



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Housing Matters; Quarterly E-Newsletter

HFA Arizona Department of Housing/Arizona Housing Finance Authority

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013.**

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

HFA Arizona Department of Housing/ Arizona Housing Finance Authority

Entry Name Housing Matters; Quarterly E-Newsletter

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input checked="" 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"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<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	<input type="checkbox"/> Special Achievement	<input checked="" 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 such as HUD’s new disparate impact rule and our ongoing efforts to end chronic homelessness in the state. Additionally, we have used the publication to highlight the success of the Low-Income Housing Tax Credit program and our ability to leverage the program to create immediate job growth.

After years of declining home values, combined with a record number of foreclosures, 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 2013
Volume 12 | Number 2



▲ Governor Brewer proclaimed April "Fair Housing Month." See story, page 1.

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Arizona
Department
of Housing





ADOH Honors 45th Anniversary of the Fair Housing Act

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 in full force 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.

As the war in Vietnam continued to intensify, the casualty totals among African American and Hispanic members of the military were the heaviest. Back at home, their families encountered racial discrimination in trying to secure safe and affordable housing.

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 45th anniversary of this momentous legislation, Governor Jan Brewer signed a proclamation declaring April, 2013 "Fair Housing Month" in Arizona.

When Fair Housing Isn't Fair

HUD ANNOUNCES NEW DISPARATE IMPACT RULE

While the historic Fair Housing Act of 1968 and its amendments over the years has protected the rights of millions of Americans seeking safe and affordable housing, interpretations of what is truly fair housing can be overreaching.

The U.S. Department of Housing and Urban Development (HUD) recently released a new rule which they say will help target fair housing violations throughout the country. This new rule applies the use of disparate impact to determine if a community is in violation of the Fair Housing Act.

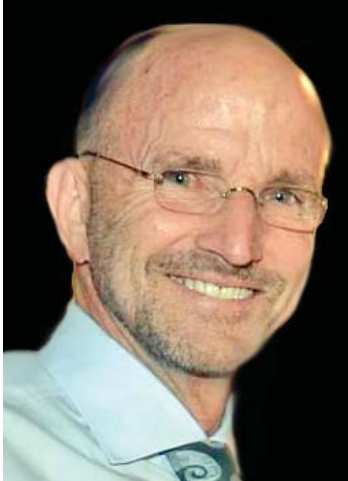
Rather than requiring a showing of discriminatory intent to determine a violation, HUD will implement a system that relies solely on statistical analysis and random patterning to determine whether a particular housing practice could result in a discriminatory effect.

Unfortunately, in doing so, HUD runs the risk of making general assertions on a variety of communities throughout the country. While there may be certain legitimate situations where there are fair housing violations, the use of disparate impact is shortsighted in that it creates a one size fits all model, attempting to explain all housing trends.

HUD, through their new rule, neglects to take into consideration that people tend to live in areas driven by economic reality and family ties, not racial divides. Furthermore, the U.S. Supreme Court has never ruled on whether the use of disparate impact is permitted under the Fair Housing Act.

HUD's new rule could have unintended and serious consequences

See **DISPARATE IMPACT RULE** on page 9



Director's Message

The Fair Housing Act was meant to protect and enforce people's rights to equal access to housing. While much has been accomplished since this historic 1968 legislation was passed, we must remain ever vigilant in protecting our citizens' rights to equal access to housing.

There is an average of 30,000 fair housing complaints filed every year in the U.S., and most are filed by people with disabilities.

Tester studies have documented that handicapped people seeking housing face many obstacles and in some cases, outright discrimination. A summary of the 2005 study, "Discrimination Against Persons with Disabilities: Barriers at Every Step," provides clear evidence of intentional housing discrimination against the deaf and physically handicapped.

Summary of Findings

Both groups of persons with disabilities who were studied in the pilot phase of this project encountered significant levels of adverse treatment when they searched for rental housing in the Chicago area, compared to comparable nondisabled home seekers. In fact, adverse treatment against persons with disabilities occurs even more often than adverse treatment of African American or Hispanic renters in the Chicago-area housing market. People who are deaf and use the TTY system to inquire about advertised rental units in the Chicago Metropolitan Area were refused service in one out of four calls. Even when housing providers accepted their calls, the TTY users received significantly less information about the application process and fewer opportunities for follow-up contact than comparable hearing customers making telephone inquiries. People using wheelchairs who visited rental properties in the Chicago area to inquire about advertised units were just as likely as nondisabled customers to meet with a housing provider. However, wheelchair users learned about fewer available units than nondisabled customers in more than one of every four visits and were denied the opportunity to inspect any units in three of ten visits. Wheelchair users also received less information about the application process. On the other hand, they appeared to be quoted lower fees than comparable nondisabled customers. In addition, persons with disabilities were frequently denied their requests for reasonable modification and reasonable accommodation needed to make the available housing fully accessible to them. Almost one of every six housing providers who indicated that units were available refused to allow reasonable unit modifications needed by wheelchair users. And 19 percent of those with on-site parking refused to make the reasonable accommodation of providing a designated accessible parking space for a wheelchair user.

Shouldn't those of us who are not disabled be more mindful of the daily obstacles faced by others who are disabled?

Section 504 of the Rehabilitation Act of 1973 has implementing regulations that apply to special housing for disabled individuals. Specifically, 24 CFR 8.4(b)(1)(iv) prohibits a recipient of Federal funds from providing different or separate housing, aid, benefits, or services to individuals with handicaps or to any class of individuals with handicaps from that provided to others unless such action is necessary to provide qualified individuals with housing aid, benefits or services that are as effective as those provided to others.

See **DIRECTOR'S MESSAGE** on page 9



SAVE OUR HOME AZ UPDATE

Rising Home Prices, Declining Foreclosure Numbers

➤ In 2008, Arizona was at the forefront of the U.S. housing crisis with home prices falling 55 percent between 2005 and 2011. Today, the housing market is in recovery and Arizona is leading the way.

Home prices are on the rise and Arizona has the highest appreciation rate out of any state in the Union. Home prices in Arizona rose 20.1 percent in January compared to the same month last year. The national average is at 9.7 percent. Most importantly, we are finally witnessing a significant decline in the number of foreclosures and our numbers are finally back to normal trend levels.

While this news is very encouraging for the housing market, thousands of Arizonans are continuing to face foreclosure due to underemployment and many more are still underwater. Moving forward, Save Our Home AZ remains dedicated to assisting troubled homeowners. We are continuing to find new and creative ways to reach out to homeowners who may not have heard about Save Our Home AZ.

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.

SAVE OUR HOME AZ EVENTS

ADOH-sponsored counseling opportunities

Housing counselors were available in Flagstaff on April 11 and 12 to sit with homeowners interested in applying for the Save Our Home AZ program. The two day workshop was held at the Area Agency on Aging conference room, 43 S. San Francisco Street. Other scheduled counseling opportunities are listed below.

- May 1 and 2 — 7:00 am to 5:00 pm in Tucson — Pima County Housing Center
- May 9 — 8:30 am to 7:00 pm in Prescott — Pioneer Title
- May 16 — 9:00 am to 7:00 pm in Phoenix — Maryvale Church of the Nazarene

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

GOVERNOR APPOINTS TWO NEW AZHFA BOARD MEMBERS

Governor Janice Brewer recently appointed two new members to the Board of Directors of the Arizona Housing Finance Authority. Mr. Zeek Ojeh is the Chief Financial Officer of the Cartwright School District.

Mr. John Sundt is an attorney with the law firm of Rusing, Lopez and Lizardi, PLLC in Tucson.



Zeek Ojeh



John Sundt

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
Rusing Lopez & Lizardi, PLLC

MRB PLUS PROGRAM UPDATE

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

AZHFA ANNOUNCES TWO NEW PROGRAMS FOR AZ HOMEBUYERS

A new program, Home Plus, is available for loan reservations beginning March 26, 2013. The Home Plus program will couple 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 is announcing 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.

SCHEDULED MEETINGS

May 9, 2013

June 13, 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/>

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
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
Coldwell Banker Narico

Courtney LeVinus
Capitol Consulting

Robert Michael McQuaid
JM Management Company

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

May 31, 2013

June 13, 2013

July 26, 2013

*check website for times

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FEDERAL LEGISLATION

CONGRESS FINALIZES CR AS BOTH CHAMBERS CONTINUE TO SEEK A BUDGET RESOLUTION

➤ On Tuesday, March 26, 2013, President Obama signed a new continuing resolution (CR) that will keep the government running for the remainder of the fiscal year. While the new CR does not eliminate sequestration, it does provide some spending flexibility in various departments.

The new CR sets spending at \$984 billion and it keeps the \$85 billion in cuts mandated by the sequestration in place. Additionally, the measure freezes federal worker civilian pay and Congressional salaries for a third consecutive year.

Meanwhile, both the House and Senate continue to move forward with their budget plans for FY 2014. On March 21st, the House passed by a vote of 221 to 207 their FY2014 Budget Resolution and two days later, the Senate passed their version 50 to 49.

The House budget plan calls for spending cuts of \$4.6 trillion compared to spending projects based on current law and to balance the budget within ten years. It proposes to achieve the saving through spending reductions and various entitlement reforms. The Senate budget plan attempts to reduce the deficit by \$1.85 trillion through \$975 billion in spending cuts and \$975 billion in increased revenue.

The House budget puts caps on spending, reduces funding for non-defense domestic discretionary programs to levels lower than those achieved by sequestration.

The Senate budget reduces spending by \$975 billion through a savings of \$493 billion in domestic spending, including \$275 billion in health care savings, \$240 billion in defense cuts, and \$242 billion in reduced interest payments. Part of the savings would go towards replacing sequestration cuts scheduled for FY2014 through FY2021. The Senate budget also calls for a \$100 billion jobs and infrastructure package that includes funding for infrastructure investments and worker training programs.

The Senate budget resolution marks the first time the Senate has passed a budget resolution since 2009. However, now the House and Senate must find a way to reconcile their two resolutions and produce a joint budget resolution. Unfortunately, what is currently unknown is whether or not the House and Senate Appropriations committees will move forward with a FY 2014 appropriations process, regardless of a joint resolution, to increase funding to various programs that have been significantly cut over the years.

Under the new FY2013 CR, programs like HOME and CDBG will receive flat funding plus a 5 percent cut under sequestration.

U.S. APPROACHING THE SIDE OF THE "FISCAL CLIFF" ONCE AGAIN

➤ Another fiscal hurdle lawmakers will have to face is the debt ceiling. Early in January lawmakers were able to avoid going over the "fiscal cliff" with a last minute deal to raise the nation's debt ceiling to \$16.4 trillion. However, the bipartisan agreement only allowed for an increase in the country's borrowing cap up until May 18th when lawmakers will have to vote on whether or not to increase the spending limit.

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

SESSION OVERVIEW/BUDGET UPDATE

➤ The 51st Arizona State Legislature, First Regular Session convened on January 14, 2013 with Governor Jan Brewer delivering her annual state of the state address. Once again, the Governor used her speech to outline her top priorities for the upcoming year and beyond. Economic competitiveness, education reform, modernizing state government, and renewed federalism remain some of the Governor's top priorities; however, the biggest surprise from the speech was the Governor's announcement to participate in the full expansion of Medicaid under the President's healthcare program.

A few days later, the Governor released her fiscal year 2014 budget proposal. The Governor's \$8.9 billion budget closely follows the themes outlined in her state of the state address. Her proposal calls for \$318 million in new spending with a large portion of that money going to education and child safety programs.

Reaction to the Governor's budget proposal was mostly positive from both Democrats and Republicans; however, GOP lawmakers remain concerned that the state could fall back into deficit in fiscal year 2015 and beyond. That being said, lawmakers are opting for more of a cautious, "hold the line" approach when addressing the budget situation. Additionally, conservative Republicans have been rather hesitant about backing the Governor's Medicaid Restoration Plan, citing that the state cannot afford to fully implement the President's healthcare legislation; however, leadership in both the House and Senate continue to meet with the Governor.

April 23rd will mark the 100th day of the legislative session. Both President Biggs and Speaker Tobin early on indicated that it was their desire to conclude the legislative session within 100 days; however, with leadership reluctant to support the Governor's Medicaid expansion plan, it is more likely than not that session may move on past the 100 day mark.

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5*

While May 18th is considered the deadline, the US Treasury will have enough funds on hand to extend this deadline until sometime late June or early July.

House Speaker Boehner has stated that the only way the House would agree to increase the country's debt ceiling would be if Democrats and the White House agree to an equal amount in budget cuts.

Two years ago, a tense standoff regarding the debt ceiling led to a downgrading of the country's credit rating. If lawmakers fail to act again, we could see a repeat of these events.

LOW-INCOME HOUSING TAX CREDIT PROGRAM - FLOATING RATE FIX

➤ A key issue that we continue to push Congress on is to consider legislation that would make permanent the temporary nine percent floor for volume cap Housing Credits. This provision was enacted on a temporary basis and only applies to allocations made before January 1, 2014. Additionally, we would like to see Congress create a new four percent floor for volume cap Housing Credits used for new acquisitions.

In addition to restoring the value of the credit, this will eliminate uncertainty and the financial risk of the current floating rate system, simplify state administration, and create stability and predictability for owners and investors of Low-Income Housing Tax Credit developments.

We anticipate that legislation will be dropped shortly in both the House and Senate that will call for the fix the floating rate system.

HOUSING FINANCE REFORM

➤ Over the last year, the House Financial Services Committee and the Senate Banking Committee have held several hearings exploring numerous housing finance reform options. The House Capital Markets and Government Sponsored Enterprises Subcommittee have even marked up several bills, but neither Committee took any action.

At this point, no consensus on any particular approach has emerged from either the House or Senate. Several members have introduced bills aimed at winding down Fannie Mae and Freddie Mac and establishing a new secondary market system. Several housing industry groups have also produced papers with recommendations for a new housing finance system.

ADOH is encouraged that Congress is continuing to hold hearings and discuss comprehensive housing finance reform measures. 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.

STATE UPDATE *continued from page 5*

GOVERNOR BREWER CALLS FOR FULL EXPANSION OF STATE MEDICAID SYSTEM

➤ Governor Brewer, while still a vocal opponent of President Obama's health care law, is calling for Arizona to participate in the full expansion of Medicaid to include anyone who earns up to 133 percent of the federal poverty level. Brewer is the third Republican governor to agree to accept the Medicaid funds, while several others have followed suit over the last few months. However, her decision has drawn immense criticism from Arizona conservative lawmakers.

\$1.6 billion in federal funding will extend health care service to an estimated 240,000 residents and continue insuring 50,000 childless adults. The Governor has stated that if we do not restore Medicaid, hundreds of thousands of Arizonans will continue to lack health coverage, and thousands more stand to lose coverage on January 1, 2014. Brewer has argued that agreeing to expand Medicaid means protecting rural hospitals from growing costs in caring for the uninsured. She predicts that her plan will inject more than \$8 billion into the Arizona economy over the next four years and take pressure off the state budget since it will have no impact on the state general fund.

Still skeptical of the President's plan, the Governor's expansion proposal will include a circuit-breaker that automatically would reduce enrollment if federal reimbursement rates decrease beyond 80 percent.

Despite a strong push from the Governor, the business community, hospitals, and various other groups, leadership in both the House and Senate remain adamantly opposed to the Governor's proposal. Members are concerned Congress will not keep up its end of the funding deal, leaving the state with a multimillion dollar obligation that will severely impact the state budget for year to come. Polls show that most Arizonans support Governor Brewer's plan.

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Featured Groundbreakings & Grand Openings



ENCANTO POINTE APARTMENTS, PHOENIX, AZ

Located at 4175 N. 9th Street in Phoenix, Encanto Pointe is the latest housing project from Native American Connections (NAC). This 54 unit apartment complex is one of the state's first ever "Housing First" communities for residents that are chronically homeless at 40 and 50% of the area median income.

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 significant amount of research went into this project. Similar communities in Seattle and Salt Lake City were visited prior to the groundbreaking of Encanto Pointe and this is just part of a larger regional effort to complete 1,000 units of permanent supportive housing for the chronically homeless.

Amenities for Encanto Pointe include tenant services, BBQ and picnic areas, a secure gated courtyard, and a playground. Supportive services for the project are being provided by Valley of the Sun United Way.

The grand opening and ribbon cutting ceremony for the project took place on February 7th. Mayor Greg Stanton, Councilman Tom Simplot, Merl Waschler-CEO of Valley of the Sun United Way, ADOH Director Michael Traylor, and CEO of Native American Connections Diana Yazzie Devine were all on hand for the event.

CASA DEL SOL 1, SIERRA VISTA, AZ

Located at 1020 South Carmichael Avenue in Sierra Vista, Casa Del Sol hosted their grand opening on February 15th.

Phase 1 of this project caters to residents 62 and older that are at 40, 50, and 60 percent of the area median income. The property is made up of three residential buildings (88 units) with a two-story community building. Some of the amenities include a jacuzzi,



walking trail, a BBQ and ramada area, and gurney-sized elevators. The unit mix is 32 one-bedroom and 56 two-bedroom units.

Supportive services for Casa Del Sol will be provided by SEAGO-Area Agency on Aging.

AEROTERRA SENIOR VILLAGE, PHOENIX, AZ

Located at 675 North 16th Street in Phoenix near the historic Garfield neighborhood, this gated, 60 unit, three-story project has 48 set asides for senior 55 years of age and older at 40, 50, and 60 percent of the area median income.

Aeroterra Senior Village is within a half-mile of the light rail and close to bus routes and stops. The community hosted their grand opening on February 27th.





The Arizona Department of Housing invites you to join over 300 of your colleagues at the 2013 Arizona Housing Forum. Now in its eighth year, the Forum is the only statewide housing conference in Arizona and has consistently received accolades for its programming and presentation. Specially featured are:

DR. LEE MCPHETERS is Research Professor of Economics in the W. P. Carey School of Business at Arizona State University and Director of the school's JPMorgan Chase Economic Outlook Center. Dr. McPheters is editor of the Arizona Blue Chip Economic Forecast and the Western Blue Chip Economic Forecast newsletters, published monthly by the Center.



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

These keynote speakers and more than 20 other presenters will focus their presentations on topics which include a Federal tax update, tax credit syndication, homelessness, Federal and state funding availability, sustainable communities and some personal development.

Registration will be available by mid-May. Hotel information and reservations can now be accessed on our website.



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 here, 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.

info **Cynthia Diggelmann** + 602-771-1016
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HOTEL INFORMATION

TALKING STICK RESORT

9800 E. Indian Bend Road
SR101 and Indian Bend Road
Scottsdale, AZ
480-850-7777 + www.talkingstickresort.com

Deluxe Room Rate \$139.00 (+ 11.95% occupancy tax)
Check-in 3:00 pm | **Check-out** 12:00 pm

info **Reservations** 866-877-9897
Deadline Monday, August 26, 2013



Nominations are now being taken for the 2013 Housing Hero Awards to be presented at a luncheon on Friday, September 20 during the Forum.

Download the category descriptions and Nomination Form. Deadline for nominations is July 26, 2013.

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Director Trailor Receives 2013 Advocate of the Year Award from ACDHH

On Friday, March 22nd, the Arizona Commission for the Deaf and Hard of Hearing presented ADOH Director Michael Trailor with their 2013 Advocate Award.

Director Trailor was recognized for his ongoing advocacy on behalf of the residents of Apache ASL Trails in Tempe to ensure that the deaf and hard of hearing 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.



DIRECTOR'S MESSAGE *continued from page 3*

In addition, 24 CFR 8.27 requires a recipient to ensure that owners of housing projects with accessible units adapt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps and take reasonable nondiscriminatory steps to maximize utilization of such units by eligible individuals whose disability requires the accessible features of the particular unit.

Apache ASL Trails, which is located along the light rail in Tempe, has 74 state of the art accessible units for people with disabilities, including the deaf and deaf-blind. They are the only accessible units in the Southwest that provide a full range of amenities for deaf and deaf-blind individuals. HUD determined last year that Apache ASL Trails had improperly marketed the property only to deaf people before it opened (although ADOH and the property management company have disputed this determination), and began enforcement efforts to limit the property's ability to provide a preference to disabled individuals who need the accessible features of the units, including the deaf and deaf-blind, to only 25% of the accessible units.

The Arizona Department of Housing and Cardinal Capital Management have been defending the rights of disabled individuals to have priority in renting these critically few accessible units, and I am hopeful we can continue to work together to utilize our country's resources to provide decent safe housing for all who need it.

New Faces



Greg Cooper joins ADOH as the Public Housing Authority Administrator. Greg joins us from the Southwest Housing Compliance Corporation in Austin, Texas where he was a Senior Asset Manager. Greg also has over ten years of commercial real estate experience.



LaJerald Jackson joins the Community Revitalization & Development (CD&R) staff as a CD&R Specialist. A recent ASU graduate with a B.S. in Housing and Community Development, LaJerald comes to ADOH from the Housing Authority of Maricopa County.

DISPARATE IMPACT RULE *continued from page 1*

on state and local housing agencies. Additionally, this action could potentially scare off many lenders, developers, and builders that are considering financing or building affordable housing. This result could be a reduction of affordable housing options throughout the country which would clearly be counterproductive.

For decades, the federal government had steered clear of concerted efforts to integrate communities by race and income. Current fair housing laws already prevent the discrimination of anyone who meets the rent or mortgage requirements for a property, regardless of race, gender, class, religion, sexual orientation or disability. HUD's use of disparate impact oversteps their authority and could lead to false claims of fair housing violations.

Calendar 2013

MAY	
9	Arizona Housing Finance Authority
27	OFFICE CLOSED - Memorial Day
29-30	LIHTC Compliance Training
31	Arizona Housing Commission
JUNE	
13	Arizona Housing Finance Authority

2013 LIHTC COMPLIANCE WORKSHOPS

ADOH has added an additional LIHTC Compliance Workshop for 2013 in July. The July Workshop will include the HCCP Exam.

Registration is now open for all three of the 2013 workshops.

Upcoming Workshop Dates:

May 29 and 30 LIHTC Compliance Training | Phoenix
 July 23, 24 and 25..... LIHTC Compliance Training with HCCP Exam | Phoenix
 October 23 and 24 LIHTC Compliance Training | Tucson
 November 14..... HOME Training

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

HOME Compliance Workshop

November 14, 2013

Phoenix Airport Marriott, Phoenix, AZ

One day training designed for rental property owners and managers. Tax credit properties which are financed with funding from HOME, often find they do not meet the more stringent compliance requirements of the HOME program compared to the Low Income Housing Tax Credit (LIHTC) program.

This training provides an overview of the HOME rental compliance requirements, tenant eligibility, rent limits and leases, property standards and inspections, annual report requirements, recertification issues, and recordkeeping requirements. Finally, getting ready for an ADOH monitoring visit...what are ADOH Compliance Officers reviewing?

Class size will be limited to the first 100 paid registrations. If necessary, we will maintain a waiting list. At the door registrations will be not taken.

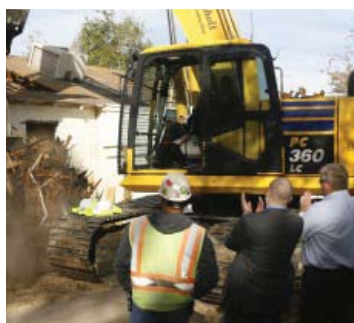
Who should attend this class? Owners, managing agents, public housing authority staff, HUD insured and assisted facility staff, Section 8 property staff, property managers, contract administrators, maintenance staff, insurance inspectors, and any other persons involved with housing inspections, maintenance, and management of housing inventory.

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

Housing Matters

WINTER 2013
Volume 12 | Number 1

LEADING WITH SOLUTIONS



🔔 In the 25 years since President Reagan signed the Low Income Housing Tax Credit program into law, it continues to be most successful rental housing program in history. See story, page 1.

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Arizona
Department
of Housing





ADOH Utilizes LIHTC Program to Help Stimulate Job Growth

On October 22, 1986, President Ronald Reagan signed the Tax Reform Act of 1986. This landmark legislation created the Low Income Housing Tax Credit (LIHTC) program. The LIHTC program was created to encourage the construction and rehabilitation of affordable apartments for low-income working families by offering owners of such housing a credit against tax liability for 10 years.

While no one could have predicted its future, the LIHTC program has gone on to become the most successful rental housing program in history with over 2.5 million units of affordable, quality apartments constructed and preserved in rural, suburban, and urban areas across the country. Since its inception, the LIHTC program has provided financing for well over 40,000 affordable homes throughout Arizona.

The availability of affordable housing remains a necessity for economic development in the state. This past year, through the LIHTC program, ADOH implemented a plan to help stimulate immediate job growth. Our goal was to leverage the program to create jobs in 2012. Our LIHTC development partners had to submit their building plans by May 1st and purchase their land by July 6th; however, they were rewarded by the Department

with the forward allocation of 2013 tax credits. As a result we invested over \$200 million in financing to fund 18 low income rental projects, creating over 1200 low income rental units in 7 counties, the most ever funded in one year by ADOH.

Based on estimates from the National Association of Homebuilders, 1,818 jobs will be created during one year of construction and 458 ongoing annual local jobs will be in place when all this past year's projects are completed and occupied.

Later on in this edition of **Housing Matters**, we highlight some of these projects that held groundbreakings. For more information on the LIHTC program, please visit www.azhousing.gov.



Director's Message

FY 2012 was a productive year for the Department. The Arizona Department of Housing, Arizona Finance Authority and Arizona Home Foreclosure Prevention Funding Corporation made financial commitments of over \$339 million in state and federal assistance. Over the course of the year the agency touched the lives of over 105,000 Arizonans.

\$220 million was invested in low income rental properties producing 2,028 affordable rental units geographically distributed across the state. These units will provide housing that is decent, safe, location efficient and sustainable for seniors, families and people with disabilities.

The Department has strived to improve energy efficiency in housing, reducing utility costs to residents and conserving natural resources. We are building healthier living environments by eliminating materials that contain volatile organic compounds or VOC's. We are sealing registers and duct work during construction and flushing the system prior to occupancy, minimizing dust and other materials that can be detrimental to health. We are encouraging builders to install hard surface flooring and promoting smoke free buildings. We have funded more location efficient housing in the past three years than ever before. This includes housing that is located within walking distance to public transportation, near high rated schools, shopping and services and housing that will continue to provide opportunities for Arizona residents for the next 30 years.

In FY 2012, the Department administered over \$62 million in rental subsidy payments assisting over 10,000 extremely low-income Arizonans with their monthly rent. Among those assisted were very low-income seniors, formerly homeless individuals, the seriously mentally ill, households living with HIV/AIDS and other special needs groups.

The Arizona Housing Finance Authority provided approximately 200 Arizona households with an affordable 30 year mortgage and down payment assistance. State Housing Finance Authorities loan portfolio's experienced far fewer foreclosures during the recession largely due to tried and true 30 year loan products, standard underwriting guidelines and required housing counseling. Thanks to some savvy business moves, the Finance Authority was able to turn a \$25 million mortgage bond program into a \$50 million program at little cost, doubling the number of Arizona households that benefited from the mortgage program. In 2013 the Finance Authority will be launching a new mortgage program aimed at assisting more Arizona households become qualified homeowners.

Foreclosure prevention has been a difficult mission over the past three years due in large part to the reluctance of Fannie Mae, Freddie Mac, investors and the large banks to participate. The Department's programs have continued to evolve over time to increase participation. The U.S. Treasury has been very helpful to states in their efforts to overcome these obstacles, sharing best practices and approving several amendments to the original plan. In FY 2012 the Department assisted over 600 families to avoid foreclosure and stay in their homes. Additionally, our foreclosure hotline assisted over 13,500 households with over 3,100 of those callers receiving extensive counseling services. New programs launched in 2012 will assist even more households prevent foreclosure in 2013.

See **DIRECTOR'S MESSAGE** on page 6



SAVE OUR HOME AZ UPDATE

Program Updates Allow ADOH to Assist Significant Number of Households

► In 2012 we made several proactive modifications to the Save Our Home AZ program including the addition of a short sale assistance component and the recent HARP 2.0 Principal Reduction Assistance component.

Additionally, as part of the program's ongoing evolution, we made some significant modifications to the qualifying provisions. These changes have allowed us to assist a

significant number of more households throughout Arizona. However, as we enter into 2013, thousands of Arizonans still face the threat of foreclosure and many more are significantly underwater.

Moving forward, we are continuing to find new ways to assist and reach out to troubled homeowners throughout the state. Within the last few weeks, we have upgraded our online application system to make it easier for troubled homeowners to apply for housing assistance. Additionally we continue to find new and creative ways to reach out to homeowners who may not have heard about our program.

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 ARIZONAFORECLOSURE HELP LINE at 1-877-448-1211.



Mortgage Trouble?
Don't Delay...Call Today
ARIZONA FORECLOSURE HELP-LINE
1-877-448-1211

TOLL FREE

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 up to \$16,500 or 40% of outstanding second mortgage balance.

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 Annual Meeting of the Board of Directors and the election of officers of the Arizona Housing Finance Authority (AzHFA) was held on Thursday, October 11, 2012 at 10:00 am at the offices of the Arizona Department of Housing. The following officers were elected for the next year:

Chairperson	Robert J. Gardiner
Vice-chairperson	Manuel T. Gonzalez
Secretary	Paul C. DeSanctis
Treasurer	Randall Pullen

► The AzHFA sold a pool of Mortgage Backed Securities in November, allowing the existing MRB Plus program for first time homebuyers to be extended into 2013. AzHFA staff is currently working on a new homebuyer assistance program and hopes to announce the details in January, 2013. Additional information on AzHFA programs may be found on the website: 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

Manny Gonzalez
Vice Chairperson
Pinal County

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

January 10, 2013

February 14, 2013

March 14, 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> or contact Daniel Romm.

info **Daniel Romm**, Legislative Liaison/PIO
(602) 771-1008 + daniel.romm@azhousing.gov

SCHEDULED MEETINGS

January 25, 2013

February - No meeting

March 29, 2013

**check website for times*

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 Elias
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
Coldwell Banker Narico

Courtney LeVinus
Capitol Consulting

Robert Michael McQuaid
JM Management Company

Kathy Pechman
National Bank of Arizona

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 LEGISLATION

FEDS AVERT FISCAL CLIFF BUT OTHER KEY CHALLENGES LOOM

➤ On New Year's Day, Congress passed the American Taxpayer Relief Act of 2012, avoiding the proverbial fiscal cliff by extending the 2001 and 2003 tax cuts for the majority of American taxpayers. Additionally, the legislation delays sequestration (automatic budget cuts) for HUD and other state agencies, for two months. These budget cuts would have gone into effect on January 2nd and include an 8.2 percent cut to all HUD programs.

The compromise legislation includes a permanent extension of the 2001 and 2003 income tax rate cuts for individuals and households, except for those earning more than \$400,000 (individuals) and \$450,000 (couples) a year. The bill includes a one-year extension of unemployment insurance benefits; five-year extensions of the American Opportunity Tax Credit, Child Tax Credit, and Earned Income Tax Credit; a permanent adjustment to the Alternative Minimum Tax to prevent it from reaching middle income taxpayers; and an increase in the estate tax rate from 35 to 40 percent for estates worth over \$5 million. Without action, the estate tax would have reverted to pre-2001 levels of a 55 percent top rate for estates worth more than \$1 million.

In the coming weeks and months ahead, Congress must also address the debt ceiling, which caps the amount of money the federal government can borrow to meet its financial obligations and fiscal year 2013 appropriations. According to the US Treasury, Congress only has a two month window to vote to raise the debt ceiling beyond the current level of \$16.4 trillion or the US will default on our debt. Additionally, late last year, Congress passed a continuing resolution that flat funded the federal government through March 2013.

HOUSING CREDIT RATE EXTENSION INCLUDED IN TAXPAYER RELIEF ACT

➤ A provision extending the 9 percent fixed Credit rate by applying the fixed rate to Housing Credit allocations made before January 1, 2014 rather than developments placed in service before December 31, 2013 was included in the American Taxpayer Relief Act. This is excellent news for the Low Income Housing Tax Credit program and it will significantly help reduce the uncertainty for owners and investors of LIHTC projects in Arizona and around the country.

For several months ADOH had been advocating for this provision to be included in the final legislative package. We want to thank those of you who reached out to members of Congress and the Arizona Congressional delegation asking them to support this provision.

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

51ST ARIZONA STATE LEGISLATURE SET TO CONVENE

➤ The 51st Arizona State Legislature will convene on January 14th with the start of the 2013 legislative session. This year will mark one of the largest freshman classes in Arizona history. 37 out of the state's 90 lawmakers are either new to the Legislature, switched chambers, or are returning after having served in the past. The largest number of new members, following an election, came in 2002 when the House and Senate welcomed 40 new legislators.

Republicans will continue to control both legislative chambers; however, they will no longer maintain supermajorities with Democrats picking up four seats in both the House and Senate this past election cycle. Republicans will control 36 out of the 60 seats in the House (36-24), and 17 out of the 30 seats in the Senate (17-13).

➤ Leadership in both legislative chambers will be somewhat different this session, especially in the majority party, with only House Speaker Andy Tobin (R-Paulden) returning to his post. Representative David Gowan (R-Sierra Vista) will replace Steve Court (R-Mesa) as the new majority leader. Representative Court decided back in May that he would not to run for reelection. Rounding out the House GOP leadership team is Representative Rick Gray (R-Surprise) who will replace Debbie Lesko (R-Glendale) as the new majority whip.

House Democrats once again selected Chad Campbell (D-Phoenix) to serve as minority leader. Ruben Gallego (D-Phoenix) will serve as the House assistant minority leader and Bruce Wheeler (D-Tucson) will be the new minority whip.

Senate Republicans selected Andy Biggs (R-Gilbert), in a close vote, to replace Steve Pierce (R-Prescott) as the Senate President. Rounding out the GOP leadership team will be John McComish (R-Phoenix) who will serve as the new majority leader and Adam Driggs (R-Paradise Valley) who will serve as the majority whip.

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5*

CONGRESSIONAL COMMITTEE CHANGES COULD SPELL HOUSING REFORMS IN 2013

► Housing reform is expected to be a key issue for the newly sworn in 113th US Congress. Newly appointed House Financial Services Committee Chairman Jeb Hensarling (R-Texas) has expressed a strong interest in reforming the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac. Additionally, Congresswoman Maxine Waters (D-California) has publically stated that she too wants to tackle GSE reform sometime this year. Waters is taking over for retired Congressman Barney Frank (D-Massachusetts) as the new ranking member on the committee.

For the last couple of years both the Obama Administration and Congress had been exploring several proposals to either significantly reduce the government's role in the mortgage giants, or to eliminate the entities altogether. The White House has offered several options which include privatization, a limited federal guarantee only for crises, and a government reinsurance model. Congressional members held several hearings last year on various proposals from both Democrats and Republicans.

info Daniel Romm, Legislative Liaison/PIO
(602) 771-1008 + daniel.romm@azhousing.gov

STATE UPDATE *continued from page 5*

► For the first time in state history, Senate Democrats will be led by all women. Additionally, Leah Landrum Taylor (D-Phoenix) will be the first African American woman to serve as the Senate minority leader. Linda Lopez (D-Tucson) will serve as the new assistant minority leader and Anna Tovar (D-Tolleson) will serve as the minority whip.

Following the swearing in of the 51st Legislature on the 14th, Governor Brewer will kick off the start of the session with the delivery of her state of the state address. The Governor is expected to once again highlight her priorities for the upcoming year and beyond. Additional funds for K-12 education and healthcare adjustments will be some of the key issues both the Governor and lawmakers will be looking to address this upcoming session.

DIRECTOR'S MESSAGE *continued from page 3*

Thanks to the efforts of ending homelessness advocates throughout the state, Arizona is making measureable progress toward our goal to end homelessness. The Governor's Commission on Homelessness and Housing has been coordinating ending homelessness efforts around the state. Valley of the Sun United Way launched the Ending Homelessness Council in 2009 with a goal to create 1,000 permanent supportive housing units by 2015. Today there are 690 units funded, under construction or complete. The Department provided funding for many of these units through the Low Income Housing Tax Credit Program and the Neighborhood Stabilization Program. Thanks to the \$2 million federal stimulus Homeless Prevention and Rapid Re-Housing Program the Department was able to assist over 1,000 Arizona households to prevent homelessness. Additionally, the Department funded over \$2.5 million to assist homeless shelters with operating funds to keep their doors open.

The Department administered over \$14 million that provided infrastructure development, public works projects, emergency equipment needs, social service funding and a number of other community development related activities to over 186,000 rural Arizonans.

370 homes in rural Arizona received rehabilitation assistance of over \$5.7 million. Most homeowners are very low income, elderly and living on fixed incomes in housing conditions that are unsafe and unhealthy.

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 that improve living conditions and increase productivity.

Featured Groundbreakings & Grand Openings

ADOH Tax Credit Projects

The Lofts@10 | Phoenix, AZ

On November 29, 2012, the Lofts@10 celebrated their groundbreaking. Once completed, the Lofts@10 will be an entry-level workforce housing apartment complex providing an urban life-style on



East Van Buren Street, east of I-10 in Phoenix. Developed by Dublin, Ohio-based Bethel Development Inc., the building will feature 78 units, offering spacious apartments for low-income families. 62 of the units are one-bedroom while the remaining 16 units are 2-bedroom.

The building is strategically located in the emerging east downtown section of Phoenix. Residents of the Lofts@10 are within walking distance (less than two blocks) to the new light rail system station at the southeast corner of East Washington Street and North 24th Street. The option of public transportation not only will save residents the expense of owning and maintaining a car, but benefit them as well by eliminating the associated expenses such as parking, fuel costs and insurance premiums.

The Lofts@10 is LEED Gold certified and will provide residents the benefits and cost savings associated with energy-efficient construction and amenities. Enhanced insulation, windows, Energy-Star appliances and light fixtures, as well as high-efficiency heating and cooling equipment will all result in substantially lower utility expenses while providing a healthier living environment for their residents.

Washington Pointe | Phoenix, AZ

Located just east of the downtown city center at the southwest corner of Washington Street and 16th Street, next to two light rail lines, Washington Pointe is a 54 unit low-income housing project that will offer spacious apartments designed to meet the needs of its elderly residents. The site sits directly across the street from Eastlake Park which has received a multi-million dollar grant for extensive renovations and improvements and will be a wonderful amenity for the future residents of Washington Pointe.



Washington Pointe, another Bethel Development project, will be built using many energy-efficient and green products and methods. Enhanced insulation, windows and doors, Energy-Star appliances and light fixtures, as well as high-efficiency heating and cooling equipment will all result in substantially lower utility expenses while providing a healthier living environment for their residents. The groundbreaking took place on November 29, 2012.

Escobedo at Verde Vista | Mesa, AZ

Located at 125 E. University Drive in Mesa, Escobedo at Verde Vista will be 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 will be constructed to a LEED Gold Standard. Some of the amenities of the community will include a computer lab, training center, theater, fitness center, playground, picnic tables, and barbeque grills.

Once completed in 2013, 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 groundbreaking ceremony took place on December 6, 2012. Mesa Mayor Scott Smith and Director Traylor were both on hand 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 will involve 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-

See **GROUNDBREAKINGS** on page 8

GROUNDBREAKINGS *continued from page 7*

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.

A groundbreaking for Gracie's Village took place on November 1, 2012.

La Mesita | Mesa, AZ

Located near Broadway and Stapley in Mesa, La Mesita is a partnership between several public and private agencies that are looking to tackle the problem of homelessness. Once completed, La Mesita will serve very low-income families and residents who are dealing with chronic homelessness.

The building will have 80 apartments, 30 of which will be permanent units for the chronically homeless. The property will include supportive services such as on-site health and child care, education and financial assistance. The second phase of the campus will feature a new family emergency shelter which will be completed in 2013.

In addition to tax credits allocated from the Arizona Department of Housing, additional partners for La Mesita include Native American Connections, the Architectural Resource Team, SDCRANE CORE, Valley of the Sun United Way, Mesa United Way, the Corporation for Supportive Housing, Wells Fargo, the National Equity Fund, RAZA Development Fund, and Utah Community Reinvestment Corporation, and the City of Mesa. The groundbreaking for La Mesita took place on December 5, 2012.



Lofts at McKinley | Phoenix, AZ

Located in the historic Roosevelt neighborhood of downtown Phoenix, the Lofts at McKinley celebrated their grand opening with a ribbon cutting ceremony on October 24, 2012. Gorman & Company partnered with the Downtown Phoenix CDC and Arizona Bridge to Independent Living to construct this affordable housing project for low and moderate income working seniors. The project has a total of 60 units set aside for 40%, 50% and 60% of AMI (40 one-bedroom one-bathroom and 20 two-bedroom one bathroom units). Three of the units are specifically set aside for the physically disabled and a total of 48 of the units are set aside for persons age 55 and over.

This transit oriented project is within walking distance to the light rail and it is the first LEED Platinum multi-family senior housing development ever built in Arizona. The Lofts at McKinley also include artist amenities such as a gallery and workshop.



Sentinel Plaza | Tucson, AZ

Sentinel Plaza hosted their grand opening on October 4, 2012. Located on West Congress in downtown Tucson, this six



story apartment complex building provides 143 modern one-bedroom affordable housing units for income-restricted seniors, aged 62 and older. This project is the new home for residents of the old Armory Park Apartments who are transferring from 40 year old studio apartments into brand new one-bedroom units.

Sentinel Plaza, a joint venture between Senior Housing Group and Evergreen Partners, provides modern and larger living units for residents of Armory Park Apartments. The project is estimated to cost between \$25 and \$27 million in construction costs.

Grandfamilies Place | Phoenix, AZ

Grandfamilies Place of Phoenix, located at 5150 S. 18th Place is the first affordable rental housing complex of its kind in Arizona and only the second in the country.



Its construction was the execution of an idea Tanner Properties had been working on for several years and it celebrated its opening on October 25, 2012. Grandparents assuming the responsibility for grandchildren can easily become overwhelmed by issues related to parenting and discipline. Society has changed since they were parents, and, though many behavior issues are common regardless of the generation, these societal changes often pose difficult problems. Twenty nine barracks-style buildings have been replaced with two 3-story buildings as well as a pool and sports court for the children to enjoy. A service coordinator is onsite to assist with social needs.



Lori Hofer recognized as the 2012 ADOH Employee of the Year

Lori Hofer has been named the 2012 Arizona Department of Housing Employee of the Year. Ms. Hofer, a Rental Housing Program Specialist, was nominated for her consistency and outstanding commitment to getting the job done.

Ms. Hofer has shown a willing attitude in accepting new responsibilities, eagerly volunteers to provide assistance in any way she can, and operates as a team player. She continually demonstrates a very high level of accountability and concern over being a good steward of the public resources of the agency and those contracts that are assigned to her. During a period of time when her department was without an Administrator she continually stepped up to help fill the gap left by that vacancy.

She is an adept project manager whose organizational skills benefit developers and result in a higher on-time completion rate. Ms. Hofer's project management experience allows her to anticipate problems and avert job stalling problems. She manages a high volume of rental development while maintaining a professional and cheerful attitude with both ADOH staff and the development community.

On December 12, Ms. Hofer was recognized at the Department's December All Agency Staff Meeting and Holiday Celebration. For this honor, Ms. Hofer received recognition from Director Michael Traylor and Arizona Governor Jan Brewer.

On behalf of the entire Arizona Department of Housing, we would like to congratulate Lori Hofer on receiving this honor and thank her for her continued dedication to the Department and the State of Arizona.

New Faces



Jeanne Redondo | Jeanne Redondo joins ADOH as the Rental Housing Programs Administrator. Jeanne has worked in the affordable housing development community in Arizona since 1998, most recently as Senior

Project Manager at the Cesar Chavez Foundation. Jeanne holds a BS degree from Georgetown University and a MA degree from the State University of New York at Albany.

Qualified Allocation Plan Sent to the Governor

The FY 2013 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit program has been transmitted to Governor Brewer's office for approval. A final version of the report will be posted to the ADOH website upon the Governor's review and signature.

info **Jeanne Redondo**, Rental Programs Administrator
(602) 771-1031 + jeanne.redondo@azhousing.gov

ADOH Releases Fiscal Year 2012 Annual Report

As 2012 comes 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.

On December 20, 2012, we released our Fiscal Year 2012 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 Funding Corporation (AHFPC).

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 FY2012, ADOH, AzHFA, and AHFPC made combined commitments of over \$339 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 families throughout all 15 counties.

It is our pleasure to share with you our Fiscal Year 2012 Annual Report. To access the report, please visit www.azhousing.gov.

Calendar 2013

JANUARY	
10	Arizona Housing Finance Authority
21	OFFICE CLOSED - MLK Day
23	LIHTC Application Workshop
25	Arizona Housing Commission
FEBRUARY	
14	Arizona Housing Finance Authority
18	OFFICE CLOSED - Presidents' Day
26-27	UPCS Workshop
MARCH	
14	Arizona Housing Finance Authority
29	Arizona Housing Commission

LIHTC APPLICATION WORKSHOP

January 23, 2013 | Phoenix Airport Marriott, Phoenix, AZ

This one-day workshop provides a cursory review of the 2013 LIHTC application process, as well as an overview of the LIHTC compliance requirements and the ADOH weatherization standards. Developers (*or their development team designee*) who plan to submit an application in the 2013 round must attend this annual training. Attendees are encouraged to review the 2013 Qualified Allocation Plan (QAP) prior to the workshop. The document can be found on the ADOH website .

- The fee for this workshop is \$75.
- No "at door " registration is available.
- Registration will begin at 8:00 am. Program will begin at 9:00 am. Registration includes a continental breakfast and lunch.
- **Deadline to register on-line: January 16.**

Upcoming Workshop Dates:

May 29 and 30LIHTC Compliance Training | Phoenix
 July 23, 24 and 25.....LIHTC Compliance Training with HCCP Exam | Phoenix
 October 23 and 24.....LIHTC Compliance Training | Tucson
 November 14.....HOME Training

U.P.C.S. WORKSHOP

February 26 - 27, 2013 | Phoenix Airport Marriott, Phoenix, AZ

The UPCS protocols are the defect definitions used during HUD REAC PASS inspections. ADOH will hold a two day training class to present UPCS in simple terms which will enable your personnel to not only conduct your own annual UPCS inspections, but also interpret the resulting data to prioritize, plan, and budget in a proactive manner. This training will give UPCS suggestions and recommendations that are invaluable information for your staff to implement immediately in both daily and long term functions.

Who should attend this class? Owners, managing agents, public housing authority staff, HUD insured and assisted facility staff, Section 8 property staff, property managers, contract administrators, maintenance staff, insurance inspectors, and any other persons involved with housing inspections, maintenance, and management of housing inventory.

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

Housing Matters

FALL 2012
VOLUME 11 | NUMBER 4

LEADING WITH SOLUTIONS



▲ North 17, located in the Sunnyslope neighborhood of Phoenix is a haven for an Indiana mother and her son.

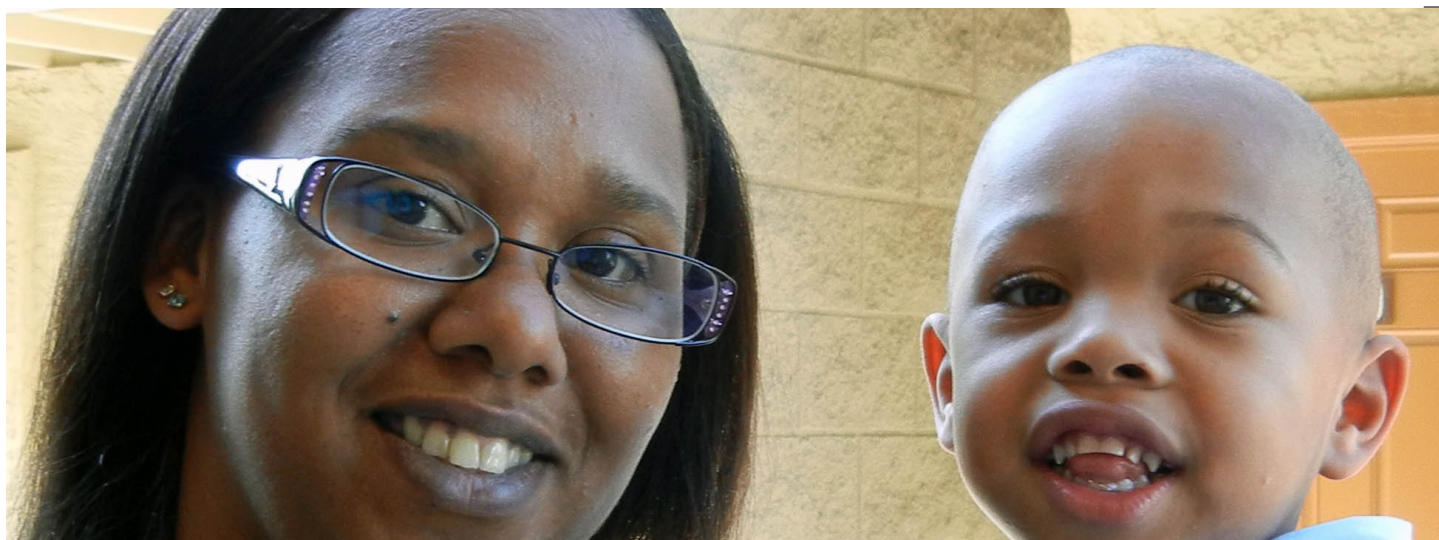
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Arizona
Department
of Housing





Family Finds Refuge in Phoenix's North 17

Over the last few years, budget restraints have limited funding available for critical programs like homeless prevention efforts. While many Arizona residents still face unemployment and fear of losing their homes, the Arizona Department of Housing remains committed to developing supportive housing projects for individuals and families experiencing homelessness or, in many cases, have no where else to turn due to a domestic violence situation.

Shanika and her son Jeremiah came to Arizona late last year seeking refuge from a domestic violence situation that took place in Indiana. When she arrived in the Phoenix area, Shanika and her young son were without a home or any place to go. While staying at a local Phoenix shelter, Shanika learned about North 17.

North 17, located in the Sunnyslope neighborhood of Phoenix, is a rehabilitation project featuring 72 units within five separate two-story buildings. The community consists of 36 one-bedroom and 36 two-bedroom units. The complex serves low-income and previously homeless individuals and families who are striving to permanently end their struggles with homelessness. All the units must be reserved for households initially earning no more than 50 percent of the area median income for Maricopa County, and the rents charged are just 30 percent of the tenant's gross income.

North 17 was a rundown Phoenix apartment complex that had gone into foreclosure. Arizona Housing, Inc. acquired the property with more than \$6 million in federal Neighborhood Stabilization Program funds through the Arizona Department of

Housing and \$900,000 from the Federal Home Loan Bank Affordable Housing Program, and partnered with Foundation for Senior Living to oversee the project's renovation.

Each one of the partners involved in developing North 17 are committed to ending homelessness because they have seen firsthand how people's lives are transformed once they are safe and secure in housing that is supported with services that assist people to become self-sufficient. North 17, Arizona Housing, Inc.'s fourth permanent affordable housing complex.

After going through a rough patch, Shanika says that her and her son's lives are now back on track and headed in a positive direction. She is studying healthcare administration at Brown Mackie College in Phoenix and her son participates in the after-school program for children living in the complex. Most importantly, they are now safe, healthy and happy in their new home.



You could almost hear a sigh of relief from our ADOH staff at the conclusion of the 2012 Arizona Housing Forum. We have received many positive comments about this year's forum. "Great speakers," "timely information," and "love the hotel," were common themes. Cynthia Diggelmann and her team worked tirelessly to produce another great program. We all sincerely appreciate their time, effort, creativity and patience.

Our national speakers, Tony Freedman, Joe Hagen and David Martin, did a great job updating us on the issues affecting the Low Income Housing Tax Credit program. National consultant Monte Frank did double-duty moderating the CDBG Roundtable discussion and providing valuable insight on the Trends in HOME regulations.

Paul Peninger of Bay Area Economics reviewed the Transit Oriented Development (TOD) Market Demand Study for Phoenix, Tempe and Mesa which quantifies an unmet demand for over 60,000 TOD housing units and a future demand of an additional 70,000 TOD housing units by 2040.

Valley of the Sun United Way's Brian Spicker and Amy Schwabenlender discussed the Ending Homelessness Advisory Council's progress to fund and build 1,000 permanent supportive housing units by 2015. They were happy to report that they have achieved 69% of their goal, which includes current occupied housing, housing under construction, and housing funded that is ready for construction. Lloyd Pendleton's Bridges out of Poverty session provided valuable insight into issues of communication and relationships we encounter in assisting people who have experienced homelessness. Lloyd and his team in Utah have learned the necessity of overcoming these challenges as they work not only to provide housing but ultimately employment.

Steve Tofel of Tofel Construction shared some of the valuable lessons they've learned on how to control construction costs while providing attractive, well designed, affordable housing. Chris Baker, Foundation for Senior Living, Energy Training and Technical Assistance Coordinator, along with Terry Rother, Manager of Building Science and Efficiency for the Governor's Office of Energy Policy, explained newly adopted weatherization standards for single and multi-family housing. Their discussion touched on energy conservation measures that reduce utility bills and conserve limited resources.

Arizona's Industrial Development Authorities play a critical role in providing creative mortgage and finance programs to increase housing and homeownership opportunities throughout Arizona. Juan Salgado, Phoenix IDA, David Wohl, Tucson IDA, Steve Russo, Pima County IDA, and David Adame, Tiempo Inc. did a great job explaining their programs and goals.

ASU's Dr Lee McPheters once again provided his outlook on Arizona's economy with his unique humor and current statistics. In the session on Arizona's Economic Recovery we learned what actions the State and business community are taking to strengthen our economy and prevent another fiscal crisis. Thanks to our stellar panel, Michael Hunter, Director of Legislative Affairs for Governor Brewer, Dr Lee McPheters, Director, JP Morgan Chase Outlook Center, ASU WP Carey School of Business, Reed Spangler, Arizona Senate, Senior Policy Advisor, and Keith Watkins, Senior VP. Economic and

See **DIRECTOR'S MESSAGE** on page 5



SAVE OUR HOME AZ UPDATE

SOHAZ Announces New HARP 2.0 Principal Reduction Assistance

While housing conditions throughout the state are showing signs of improvement and home values are on the rise, we are still not where we need to be. Thousands of Arizonans are continuing to face foreclosure and many more are significantly underwater. That being said, Save Our Home AZ continues to look for new and creative ways to help struggling homeowners make their mortgage payments more affordable and avoid foreclosure.

What started as a program focused solely on principal mortgage reduction has since added several other components including unemployment/underemployment assistance, second mortgage settlement, reinstatement assistance and short sale assistance. The latest addition to the program is the HARP 2.0 Principal Reduction Assistance Component.

As of this summer, in conjunction with the federal government's HARP 2.0 refinance program, Arizona homeowners may now qualify to have their principal reduced up to 100% Loan to Value by Save Our Home AZ. 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 price.

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.

For additional information on Save Our Home AZ, 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.



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 up to \$16,500 or 40% of outstanding second mortgage balance.

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.

Mortgage Trouble?
Don't Delay...Call Today
ARIZONA FORECLOSURE HELP-LINE
1-877-448-1211
TOLL FREE

Arizona Housing Finance Authority Activities

▶ The Arizona Housing Finance Authority continues to offer loans to first time homebuyers through its participating lenders in its MRB Plus program. Since the program began in 2010, 407 loans have been closed or reserved representing first mortgages of over \$44 million. The program offers an attractive 30 year fixed rate mortgage for first time homebuyers, along with downpayment and/or closing cost assistance of 5 percent of the purchase price of the home. This program is available in all counties of the State except Maricopa and Pima Counties.

The MRB Plus program is expected to end prior to December 31. AzHFA staff is currently researching new programs that may be offered following completion of the current MRB Plus program.

Additional information about the MRB Plus program and a list of participating lenders can be found on the website www.azhousing.gov and click on Arizona Housing Finance Authority.

▶ The Annual Meeting of the Board of Directors of the Arizona Housing Finance Authority will be held on November 8 at 10:00 am at the offices of the Arizona Department of Housing, 1110 West Washington, Suite 310, Phoenix, AZ 85007.

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

AZHFA BOARD OF DIRECTORS

Robert Gardiner
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AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

October 11, 2012

November 8, 2012

December 13, 2012

*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> or contact Dan Romm.

info **Daniel Romm**, Legislative Liaison/PIO
(602) 771-1008 + daniel.romm@azhousing.gov

SCHEDULED MEETINGS

October 26, 2012

November - No meeting

December 7, 2012

*check website for times

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 Elias
George Washington Carver
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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. Steve Pierce
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

FEDERAL LEGISLATION

CONGRESS WAITING ON LAME DUCK SESSION TO TACKLE KEY ISSUES

► Congressional action will be in a holding pattern until after the November 6th Election with regards to a number of key hot button issues. Various tax extenders and other important bills will not be considered by Congress until the start of the lame duck session in early November.

CONGRESS PASSES TEMPORARY MEASURE TO FUND HUD AND OTHER PROGRAMS

► Having failed to come to an agreement on a FY2013 budget package, Democrat and Republican Congressional leadership recently reached a bipartisan agreement with the White House to avoid a government shutdown prior to the November 6th election. Lawmakers agreed to keep the government running at virtually flat levels through March 2013.

Both Democrats and Republicans, recognizing that it is bad politics to have a government shutdown prior to a Presidential election, agreed to the temporary budget measure; however, there has been some discussion that Congress may consider passing an omnibus appropriations bill in the lame duck session that would fund the federal government for the full fiscal year.

SEQUESTRATION LOOMS

► In August 2011, President Obama signed the Budget Control Act of 2011. This legislation was passed as a compromise to solve the standoff surrounding the threat of Congress not agreeing to raise the national debt ceiling. Lawmakers, concerned about the country's rising debt, threatened to vote no on a motion to raise the debt ceiling. This procedural move was needed to prevent the US from defaulting on our debt. In a last minute compromise between Republican and Democrat Congressional members and the White House, the Budget Control Act of 2011 was passed.

The Budget Control Act of 2011 (BCA) set caps on discretionary spending for FY 2012 through FY 2021 and created the Joint Select Committee on Deficit Reduction (Super Committee). The BCA set the FY 2013 spending cap at \$1.047 trillion, \$4 billion more than the FY 2012 spending cap. The BCA instructed the Super Committee to develop proposals that would save \$1.5 trillion over ten years. It mandated that if the Super Committee failed to propose at least \$1.2 trillion in savings, over ten years, automatic spending cuts, called sequestration, would occur on January 2, 2013. Since the Super Committee was unsuccessful in producing a proposal to reduce the deficit by any amount, sequestration will occur in January unless Congress takes legislative action. Sequestration will be applied equally to defense and nondefense spending. Many mandatory spending accounts, such as food stamps, are exempt from sequestration; however, HUD programs are not exempt and will be subject to the across-the-board cuts.

See **FEDERAL UPDATE** on page 9

ARIZONA LEGISLATION

POSITIVE NEWS ON THE STATE BUDGET

► Arizona continues to receive positive news on the budget front as state revenues continue to increase. For 23 out of the last 26 months, Arizona has seen positive growth in state revenues and budget analysts now say that Arizona is in better fiscal shape than expected.

The Joint Legislative Budget Committee staff is now reporting that Arizona has a surplus of \$427 million which is up from an original projection of \$401 million. However, this new estimate is not the official figure for fiscal year 2012 which ended June 30th. The final number should be available sometime later this year.

In addition to the projected \$427 million surplus, the state currently has \$450 million in the Budget Stabilization Fund (Rainy Day Fund). However, despite these positive numbers, state lawmakers are likely to continue the path of taking a cautious approach to addressing the budget this upcoming legislative session. Due to concerns regarding a possible slowdown in the economy, future financial obligations associated with the Federal Patient Protection and Affordable Care Act, the expiration of the one cent sales tax, and potential federal budget cuts, lawmakers are expected to remain conservative in terms of spending.

DIRECTOR'S MESSAGE (continued)

Rural Development, Arizona Commerce Authority for participating and providing their valuable insight.

The Congressional Plenary featured three of Arizona's top political candidates for the 2012 election. Moderator Michael Donahey kept things moving and asked the tough questions.

We hope you enjoyed your time in Tucson, renewed old friendships and gained useful knowledge that will assist you and your companies in the coming year. Thank you for taking the time to participate and we look forward to seeing you at next year's Housing Forum in Scottsdale.



ADOH Hosts 9th Annual Arizona Housing Forum

On October 2-4, the Arizona Department of Housing hosted their 9th Annual Arizona Housing Forum in Tucson at the J.W. Marriott Starr Pass. This year ADOH teamed up with the Arizona Chamber of Commerce and Industry to invite Congressional candidates to speak on the important issues facing our state and nation.

In addition to the US Congressional candidate plenary, there were presentations and keynotes from Arizona State University Research Professor and Economist, Dr. Lee McPheters; Tucson Mayor, Jonathan Rothschild; Herman Boone, former TC Williams High School Football Coach and inspiration for the movie, **Remember the Titans**; Low-Income Housing Tax Credit program experts; the Arizona Commerce Authority; the Office of Governor Janice K. Brewer; the Arizona State Legislature; Valley of the Sun United Way; State of Utah Homeless Task Force; Arizona Industrial Development Authorities; and ADOH Director Michael Traylor.

The Arizona Housing Forum continues to be the only statewide housing conference in Arizona and 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.

VISIT THIS LINK TO VIEW ADDITIONAL PHOTOS FROM THE FORUM:

<http://2012arizonahousingforum.shutterfly.com/>

TO DOWNLOAD AVAILABLE PRESENTATIONS FROM THE FORUM:

WWW.AZHOUSING.GOV/



Dr. Lee McPheters, Director of the ASU JPMorgan Chase Economic Outlook Center delivers the economic forecast for 2013.



Arizona Congressional candidates (l to r) Gabriela Saucedo Mercer, Jonathan Paton and Martha McSally answer audience questions at the first Congressional candidate plenary.



*Coach Herman Boone, whose coaching experiences were the inspiration for the movie, **Remember the Titans**, delivers the keynote address.*



ADOH ANNOUNCES 2012 BRIAN MICKELSEN HOUSING HERO AWARD RECIPIENTS

The 2012 Brian Mickelsen Housing Hero Awards were presented at a special luncheon at the Arizona Housing Forum on October 4th. 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.

OUTSTANDING AFFORDABLE HOUSING INITIATIVE



The Outstanding Affordable Housing Initiative Award was presented to Guild Mortgage, Yuma Office, for their amazing work assisting 87 first time homebuyers purchase homes in Yuma County. These loans were made possible through the Arizona Housing Finance Authority's Mortgage Revenue Bond Plus program.

INNOVATIVE SUPPORTIVE HOUSING PROGRAM



Victory Place III 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. Since its completion, Victory Place campuses have served more than 2,000 homeless and formerly homeless veterans in Maricopa County. Demonstrating need and success, as of July 2012, Victory Place III achieved 100 percent occupancy, just six months from being placed in service.

TRIBAL INITIATIVES



This year's Tribal Initiatives Award recognized the Yavapai-Apache Nation Tribal Housing's Yavapai-Apache Homes IV project for their achievements in helping to meet the housing needs of tribal members in Arizona. Utilizing solar technologies and energy efficient resources, the Yavapai-Apache Nation Tribal Housing Department has succeeded in providing low-income residents with new homes that conserve natural resources. This project provides a beacon of hope to the hundreds of tribal members in need of housing, in addition to serving as a model for other tribes.

See **2012 HOUSING HERO AWARDS** continued on page 8

2012 HOUSING HERO AWARDS *continued-*

ARTHUR CROZIER PARTNER IN HOUSING



Jerry Anderson from the Southern Arizona AIDS Foundation (SAAF) was awarded with the Arthur Cozier 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. Jerry, a former Tucson City Council Member, has served as the Housing Service Property Manager for the Southern Arizona AIDS Foundation for nearly ten years. His work with SAAF and its housing program exemplifies a successful career improving the lives of low income individuals living with HIV/AIDS and their families.

EXEMPLARY URBAN MULTI-FAMILY PROJECT



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. Grandfamilies Place of Phoenix received this year's award for their outstanding project targeting affordable housing for grandparents who have legal custody to raise their grandchildren. This project is the first affordable rental housing complex of its kind in Arizona.



EXEMPLARY RURAL MULTIFAMILY PROJECT



FSL White Mountain Villas in Show Low, Arizona was recognized with the Exemplary Rural Multifamily Project Award. White Mountain Villas embraces the highest quality of life for low-income seniors in an environment that allows them to maintain their autonomy and independence. The complex provides seniors with numerous services, such as counseling, social activities, congregate meal programs, home delivered meals, health education, and referral services.

ELECTED OFFICIAL

Tempe Councilman Corey Woods was presented with the 2012 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 Woods exemplifies this award through his ongoing advocacy for affordable housing projects throughout the Tempe area. Projects Councilman Woods has supported include Apache ASL Trails, Encore on Farmer, and Gracie's Village.

VISIT THIS LINK TO VIEW ADDITIONAL PHOTOS FROM THE FORUM:

<http://2012arizonahousingforum.shutterfly.com/>

FEDERAL UPDATE *continued from page 5*

Under the terms of the Sequestration Transparency Act of 2012, the Office of Management and Budget released their report on how the sequester will work. As anticipated, many HUD programs will see an 8.2 percent cut. These cuts will be a big blow to programs that have already been significantly cuts over the last few years like HOME. Additionally, Arizona could lose as many as 50,000 jobs statewide due to the mandatory cuts.

The desire to prevent sequestration is strong on both sides of the aisle. Members of Congress, including Arizona Senator John McCain are trying to reach a bipartisan agreement on either delaying the sequester or eliminating it altogether. Preventing sequestration will most likely be one of the first issues Congress tackles in the lame duck session this November.

HOUSING CREDIT RATE EXTENSION TO BE VETTED BY THE OUTGOING CONGRESS?

➤ On August 2nd, the US Senate Finance Committee approved the Family and Business Tax Cut Certainty Act of 2012, a bill to extend expiring tax provisions. This bill includes a provision extending the 9 percent fixed Credit rate by applying the fixed rate to Housing Credit allocations made before December 31, 2013 rather than developments placed in service before that date, as current law requires. The Committee approved the package by a bipartisan vote of 19 to 5; however, the full Senate and the House have yet to take up the measure.

Final congressional action on any tax extenders legislation will not take place until the lame duck session after the November election. ADOH continues to advocate on behalf of the extension of the 9 percent fixed Credit rate with our Congressional delegation.

info Daniel Romm, Legislative Liaison/PIO
(602) 771-1008 + daniel.romm@azhousing.gov

ADOH Projects Honored by HUD

On October 11, the US Department of Housing and Urban Development, Phoenix and Tucson Field Offices, at a ceremony in Phoenix, announced their FY 2012 Most Valuable Partner Award recipients. Eleven awards were given out in five different categories with **six** out of the eleven awards going to ADOH funded projects.

➤ **Rehoboth Place**, a 47 unit low-income housing community, located in the Canyon Corridor Neighborhood of Phoenix was recognized for "Meeting the Need for Quality Affordable Rental Homes."

➤ **Victory Place**, the **City of San Luis Infrastructure Project**, and the **New Homes for San Carlos Apache Nation program** were all honored for "Utilizing Housing as a Platform for Improving Quality of Life."

➤ United Methodist Outreach Ministries' **Legacy Crossing and White Mountain Catholic Charities** were both honored for their work to prevent homelessness and

ADOH Releases Draft of 2013 QAP for Comment

On September 27 the Arizona Department of Housing published its first draft of the 2013 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit program. ADOH held a focus group for comments at the 2012 Arizona Housing Forum in Tucson on October 4 and a second focus group took place in Phoenix on October 9. A draft of the QAP can be found at: www.azhousing.gov. Comments to the draft will be accepted in writing to the following email address until October 19 at 5:00 pm:

2013-QAP-Comments@azhousing.gov

ADOH will issue a final 2013 QAP by November 6, 2012 at 4 p.m. A public hearing to discuss the 2013 QAP will be held on Wednesday, November 14, 2012 at 9 a.m at the following location:

Carnegie Library – Main Floor
1101 W. Washington Street
Phoenix, AZ 85007

Free parking is available on the street surrounding the library and in the Department of Environmental Quality garage on the northwest corner of 10th Avenue and Washington.

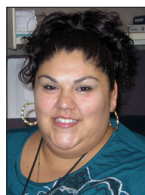
info Andrew Rael, Asst. Deputy Director - Programs
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"Promote Exemplary Practices of Faith & Community Based Organizations."

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



New Faces



Angenique Castaneda | Angenique Castaneda joins ADOH as an Accountant in the Accounting and Finance department. Prior to coming to ADOH, Angenique spent five years with the Arizona Board of Appraisals and has seven years of experience in accounting, having worked with various state agencies through the clerical pool.



Jauron Leefers | Jauron Leefers joins ADOH as a Community Development & Revitalization Specialist. Jauron recently relocated from Michigan where for the last 11 years, she worked as a Community Development Specialist for the Michigan State Housing Development Authority. She received her Bachelor's Degree from Grand Valley State University.



Jean Matzdorff | Jean Matzdorff joins ADOH as Underwriter/Transaction Manager in the Foreclosure Assistance department. Jean has over 20 years of mortgage industry and finance lending experience, most recently as a FHA underwriter.



Director Traylor cutting the anniversary cake at the 2012 Arizona Housing Forum

ADOH Celebrates 10 Years

In 2001, Arizona Governor Jane Dee Hull signed House Bill 2615, sponsored by the late Representative and Speaker of the House, Jake Flake, establishing the Arizona Department of Housing (ADOH) and the Arizona Housing Finance Authority (AzHFA).

This past legislative session, on March 13, Governor Brewer signed Senate Bill 1339, sponsored by Tucson Senator Al Melvin, into law, continuing the Arizona Department of Housing for an additional five years.

This fall, the Arizona Department of Housing proudly celebrates its 10th anniversary as a

standalone agency. ADOH continues to provide programs and critical resources to the most vulnerable populations of the state while serving as a driver for economic development and leveraging private capital. Whether it is through our work to provide safe and affordable housing, assistance to help aid the 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 needs facing the state.

We are grateful to Governor Brewer and all the members of the Legislature who continue to support the Department and our ongoing efforts to assist the people of Arizona. As a Department, we continue to be mindful of our responsibility to invest taxpayer funds wisely and we appreciate the assistance we continue to receive from both the state and the federal government. We look forward to a productive next five years and beyond.

Have Your Photo Featured in an ADOH Publication

The Department of Housing invites you to send photos of your constituents enjoying the benefits of your projects to be featured in one of our publications. If chosen, your photo could appear on the cover of our quarterly newsletter, our annual report or another agency publication.



info Visit www.azhousing.gov for more information or to submit your photo.

Calendar 2012

OCTOBER

8	OFFICE CLOSED - Columbus Day
11	Arizona Housing Finance Authority

NOVEMBER

8	Arizona Housing Finance Authority
12	OFFICE CLOSED - Veterans Day
22	OFFICE CLOSED - Thanksgiving Holiday

DECEMBER

7	Arizona Housing Commission
13	Arizona Housing Finance Authority
25	OFFICE CLOSED - Christmas Holiday

HOME COMPLIANCE WORKSHOP

November 14, 2012 | Phoenix Airport Marriott, Phoenix, AZ

The HOME Program presents a different set of compliance rules, the majority more stringent, than the Low Income Housing Tax Credit (LIHTC) program. Most properties for which ADOH monitors compliance have funding from either one or both of these programs. Those properties funded through the NSP program must also comply with the HOME program regulations.

ADOH will be holding a one day class on November 14, 2012 from 8:00 am to 5:00 pm to provide an overview of the HOME rental compliance requirements, tenant eligibility, rent limits and leases, property standards and inspections, etc. Plus, getting ready for an ADOH monitoring visit...at what are the ADOH Compliance Officers looking?

The fee for this training is \$125. The registration deadline is November 1. Only 100 paid registrations will be accepted. We will maintain a waiting list if necessary.

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

U.P.C.S. WORKSHOP

February 26 - 27, 2013 | Phoenix Airport Marriott, Phoenix, AZ

The UPCS protocols are the defect definitions used during HUD REAC PASS inspections. ADOH will hold a two day training class to present UPCS in simple terms which will enable your personnel to not only conduct your own annual UPCS inspections, but also interpret the resulting data to prioritize, plan, and budget in a proactive manner. This training will give UPCS suggestions and recommendations that are invaluable information for your staff to implement immediately in both daily and long term functions.

Who should attend this class? Owners, managing agents, public housing authority staff, HUD insured and assisted facility staff, Section 8 property staff, property managers, contract administrators, maintenance staff, insurance inspectors, and any other persons involved with housing inspections, maintenance, and management of housing inventory.

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

Housing Matters

SUMMER 2012
VOLUME 11 | NUMBER 3

LEADING WITH SOLUTIONS



Arizona
Department
of Housing

2012 Arizona Housing Forum

HOUSING AND THE ECONOMIC RECOVERY

J.W. Marriott Starr Pass • Tucson, AZ | October 2-4

▲ J.W. Marriott Starr Pass in Tucson is the site of the 2012 Arizona Housing Forum. See story page 1.

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Arizona
Department
of Housing

AzHFA
Arizona Housing
Finance Authority

2012 ARIZONA HOUSING FORUM



National
Equity
Fund
an affiliate of LISC

Celebrating 25 Years

Bank of America
Merrill Lynch



Enterprise

NATIONAL BANK OF ARIZONA
WWW.NBARIZONA.COM | MEMBER FDIC

The Arizona Department of Housing invites you to attend the ninth annual Arizona Housing Forum, October 2-4, 2012. This event is currently the only statewide housing conference in Arizona, annually drawing over 300 attendees who represent more than 20 states. The 2012 Forum will be held at the J.W. Marriott Starr Pass Resort, located in an area considered to be the "Birthplace of Tucson."

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.

With the event being so close to the 2012 Election, this year's agenda will also feature a political flavor. ADOH has teamed up with the Arizona Chamber of Commerce and Industry to invite congressional candidates to address the important issues facing our state and nation.



Coach Herman Boone

Our keynote speaker, Herman Boone, is well-known to many of you as the coach of the T.C. Williams High School football team and the man portrayed by Denzel Washington in the film *Remember the Titans*. Coach Boone will deliver a strong message of teamwork and community involvement that you don't want to miss.

The Brian Mickelsen Housing Hero Awards will be presented for the eighth 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 Thursday, October 4. Nominations will be accepted until August 3. Get additional information on page 9.

We have brought back many of your favorite speakers and added soon to be new favorites. Visit the Forum website for additional information on the event agenda. We hope to see you in Tucson in October!



Hotel Information

J.W. MARRIOTT STARR PASS
3800 W. Starr Pass Boulevard
Tucson, AZ 85745
(520) 792-3500

The conference rate is \$139. Deadline to register at this rate is September 12, 2012.

info Reservations + 1-877-622-3140 or online using this [link](#).

Marketplace

Don't forget to register for the Marketplace, a popular venue located in the hub of all conference activity, close to all plenary and meal sessions. See all the benefits of exhibiting [here](#).

Sponsors

Download a sponsorship information packet to see the benefits of being a sponsor of this event [here](#).

Consultants Bar

We are inviting consultants who make their living providing professional advice to communities and non-profit organizations to pool their talents and be available to Forum attendees at the **Consultants Bar** in the Forum Marketplace.

[Get info](#)

info Cynthia Diggelmann (602) 771-1016 + cynthia.diggelmann@azhousing.gov



Director's Message

From the Desk of Michael Traylor

Congratulations to Native American Connections and Cardinal Capital Management for envisioning and developing two national award winning affordable housing projects!

WINNER - URBAN/METRO AWARD

Who would have thought out of all the mature urban cities in our country that Phoenix would win the Urban/Metro affordable housing award? Once again Native American Connections (NAC) is on the leading edge of developing innovative affordable housing in our community. Great location on north Central adjacent to a light rail station providing access to high density employment centers and our most effective public transportation. The architecture was thoughtfully designed and rivals any market rate project in the area. Residents enjoy art and music events, a children's play area, BBQ's, community gathering places and a tobacco free living environment. NAC doesn't stop at building good architecture in great locations because they understand that housing alone doesn't meet the needs of their residents—it's the supportive services. NAC is well known for their resident programs and services that help people change their lives. There are many former and current resident success stories, people who had lost themselves but are now happy productive members of our community thanks to NAC's programs and services that offer a "hand up."



WINNER - SPECIAL NEEDS HOUSING

Developing and operating affordable housing is a challenging occupation and then there's affordable housing specifically designed for our special needs populations. Cardinal Capital Management has developed a reputation in Wisconsin for taking on the most difficult housing projects; Apache ASL Trails was their first in Arizona. A project specifically designed for our hearing impaired community, it is a one of a kind affordable housing project that provides a safe and barrier free living environment for the deaf. Those of us that can hear take this ability for granted. Until meeting some of the residents at Apache ASL Trails I never realized how isolated deaf people feel in our communities and how difficult it must be to live in a home that does not consider their disability. A simple thing like someone knocking at your door or a phone ringing becomes a major issue for a deaf person. Those of us who can hear take for granted our ability to communicate with anyone we desire. If you are deaf your opinions for communicating are limited to the few who know American Sign Language. Not hard to understand how they feel isolated in a world of hearing people.

See **DIRECTOR'S MESSAGE** on page 7

SAVE OUR HOME AZ UPDATE

Changes to Program Allowing More Arizonans to Get Help

► Back in April, with the support of Governor Brewer and the US Department of Treasury, the Arizona Department of Housing (ADOH) implemented some significant changes to the Save Our Home AZ program. Since making these key changes, ADOH has been able to provide assistance to approximately 50 percent more struggling homeowners throughout the state.

Recent changes to the program included the raising of the area median income requirement from 120 percent to 150 percent. This means that if you are a family of four living in Maricopa County, earning \$98,250.00 or less, you could possibly qualify for the program. Additionally, we have removed the prohibition on "cash out" refinances to those that fall within 150 percent of the original purchase price of the home.

In the coming months, we anticipate that there will be more changes made to the program that will allow us to assist even more struggling Arizona homeowners. 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.

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.

Recent Foreclosure Prevention Events Successful



► In April and in June, the Arizona Department of Housing hosted two successful foreclosure prevention workshops in Phoenix and in Tucson. Save Our Home AZ housing counselors were on hand to assist struggling homeowners who are at risk of losing their homes to foreclosure.

Local media in both cities covered the events and helped the Department promote the program. Due to the level of success, ADOH plans to host several more of these workshops over the next year.

Special thanks to the Hotel Tucson City Center Inn Suites Resort, Take Charge America, Administration of Resources and Choices, and all our housing counselor partners for their participation.



ABC 15 Save Our Home AZ Phone Bank

Watch ABC 15 on Tuesday, July 10th from 3pm to 6:30pm. Director Michael Traylor and ADOH staff will be answering questions and discussing our foreclosure prevention program, Save Our Home AZ. Foreclosure assistance counselors will be on hand to answer questions via a live phone bank.

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.

Mortgage Trouble?
Don't Delay...Call Today
ARIZONA FORECLOSURE HELP-LINE
1-877-448-1211
TOLL FREE

Arizona Housing Finance Authority Activities

► The Arizona Housing Finance Authority continues to offer loans to first time homebuyers through its participating lenders in its MRB Plus program. Since the program began in 2010, over 370 loans have been closed or reserved representing first mortgages of nearly \$41 million. The program offers an attractive 30 year fixed rate mortgage for first time homebuyers, along with downpayment and/or closing cost assistance of 5% of the purchase price of the home. This program is available in all counties of the State EXCEPT Maricopa and Pima Counties.

The MRB Plus program is expected to end prior to December 31, 2012. AzHFA staff is currently researching new programs that may be offered following completion of the current MRB Plus program.

Additional information about the MRB Plus program and a list of participating lenders can be found on the website www.azhousing.gov and click on Arizona Housing Finance Authority.

AZHFA BOARD OF DIRECTORS VACANCY

► There is currently one opening available on the Arizona Housing Finance Authority Board of Directors. The opening is for a non-Republican representative. Members to the Board are appointed by the Governor. If you wish to apply or would like to receive more information, please visit the Governor's Office of Boards and Commissions at <http://azgovernor.gov/bc>.

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AzHFA Board of Directors

Robert Gardiner
Chairperson
Northern Trust, NA

Manny Gonzalez
Vice Chairperson
Pinal County

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

July 12, 2012

August - No meeting

September 13, 2012

**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.

CONGRATULATIONS TO CHAIRMAN ADAME AND VICE-CHAIRMAN ELIAS

► At their June meeting, the Arizona Housing Commission reelected David Adame as the Chairman of the Commission. Additionally, Albert Elias was once again elected to serve as Vice Chairman. Both members were reelected unanimously by acclamation. ADOH would like to congratulate Chairman Adame and Vice-Chairman Elias and thank them for their leadership. We look forward to continuing to working with them and the entire Housing Commission to help address Arizona housing needs in the future.

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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ARIZONA HOUSING COMMISSION

SCHEDULED MEETINGS

July - No meeting

August - No meeting

September 28, 2012

**check website for times*

FEDERAL LEGISLATION

Federal Budget Update

HUD FY2013 FUNDING LEVELS

➤ On June 29th the US House of Representatives passed House Resolution 5972, their version of the FY 2013 Transportation and HUD appropriations bill (T-HUD). HR 5972 reduces HUD funding by \$3.9 million from their FY 2012 funding level. However, both the HOME and CDBG programs receive slight increases in this bill. The House bill proposes \$1.2 billion for HOME in FY 2013, a 20 percent increase from last year. Additionally the House version calls for a \$400 million increase in CDBG funding from last year to \$3.3 billion.

Other notable provisions include:

- \$8.7 billion for Project-Based Section 8 - \$1.2 billion less than the Senate's proposal
- \$17.2 billion for House Choice Voucher Renewals - \$257 million less than the Senate's proposal
- \$425 million for Elderly Housing (Section 202) - \$50 million more than the Senate's proposal
- \$2 billion for homeless assistance grants - \$146 million less than the Senate's proposal

The timetable for a final passage of the T-HUD bill is unknown. The Senate Appropriations Committee has approved their version of the bill; however, the full body has yet to take any action. To date, the House has approved 6 of its 12 FY 2013 appropriations bills while the Senate has yet to approve any.

CONGRESS IN A HOLDING PATTERN UNTIL AFTER NOVEMBER ELECTION

➤ Congress is currently in a holding pattern until after the November 6th Election with regards to a number of key hot button issues. With campaigns in full swing and lawmakers on both sides of the aisle unwilling to take any big political risks, key legislative items have been temporarily shelved for the time being.

After the election, Congress will have their hands filled with several critical issues such as whether or not to raise the debt ceiling, extend the Bush era tax cuts, the payroll tax credit, and various other business friendly tax programs. Additionally \$1.2 trillion in automatic spending cuts over the next decade are scheduled to begin come January 1, 2013. These automatic cuts would represent a 22 percent cut to the HUD budget alone.

Recently there has been some discussion that Congress may consider temporary legislation that would delay the automatic cuts and extend some of the business tax provisions until at least March 2013. Nevertheless, the outcome of the November election will most likely determine the course of action Congress decides to take on these important issues.

ARIZONA LEGISLATION

SESSION OVERVIEW

➤ On Thursday, May 3rd, the 50th Arizona State Legislature adjourned sine die after 116 days in session. While lawmakers this year were not faced with the challenge of having to close a budget deficit, the budget did influence and dominated the tone of the legislative session, forcing lawmakers to work slightly beyond their target goal of 100 days.

As for the Arizona Department of Housing, it was overall a very successful legislative session. On March 13th, Governor Brewer signed Senate Bill 1339, Department of Housing Continuation, sponsored by Senator Al Melvin (R-Tucson). SB1339 will continue the Arizona Department of Housing for an additional five years, to July 1, 2017. Additionally, the Department was not subject to any cuts or sweeps in the FY 2013 budget.

BUDGET

➤ Despite a surplus in state revenues, lawmakers took a cautious approach to addressing the budget. Citing concerns about a possible slowdown in the economy and future financial obligations associated with the Federal Patient Protection and Affordable Care Act, Arizona lawmakers chose to allocate \$450 million into the Budget Stabilization Fund (rainy day fund) that had been depleted during the past recession.

Throughout the legislative session, lawmakers and the Governor clashed over the budget. The debate centered on how much to allocate to the rainy day fund versus various spending priorities and programs. Legislative leadership favored less spending and requested that surplus revenues be shifted into the rainy day fund. Citing a more optimistic projection for incoming revenues, Governor Brewer preferred to allocate more money to various programs that had been targeted by past budget cuts such as K-12 education.

After several months of work and sometimes contentious negotiations, by late April, the Arizona

Charles L. Edson Tax Credit Awards

First projects in Arizona to receive special recognition

► Arizona Department of Housing Director Michael Traylor traveled to Washington, D.C. in June to be on hand for the presentation of two Charles L. Edson Tax Credit Awards to two Arizona projects financed with Low Income Housing Tax Credits. The awards were presented by the Affordable Housing Tax Credit Coalition at a luncheon on Capitol Hill in Washington, DC where Director Traylor was able to make some remarks about these two phenomenal projects.

Native American Connection's Devine Legacy on Central won for best new urban-housing project using low-income tax credits and Cardinal Capital Management's Apache ASL Trails was given the award for the best new special-needs housing development using tax credits. These awards are the first projects in Arizona to receive this special recognition.



info **Devine Legacy on Central** is located at 4570 N. Central Avenue, Phoenix, AZ + www.nativeconnections.org/housing/affordable-housing/devine-legacy-on-central

DEVINE LEGACY ON CENTRAL

Located in the heart of downtown Phoenix, Native American Connections' Devine Legacy on Central is the first affordable housing community in Phoenix, built along the Metro Light Rail. Named in honor of Native American Connections CEO, Diane Yazzie Devine, this multi-award winning community represents a growing trend among low-income housing rental projects in the state.

This project was financed through the Arizona Department of Housing's Low-Income Housing Tax Credit and Home Programs, the City of Phoenix, Federal Home Loan Bank's Affordable Housing Program, a loan from a private lender, and grants from the Home Depot and the Enterprise foundation.



info **Apache ASL** is located at 428 East Apache Boulevard, Tempe, AZ + www.apachetrailsasl.com

APACHE ASL TRAILS

Apache ASL Trails is an active, state-of-the-art independent living community with amenities that can accommodate deaf and hard of hearing seniors. Located along the light rail in Tempe, Apache ASL Trails provides an affordable housing option for seniors.

Partners for Apache ASL Trails included the Arizona Community Foundation, the City of Tempe, the Federal Home Loan Bank of San Francisco, JP Morgan Chase, the Arizona State Compensation Fund, the Arizona Commission for the Deaf and hard of Hearing, the Valley Center of the Deaf, WSM Architects, A-P Residential Southwest, and the Arizona Department of Housing. Funding for the project included money from the federal Low-Income Housing Tax Credit program, Tax Credit Assistance Program Funds, and HOME Investment Partnership Program Funds.

FEDERAL UPDATE *continued from page 5*

HOUSING CREDIT RATE EXTENSION TO BE VETTED BY THE LAME DUCK CONGRESS?

➤ Another key item for Congress to consider is pending legislation that would make permanent the temporary nine percent floor for volume cap Housing Credits and create a new four percent floor for volume cap Housing Credits used for new acquisitions. If Congress fails to act by December 30, 2013, it could potentially hurt the market for 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, and create stability and predictability for owners and investors of Housing Credit developments.

H.R. 3661, sponsored by Representative Pat Tiberi (R-Ohio) and Richard Neal (D-Massachusetts) is the House version of the bill. S.1989, sponsored by Senator Maria Cantwell (D-Washington) and retiring Senator Olympia Snowe (R-Maine) is the Senate version of the bill.

Despite picking up several key sponsors in both the House and Senate over the last few months, Congress will not likely pass this legislation as a free-standing bill. It is more likely that this legislation will be part of a larger package to deal with various other tax reforms. However, like all the other tax bills, this matter will not be taken up until sometime after the election.

GSE REFORM EARLY NEXT YEAR?

➤ Both Congress and the Obama Administration continue to look at several proposals to reform the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac. To date, several hearing on the matter have taken place on Capitol Hill and the overall consensus among Congressional members and the White House seem to be on a reduce role for government. However, to what extent is the point of contention and it will be heavily debated. DC insiders speculate that this issue will be a key priority for the new Congress in early 2013, regardless of what party is in control.

info Daniel Romm, Legislative Liaison/PIO
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DIRECTOR'S MESSAGE *continued from page 2*

Designed by deaf architects, Apache ASL Trails addresses all of these issues. A sleek, modern building located on Apache Boulevard in Tempe adjacent to a light rail station, Apache ASL Trails architecture features many visual aids in each apartment to create a safe barrier free environment. If you ask the residents what their favorite feature is it's not all of the architectural features and amenities that help them function, it's the ability to live in housing where they can talk to their neighbors.

This was the 18th Annual Charles Edison Tax Credit Excellence Awards and the first time an Arizona project has won this prestigious award.

ARIZONA UPDATE *continued from page 5*

Legislature and the Governor reached a consensus agreement on an \$8.6 billion budget which met both the Governor's spending priorities in addition to allocating \$450 million into the rainy day fund.

Other provisions of the budget included \$40 million for K-3 reading programs, \$39 million to the Department of Health Services for the seriously mentally ill, \$50 million over FY13 and FY14 for 500 maximum security prison beds, \$17 million for state employee pay increases, and \$12 million to the Arizona School Facilities Board for K-12 building renewal funding.

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Annual Customer Satisfaction Survey shows marked increase in Satisfaction with ADOH Performance

➤ 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. ADOH was pleased to see the results of its most current survey completed in June 2012, which showed notable improvements with the Department scoring the highest ratings it has received in every category since 2004 or 2005, except for two categories, where it achieved its highest scores ever.

In rating its overall satisfaction with the Department, ADOH's constituency gave the Department a rating of 5.73, out of a possible top rating of 7. This rating represented a 5 percent increase over last year's survey and represented the highest overall satisfaction score the Department has received since 2005. Two scoring criteria, the rate of timeliness of interpretation of regulations and the ease of the application process, received the highest scores ever in the agency's history.



North 17 Holds Grand Opening

► On May 16, 2012, North 17 celebrated their grand opening. Just a year ago, North 17 was a rundown Phoenix apartment complex that had gone into foreclosure. Arizona

Housing, Inc. acquired the property with more than \$6 million in federal Neighborhood Stabilization Program funds through the Arizona Department of Housing and \$900,000 from the Federal Home Loan Bank Affordable Housing Program, and partnered with Foundation for Senior Living to oversee the project.

North 17 is a rehabilitation project featuring 72 units within five separate two-story buildings built in 1984, consisting of 36 one-bedroom and 36 two-bedroom units. The complex serves low-income and previously homeless individuals and families who are striving to permanently end their struggles with homelessness. All the units must be reserved for households initially earning no more than 50 percent of the area median income for Maricopa County, and the rents charged are just 30 percent of the tenant's gross income.

Dunlap & Magee, a local company, provide around-the-clock property management services for this facility. On-site staffs from Community Bridges and Arizona Housing, Inc. help residents access community resources and other supportive services. Central Arizona Shelter Services' Vista Colina Emergency Family Shelter provides an innovative after-school program for children living in the complex.

Each one of the partners involved in developing North 17 are committed to ending homelessness because they have seen firsthand how people's lives are transformed once they are safe and secure in housing that is supported with services that assist people to become self-sufficient.



Tim Cantwell Receives 2012 Housing Person of the Year Award

► On June 21, 2012, Tim Cantwell, of Cantwell-Anderson, received the 2012 Housing Person of the Year Award at the National Housing Conference Gala in Washington, D.C. Tim was selected for the award for developing over 2,400 units of support service-enriched transitional, affordable and permanent housing communities for homeless and formerly homeless veterans under Cantwell-Anderson's special needs division, Cloudbreak Communities.

Cloudbreak Communities has developed veteran campuses in 5 states including Arizona, California, Hawaii, Nevada, and Texas. In Arizona, Victory Place Campus is home to 177 veterans including a 70 bed transitional housing program for homeless veterans operated by U.S. VETS. Cloudbreak plans to add an additional 96 units of permanent housing and a community center onto the facility.

On behalf of the Arizona Department of Housing, we want to thank Tim for his hard work and dedication on behalf of our veterans and congratulate him on his recent achievement.

Have Your Photo Featured in an ADOH Publication

The Department of Housing invites you to send photos of your constituents enjoying the benefits of your projects to be featured in one of our publications. If chosen, your photo could appear on the cover of our quarterly newsletter, our annual report or another agency publication.

info Visit www.azhousing.gov for more information or to submit your photo.



New Faces



Julie Culver

Ms. Culver joins ADOH as a Risk Assessment Officer, bringing many years of experience in the affordable housing arena in private lending, real estate development and consulting.

Ms. Culver has a B.A. from the University of California and has completed work on two masters degrees.



Dwawn Isaac

Dwawn Isaac joins ADOH as the new Customer Liaison. Dwawn is currently pursuing a degree in Business Administration at Rio Salado College and brings many

years of experience as an Administrative Assistant.



Ivy Norris-Voss

Ms. Voss joins ADOH as Assistant Attorney General. Ms. Voss is an Arizona native and graduated from BYU with a law degree in 1995. She has many years of experience in

the mortgage and financial services fields working for banks and private law firms, and taught classes at University of Phoenix and Western International University.



The annual Housing Hero Awards honor those who demonstrate excellence in developing and creating innovative housing solutions. The awards celebrate individuals and organizations who positively impact their communities, and showcase the best practices of developers, advocates and others. The August 3 deadline for nomination submissions is fast approaching.

Nominations are now being taken for the 2012 Housing Hero Awards, which will be presented at a luncheon to be held at the 2012 Arizona Housing Forum, Thursday, October 4 at the J.W. Marriott Starr Pass Hotel in Tucson. For 2012, categories are:

- Innovative Supportive Housing Program or Service
- Outstanding Affordable Housing Initiative
- Exemplary Rural Multifamily Project
- Exemplary Urban Multifamily Project
- Arthur Crozier Partner in Housing
- Elected Official

Category descriptions can be found on the [ADOH website](#). Nomination forms must be submitted no later than August 3, 2012. Award winners will be notified no later than August 17.

info Cynthia Diggelmann (602) 771-1016 + cynthia.diggelmann@azhousing.gov

Calendar 2012

JULY	
4	ADOH OFFICE CLOSED - 4th of July Holiday
12	Arizona Housing Finance Authority
AUGUST	
13	Arizona Housing Finance Authority
SEPTEMBER	
3	ADOH OFFICE CLOSED - Labor Day Holiday
13	Arizona Housing Finance Authority
28	Arizona Housing Commission

HOME COMPLIANCE WORKSHOP

November 14, 2012 | Phoenix Airport Marriott, Phoenix, AZ

The HOME Program presents a different set of compliance rules, the majority more stringent, than the Low Income Housing Tax Credit (LIHTC) program. Most properties for which ADOH monitors compliance have funding from either one or both of these programs. Those properties funded through the NSP program must also comply with the HOME program regulations.

ADOH will be holding a one day class on November 14, 2012 from 8:00 am to 5:00 pm to provide an overview of the HOME rental compliance requirements, tenant eligibility, rent limits and leases, property standards and inspections, etc. Plus, getting ready for an ADOH monitoring visit...what are the ADOH Compliance Officers looking at.

The fee for this training is \$125. The registration deadline is November 1.

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

LIHTC COMPLIANCE WORKSHOP

October 23 - 25 | Desert Diamond Resort, Tucson

The 2012 Qualified Allocation Plan requires that property managers of Low Income Housing Tax Credit projects attend ADOH-approved compliance training annually. See the QAP for approved vendors of this training.

The second LIHTC Compliance Workshop for 2012 will be held in Tucson at the Desert Diamond Resort on October 23 and 24 with an option for the HCCP exam on October 25.

The fee for the two day workshop is \$200.00. There is an additional charge of \$175.00 (\$100.00 if a retake) for the Housing Credit Certified Professional (HCCP) examination which will be administered on October 25 in a 1/2 day session following the Tucson training. The registration deadline is October 9.

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

Public Hearings Scheduled

October 3, 2012 at 4:15 pm

J.W.Marriott Starr Pass Resort | Tucson, AZ

Public Hearing to collect comments on the 2012-2013 Annual Action Plan.

October 4, 2012 | 2:15 pm

J.W. Marriott Starr Pass Resort | Tucson, AZ

Focus Group to collect comments on the 2012 Qualified Allocation Plan.