan budget passed by the legislature since 2008.

With the conclusion of the legislative session, tensions remain strained. Some conservative organizations and lawmakers have vowed to go to the ballot to prevent Medicaid expansion from becoming law. Despite the criticism, Governor Brewer maintains that the expansion was the right thing to do. The Governor stated "...it's not only a mathematical issue, but it's a moral issue." According to most of the polls, the majority of the public agree with the Governor.

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5*

Over in the Senate, the Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orin Hatch (R-UT) announced on June 27th that they are going to take a “blank slate” approach to handling the tax code rewrite, requiring members of Congress and various organizations to make compelling arguments to keep all existing tax provisions. This includes the Housing Credit program.

Moving forward, it is absolutely vital that we communicate to our Congressional delegation the importance of preserving the Low-Income Housing Tax Credit (LIHTC) program. The LIHTC program is the most successful rental housing program in history with over 2.5 million units (over 40,000 units in Arizona) of affordable, quality apartments constructed and preserved in rural, suburban, and urban areas across the country and it needs to be protected.

HOUSING FINANCE REFORM

► Senators Warner and Corker are currently working on bipartisan legislation to liquidate Fannie and Freddie and replace them with a government reinsurer of mortgage securities behind private capital. This new entity would be known as the Federal Mortgage Insurance Corp. Under the plan, private entities are responsible for the majority of the mortgage system’s functions, not only as originators, but also as issuers of mortgage-backed securities.

Over the last couple of years, the House Financial Services Committee and the Senate Banking Committee have held several hearings exploring numerous housing finance reform options; however, progress has been slow. Fannie Mae and Freddie Mac have been in conservatorship for almost five years.

Moving forward, we would like to see Congress support a system that calls for a strong secondary mortgage market system with a robust affordable housing mission that engages HFAs as preferred affordable housing lending partners in meeting the needs of low and moderate-income families, enables them to maximize their lending potential, and responds to their capital and liquidity needs, including through any successor entities to Fannie Mae and Freddie Mac.

info Daniel Romm, Legislative Liaison/PIO
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STATE UPDATE *continued from page 5*

BUDGET

► On June 17th, Governor Brewer signed the \$8.8 billion bipartisan budget package for FY2014. Lawmakers were fairly conservative this session only increasing spending by 3.4 percent compared to fiscal year 2013. The state’s budget will be structurally balanced by fiscal year 2016, with a \$100 million surplus. As anticipated, the budget kept intact the state’s \$450 million rainy day fund that can be used to offset any future budget shortfalls.

The FY2014 budget is about \$100 million less than the Governor had requested; however it includes money for more Child Protective Services workers, gives money to community colleges and the University of Arizona’s medical school in Phoenix, and provides the second installment of parity funding for the state’s other two universities.

Other provisions of the budget include an \$82 million boost to K-12 schools to account for inflation, \$3.6 million for school resource officers, and \$17.1 million for programs to aid the developmentally disabled.

Featured Groundbreakings & Grand Openings

SUNNYSIDE POINTE VILLAS, TUCSON, AZ

➤ Located less than half a mile from Tucson's award-winning regional public transportation system, Sun Tran (Roy Laos Transit Center), Sunnyside Point Villas features 90 single family detached style homes set aside for seniors 62 years of age and older at 40, 50, and 60 percent of the area median income.



All the homes for Sunnyside Pointe Villas will be LEED Platinum certified. Amenities will include washers and dryers in the units, single car garages, a large multi-purpose community room, fitness room, library/reading area, commercial kitchen for congregate meals, and tenant services provided by La Frontera Center. Pima County Agency on Aging will also have offices located in the community building to provide additional services. The grand opening for this project took place on April 12th.

URBAN LIVING ON 2ND AVENUE, PHOENIX, AZ



➤ Urban Living on 2nd Avenue (UL2), the latest project from Native American Connections, Inc., will feature 70 units with 28 units set aside specifically for families with children. Located in the heart of downtown Phoenix, this property is within walking distance of the light rail. UL2 amenities will include gated parking for security and a fitness and business center. The building will

be LEED Gold certified with the majority of the units set aside for income levels at 40, 50, and 60 percent of the area median income. The groundbreaking for the property took place on April 17th and the project is scheduled to be completed by the end of the year.

APACHE JUNCTION TOWNHOMES, APACHE JUNCTION, AZ

➤ Apache Junction Townhomes features 88 units for families with children. Originally built in a stalled and blighted subdivision which sat idle for years, the Apache Junction City Council unanimously approved the new development plans.

Amenities for the project include washer and dryer hookups in the units, security video surveillance system, a community clubhouse, swimming pool, computer room, a "tot lot," and a basketball court.



A New Leaf is providing supportive services that include a childcare center, a before and after school program, bi-monthly parenting classes, bi-monthly computer training, bi-monthly job training, quarterly credit and financing counseling, all of which are onsite. The grand opening for this project took place on May 1st.

FLAGSTAFF SENIOR MEADOWS, FLAGSTAFF, AZ

➤ Flagstaff Senior Meadows hosted their grand opening on May 17th. This project consists of 60 units of permanent rental housing for persons 62 year of age and older at 40, 50, and 60 percent of the area median income.

Amenities for the property include a community room, a common laundry area, BBQ and picnic area and tenant services provided by the Foundation for Senior Living (FSL). FSL has been providing an array of services to the elderly and frail populations for over 30 years.



THE MARQUEE, PHOENIX, AZ

➤ Located in the heart of the Roosevelt Row Arts District in downtown Phoenix, the Marquee is a rehabilitation project featuring 62 restored units that serves seniors 62 year and older.

Built in 1958, the building exhibits excellent mid century desert modern architectural elements. Amenities for the project include a community pool, picnic area, herb garden, elevator, in-suite washer / dryer, and a local art component.



The developer, Community Development Partners, specifically chose the neighborhood for the project based on the transit-oriented, vehicle free and urban location. The grand opening for this rehab project took place on June 18th.

Calendar 2013

AUGUST	
30	Arizona Housing Commission
SEPTEMBER	
2	OFFICE CLOSED - Labor Day
12	Arizona Housing Finance Authority
18-20	2013 Arizona Housing Forum
19	Public Hearing on 2014-2015 Annual Action Plan
20	QAP Focus Group



Director Traylor Receives 2013 Advocate of the Year Award

➤ On Friday, July 26th, the Arizona Disability Advocacy Coalition (AZDAC) and the Arizona

Bridge to Independent Living (ABIL) presented ADOH Director Michael Traylor with the American Disability Act Title II - Breaking Barriers Public Entities Award.

Director Traylor was recognized for his ongoing advocacy on behalf of the disabled community. He was nominated for his work on behalf of the residents of Apache ASL Trails in Tempe to ensure that deaf and hard of hearing residents have a place to call their own.

Apache ASL Trails is an award-winning development that provides multiple accessibility features for disabled senior citizens, including the deaf and hard of hearing that are most in need of the unique architectural, cultural and linguistic features of Apache ASL Trails.

ADOH is currently in the process of negotiating with the US Department of Housing and Urban Development (HUD) regarding a disagreement about HUD's interpretation of Section 504 of the Rehabilitation Act of 1973, as it pertains to housing for the special needs population at Apache ASL Trails.

New Faces



Scott Haberman

➤ Scott Haberman has joined the Mortgage Foreclosure division as a Loan Underwriter/Transaction Manager. Scott has worked in the mortgage industry, as well as the real estate industry as a licensed real estate agent, for over ten years. Scott also holds a BS in Economics from the University of Wisconsin Lacrosse.

2013 Customer Satisfaction Survey hits several historic highs



➤ Every year since becoming a state agency, the Arizona Department of Housing (ADOH) has surveyed its constituency to gauge its performance and seek feedback as to how the agency can improve its ability to serve Arizona. For the second year in a row, ADOH received some of its highest performance scores in the agency's history.

Those performance measures receiving the highest performance indicators ever included: "rate of timeliness of receipt of contract payments"; "ease of contacting the proper person to assist you"; and "timeliness of staff responses to your requests". The performance measure "rate of timeliness of receipt of contract payments" notably achieved the highest score given for any measure in the agency's history.

In rating its overall satisfaction with the Department, ADOH's constituency gave the Department a rating of 5.55, out of a possible top rating of 7.

Public Hearing and Focus Group to be held at Arizona Housing Forum

➤ ADOH will hold two auxiliary meetings during the Arizona Housing Forum. The first, a Public Hearing on the 2014-2015 Annual Action Plan will be held on Thursday, September 19 at 4:15 pm. A Qualified Allocation Plan (QAP) Focus Group session will be held to allow potential applicants for LIHTC funding the opportunity to provide input on the proposed changes to the 2014 Qualified Allocation Plan on Friday, September 20 at 2:15 pm.