

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

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

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			



“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.

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 continued to cover a wide variety of key housing topics ranging from our federally funded Hardest Hit Fund program, Save Our Home AZ, to the importance of providing fair housing for individuals living with disabilities, like Autism. Additionally, we have used the publication to highlight the success of the Low-Income Housing Tax Credit program within Arizona.

Daniel Romm
Daniel.Romm@azhousing.gov
(602) 771-1008

Arizona Department of Housing
Housing Matters; Quarterly Newsletter

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

Housing Matters

SPRING 2015
Volume 14 | Number 2

LEADING WITH SOLUTIONS



CELEBRATE FAIR HOUSING MONTH



April is Fair Housing Month. Story page 1

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Arizona
Department
of Housing



AzHFA
Arizona Housing
Finance Authority

April is Fair Housing Month in Arizona



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

In honor of the 47th anniversary of this momentous legislation, Governor Ducey has signed a proclamation declaring April 2015, Fair Housing Month, in Arizona.

This year ADOH will publish an updated Analysis of Impediments (AI) to Fair Housing Choice, a document that analyzes the current state of fair housing from a variety of sources, identifying new and ongoing impediments to fair housing within the state's Community Development Block Grant (CDBG) program jurisdiction, evaluates the State's effectiveness in addressing its 2010 plan, and outlines a new plan of action to address current impediments. Location-specific AIs are also required of local jurisdictions receiving CDBG funds. A draft of ADOH's 2015 AI is now available for review on the Publications page of our website and is expected to be adopted later this spring.

Finding a Smarter Solution to Ending Homelessness

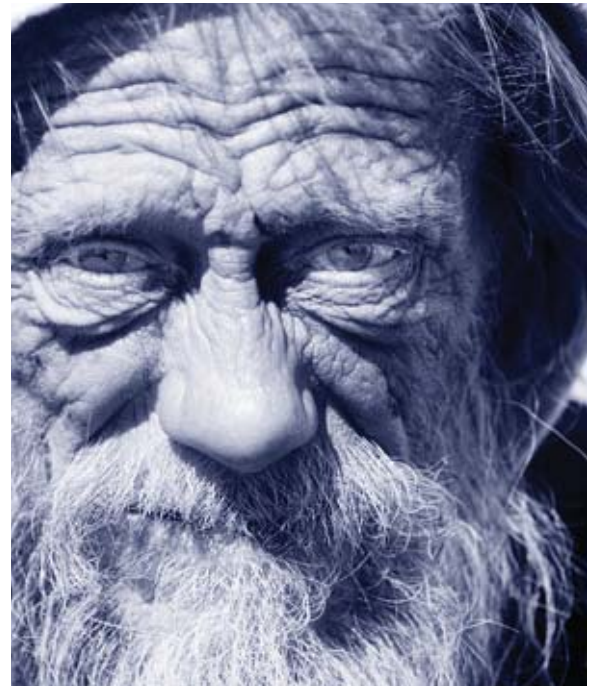
Despite numerous challenges and obstacles, such as inadequate resources, significant progress has been made towards achieving our ongoing objective to end homelessness in Arizona.

In Phoenix, we have put an end to chronic homelessness among our veteran population. Additionally, by utilizing strategies like the "Housing First" concept, we are working to remove the instability that comes with being homeless. We have seen firsthand how people's lives have been transformed once they are safe and secure in housing that is supported with services that assist people to become self-sufficient.

While we have had some victories, the battle continues, as just even one person, without a place to call home, or a roof over their head, is one too many. Working together, we are doing more as a community to better understand homelessness in our state. In doing so, we understand that there is no one-size-fits-all model or solution to addressing this issue. In order to make a real impact, we are doing a better job of zeroing in on the specific circumstances facing individuals and families encountering homelessness.

People experiencing homelessness are identified through various outreach efforts and referred to the access points either for singles or families. Individuals generally access emergency shelters first and then are assessed for the appropriate housing interventions. Outreach teams identify individuals and families experiencing homelessness. The common assessment tool known as the Service Prioritization Decision Assessment Tool (SPDAT) is now being utilized to assess the needs of the individuals or families and match them to the most appropriate intervention. Often this can entail diversion, rapid-re-housing, or permanent supportive housing.

The SPDAT has undergone rigorous testing. It has been reviewed by experts in healthcare, mental healthcare, housing and homelessness. It is effective in a range of population from an age, gender, and cultural perspective. The core premise is to get the right household to the right program



See Smarter Solutions, page 9



Director's Message

Easter, Fair Housing, National Autism Awareness and great weather, gotta love April! In honor of the 47th anniversary of the Fair Housing Act, Governor Ducey has signed a proclamation declaring April 2015, Fair Housing Month, in Arizona.

Fair Housing Act

➤ Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

In the 46 years since the passage of the Fair Housing Act, our country has made progress in building more inclusive communities across America, but some landlords, real estate agents, mortgage lenders, insurance companies, and communities still try to limit or deny equal housing opportunity.

Discrimination and residential segregation remains a significant barrier to the ability to access quality life opportunities.

According to HUD statistics, people with disabilities continue to experience housing discrimination at almost 2 to 1 over any other protected class. People with disabilities filed 53.5% of HUD fair housing complaints. Race was the next highest at 26.8%.

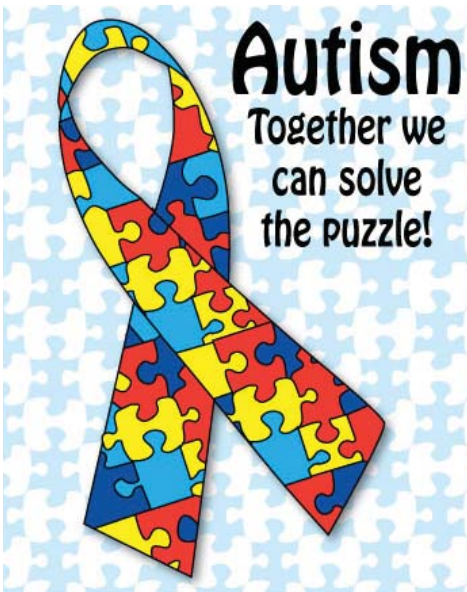
Discrimination Against the Deaf and Hard of Hearing

➤ National Fair Housing Alliance (NFHA) and its members conducted 304 tests of 117 apartment complex owners and management companies in 98 cities (25 states). Of the 117 apartment complex owners and management companies tested, one out of four treated deaf callers differently from hearing callers in a manner that appeared to violate the Fair Housing Act. NFHA and its members conducted additional testing of the 25 percent of apartment complex owners and management companies that clearly discriminated during the first round of testing. Of those additionally tested:

- 40 percent hung up on deaf callers at least once;
- 86 percent gave more information to hearing persons about available apartments and the apartment complex than to deaf callers, including stating that there were more apartments available (76 percent), and providing information on specials and discounts (36 percent);
- 56 percent described additional financial qualifications and background checks to deaf or hard of hearing callers, including criminal background checks, prior evictions policies, or credit checks.

All complaints resulting from this investigation are currently pending review at HUD.

See *Director's Message*, page 8





2015 ARIZONA HOUSING FORUM

INTO THE LIGHT!

The Arizona Department of Housing invites you to attend the 2015 Arizona Housing Forum on August 26-28, at the beautiful Arizona Biltmore Resort in Phoenix, Arizona. Join us as we celebrate the 12th anniversary of this conference. The theme of this year's Forum is, "Into the Light."

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

Boston Capital Corporation's David Gasson will provide Forum attendees with an in-depth Capitol Hill briefing on the work going on behind the scenes with regards to federal housing legislation. Mr. Gasson will cover possible changes to the Low-Income Housing Tax Credit (LIHTC) program through tax reform, an update on the efforts to fix the floating 9 percent rate for the LIHTC program, and the future of private activity tax exempt bonds.

Representatives from the United State Interagency Council on Homelessness and HUD will discuss the latest progress in creating a national partnership to end homelessness while seeking to maximize the effectiveness of the federal government in contributing to the end of homelessness.

Ensuring that health, transportation, community development, and economic development are components of housing planning and design is the mission of the Arizona Partnership for Healthy Communities (APHC). APHC seeks to bring together the private and public sectors to ensure that banks, health insurers, and health care providers



Ilana Preuss

are active partners alongside the government and non-profit sectors. Come learn about the goals of this important initiative.

ADOH staff will provide training on how to successfully conduct special surveys for determining CDBG low-moderate income area benefit and the circumstances under which they are required.

This year's keynote speaker will be Ilana Preuss. Ms. Preuss, formerly the head of Smart Growth American and currently the owner of her own consulting company, Re-cast City LLC, will speak about creating communities with a great sense of place, where people are excited to live and work and how to create more opportunity through thoughtful planning. For a taste of what Ms. Preuss, a much sought after national speaker has to offer, you can listen to her **TEDx** talk "**THE ECONOMIC POWER OF GREAT PLACES**" by clicking here: <https://www.youtube.com/watch?v=IF8B7vpPRiw>

Registration Fee

\$250.00 (after June 26 - \$300.00)

ON-LINE REGISTRATION CLOSES August 14

www.azhousing.gov

Arizona Biltmore Hotel

2400 E. Missouri, Phoenix, AZ 85018

Reservations (800) 950-0086

Conference Rate \$129 (until July 27)

HOUSING HERO AWARDS

Deadline for submission July 10



FEDERAL LEGISLATIVE UPDATE

PRESIDENT RELEASES FY2016 BUDGET

► Back in early February, President Obama sent Congress his FY 2016 Budget, proposing funding for all federal programs, including HUD and the Department of Agriculture's (USDA) rural housing programs. The Budget proposes a total of \$1.091 trillion in discretionary spending for FY 2016, including \$530 billion for non-defense programs and \$561 for defense programs.

The Administration proposes \$41 billion in HUD discretionary budget authority, a \$9.2 billion, or 16 percent increase over the \$35.6 billion provided in the FY 2015 spending bill the President signed on December 16, 2014.

The FY 2016 Budget proposes to increase funding for the HOME program by 18 percent over FY 2015 enacted funding, restore the nearly 67,000 Housing Choice Vouchers lost in 2013 due to cuts required under the "sequestration" Congress established to meet federal spending targets, and support the shift of project-based rental assistance funding from a fiscal-year basis to a calendar-year basis.

The Budget also contains the Administration's tax proposals. For the third year in a row, the Administration proposes to allow states to convert a portion of their private activity bond (PAB) volume cap into Housing Credit authority. This year's bond conversion proposal would allow states to convert up to 18 percent of their PAB cap to Credit authority. This proposal marks a significant increase over prior year proposals. In FY 2014 and FY 2015, the Administration's bond conversion proposal was limited to 7 and 8 percent of PAB cap, respectively.

The Administration again proposes to repeal the Mortgage Revenue Bond (MRB) program purchase price limit and refinancing restriction; create a new permanent American Fast Forward (AFF) Bond program, which would be an optional alternative to traditional tax-exempt bonds; and to cap the value of itemized deductions and other tax preferences, including the income-exclusion of interest on tax-exempt bonds, to 28 percent. Both the House and Senate

FEDERAL UPDATE continued on page 9



STATE LEGISLATIVE UPDATE

THE 52ND LEGISLATURE ADJOURNS SINE DIE

► On Friday, April 3 at 3:34 am, the 52th Arizona State Legislature, 1st Regular Session, adjourned sine die after 81 days in session. While most legislative sessions tend to go beyond 100 days, lawmakers worked at a record pace making this the shortest legislative session in over five decades.

Unlike the last few legislative sessions, state lawmakers and the Governor were faced with the daunting challenge of having to close a significant billion dollar budget deficit while addressing the ever pressing needs of our state, including funding for education and child safety.

Lawmakers approved 344 bills with the Governor signing 324, and vetoing 20.

STATE APPROVES BALANCED BUDGET PRIORITIZING CHILD SAFETY, CLASSROOMS, AND PUBLIC SAFETY

► On March 7, the Arizona Legislature approved a \$9.1 billion budget package which prioritizes child safety, classrooms, and public safety without raising taxes. This is Arizona's first structurally balanced budget since 2007, reducing government spending by 2.3 percent.

"This budget reflects the priorities I ran on and addresses the problems I was elected to solve," said Governor Ducey. "It restores much-needed fiscal responsibility to government by forcing the state to live within its means and stop spending money it doesn't have. It prioritizes education, with nearly half our overall budget going toward K-12 and universities. It protects classrooms, child safety, public safety and our most vulnerable populations. And it does all of this without raising taxes on the citizens of Arizona."

Sixteen percent of this budget is dedicated to Child Safety and Public Safety. This includes \$849 million dollars for Child Safety and \$1.5 billion for Public Safety. Additionally, this budget represents the most Arizona has ever spent on education in history, with nearly a 20 percent increase in general fund investment in K-12 since 2010. These funds will go to protect Arizona's classrooms.

STATE UPDATE continued on page 9

ADOH to receive \$2.95 million through HUD Section 811 Project Rental Assistance (PRA) Program

The U.S. Department of Housing and Urban Development (HUD) announced on March 3, 2015, that Arizona has been chosen as one of 25 states to receive a Section 811 Project Rental Assistance (PRA) grant through a recent competitive application process conducted by HUD. The Arizona Department of Housing (ADOH) partnered with the Arizona Department of Economic Security (ADES), Arizona Department of Health Services (ADHS), and the Arizona Health Care Cost Containment System (AHCCCS) to apply for the funds.

ADOH will eventually receive \$2.95 million which will be utilized to provide monthly rental subsidy payments for up to 54 individuals with developmental disabilities and their families. Eligible participants will live in rental units developed through Low-Income Housing Tax Credit Program or other multi-family financing available through ADOH.

ADES will be providing referrals through its Division of Developmental Disabilities (DDD) to fill the newly developed units which will be set aside for extremely low-income households (30% or below the area median income) where at least one person is developmentally disabled, 18 to 61 years of age, and eligible for community-based long term care services (ALTCs) provided under Title XIX of the Social Security Act. Eligible renters will also have the opportunity to engage support services customized to their unique disability-related needs through ADES/DDD.

Because of the nature of this grant—which first requires the development of the rental units that will be offered to participants, assistance is not anticipated to be available until sometime in 2017 or beyond. Developers interested in developing such units—may contact the ADOH Rental Development Division at (602) 771-1000. ADES/DDD's referral process for potential renters will eventually be posted to www.azdes.gov/developmental_disabilities/.



SAVE OUR HOME AZ UPDATE

▶ While the housing market, and the foreclosure crisis as a whole, has come to an end, nearly one in five Arizona homeowners are still underwater. Thousands of responsible homeowners who are current with their mortgages were hit hard by the recession and plummeting home prices. Many of these homeowners still need assistance and fortunately, the Save Our Home AZ program may be able to help.

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

One of the most successful components of the program applies principal reductions to homeowners with negative equity. This component became available in July 2012 and to date ADOH has dispersed more than \$51.9 million to homeowners who are underwater, reducing their mortgages by an average of \$50,168. If a resident qualifies for HARP 2.0 or other comparable refinancing they could save thousands annually. Additionally, the program may also be able to reduce their principal by as much as \$100,000.

In the fall of 2014 the U.S. Department of the Treasury approved an amendment to Arizona's program to allow for the below market buy downs of principal if the homeowner's mortgage lender will recast the loan payment to an affordable payment

for an underemployed homeowner after applying the principal buy down. In this way, homeowners who have searched but not found more meaningful employment in today's economy may remain in their home with an affordable payment. Principal buy downs that are made to bring mortgage balances below market are provided as due on sale loans. Such loans are providing a reasonable alternative for Arizonans challenged by reduced circumstances as a result of the Great Recession.

Many individuals who were denied in the past think that they can't qualify, but they may be eligible this time because circumstances, within the program and with the resident's finances, may have changed.

Currently, 3,736 families have avoided foreclosure and stayed in their homes. Over \$120.1 million in program assistance has been committed to individual homeowners as of March 31, 2015, to assist these homeowners through the Save Our Home AZ program.

Arizona's foreclosure assistance hotline has assisted over 77,000 troubled homeowners with important information and housing counseling services

The Arizona Department of Housing's dedicated staff is eager to lend a hand. Eligibility for Save Our Home AZ assistance is based on a variety of factors. To find out if you qualify, visit housing.az.gov or call **(877) 448-1211**.

Arizona Housing Finance Authority Activities



"Many current renters could likely realize significant monthly savings by buying a home now and taking advantage of terrific affordability driven by low mortgage rates and home prices that remain below peak in most areas," said Zillow Group Chief Economist Stan Humphries. "But even while buying a home is essentially as affordable as it's ever been, renting is less affordable than ever," Humphries said. "Widespread and rapid growth in rents, combined with stagnant wages, are keeping many would-be buyers stuck in rental housing, writing ever-larger checks to their landlords instead of saving for a down payment."

The Arizona Housing Finance Authority's HOME Plus Home Loan Program provides an attractive 30-year fixed-rate mortgage with down payment assistance grant equal to 4% of the mortgage amount. The program objective is to assist creditworthy renters who can afford a mortgage but lack the resources for the down payment, eliminating a major obstacle in the marketplace and presenting qualified renters a pathway to homeownership.

Over the last 90 days, 233 new homebuyers have received a Home Plus mortgage with an accumulative \$1.4 million dollars in down payment assistance. Since the Home Plus program's inception in April 2013, 736 new homebuyers have received just under \$4.0M in down payment assistance. AzHFA raises funds for its initiative in the national capital markets and forms partnerships with banking and lending institutions to facilitate the Home Plus Home Loan Program throughout the state of Arizona.



➤ AzHFA Administrator Dirk Swift was recently a guest on the local **The Home Hunter** television show. Dirk was invited to talk about the Finance Authority's Home Plus Home Loan Program.

The Home Hunter, hosted by Tiffany Hunter, has been airing in the Phoenix market for over 32 years and is the longest running real estate talk show in the U.S. The half-hour weekly show primarily previews local new homes for sale.



2014-2015 AZHFA BOARD OF DIRECTORS

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SCHEDULED MEETINGS

- May 14
- June 11
- July 9

*check website for times

Find information on the Home Plus Home Loan Program on our website: www.azhousing.gov

Featured Groundbreakings & Grand Openings



NORTH MOUNTAIN VILLAGE | Phoenix, AZ

➤ On February 4th, a groundbreaking ceremony took place at the future site of North Mountain Village. North Mountain Village, located at 10825 North Cave Creek Road in Phoenix, was funded in 2014 as a permanent supportive housing project for chronically homeless persons, with a preference for veterans.

The ownership entity of this project is UMOM Housing III, LLC and the developer is Helping Hand Housing Services. UMOM and Helping Hand Housing Services will utilize tax credits, allocated by the Arizona Department of Housing, to develop North Mountain Village.

North Mountain Village includes acquisition and demolition of a blighted structure called North Mountain Lodge. The finished property will feature 48 units (12 one-

bedroom, 6 two-bedroom, and 30 three-bedroom). 34 of these units (or 71 percent) are specifically set aside for the chronically homeless at 30 percent or less of AMI. The remainder of the units will be for persons whose incomes are at or less than 50 percent and 60 percent AMI.

One hundred percent of the housing units will include a monthly rental subsidy, which will make the rent even more affordable for low-income residents. Helping Hand Housing Services has their own private rental subsidy through the Family Rental Assistance Program. Additionally, 10 Section 8 vouchers have been awarded and are available to future residents.

A 5,000 sq. ft. community center has been designed to offer, through the service provider UMOM New Day Centers, Inc., a variety of free supportive and tenant-based services, including before and after school child care services, a computer lab, case management and the use of a large activity area. A full-time Resident Support Services staff member will be onsite to coordinate all services and assist both adults and children with the resources needed to break the cycle of poverty and improve their lives.

The tenant based services will include the Rent Subsidy Program, "Live Your Dream" Education Scholarship Programs, after-school homework assistance and arts and crafts, summer reading programs and camps, periodic field trips, monthly community activities, and guest speakers on drugs and alcohol, gang and bullying and self esteem issues as well as personal hygiene.

The supportive services will include case management, computer-based GED tutorials, "Launching Our Career Success" (LOCS) Program for job development, "Keys to Enhancing Your Success" (KEYS) life skills, financial literacy classes, periodic health screenings, health referral services, and adult education in crime prevention, parenting skills and cooking and housekeeping skills.

North Mountain Village will have most of the usual unit and property amenities including a community room, tenant services, carports, a playground, and BBQ and picnic area.



Ghost Ranch Lodge Nominated for NDC Award

➤ Ghost Ranch Lodge has been named as a semi-finalist by the National Development Council in the Category of Housing Development and will be showcased at the 2015 NDC Academy in Washington, D.C. this May. The Tucson project was

developed by Atlantic Development.

Ghost Ranch Lodge was opened in August of 2010 for seniors 55 and older who are between 40, 50, and 60 percent of the area median income. The historic structure, which sat crumbling for many years, was able to utilize low-income housing tax credits, allocated by the Arizona Department of Housing, to provide affordable housing to the senior community while revitalizing an area that for many years had been neglected.

Built in 1941, on what was formerly a working cattle ranch, Ghost Ranch Lodge is known for its unique cactus gardens. An oasis in the desert, the Ghost Ranch Lodge provides 83 single story rooms and casitas on 8 acres of lush desert gardens and lawns. All of the guest rooms have a regional décor and private fenced patio, while the suites have a backyard and a kitchen.

DIRECTOR'S MESSAGE continued from page 2

Calvin's Happy World – Through the Eyes of an Autistic Child

Calvin Shin, a 19 year old student at Saguaro High School in Scottsdale, sees the world a little differently than you and I. At age 3 ½ he was diagnosed with autism; however, this life-affecting disability has not broken his spirit or his positive outlook on life. Calvin is a self described, "happy, happy person."

Growing up with a disability, it would be very easy for anyone to see the world and their surroundings as a cruel and unfair place; however, Calvin chooses to focus on all the good the world has to offer and he expresses this through his artwork. His drawings are often depictions of the places he wants to go and the people he wants to meet.

At an early age, Calvin began drawing. At first he struggled with this task. The objects within his drawings were repetitive and unknown to anyone expect himself. Over time, and with a lot of practice, his artwork began to evolve and take shape.

On Friday, April 24th, come meet the "happy, happy" artist, Calvin Shin. His artwork will be on display at the Scottsdale Center for the Performing Arts located at 7380 E. 2nd Street, Scottsdale, AZ 85251.

For more information or to learn more about Calvin and his artwork please visit <http://www.happycalvinshin.com/home>.



Nearly a quarter century ago, the Autism Society launched a nationwide effort to promote autism awareness, inclusion and self-determination for all, and assure that each person with ASD is provided the opportunity to achieve the highest possible quality of life.

FACTS ABOUT AUTISM

- Autism now affects 1 in 68 children and 1 in 42 boys
- Autism prevalence figures are growing
- Autism is the fastest-growing developmental disorder in the U.S.
- Autism costs a family \$60,000 a year on average
- Boys are nearly five times more likely than girls to have autism
- There is no medical detection or cure for autism

Research shows that early intervention treatment services can greatly improve a child's development. Early intervention services help children from birth to 3 years old (36 months) learn important skills. Services include therapy to help the child talk, walk, and interact with others. In Arizona we're very fortunate to have SARRC and First Place.

The **Southwest Autism Research and Resource Center (SARRC)** was formed in 1997 as a research center. Today SARRC operates the Sybil B Harrington Campus for Exceptional Children, Colonel Harland D. Sanders Center for Autism Studies and SARRC's Vocational & Life Skills Academy.

First Place represents home for individuals who live there, peace of mind for family and friends who come and go, and an inspiring and enriching environment for those who work and learn there. It represents a new residential prototype for adults with autism and related disorders and individuals without disorders, that aspires to be an international model.

First Place vision is to enhance their quality of life through jobs, friends, homes and a supportive community that provide for individuals today and when family members are no longer able to care for their loved ones.

The Arizona Department of Housing celebrates the advancements achieved to eliminate discrimination through fair housing and the ongoing progress to enhance the quality of life for individuals with autism.

FEDERAL UPDATE continued from page 4

have passed their own budget resolutions. The two chambers are expected to form a conference committee shortly to resolve their differences before moving the budget package forward; however, the White House has been critical of both budget packages stating that they rely on budgeting gimmicks.

FIXING THE FLOATING RATE FOR THE LIHTC PROGRAM

➤ On February 26, Representatives Patrick Tiberi (R-Ohio) and Richard Neal (D-Massachusetts) once again released legislation (H.R. 1142) that would create a permanent minimum rate for the low-income housing tax credit (LIHTC). The bill would permanently established fixed 9 percent (for new rental construction property) and 4 percent (for existing property) rates for buildings placed into service after December 31, 2014.

The Housing and Economic Recovery Act (HERA), passed in 2008, established a temporary 9 percent floor for properties, allowing developers to receive additional tax credits during the economic recession. The fixed rate has since expired and the LIHTC industry has since gone back to a floating rate system that has a rate of around 7.5 percent.

Senators Maria Cantwell (D-Washington) and Pat Roberts (R-Kansas) are expected to release a companion bill in the Senate shortly.

The Low-Income Housing Tax Credit is the nation's largest and most successful affordable housing production tool. Since it was established in 1986, it has created or preserved over 2.7 million affordable homes by leveraging over \$100 billion in private capital.

SMARTER SOLUTIONS continued from page 1

at the right time to end homelessness, based upon evidence of strengths, understanding of needs and housing status.

The SPDAT has enhanced our ability to better serve in that it has reduced our subjectivity and increased objectivity in referring and working with people to see that they obtain the best service and housing for their needs. With agreement on using the same assessment tool, there is consistency in the evaluation process.

Organizations like UMOM New Day Center in Phoenix have seen firsthand the benefits of using this assessment tool. They have been using SPDAT since October 2013. It is officially part of their intake process and families are assessed within the first 7 days upon entering an emergency shelter. The use of the SPDAT has greatly improved their screening process, better serving the families that walk through their doors.

Homelessness is not a choice most people make for themselves. No one necessarily wants to be homeless; however, as a society, we often blame people for their state in life rather than realizing that it really could happen to any of us. Homelessness just doesn't impact the homeless, it impacts all of us. These individuals are our neighbors and their struggles have an effect on all of us.

STATE UPDATE continued from page 4

While significant and necessary budget cuts were made to force our state government to live within its means, the annual appropriation for the Arizona Housing Trust Fund remained fully intact and there will be no negative effects on ADOH programs and operations. Governor Ducey signed the complete budget package on March 12.

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

Unfortunately, for a number of years, there was not a collective conscience fighting this issue, just individuals and organizations thinking they had the right answers. In order for us to continue to make progress it will take a community effort. We must remember that it's about community outcomes, not individual program outcomes. While this can often be a challenge, we are confident that we are now using the right tools and methods to make a real difference.

Calendar 2015

MAY	
14	Arizona Housing Finance Authority Board Meeting
25	OFFICE CLOSED - Memorial Day Holiday
JUNE	
11	Arizona Housing Finance Authority Board Meeting
JULY	
3	OFFICE CLOSED - Independence Day Holiday
9	Arizona Housing Finance Authority Board Meeting
22-23	LIHTC Compliance Workshop - Flagstaff

2015 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2015:

- July 22-23** LIHTC Compliance Workshop #2, Flagstaff, AZ
- September 15-17** LIHTC Compliance Workshop #3
(with optional HCCP Exam option), Phoenix, AZ
- October 27-28** LIHTC Compliance Workshop #4, Tucson, AZ
- November 4** HOME Compliance Workshop, Phoenix, AZ

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

2015-2019 Consolidated Plan

▶ The **2015-2019 Consolidated Plan** is in the final stages of development. ADOH gathered considerable public comment through meetings held in Tucson, Parker, Benson, Cottonwood and Phoenix. Over 100 individuals and agencies also provided a response to the web based survey. Consolidated Plan goals and strategies respond to a wide variety of needs identified throughout Arizona. ADOH will submit the Consolidated Plan to HUD on May 15th, the approval of which will release over \$16 million in 2015 HUD formula allocation from CDBG, HOME, ESG and HOPWA.

FFY 2015 Formula Allocations

▶ CDBG

The total FFY2015 CDBG allocation is \$10,127,360. The State retains 2% plus \$100,000 or \$302,547 for administration and 1% or \$101,274 for technical assistance activities. Additionally, HUD mandates that the state expend 10% of its total allocation or \$1,012,736 for projects located in areas designated as Colonias. The remaining adjusted allocation is divided into 85% or \$7,404,183 for the Regional Account and 15% or \$1,306,620 for the State Special Projects (SSP) Account.

▶ HOME

The total FFY2015 HOME allocation is \$4,459,753 of which 15% or \$668,693 must be set aside for Community Housing Development Organization (CHDO) project funding.

▶ HOPWA

The total FFY2015 HOPWA allocation is \$236,060.

▶ ESG

The total FFY2015 ESG allocation is \$1,545,994 which is administered by the Arizona Department of Economic Security (DES).

For more detailed information on the allocations, see Information Bulletin 03-15, dated February 25, 2015, posted on the ADOH website **Publications** page.

Housing Matters

WINTER 2015
Volume 14 | Number 1

LEADING WITH SOLUTIONS



▲ 29 Palms resident, Dora Thorne, graces the cover of the Department's 2014 Annual Report.

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ADOH Releases FY2014 Annual Report

On January 8th, we released our Fiscal Year 2014 Annual Report, highlighting this past year's efforts and achievements from the Arizona Department of Housing (ADOH), the Arizona Housing Finance Authority (AzHFA), and the Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC). As part of our responsibility to keep Arizona State government open and accountable, this report contains details on how our federal tax dollars are flowing back to the state and being put to work.

In FY2014, ADOH, AzHFA, and AHFPFC made combined commitments of over \$400 million in assistance available to support housing, community development activities, and foreclosure prevention initiatives throughout the state. Through the federally funded Save Our Home AZ program, over 1,900 families were able to avoid foreclosure. Together, all our resources were able to assist over 80,000 Arizona households throughout all 15 counties.

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 conditions facing our state.

It is our pleasure to share with you our Fiscal Year 2014 Annual Report. To access the report, please visit the Publications page at www.azhousing.gov.



29 PALMS: An Oasis in the Desert

Over the next fifteen years, more than 500,000 children with autism disorders will become adults. Autistic adults currently have few options for housing away from their families.

Today, many of these adults are being cared for by aging parents who in most cases will not outlive their children, leaving them with limited options for lifelong support. This growing new subset of the developmentally disabled population is too old for continued support through special education services of a public school system, and too fragile to live without assistance in the larger world. Their families face a complicated system of vocational rehabilitation services, Medicaid, disconnected government agencies, and a lack of appropriated residential care options beyond an institutional setting.

The stress and worry many Arizona families deal with can be grueling. What happens now? What are our options for the future? Do we have any? These are just a few of the questions many parents with children with autism have to face. Fortunately today, thanks to people like Denise Resnik, Founder and Board Chair of First Place AZ and Co-Founder of the Southwest Autism Research & Resources Center (SARRC), these families do have options.

29 Palms continued on page 3



Director's Message

On January 8, we released our Fiscal Year 2014 Annual Report. This report highlights this past year's efforts and achievements from the Arizona Department of Housing (ADOH), the Arizona Housing Finance Authority (AzHFA), and the Arizona Home Foreclosure Prevention Funding Corporation (AHFPC). Additionally, as part of our responsibility to keep Arizona State government open and accountable, this report contains details on how our federal tax dollars are flowing back to the state and being put to work.

While Arizona's unemployment rate has declined to approximately 6.8 percent, that doesn't address the thousands of Arizonans who are significantly under employed compared to 2006. Today, 20 percent of Arizona homeowners are still burdened with negative equity.

The need for affordable housing remains at a premium. Fortunately, thanks to the Low-Income Housing Tax Credit program and a continued commitment from ADOH, we continue to promote affordable rental housing units within walking distance of public transportation throughout the entire state. Today, Arizona residents are discovering that they can find affordable housing in addition to cutting their commuting costs. Since 2010, ADOH has funded 1,776 units within a half mile radius of the Valley Metro Light Rail.

The agency continues to work with major lenders to gain support and participation in its federally funded foreclosure prevention program, Save Our Home AZ. In FY2014 we made several proactive modifications to the program along with some key modification to the qualifying provisions. These changes have allowed us to assist a significant number of more people throughout Arizona.

It is our pleasure to have the opportunity to highlight and share with you our accomplishments from the past fiscal year. Moving forward, the agency remains committed to providing programs and critical resources to the most vulnerable populations of the state. From 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, ADOH remains fully committed to finding responsible and reasonable solutions to address the housing issues facing our state.

29 PALMS continued from page 1



Because of Denise and her vision and dedication, these families have 29 Palms and soon they will have the First Place AZ Campus.

According to Denise, 29 Palms is a 20-year in the making dream come true. As a mother with an autistic child, Denise fully understands the difficult struggles and decisions families with autistic children encounter, especially when facing the future.

29 Palms is a newly refurbished, incredibly unique affordable multifamily housing property, co-locating fifteen apartments for seniors 55 years of age and older with six apartments for adults 18 years of age and older with Autism Spectrum Disorder. Foundation for Senior Living, in partnership with the Southwest Autism Research & Resources Center (SARRC) developed this project to provide services to enhance the quality of life of both the seniors and the young adults who desire to live there.

29 Palms is universally designed, exhibiting beautiful garden-style architecture. The community nurtures independent and dignified living while at the same time, providing the resources of a community with a life center and a secured campus.

29 Palms will act as a beta site for the First Place AZ Campus which is expected to break ground this year. The campus will include housing for young adults with autism, a two year "transition academy" and a multi-use training facility for providers, professionals and physicians.

The six set-aside units are specially fitted to adapt to autistic adults' needs. Air conditioning, refrigerators and dishwashers are extra quiet to account for sensory over-stimulation, and parents of residents can choose from an array of technology to tell them everything from if their adult child is getting out of bed, to if they're opening the cabinets.

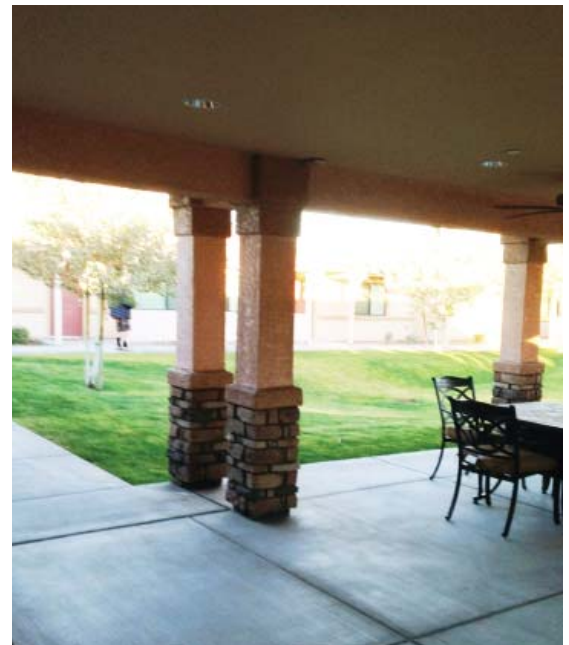
"We are thrilled with the new units for adults with autism, which represent 'independent living classrooms' for the First Place Transition Academy participants," said Denise Resnik. "Their independence is being supported by neighbors at 29 Palms; the First Place curriculum managed by the team at Southwest Autism Research & Resource Center and soon at Gateway Community College; and the remarkable development and management team from the Foundation for Senior Living. We're also thrilled by the community support. Thanks to Boys Team Charity, the property now has a beautiful raised garden that will bring neighbors together in shared activities. And thanks to Del Sol Furniture, each of the six units is fully and beautifully furnished."

Family and members of the autistic community are not the only ones excited about 29 Palms. The seniors that make up the other fifteen units of the property are proud to call this very special place home.

Dora Thorne, 85, recently moved from Tucson to 29 Palms to be closer to her son, following the passing of her husband. Since moving in, Dora has absolutely fallen in love with the neighborhood and the community. Dora, like many of the senior residents, has taken advantage of the convenient location, the proximity to the Valley Metro Light Rail, the group activities within the community, like baking cookies, and all the other wonderful amenities.

According to Guy Mikkelsen, Foundation for Senior Living, the seniors who live at 29 Palms will almost be "live-in grandparents" for the young adults living in the community and they will get to create new nurturing families.

29 Palms received a majority of its funding, \$3 million of the total \$3.7 million, from tax credits allocated by the Arizona Department of Housing and the federally funded Neighborhood Stabilization Program. Other funds came from private businesses, including LISC Phoenix and the Arizona Community Foundation. According to ADOH Director Michael Traylor, "public-private partnerships like 29 Palms work to solve problems within our communities and we could definitely benefit with more of them."





FEDERAL LEGISLATIVE UPDATE

BIPARTISAN BUDGET DEAL REACHED

➤ Congress narrowly avoided a government shutdown in early December by passing a fiscal year 2015 spending package just days before the prior funding bill expired. The FY2015 spending package included 11 new spending bills that will fund government, including HUD and the U.S. Department of Agriculture for the remainder of the fiscal year.

The package included \$35.6 billion for HUD programs, which was approximately \$650 million more than the House had earlier proposed; however, many of the spending levels were lower than the FY2014 appropriation, including a \$100 million cut to the HOME Investment Partnership program and \$30 million less for Community Development Block Grants. In total, the package is \$90 million less for HUD program spending than in FY2014.

TAX REFORM

➤ Back in December Congress passed the Tax Increase Prevention Act of 2014 which extended, retroactively, through 2014, a number of expired tax relief provisions, including the 9 percent minimum Housing Credit rate.

Unfortunately, the legislation did not include the establishment of the 4 percent acquisition Housing Credit minimum rate, which the Senate Finance Committee included in their version of the extender bill, approved earlier in the year.

House and Senate negotiators were forced to abandon their effort to agree upon a tax bill that would have made permanent some expiring tax provisions while extending the rest for two years, after the White House threatened to veto it for favoring tax breaks for corporations over those for working families.

Moving forward, the desire for a bipartisan bill to reform and simplify the tax code remains strong on Capitol Hill. Both the House and Senate are expected to continue to look into the issue over the course of the year as lowering the corporate tax rate continues to be a priority for both parties. Additionally, fixing the floating rate for the Housing Tax Credit at 9 percent permanently will also be explored throughout the discussion.

FEDERAL UPDATE continued on page 8



STATE LEGISLATIVE UPDATE

ARIZONA FACES \$1B BUDGET SHORTFALL AS 52ND ARIZONA LEGISLATURE CONVENES

➤ The 52nd Arizona State Legislature convened on Monday, January 12, with Governor Ducey delivering his first state of the state address before a joint session of the House and Senate.

The Governor outlined his priorities for the upcoming year and beyond; however, with the state facing a significant budget deficit close to \$1B, the budget and the economy took center stage.

Governor Ducey called upon the Legislature to confront and resolve the state deficit and implement a responsible, balanced budget, without raising taxes and without delaying future tax breaks for the business community. This means the Legislature will have to make some tough choices in cutting government agency budgets.

Additionally, the Governor has implemented a state government hiring freeze with protection for vital areas, like child safety and public safety. He has also called for an unbiased inspector general mandated to find areas of savings within government.

In his speech, the Governor also proposed some major reforms to the state's education system. He announced that his budget proposal will prioritize money in the classroom through a "Classroom First Initiative" that will ensure dollars go directly to the classrooms and teachers, not to cover administrative costs.

STATE UPDATE continued on page 8



The Arizona Department of Housing congratulates Arizona's 23rd Governor, Douglas A. Ducey, who was sworn into office on January 5th.

Karia Lee Basta recognized as the 2014 ADOH Employee of the Year

Karia Lee Basta has been named the 2014 Arizona Department of Housing Employee of the Year. Karia, the Administrator for the Special Needs Division, was nominated for her outstanding work and dedication to the Department and the State of Arizona.

Karia develops and implements supportive housing programs for homeless and disabled populations in rural Arizona. Under Karia's leadership, the Special Needs Division consistently produces excellent results allowing ADOH to remain as a top competitor for the national pool of federal Continuum of Care, which provides grant dollars for housing Arizona's homeless population.

Karia's ability to forge continuously better partnerships has greatly increased the productivity of 43 supportive housing programs in rural Arizona, thereby avoiding federal funding reductions.

Housing vulnerable populations is Karia's passion while preserving vulnerable funding is her talent. Over the past year she oversaw the implementation of HUD's new HEARTH regulations, a massive undertaking resulting in a stronger more competitive Continuum of Care.

On December 18, Karia was recognized at the Department's All Agency Staff Meeting and Holiday Celebration. For this honor, Karia received recognition from ADOH Director Michael Traylor.

On behalf of the entire Arizona Department of Housing, we would like to congratulate Karia Lee Basta on receiving this honor.



MARK YOUR CALENDARS!

The 12th Annual Arizona Housing Forum will be held at the Arizona Biltmore Hotel, August 26 - 28.

Interested in sponsoring or being involved in the Marketplace? Contact:

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



Arizona Housing Finance Authority Activities

► The AzHFA Home Plus Mortgage Loan Origination Program provides an attractive 30-year fixed rate mortgage with a 4% down payment assistance grant to be used by the eligible homebuyer for their down payment and or closing costs. A recent Federal Reserve survey indicated approximately 45% of renters did not buy a house over the past year because they did not have enough money for the down payment. Our objective is to assist creditworthy renters who can afford a mortgage but lack the resources for the down payment. A healthy first-time homebuyer market is a precursor to creating strong, stable communities.

In the last quarter of 2014, 183 new homebuyers have received a new Home Plus mortgage with a down payment assistance grant. Since the Home Plus program's inception in April 2013, 668 homebuyers have received over \$3.55 million dollars in down payment assistance. AzHFA raises funds for its initiative in the capital market and forms partnerships with banking and lending institutions to facilitate our Home Plus down payment assistance program throughout the state of Arizona.

Information on the Home Plus program may be found on our website: www.azhousing.gov

SCHEDULED MEETINGS

February 12 March 12 April 9
**check website for times*



2014-2015 AZHFA BOARD OF DIRECTORS

Robert Gardiner
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SAVE OUR HOME AZ UPDATE

The Save Our Home AZ (SOHAZ) program continues to successfully assist Arizona homeowners who are either facing a potential foreclosure or are significantly underwater with their mortgage payments.

Since its inception, SOHAZ has been able to assist 3,546 families avoid foreclosure and stay in their homes. Over \$113.9 million in program assistance has been expended or committed to individual homeowners as of December 31,

to assist these homeowners through the Save Our Home AZ program, funded by the United States Department of the Treasury. Additionally, Arizona's foreclosure hotline has assisted over 76,330 troubled homeowners with important information and housing counseling services.

While the housing market has improved since the height of the recession, close to 20 percent of Arizona homeowners are still underwater. Thousands of responsible homeowners who are current with their mortgages were hit hard by the recession and plummeting home prices. Many of these homeowners still need assistance and Save Our Home AZ may help.

Save Our Home AZ has a component that uses HARP 2.0, a federal program designed to help responsible homeowners who are current with their mortgages. This program applies principal reductions to homeowners with negative equity.

ADOH has successfully dispersed more than \$49.1 million to homeowners who are underwater since July 2012, reducing their mortgages by an average of \$50,428.

In October, the U.S. Department of the Treasury amended Arizona's program to allow for principal reduction to take a mortgage below the current market value of the property, if in doing so the homeowner can achieve a payment that is affordable. Assistance is provided as a due on sale loan. The amendment will allow the program to permanently assist many of Arizona's underemployed program participants who currently receive ongoing monthly assistance because their mortgages are no longer affordable given permanently reduced incomes.

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

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



Featured Groundbreakings & Grand Openings



LEGACY ON MAIN | Mesa, AZ

➤ Located at 950 West Main Street in Mesa, Legacy on Main is a transit oriented development within walking distance of the Alma School Road Light Rail Station. Legacy on Main is an acquisition and rehabilitation project made up of 76 units set aside for 40%, 50% and 60% of the area median income with 24 of those units set aside specifically for households with children. The plan included the rehabilitation and reconfiguration of the existing 76 units by remodeling the existing buildings, converting 8 two-bedroom and 10 three-bedroom units into four-bedroom units and adding 2 four-bedroom townhomes.



Legacy on Main was funded in 2013 through the Low-income Housing Tax Credit program. The developer of the project is Glennmark Construction, Inc., the co-developer is Antares Development & Investments, Inc., and the non-profit entity is PUL-Coral Gardens Apartments, Inc, a subsidiary of the Greater Phoenix Urban League.

The community center at Legacy on Main offers an on-site after school program with an educational component, computer classes every two months, job training, search assistance and/or placement every two months, quarterly credit and financial counseling/education through their non-profit co-developer. The center will also have a resident services coordinator, who will directly provide enhanced services including family/parenting guidance, health and nutrition guidance, and English as a second language.

The project has all the usual unit and property amenities for households with children, including a pool, playground area, and a picnic area, as well as common laundry facilities, and one covered parking space per unit.

The project hosted a grand opening ceremony on November 5.

VICTORY PLACE IV | Phoenix, AZ

➤ On November 10th, Phoenix Mayor Greg Stanton was joined by ADOH Director Michael Traylor for the groundbreaking of Victory Place IV. Victory Place IV is the final phase of a veterans' housing campus located on more than five acres in the South Mountain Village of Phoenix.

The fourth and final phase will add 96 permanent supportive housing units for homeless veterans to the existing 177 residences. Besides the 66 efficiencies and 30 one-bedroom homes, Victory Place IV will include a multi-purpose room, business center, social services offices and a picnic/barbecue area for residents. A range of supportive services such as case management, employment services, anger management groups, substance abuse treatment, life skills, and crisis intervention will be available for the



GROUNDBREAKINGS continued on page 7

FEDERAL UPDATE continued from page 8

PRESIDENT VISITS ARIZONA

Signs Executive Order Cutting Mortgage Insurance Premiums

▶ President Obama visited Phoenix in January to announce that he will cut mortgage insurance premiums on Federal Housing Administrative loans in a move aimed to attract new homebuyers. The rate cut will drop the FHA mortgage insurance premium from 1.35 percent to 0.85 percent and will go into effect by the end of February. While this action is not considered to be a significant game changer, it could certainly help on the margins. Administration officials say the move will save the average homebuyer \$900 a year.

The housing market has made improvements from the depth of the recession; however, home sales slowed in 2014. Additionally, in Arizona, homeownership has dropped 6 percent from the peak in 2006 and home construction is still below what most economists feel is considered to be healthy.

The President also highlighted federal mortgage foreclosure assistance through the U.S. Department of Treasury's Hardest Hit Fund Program which, in Arizona, is administered by ADOH.

STATE UPDATE continued from page 4

Through an executive order, the Governor is assembling a team of education and finance professionals charged with scrubbing every dollar in every formula in statute in order to identify ways in which to get maximum dollars into the classroom.

The Governor's plan will give public schools more access to capital so they can spend more money in the classroom and less on debt service. The Governor's budget will reserve resources that public schools can borrow against to bring down their debt service costs. Half of the projects funded will be in low-income communities.

Additionally, the Governor is calling for the creation of the "Arizona Public School Achievement District," to give Arizona's best public schools new and innovative options to expand so that thousands of families sitting on waiting lists for charter schools can finally ensure their kids get a quality education.

Finally, the Governor called for the passage of the bipartisan American Civics Bill, HB2064, to ensure every Arizona high school graduate understands basic American civics. This bill is expected to be fast tracked through the Legislature and reach the Governor's desk quickly.

Both House and Senate leadership are encouraged by Governor Ducey's outlook on the budget. On Friday, January 16th, the Governor proposed a \$9.09 billion budget for FY2016 which seeks to structurally balance the state's budget by FY2017. Ducey's budget calls for \$44 million in new spending, but fixes this year's budget through \$349 million in various spending reductions and \$304 million in one-time agency fund transfers.

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

GROUNDBREAKINGS continued from page 7



residents. Phases I and II included 177 beds comprised of 70 VA grant and per diem transitional housing beds operated by U.S. Vets and 107 units of permanent housing with support services provided by U.S. VETS, Community Bridges, and the Phoenix VA Healthcare for Homeless Veterans program.

Victory Place Phase III added 75 units of permanent housing with support services for homeless and formerly homeless veterans aged 55 and older and featured 15 Project-Based Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD VASH) Vouchers. These vouchers are used to serve the most vulnerable homeless veterans ensuring that no veteran is left behind.

Since its start, the Victory Place Veterans Campus has operated at full capacity due to the constant demand for affordable housing for veterans. Historically it has catered to Vietnam era vets but with the influx of those returning from recent conflicts demand is not expected to diminish anytime soon.

Other partners in the development of the project include the Arizona Department of Housing, the City of Phoenix Housing Department and National Bank of Arizona. Services planning partners include Arizona Behavioral Health Corporation, U.S. VETS - Phoenix, Arizona Department of Health Services, Mercy Maricopa, Valley of the Sun United Way, the U.S. Department of Veterans Affairs, and the Corporation for Supportive Housing.

Calendar 2015

FEBRUARY	
3-4	LIHTC Compliance Workshop
12	AzHFA Board Meeting
16	OFFICE CLOSED - President's Day
MARCH	
2	2015 LIHTC Application Deadline
12	AzHFA Board Meeting
17-18	UPCS Workshop
APRIL	
9	AzHFA Board Meeting
21	Consolidated Plan Public Hearing

2015 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2015:

- Mar 17 & 18** U.P.C.S. Workshop , Phoenix, AZ
- July 22-23** LIHTC Compliance Workshop #2, Flagstaff, AZ
- September 15-17** LIHTC Compliance Workshop #3
(with optional HCCP Exam option), Phoenix, AZ
- October 27-28** LIHTC Compliance Workshop #4, Tucson, AZ
- November 4** HOME Compliance Workshop, Phoenix, AZ

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

2015 LIHTC Application Deadline

➤ The deadline for submitting applications for the 2015 Low Income Housing Tax Credit (LIHTC) round is March 2, 2015 at 4:00 pm. The Qualified Allocation Plan, forms and applications can be found on the Rental Development forms page on the Department's website: www.azhousing.gov.

2015-2019 CONSOLIDATED PLAN

➤ ADOH is in the process of developing the 2015-2019 Consolidated Plan, a five year plan that sets forth goals and objectives, determines priorities, describes activities, establishes outcomes and outlines the method of distribution for the use of approximately \$80 million (from July 1, 2015 to June 30, 2020) in the following federal funds from the U.S. Department of Housing and Urban Development: Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities for Persons with AIDS, and Emergency Shelter Grant programs. The Emergency Shelter Grant program is administered by the Arizona Department of Economic Security. These funds are to be used for activities benefitting low income and special needs populations primarily in the non-metropolitan areas of Arizona.

ADOH is seeking input on needs in your community. Our next public meeting will take place on April 21st, 10AM, at the Carnegie Center, 1101 W. Washington, Phoenix, AZ 85007.

New Faces



DAMARIS ELENES

Dameris Elenes has joined the ADOH staff as the Administrative Assistant in the Public Housing Authority. Dameris most recently worked at JPMorgan Chase Bank. She holds an Associates' degree from Estrella Mountain Community College and is proficient in Spanish.



BRIAN SADUSKY

Brian Sadusky has joined ADOH as a Housing Counselor/Lender Coordinator in the Foreclosure Assistance division. Brian is a part-time faculty adjunct professor at ASU. He has an extensive background in the lending industry and holds undergraduate and MBA degrees from Rutgers University.

Housing Matters

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LEADING WITH SOLUTIONS



▲ Another successful program at the 11th annual Arizona Housing Forum at the JW Marriott Starr Pass in Tucson, September 10-12. Story on page 1.

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Arizona
Department
of Housing



AzHFA
Arizona Housing
Finance Authority



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

ADOH Hosts 11th Annual Arizona Housing Forum

On September 10-12, the Arizona Department of Housing hosted their 11th Annual Arizona Housing Forum in

Tucson at the JW Marriott Star Pass Resort. 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.

Once again, we put together a fantastic program filled with a great lineup of speakers and guests. As a follow up to last year's message, Stand Up for Housing, we asked our 350 participants to not only stand up for housing, but to stand up and "Do Something!"

Tucson Mayor Jonathan Rothschild kicked off the Forum by welcoming everyone to his great city. ADOH Director Michael Traylor followed the Mayor with a special presentation highlighting the work being done around the state to improve housing conditions for Arizona's most vulnerable populations.

As part of the Director's presentation, two Arizonans who clearly live by the "Do Something" motto were recognized through videos highlighting their contributions. Mike McQuaid was recognized for his ongoing work and dedication to ending homelessness in Arizona. Southwest Autism Research and Resource Center's Denise Resnick was also recognized for her tireless efforts to help people with autism achieve success, independence, and the best possible quality of life.

The Arizona HUD field office, led by Director Stephanie Smelnick, provided a basic overview on how federal monies are dispersed to Arizona's local communities. She was joined on her panel by Michael Flores, Susan Marcell, and Margaret Skiffer.

Marilyn Robinson, Laura Jensen, and Kelly Eitzen Smith of the Drachman Institute were joined by Jacob Bintliff of BAE Urban Economics to present their research supporting the development of workforce and mixed-income housing along High Capacity Transit corridors in Eastern Pima County. Additionally, the panel presented the results of their housing demand study.

Boston Capital Corporation's David Gasson provided Forum attendees with an in-depth Capitol Hill briefing on the work going on behind the scenes with regards to federal housing legislation. David covered possible changes to the Low-Income Housing Tax Credit (LIHTC) program through tax reform, an update on the efforts to fix the float 9 percent rate for the LIHTC program, and the future of private activity tax exempt bonds.

As Arizona's affordable housing stock ages, tax credit developers are more frequently tackling rehabilitation projects. Local Arizona architect, Vince Scarano of Biltform Architecture Group, led a session called Making Rehab Work. Vince explained how old construction can mesh with new code standard in addition to sharing his perspective

on some of the commonplace issues that can occur with Arizona LIHTC rehab projects.

Coffelt-Lamoreaux Public Housing is the oldest active public housing project in Maricopa County. The Health Impact Assessment completed in 2013 examined how residents' physical and mental health can be affected positively by improvements in site infrastructure as well as improvements in housing conditions. Gloria Munoz from the Housing Authority of Maricopa County was joined by Debarti Majumdar Narayan, Catalyze Research & Consulting and Brian Swanton of Gorman and Company to discuss this report and its impact on other public housing developments.

The need for communities to practice capacity building as it pertains to infrastructure development in the rural areas is vitally important. The economic downturn dramatically impacted the ability of communities to fulfill their responsibilities. National consultant Monte Franke, ML Franke Consulting, led a discussion on Rural CDBG Infrastructure Development and the strategies to access technical assistance resources.

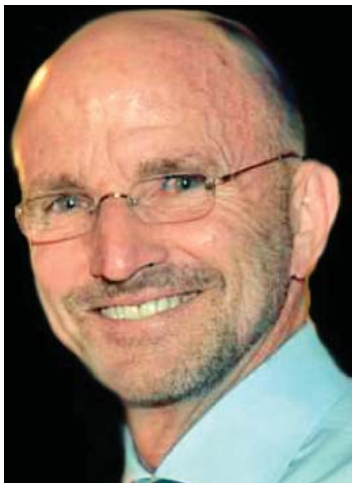
Monte also led discussion on the new HOME rules and how they affect rental housing development, especially as they relate to the identification of "other" financing. The discussion delved into what constitutes firm financing commitments necessary for the application of state HOME funds.

Native American Connections' Joe Keeper was joined by Eric Cicourel from the Federal Home Loan Bank, and Kathy Pechman of National Bank of Arizona on a discussion panel which covered the proper ways to submit a successful application for gap financing for a rental project.

Novagradac & Company's Brent Parker and Craig Staswick led a panel called, Year 15 - Dispositions and Capital Accounts. Their discussion focused on Year 15 dispositions and how capital accounts affect cash distributions. The panel covered various factors that influence the value of the property and how to identify key issues and concerns such as exit taxes and nonpayment of deferred fees.

The Service Prioritization Decision Assistance Tool (SPDAT) has now been established as the standard homeless assessment tool in Arizona. David Bridges, Human Services Campus, Mattie McVey

continued on page 9



Director's Message

On behalf of the Arizona Department of Housing, thank you for making this year's Housing Forum the best one yet!

If you were able to join us, we hope you left feeling as inspired as we did and came away with valuable information that will help improve your organizations and better our communities.

You were a great group and your enthusiasm and positive spirit helped make our time together in Tucson both productive and fun.

After 11 years, we're still learning and growing through this event, and we look forward to it every year. Thank you for your comments and suggestions on the evaluations and I assure you that each one will be given consideration so that future panels and breakout sessions will be even more of a success.

Thank you for taking the time to come, share your knowledge, and help us shape the future of affordable housing in Arizona. Your attendance is what makes the Arizona Housing Forum a success and we greatly value your participation.

If you were unable to make it to the Forum, we hope to see you in Phoenix next year.

Please continue to be engaged, stand up for housing, and together we can all "Do Something!" very special.



2014 BRIAN MICKELSEN HOUSING HERO AWARDS

The 2014 Brian Mickelsen Housing Hero Awards were presented at a special luncheon at the JW Marriott Star Pass Resort during the Arizona Housing Forum on September 12th. 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.

► The **Outstanding Affordable Housing Initiative Award** was presented to 29 Palms Apartments of Phoenix. 29 Palms Apartments is a newly refurbished, incredibly unique affordable multifamily housing property, co-locating fifteen apartments for seniors 55 years of age and older with six apartments for adults 18 years and older, with Autism Spectrum Disorder. Today, many adults with autism are being cared for by aging parents who in most cases will not outlive their children, leaving them limited options for lifelong support. This growing new subset of the developmentally disabled population is too old for continued support through the special education services of a public school system and too fragile to live without support in the larger world. The Foundation for Senior Living, in partnership with the Southwest Autism Research and Resources Center (SAARC) developed 29 Palms to provide supportive services to enhance the quality of life of both the seniors and the young adults who desire to live there.

► Apache ASL Trails in Tempe 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. Cardinal Capital Management, partnered with the Arizona Deaf Senior Citizens Coalition to build Apache ASL Trails, a 75 unit, active, state-of-the art, independent living community for seniors 55 years of age and older. Located along the Valley Metro Light Rail in Tempe, Apache ASL Trails provides an affordable housing option for seniors, including those who are deaf, hard of hearing, and deaf-blind. In the United States, experts estimate that there are less than 400 units of low income housing that are accessible for individuals who are deaf. Apache ASL Trails fills a desperately needed void in accessible housing for these individuals.

► This year's **Tribal Initiatives Award** went to the Pascua Yaqui Tribe. The 17,000 member Tribe has successfully completed two projects totaling 96 units in less than three years. The units developed for the projects known as Homes II and IV, add 40 new units along with over 70 rehabilitated units. While the State of Arizona average household size is 2.66 persons, on the reservation the average is 5 persons. With an aging housing stock, the Tribe has more than 500 households on its waiting list for housing. Pascua Yaqui Homes II and IV include a mix of three,



Denise Resnick of SAARC, Director Traylor and Guy Mikkelsen of Foundation for Senior Living accept the Outstanding Affordable Housing Initiative Award for 29 Palms.



Director Traylor and Erich Schwenker of Cardinal Capital Management accepting the Innovative Supportive Housing Program Award for Apache ASL Trails.



Director Traylor, Richard Valenzuela and Raul Sereno of the Pascua Yaqui Tribe accepting the Tribal initiatives Award for Pascua Yaqui Homes II and IV.

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HOUSING HERO AWARDS (continued from page 3)

four, and five bedroom single family homes to ease the overcrowding issues. The Pascua Yaqui Tribe has succeeded in providing their lowest income residents with safe and affordable homes while preserving the Tribe's rich history and tradition. It can charge minimal rent to its impoverished residents and still utilize a very secure financing structure. The Tribe's achievements serve as a source of hope and an example to other tribes.

➤ Gary Bachman, Administrator of Housing and Community Programs for Pima County, 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. Gary has served southern Arizona for nearly thirty years. He is a champion for the working poor and is an innovative thinker. Gary possesses a vision for the possibilities, but is a realist about the day-to-day management and responsibilities that are required to get the job done. Most recently he was the author of a successful grant application for \$22 million under the American Recovery and Reinvestment Act of 2009 and the chief architect of the project that included the formation of the Pima County Community Land Trust.

➤ The **Exemplary Urban Multifamily Project Award** recognizes an outstanding multifamily rental project in urban Arizona that serves low to moderate income individuals, families or seniors. For the first time ever, two projects were awarded.

Encore on First and La Abuelitas Family Housing and Community Center. Located in Mesa, Encore on First is an 81 unit transit-oriented apartment community for low-income independent seniors. The City of Mesa's leadership and commitment to light rail created the opportunity to redevelop this site, which was acquired from the City, into an urban community for residents who desire a walk-able lifestyle. The building's many sustainable features includes water saving fixtures, energy lighting and windows, and a 60 KW solar plant located on the roof that is tied into the City of Mesa's downtown power grid. This investment in renewable energy created a federal tax credit and local rebate to help offset the installation costs. Several years ago, a delegation of grandparents and great-grandparents met with the Primavera Foundation to explain their needs for accessible affordable housing in a community setting. They had a vision of a housing community where residents could provide cooperative child care, programming for elders and children, along with play and meeting areas for families. In Arizona, 60,000 children are being raised by grandparents or great-grandparents; 29 percent live in poverty; 62 percent of these grandparents are working or job hunting; and 21 percent of them have a disability. These types of families frequently deal with a variety of issues such as incarcerated parents, health and medical issues, financial stress, or even a grandchild having a baby. Las Abuelitas Family Housing and Community Center provides an affordable housing option for grandparents and great-grandparents that have legal custody to raise their grandchildren and great-grandchildren in a safe and healthy environment.

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Director Traylor and Gary Bachman accepting the Partner in Housing Award.



Director Traylor with Todd Marshall, Robert Gibson and Charles Huellmantel accepting the Exemplary Urban Multifamily Project Award for Encore on First.



Director Traylor, Peggy Hutchison and Denise Taub of Primavera accepting the Exemplary Urban Multifamily Project Award for Las Abuelitas.

HOUSING HERO AWARDS (continued from page 4)

Pineview Manor Apartments has been providing subsidized housing to Payson's seniors for 29 years and was recognized with the Exemplary Rural Multifamily Project Award. The 29 unit campus was originally built in 1986; however, in 2010 the Foundation for Senior Living's St. Peter Place, the owner entity for Pineview Manor, received an allocation of Low-Income Housing Tax Credits along with additional federal funds to acquire and rehabilitate the existing apartment units and add 20 newly constructed units to the campus. Pineview Manor represents all that is positive about a low-income senior community, serving seniors 62 years of age and older at 40, 50, and 60 percent of the area median income for Gila County. The project was constructed using environmentally friendly technologies including photovoltaic solar panels.

► Tucson Mayor, Jonathan Rothschild was presented with the 2014 **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. Mayor Rothschild exemplifies this award through his ongoing advocacy for affordable housing and ending homelessness in Tucson and throughout southern Arizona.

In addition to the Brian Mickelsen Housing Hero Awards, ADOH and the Arizona Housing Finance Authority (AzHFA) gave out two additional awards.

► The AzHFA presented Wallick and Volk with the **2014 High Volume Producer Award** for their amazing work assisting first time homebuyers in Arizona achieve the dream of homeownership. The loans for these homebuyers were made possible through the AzHFA's Mortgage Revenue Bond Plus program.

► Finally, ADOH presented Teresa Brice, Executive Director of LISC Phoenix, with the Arizona Department of Housing **Lifetime Achievement Award** for her years of commitment and dedication to providing quality and affordable housing while revitalizing neighborhoods into healthy and sustainable communities.

To see the full list of past Brian Mickelsen Housing Hero Award recipients please visit the Training and Events page on our website at www.azhousing.gov.



Director Trailor and Gary Bachman accepting the Partner in Housing Award.



Director Trailor and Gary Bachman accepting the Partner in Housing Award.



Director Trailor and Teresa Brice accepting the ADOH Lifetime Achievement Award.





SAVE OUR HOME AZ UPDATE

Since its inception, SOHAZ has been able to assist 3,230 families avoid foreclosure and stay in their homes. Over \$102.4 million in program assistance has been expended or committed to individual homeowners as of August 31, 2014, to assist these homeowners through the Save Our Home AZ program, funded by the United States Department of the Treasury. Additionally, Arizona's foreclosure hotline has assisted over 74,446 troubled homeowners with important information and housing counseling services.

While the housing market has improved since the height of the recession, nearly one in five Arizona homeowners are still underwater. Thousands of responsible homeowners who are current with their mortgages were hit hard by the recession and plummeting home prices. Many of these homeowners still need assistance and Save Our Home AZ may help.

Save Our Home AZ has a component that uses HARP 2.0, a federal program designed to help responsible homeowners who are current with their mortgages. This program applies principal reductions to homeowners with negative equity.

ADOH has successfully dispersed more than \$33.8 million to homeowners who are underwater since July 2012, reducing their mortgages by an average of \$42,216.

Homeowners who qualify for a HARP 2.0 refinancing can save thousands annually with a lower rate or other more favorable terms. Additionally, the program may also be able to reduce their principal by as much as \$100,000.

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.

In October the program will be expanded to assist underemployed homeowners who meet program criteria for assistance to receive principal reduction, taking their loan balances below the market value of their homes, if their lenders will agree to recast their loans to a payment affordable to the homeowner. All assistance will be provided as a zero interest, due on sale loan.

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

HOUSING ASSISTANCE EVENTS

Nov 26

9:00 - 6:00 PM

MARICOPA COUNTY HOUSING ASSISTANCE EVENT

Glendale Adult Center, 5970 W. Brown Street, Glendale, Az 85302

Sponsored by the Office of the Attorney General, Neighborhood Housing Services, the Arizona Foreclosure Prevention Task Force and the City of Phoenix. <http://azmortgageresource.gov/event/>

Mortgage Trouble?
Don't Delay...Call Today

ARIZONA FORECLOSURE HELP-LINE

1-877-448-1211

TOLL FREE



FEDERAL LEGISLATIVE UPDATE

CONGRESS PASSES TEMPORARY BUDGET MEASURE

➤ Back in September, Congress passed a continuing resolution (CR) that will fund all federally funded programs through December 11, 2014 at slightly below FY2014 funding levels, on an annualized basis.

Congress needed to approve the CR or other funding legislation to avoid a government shutdown prior to the start of the new fiscal year which began on October 1. The CR includes no funding adjustments for HUD or U.S. Department of Agriculture rural housing programs.

With the CR expiring on December 11, Congress will either need to approve another CR or other FY2015 funding legislation during its post-election lame duck session to ensure that the federally funded programs continue operating after that date. Given the political environment on Capitol Hill, it remains unclear whether or not Congress will be able to approve a package of new FY2015 funding bills in an omnibus bill, similar to the way FY2014 appropriations were finalized, or if it will simply need to pass another funding extension and continue consideration of FY2015 appropriations in the new Congress this January.

Congress has adjourned until after the November elections and is scheduled to reconvene on November 12. Senate and House Appropriations Committee leadership have expressed their desire to pass another omnibus appropriation bill during this lame duck session of Congress.

COMPREHENSIVE TAX REFORM AND THE LIHTC FLOATING RATE FIX

➤ With Congress adjourned until after the November elections, it is unlikely that a bipartisan tax reform bill will take place this year. Additionally, the prospects for any major tax legislation next year also look out of reach.

There continues to be no clear indication from both parties as to what exactly constitutes tax reform. Back in February, U.S. House Ways and Means Committee Chairman, David Camp (R-MI), released his much anticipated proposal for comprehensive tax reform. However, his plan only seemed to further divide members of Congress and various special interest groups on the subject.

Congress may still consider extender legislation that would make permanent the 9 percent Housing Credit rate floor for new construction.

STATE LEGISLATIVE UPDATE

Arizona Faces Upcoming Budget Concerns



➤ Going into the next legislative session, lawmakers will be faced with the daunting task of having to deal with a projected budget shortfall. Revenue projections for fiscal years 2016 and 2017 are coming in appreciably less than originally anticipated. Additionally, the Arizona Supreme Court has determined that the legislature failed to adequately fund K-12 education during the economic recession. This of course further complicates the budget picture moving forward.

Proposition 301, passed by the voters, in the early 2000s, requires the legislature to account for inflation when funding K-12 education. Early on in the decade, the State paid more than what was required; however, when the economic recession hit, the legislature stopped making these payments. The school districts are now demanding back payments that could total close to \$1.7 billion, depending upon the court's decision.

Legislative leadership has argued that the court does not have the authority to force the legislature to make these back payments; however, they do claim that if they are forced to pay, the amount should take into consideration earlier overpayments. This amount would put the legislature on the hook for around \$80 million.

A ruling from the court could still take some time. Additionally, the losing side is expected to appeal. However, the Joint Legislative Budget Committee predicts that if Arizona is required to pay an estimated \$320 million per year to cover K-12 inflation costs, the state would be looking at a budget deficit of well over \$600 million for FY2016.

Unfortunately, when it comes to the budget shortfall, the legislature may not be left with many options. Agency budget cuts, fund sweeps, or the possibility of raising taxes will all be on the table. Regardless, the new legislature and incoming governor will have their hands full right from the get go.

Representative Pat Tiberi (R-OH) has sponsored a bill, H.R. 4717, which would make permanent the 9 percent Housing Credit rate and substantial rehabilitation and establish a 4 percent rate floor for the acquisition of affordable housing; however with the 113th Congress coming to a close shortly, the bill will most likely have to be reintroduced next year.

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

National Foreclosure Mitigation Counseling Program Achieves Positive Results

In early September, the Urban Institute (UI) released its evaluation of the National Foreclosure Mitigation Counseling program (NFMC). Congress created the NFMC program in 2008 to address the nation’s foreclosure crisis through foreclosure mitigation counseling operated through state and local agencies and nonprofits. The Arizona Department of Housing has been a recipient of eight NFMC grants since 2008 and looks forward to submitting an application for a ninth round of funding in October.

UI conducted periodic progress reports on the NFMC program. The latest report focuses on funding rounds 3 through 5, which is

Table ES-1: NFMC Program Impacts on Mortgage Outcomes, Counseled Compared to Non-Counseled Households

	<i>NFMC Impact</i>
Change in odds of receiving a loan modification	2.83 times greater
Annual savings for NFMC clients resulting from loan modifications	\$518M
Change in odds of curing a troubled loan ^a	
<i>Loan modification cure</i>	1.78 times greater
<i>Non-modification cure</i>	1.86 times greater
Change in odds of redefaulting on the following cures:	
<i>Loan modification cure</i>	70 percent smaller
<i>Non-modification cure</i>	72 percent smaller
Change in percentage of troubled loans both curing and sustaining cures	2.9 times greater
Change in NFMC clients' probability of completing a short sale once started	21 percent greater
Change in the odds of completing the REO process for an NFMC client unable to cure a troubled loan	15 percent greater
Change in the odds of completing the REO process for an NFMC client able to cure a troubled loan	56 percent smaller

^aA troubled loan is 90 or more days delinquent, in foreclosure, or in REO status.

represented by borrowers who received program counseling between July 2009 and June 2012, with the outcomes of these clients observed through June 2013.

The NFMC program’s major objective is to help identify and implement the most appropriate solution to the homeowner’s specific circumstances, meaning there are multiple possible outcomes for any given participant in NFMC. This report points out how this makes measuring the “success” of the program much more difficult to quantify. That being said, UI has identified certain outcomes to measure the progress of the program, as shown in the chart below. According to the report, in all six areas that UI highlighted, NFMC clients experience better results than those homeowners not participating in the program. The report states that NFMC clients are more likely to receive a loan modification with NFMC participation, which provides significant (an average of \$4,980 per year) savings for each modification to the loan. Additionally, UI reports that troubled loans (90 or more days delinquent, in foreclosure, or in real-estate owned status) that are cured with the help of the NFMC program are 70 to 72 percent less likely to return to troubled status than loans not serviced by NFMC. The evaluation of the first two rounds of funding found similar positive effects for homeowners receiving NFMC counseling, especially in regards to troubled loans re-defaulting. UI states that the continued positive effects of NFMC counseling, even for participants in mid-2012 (four years after the crisis), are an impressive indication of the success of the program.

Arizona Housing Finance Authority Activities

PRODUCT ADDED TO HOME PLUS PROGRAM PORTFOLIO

➤ On October 1, 2014 the Arizona Housing Finance Authority will add the Fannie Mae, HFA Preferred Product (with LTV's up to 97%) to the Home Plus Program portfolio. This mortgage product is a compliment to our existing program and will allow us to expand our current affordable housing finance options to a broader spectrum of potentially eligible homebuyers. In addition to the new FNMA HFA loan product, we have made a number of recent enhancements to the Home Plus program in an effort to both expand homebuyer eligibility and provide a more user-friendly lender experience. Finally, the Authority made the decision in July to terminate the issuance of Mortgage Credit Certificates (MCC). The program was set to expire on December 31, 2014 and due to the under utilization of the program, the termination date was moved up.

Over the past ninety days, 112 homebuyers have received a new Home Plus mortgage with a down payment assistance grant. The Home Plus program was established in April 2013. Since its inception, there have been over 508 loans reserved or closed in the amount of \$65 million. The Home Plus Mortgage Loan Program provides an attractive 30-year fixed-rate mortgage with a 4% down payment assistance grant to qualifying families purchasing homes throughout the State of Arizona. The down payment grant is a non-repayable grant that can be used for the down payment and closing costs. Qualified U.S. Military Personnel may receive an additional 1% for a total of 5% DPA. Information on the Home Plus program may be found on our website: www.azhousing.gov.

AzHFA ANNUAL MEETING AND ELECTION OF OFFICERS.

➤ At their Annual Meeting on October 9, 2014, the Board of Directors voted unanimously to retain all current officers for the 2014-2015 year.



2014-2015 AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

John Sundt
Vice Chairperson
Rusling Lopez & Lizardi, PLLC

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Zeek Ojeh
Cartwright School District

SCHEDULED MEETINGS

November 12, 2014

December 11, 2014

2014 ARIZONA HOUSING FORUM (continued from page 1)

Referral, led a session that reviewed what has been learned from recent pilot programs and the incorporation of the tool into the Homeless Management Identification System.

Michael Jacobs from the National Equity Fund led a session updating attendees on the current state of the Low-Income Housing Tax Credit market and how Congress currently views the program.

Spurred by a housing survey that identified an immediate need for 34,000 homes in 110 communities across the Navajo Nation, the Navajo Housing Authority partnered with Swaback Partners to create a master plan that used best planning practices. Vern Swaback of Swaback Partners was joined by the Navajo Housing Authority's A.J. Yazzie on a panel to present their award winning planning initiative.

Uncertain that Congress will fix the 9 percent rate, tax credit developers are now looking at other options to leverage their deals. Ruby Dhillion, Alliant Company, Lisa Gutierrez, U.S. Bank, David Slattery, Sr., DESCO Arizona Affordable Housing Partners, and Celia Smoot, Local Initiatives Support Corporation discussed their perspectives and experiences with various means of "plugging the gap" and making tax credit deals feasible.

As the number of Supportive Housing and Housing First programs grows in Arizona, funders and practitioners must ensure fidelity to the models in order to maximize tenant outcomes and community investment. Kelli Donley, Arizona Department of Health Services and Charlene Flaherty, Corporation for Supportive Housing led a panel focusing on the best practices, program self-assessment, and monitoring tools that will assist in evaluating the effectiveness of supporting housing and housing first programs.

This year's keynote speaker was Dr. Uche Odiatu. Dr. Odiatu is a triple certified personal trainer and a professional member of the American College of Sports Medicine. Dr. Odiatu delivered an impactful message about the importance of health and fitness and how it relates to leadership. He managed to get all 350 attendees on their feet to do a little yoga and Tai Chi while inspiring us all.

Arizona State University Research Professor and Economist, Dr. Lee McPheters once again delivered a very informative economic briefing during the Friday morning breakfast plenary.

For a full list of the 2014 Arizona Housing Form speakers, copies of their presentations, photos and videos from the Forum, please visit the Training and Events page on our website at www.azhousing.gov.

Featured Groundbreakings & Grand Openings



EL RANCHO | Mesa, AZ

A groundbreaking ceremony was held on August 12th for El Rancho Apartments, 719 E. Main St., on the site of a blighted motel that will become a four story apartment community with 66 units to house families with children. The El Rancho development is a collaboration led by Community Development Partners with the City of Mesa, the Arizona Department of Housing, non-profit partner Integrity Housing, and supportive service provider, A New Leaf, with the goal of providing life-enhancing safe, quality affordable housing.

The El Rancho project pooled input from local groups including A New Leaf, Neighborhood Economic Development Corporation (NEDCO) and Cultural Coalition as well as the Mesa Arts Center and local artists to design a product that will



engage the community with enriching programs and public art pieces. The City of Mesa has invested heavily in the pursuit of creating a local culture conducive to supporting the arts which this project fully supports. In addition to the public art spaces, there is also a large communal gallery, a flexible studio space for children's service programming, a media room, computer lab, an outdoor eating area, a community garden (in cooperation with Mesa Urban Garden) and a pool.

Financing for the project comes from Low Income Housing Tax Credits, which the project was awarded in 2013. A construction loan from Chase Bank will finance the project through lease-up. The Arizona Department of Housing provided gap financing and the City of Mesa provided both a grant and loan through Housing Opportunities Made Equal, without which the project would not be feasible.

IRONWOOD VILLAGE | Glendale, AZ

A grand opening ceremony was held at Ironwood Village on September 4. The project was funded in 2012 with tax credits.

The project is a Fannie Mae foreclosed multifamily development built in 1971 in the heart of Glendale's centerline redevelopment area. It was the acquisition and rehabilitation of a master-metered 115 unit project. The property was acquired with City of Glendale NSP3 funds in the amount of \$1.8 million dollars. There are 95 low-income units with 30 units set aside as a preference to households with children (sixty-five 2-bedroom, twenty-nine 3-bedroom and one 4-bedroom). The set-aside



for the units are 40% (34 units), 50% (43 units), 60% (18 units) AMI.

The ownership entity of the property of Ironwood Village is Norwood Village Apartments, LLC, the developer is Gorman & Company and the co-developer is Catholic Charities Community Services, Inc.



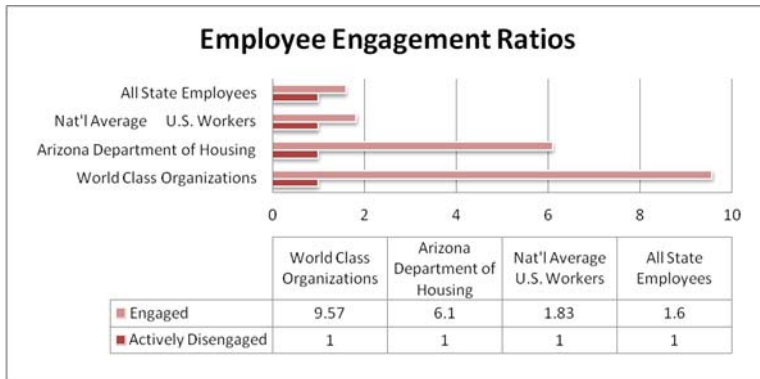
One of the nation's oldest and largest service providers, Catholic Charities, will provide a comprehensive array of onsite services, including a before and after school program, computer training, parenting classes, financial literacy, and job placement services. A site-specific service plan has

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ADOH Employees: Proud to Serve the State

This past June the Arizona Department of Administration (ADOA) conducted a statewide employee engagement survey of all employees of the State of Arizona. The 2014 survey gauged the Arizona Department of Housing's overall employee engagement ratio to be 6.1:1.

We are happy to report the Department's results from that survey, as the survey shows the Department's employee engagement rate to be head and shoulders above the national average for all organizations, as well as compared to other State agencies in general.



In order to understand our agency's results it is important to understand what is meant by Employee Engagement.

WHAT IS MEANT BY EMPLOYEE ENGAGEMENT?

The world's top-performing organizations understand that employee engagement is a force that drives business outcomes. Research shows that engaged employees are more productive employees. Engaged employees are more profitable (where profit is the goal), more customer-focused, safer, and more likely to withstand the temptations to leave the organization. In contrast, actively disengaged employees erode an organization's bottom line, while breaking the spirits of colleagues in the process. "Engaged employees" are defined as those who are engaged and inspired at work. An average "disengaged employee" simply is not engaged in their work. While those defined as "actively disengaged" are so disengaged, they are known for actively working to spread their discontent amongst their co-workers.

WHAT IS AN ENGAGEMENT RATIO?

The Gallup organization specializes in research in the area of Engagement Ratios. Gallup's engagement ratio is a macro-level indicator of an organization's health that allows management to track the proportion of engaged to actively disengaged employees. The average national working population ratio of engaged to actively

disengaged employees is not quite two to one and is expressed as 1.83:1. In stark contrast to the average, world-class organizations have an engagement ratio of more than 9:1. As organizations move toward this benchmark, they greatly reduce the negative effect of actively disengaged employees while unleashing the organization's potential.

While hiring the right employees goes a long way toward achieving a high level of employee engagement, management styles and good supervisors are also known to be key components in achieving and gaining ever higher levels of employee engagement. Our Director and managers deserve a lot of credit for creating an environment where a high engagement rate is attainable for those who seek it.

GRAND OPENINGS & GROUNDBREAKINGS

(continued from page 11)

been assembled to expand upon these services already offered by Catholic Charities.

The project will dramatically increase accessibility for the physically disabled through their on-going partnership with Arizona Bridge to Independent Living. There was a complete rehabilitation of all the unit interiors including the full replacement of cabinets, countertops, light fixtures, plumbing fixtures and appliances, doors, shelving, full abatement of popcorn ceilings, vinyl and ceramic tile. They implemented a new comprehensive landscape and lighting plan, installed a new fence, replaced insulation, replaced 100% of the windows and made substantial improvements to all the building systems.

Calendar 2014

NOVEMBER	
5&6	HOME & Fair Housing Workshop
11	OFFICE CLOSED - VETERANS DAY
12	AzHFA Board Meeting
27	OFFICE CLOSED - THANKSGIVING
DECEMBER	
11	AzHFA Board Meeting
25	OFFICE CLOSED - CHRISTMAS DAY

2015-2019 CONSOLIDATED PLAN

➤ ADOH is in the process of developing the 2015-2019 Consolidated Plan, a five year plan that sets forth goals and objectives, determines priorities, describes activities, establishes outcomes and outlines the method of distribution for the use of approximately \$80 million (from July 1, 2015 to June 30, 2020) in the following federal funds from the U.S. Department of Housing and Urban Development:

- Community Development Block Grant
- HOME Investment Partnerships
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Shelter Grant

The Emergency Shelter Grant program is administered by the Arizona Department of Economic Security. These funds are to be used for activities benefitting low income and special needs populations primarily in the non-metropolitan areas of Arizona. ADOH is seeking input on housing and community development needs in your community.

2015-2016 ANNUAL ACTION PLAN

➤ The Consolidated Plan also contains a one year component called the 2014-2015 Action Plan which outlines one year goals for approximately \$16 million of the above listed funding. These funds will be available for the program year which begins July 1, 2015 and ends June 30, 2016. ADOH is seeking input on the use of these funds.

2014-2015 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2014 and early 2015:

- Nov 5 & 6** HOME & Fair Housing Training with HOME HCE exam
- Jan 7** 2015 LIHTC Application Workshop
- Feb 3 & 4** LIHTC Compliance Workshop #1
- Mar 17 & 18** U.P.C.S. Workshop

info Visit the Event Calendar at www.azhousing.gov for additional information regarding deadlines, regis-

New Faces



SANTANA SEPULVEDA

Santana Sepulveda has joined the ADOH staff as a Transaction Manager/Coordinator. Ms. Sepulveda comes to us with seven years experience in the areas of mortgage underwriting, loan processing, and wholesale lending, most recently with Wells Fargo. She is currently pursuing an undergraduate degree at

Arizona State University.



CABRINA WILLIAMS

Cabrina Williams has joined the ADOH staff as a Transaction Assistant. Ms. Williams comes to us with 13 years of experience in the areas of mortgage underwriting and loan processing, most recently with JPMorgan Chase. She has attended Harold Washington College and Loyola University.

Housing Matters

SUMMER 2014
Volume 13 | Number 3

LEADING WITH SOLUTIONS



▲ The annual Arizona Housing Forum provides a networking and educational venue for housing professionals doing business in the State. See page 1.

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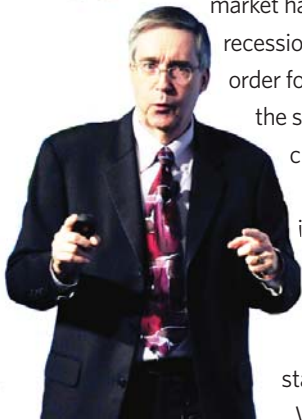
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DO SOMETHING!

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

The Arizona Department of Housing invites you to attend the 2014 Arizona Housing Forum on September 10-12, at the beautiful J.W. Marriott Starr Pass Resort in Tucson, Arizona. Join us as we celebrate the 11th anniversary of this conference. The theme of this year's Forum is, "Do Something!"

We in Arizona know firsthand just how important housing issues are to our State. Housing is much more than four walls and roof. Housing creates stability, job growth, healthy communities, and a strong economy.



While the latest news and trends regarding the Arizona housing market have shown improvement from the dark days of the recession, our work is far from over and we can't do it alone. In order for us to continue to improve housing conditions within the state, especially for our most vulnerable populations, it is critical that we all come together and "Do Something!"

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

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

Ever wonder how funding from the U.S. Department of Housing & Urban Development flows to non-profits, owners and developers? Join HUD staff for a basic overview of how federal monies are distributed to communities and projects.

The Drachman Institute will present the findings of their research to support the development of workforce and mixed-income housing along High Capacity Transit corridors in eastern Pima County, including the results of a housing demand study.

As Arizona's affordable housing stock ages, tax credit developers are more frequently tackling rehabilitation projects. How does old construction mesh with new code standards? Does the fear of a perpetual money pit of change orders present hesitation to plan potential renovation projects? Our speaker will shed light on some of

the more commonplace issues found in Arizona rehab projects. Join us for an analysis of design and construction issues focused on a LIHTC rehabilitation project.

In Year 15 - Dispositions and Capital Accounts speakers will focus on Year 15 dispositions and how capital account balances affect cash distributions, discuss factors that influence the value of the property and how to account for allocation of gain or loss, identify key issues and concerns such as exit taxes, nonpayment of deferred fees, early buy-out of an LP, partnership termination and recapture rules with a potentially unlimited statute of limitations.

This year's keynote speaker, Dr. Uche Odiatu, is the author of *Fit for the LOVE of It* and *The Miracle of Health*. An NSCA certified personal trainer, international speaker and consultant, Dr. Uche breathes enthusiasm and life into his audiences with his energy, insights, practical action steps and humorous observations. Don't miss Dr. Odiatu's presentation during the lunch session on Thursday, September 11.



The Brian Mickelsen Housing Hero Awards will be presented for the tenth year. Recipients of the awards are selected by their peers as the best in their field. The winners will be celebrated at a luncheon on Friday, September 12.

We look forward to seeing you there!

REGISTRATION AGENDA
SPONSORS EXHIBITORS
HOTEL GROUND
MEDIA

Early Registration Deadline August 15
Hotel Registration Cut-off Date August 20



Director's Message

On behalf of the Arizona Department of Housing, it gives me great pleasure to invite you to attend the 11th Annual Arizona Housing Forum, September 10-12 at the J.W. Marriott Starr Pass Resort, located in Tucson.

These days, knowledge and networking are two things that help to make a difference. Each year, the Arizona Housing Forum offers exciting keynote speakers, a variety of informative sessions and great networking opportunities.

Come join us, along with our housing partners, as we explore solutions for some of the toughest housing and community issues facing our state and industry. We value your participation and look forward this special time of the year when we set aside our daily duties and open our minds to new ideas.

As a follow up to last year's theme, Stand Up For Housing, the theme of this year's Housing Forum sends a strong, but simple message, "Do Something!"

Once again, we have gathered experts from across the country including leading housing consultants, professionals, and economists.

Robert Moss and David Gasson will provide us with an update on the Low Income Housing Tax Credit program. National consultant Monte Frank will be returning to lead a discussion on the federal HOME Program and don't miss another opportunity to hear from ASU's lead economist, Dr. Lee McPheters at our annual Economic Forecast Breakfast.

We're excited for you to experience this year's keynote speaker, Dr. Uche Odiatu. He is the author of *Fit for the Love of it* and *The Miracle of Health*. Dr Uche breathes enthusiasm and life into his audiences with his energy, insights, practical action steps and humorous observations.

We look forward to celebrating the best of the best at this year's Brian Mickelson Housing Hero Awards.

This is the only chance each year that Arizona housing professionals have to gather together to renew past relationships and forge new ones.

Come, be engaged, be informed, be inspired, be in Tucson, and most importantly, be proactive and "Do Something!"



SAVE OUR HOME AZ UPDATE

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

Since its inception, the Save Our Home AZ program has been able to assist over 3,039 Arizona families stay in their homes and avoid foreclosure. As of May 31, 2014, over \$97 million in program assistance has been committed to assist

homeowners. Additionally, our foreclosure hotline has assisted over 72,075 troubled homeowners with important information and housing counseling services.

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

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

Another SOHAZ Success Story

In 2011, Raymond Correale of Gold Canyon lost his employment of five years as an environmental engineer. That same year his wife Lidia also became unemployed. As a result of the job loss, Raymond and his wife Lidia became past due on the mortgage payments for their family home.

Through participation in the Save Our Home AZ underemployment assistance program and Mr. Correale's acceptance of transitional jobs outside his chosen field, the family was able to remain in their home. This spring, Mr. Correale was fortunate to receive a referral from a previous co-worker which enabled him to become re-employed in the environmental engineering field. With this new employment, the Correale's mortgage on their family home became affordable. This successful "graduation" from the underemployment component of the Save Our Home AZ program then qualified the Correale's for one more type of key assistance to help them remain in their home: reinstatement or, in other words, assistance with paying off all of the past due amounts that had accumulated prior to acceptance into the program.

The Correales recently shared their appreciation for the aid received through the Save Our Home AZ program, as well as the help of their assigned counseling agency, Genesis Housing Services. "Lidia and I would like to send our genuine heartfelt appreciation for all that you and your team has done for us in saving our home through this wonderful program," said Mr. Correale. "Often when we left the Genesis office after our appointments, Lidia and I both had tears in our eyes from the relief and kindness we received. We are so grateful for your kind help! Our difficulties were so hard to manage due to the loss of our jobs in 2011. Because of the assistance and genuine empathy we

received from all of you, we were able to manage keeping our home and American Dream we worked so hard for. We are now feeling a sense of self esteem again instead of constant fear and pressure from those terrible feelings and hardships. Words are not enough to express our deep appreciation for all your hard work and help."

HARP 2.0 Principal Reduction Program Continues to Provide Relief to AZ Homeowners

The Arizona Department of Housing continues to be a leader in the promotion and use of HARP 2.0, a program designed to help responsible homeowners who are current with their mortgages but have been hit hard by the recession and plummeting home prices. This program applies principal reductions to homeowners with negative equity. The program became available in July 2012. To date, we have dispersed more than \$31.6 million to homeowners who are "underwater," reducing their mortgages by an average of \$51,481.

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

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



Raymond and Lidia Correale are Save Our Home AZ success stories.



FEDERAL LEGISLATIVE UPDATE

FEDERAL BUDGET-FY2014 HUD FUND LEVELS

➤ The appropriations process on Capitol Hill continues to be stalled with lawmakers in the Senate unable to agree on an amendment process to a \$120 billion spending bill that would fund the departments of Agriculture, Commerce, Justice, Transportation, and Housing and Urban Development beyond September of this year.

Senate Majority Leader Harry Reid (D-NV) has argued that the Senate should only consider amendments that are germane to the spending bill and they all should be required to pass with 60 votes. However, Minority Leader, Mitch McConnell (R-KY) has objected saying that only controversial amendments should be subjected to the 60 vote threshold and all amendments should be on the table.

With the Senate failing to reach an agreement, the bill has been delayed indefinitely. Lawmakers are continuing to seeking a resolution; however, if one cannot be found in a reasonable amount of time, they may have to consider passing a continuing resolution that would flat fund the these departments temporarily.

COMPREHENSIVE TAX REFORM

➤ It is becoming more and more apparent that a comprehensive, bipartisan tax reform bill will not take place this year in Congress. Additionally, the prospects for a bill, next year, also look out of reach, unless there is a major shake up with the November elections.

Unfortunately, there appears to be no clear indication from both parties as to what exactly constitutes “tax reform.” Back in February, U.S. House Ways and Means Committee Chairman, David Camp (R-MI), released his much anticipated proposal for comprehensive tax reform. However, his plan only seemed to further divide members of Congress and various special interest groups on the subject.

Under the Camp proposal, the Low-Income Housing Tax Credit program was preserved and on a positive note, most members of Congress appear to view the program favorably.

FIXING THE LIHTC FLOATING RATE

➤ Once again, Representative Pat Tiberi (R-OH) has sponsored a bill, H.R. 4717, which would make permanent the 9 percent Housing Credit rate floor for new construction and substantial rehabilitation and establish a 4 percent rate floor for the acquisition of affordable housing.

The bill has been assigned to the House Ways & Means Committee; however no action has been taken on the bill at this point. Proponents of the bill remain optimistic that it could be heard in committee and go to the floor before the end of the year.

HOUSING FINANCE REFORM

➤ Similar to tax reform, any real attempt at Housing Finance Reform over the next year appears to be quite unrealistic. While members on both sides of the aisle are hoping to continue the dialogue, no substantial legislation is expected to move forward for the foreseeable future.

Back in March, Senators Tim Johnson (D-SD) and Mike Crapo (R-ID) released their plan to gradually wind down Fannie Mae and Freddie Mac, replacing them with the Federal Mortgage Insurance Corporation (FMIC), a government agency that would provide catastrophic reinsurance for mortgage backed securities. Under their proposal, private entities would be expected to cover losses of at least 10 percent of the principal of a covered security before the FMIC’s coverage went into effect.

Despite a strong showing of bipartisan support, the Johnson-Crapo plan continues to face pushback by several members in both political parties. Many Republicans are looking to immediately eliminate Fannie Mae and Freddie Mac with no government reinsurance for the mortgage industry; while many Democrats feel their plan does not go far enough.

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STATE LEGISLATIVE UPDATE

ARIZONA FACES UPCOMING BUDGET CONCERNS

➤ Going into the next legislative session, lawmakers will be faced with the daunting task of having to deal with a projected budget shortfall. Revenue projections for fiscal years 2016 and 2017 are coming in appreciably less than originally anticipated. Additionally, the Arizona Supreme Court has determined that the legislature failed to adequately fund K-12 education during the economic recession. This of course further complicates the budget picture moving forward.

Proposition 301, passed by the voters, in the early 2000s, requires the legislature to account for inflation when funding K-12 education. Early on in the decade, the State paid more than what was required; however, when the economic recession hit, the legislature stopped making these payments. The school districts are now demanding back payments that could total close to \$1.7 billion, depending upon the court's decision.

Legislative leadership has argued that the court does not have the authority to force the legislature to make these back payments; however, they do claim that if they are forced to pay, the amount should take into consideration earlier overpayments. This amount would put the legislature on the hook for around \$80 million.

A ruling from the court could still take some time. Additionally, the losing side is expected to appeal. However, the Joint Legislative Budget Committee predicts that if Arizona is required to pay an estimated \$320 million per year to cover K-12 inflation costs, the state would be looking at a budget deficit of well over \$600 million for FY2016.

Unfortunately, when it comes to the budget shortfall, the legislature may not be left with many options. Agency budget cuts, fund sweeps, or the possibility of raising taxes will all be on the table. Regardless, the new legislature and incoming governor will have their hands filled right from the get go.

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ADOH Announces 2014 LIHTC Reservation List

On June 6, the Arizona Department of Housing released the 2014 Low Income Housing Tax Credit Reservations List. The following projects were selected to receive funding:

- North Mountain Village Apartments, Phoenix, AZ
- Frank Luke Addition Phase III, Phoenix, AZ
- Highland Square, Cottonwood, AZ
- Casas de Esperanza, Douglas, AZ
- Pascua Yaqui Homes V, Tucson, AZ
- TOKA Homes I, Sells, AZ
- San Carlos Homes VII, Peridot, AZ
- Virginia @ 3rd, Phoenix, AZ
- Westward Ho, Phoenix, AZ
- Madison Heights Phase I, Avondale, AZ
- Madison Heights Phase II, Avondale, AZ
- Arizona Sun Apartments, Tempe, AZ
- Frank Luke Addition Phase II, Phoenix, AZ
- Downtown Motor Apartments, Tucson, AZ
- Rally Point Apartments, Tucson, AZ
- Encore on First West, Mesa, AZ
- Apache Villas, Tempe, AZ
- Cedar Crest, Flagstaff, AZ

Congratulations to all the projects receiving tax credits in this round. These projects represent 1,236 affordable rental units.

For additional information, please see [Information Bulletin 13-14](#) on the Publications page of the ADOH website.

The Low Income Housing Tax Credit (LIHTC) was created to promote the development of affordable rental housing for low income individuals and families. To date, it has been the most successful rental housing production program in Arizona, creating thousands of residences with very affordable rents. Please visit www.azhousing.gov for more information on this program.

Arizona Housing Finance Authority Activities



AzHFA Administrator Carl Kinney Retires

➤ On Friday, May 30, 2014 Carl Kinney stepped down as the Arizona Housing Finance Authority (AzHFA) Programs Administrator, retiring after 10 years with the Department.

Carl began his career with the State of Arizona in 2004 where he oversaw both Single-family and Multi-family Housing Bond Issuances, Mortgage Credit Certificate programs and other initiatives for the AzHFA.

Carl's leadership over the AzHFA provided over \$260 million in housing financing and assisted over 2,100 first-time homebuyers in the State of Arizona. Additionally, Carl managed the Arizona Department of Housing's mortgage programs during difficult economic times, transitioning from 100 percent bond financed products to a new TBA program, saving the Finance Authority approximately \$2 million in operating costs annually.

Carl understood the importance of personal contact with customers, lenders, and realtors; traveling around the state to promote our mortgage programs, answering questions, and developing important relationships," said Arizona Department of Housing Director Michael Traylor. "He was an important member of our team and a pleasure to work with. We wish him all the best in his retirement."



New Administrator Takes Position with AzHFA

➤ Replacing Carl as the new Program Administrator for the AzHFA is Dirk Swift. Prior to taking over the position, Dirk was the Transaction Manager Coordinator for the Save Our Home AZ Program.

Dirk brings almost 30 years of mortgage related experience to the AzHFA. His background includes operational, sales, and management positions within the retail, wholesale and bulk acquisition mortgage distribution channels.

Dirk received his Bachelors degree from Western Illinois University and his M.B.A from Keller Graduate School of Management.



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SCHEDULED MEETINGS

August 14, 2014

September, 2014 *no meeting*
**check website for times*

AzHFA Update

➤ Over the past ninety days, 109 homebuyers have received a new Home Plus mortgage with a down payment assistance grant. The Home Plus program was established in April 2013. Since its inception, there have been over 362 loans reserved or closed in the amount of \$44.7 million. The Home Plus program combines a first mortgage loan with down payment/closing cost assistance of 4%.

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Featured Groundbreakings & Grand Openings

29 PALMS | Phoenix, AZ



➤ 29 Palms is a multi-family acquisition/rehabilitation project consisting of twenty-two (22) one, two and three bedroom apartment units located at 4901 Holly Street in Phoenix. All twenty-one (21) of the units will be rented to households at or below 50% of Area Median Income (AMI). Two apartments are handicapped-accessible. Positive attributes of the neighborhood include a low crime rate and excellent access to employment centers, retail development and local services and amenities.

29 Palms will provide multi-generational supportive housing for seniors 55 years of age and older and five (5) units set aside for young adults, 18 years and older, with developmental disabilities, specifically autism. FSL, in partnership with Southwest Autism Research

and Resource Center (SAARC), will provide services to enhance the quality of life of both the seniors and the young adults who desire to live there. Residents of this FSL property enjoy a wide variety of services designed to meet the specific needs of the residents. In recent years the services from FSL have grown beyond recreation and social services to include transportation, healthcare, food banks and a multilingual gateway to the larger community.

29 Palms exhibits garden-style architecture including four single-story structures. The clubhouse and leasing office is part of one of the residential buildings. All relevant utilities (electric, water, sewer and trash collection) will be paid by FSL. Public transportation is relatively proximate to the project. Quality bus service is available with a Valley Metro bus stop at McDowell Road & 44th Street. A Valley Metro light rail transit stop is present at 44th and Van Buren Streets.

29 Palms Apartments unit amenities include range, refrigerator, disposals, central air conditioning, carpeting dual pane windows and coverings and patio/balconies. The project features tenant services, a community room, a common laundry area, a BBQ and picnic area.

29 Palms Apartments was funded in February 2013 through the Neighborhood Stabilization Program (NSP). This amount was the total development budget for the project. The ownership entity is FSL Real Estate Services, Inc.

A ribbon cutting ceremony for 29 Palms was held on Wednesday, June 18th.



PARADISE SHADOWS | Phoenix, AZ



➤ Paradise Shadows is a multi-family acquisition/rehabilitation project consisting of sixty-seven two and three bedroom apartment units located at 16035 North 27th Street in Phoenix (of which 66 are subsidized by a project-based Section 8 contract). The project serves a broad range of low-income individuals and families. The target AMGI for the project is 10% of the units at 50% AMI, with 90% of the units at 60% AMI.

Originally constructed in 1983, the project is comprised of 14 one and two-story buildings across 3.5 acres of land and it also includes new construction of a community building. Paradise Shadows also benefits from amenities such as a business center, supportive services, laundry facilities, a basketball court, a playground, picnic and barbeque areas and multiple tot lots.

The rehab scope included replacement of parking lot paving and concrete walks, construction of carports, improved landscape and tree lighting, Energy Star appliances, the addition of awnings and shade structures, and a photo-

FEATURED OPENINGS *continued from page 7*

voltaic power system to offset utility costs. In addition, the economic investment will have a catalyst effect on local investment and neighborhood character in general, with the potential to cause additional reinvestment. Paradise Shadows was funded as a Multifamily Revenue Bond / 4% Tax Credit deal with The Hampstead Companies.

A grand reopening ceremony was held at the property on May 30th.

VIDA NUEVA APARTMENTS | Tucson, AZ

▶ Intermountain Centers for Human Development (ICHD) and Compass Affordable Housing, Inc. recently completed work on the redevelopment of Vida Nueva Apartments.

Located on 3815 E. Monte Vista in Tucson, this project consists of 18,000 square feet of



Vida Nueva Apartments before rehabilitation,



housing and community space which creates healthy, secure and affordable housing for adults with developmental and mental disabilities. The project was awarded funding from

the Arizona Department of Housing, the City of Tucson, Federal Home Loan Bank and private sources. The project incorporated energy efficiency design and focused on creating outdoor space that enhanced the community as a whole. The project preserved existing housing and increased the number of permanent units that are affordable for very-low income special needs persons.

This redevelopment project commenced with help from the Tucson Utility Contractor's Association (TUCA). TUCA dedicated a day of community service by grading the property for the parking lot and digging a trench required for the new plumbing and drainage. Following construction of the first multi-story building, residents moved into the new portion of Vida Nueva, absolutely delighted with their brand new homes. In addition, volunteers from Tucson Electric Power/UNS constructed six raised garden beds for a community garden adjacent to the outdoor recreational area. A basketball court was donated by the Hazen Family Foundation and Compass Affordable Housing. The gazebo in the center space between the residential buildings provides a welcome respite from the sun and is an excellent gathering space. An open house and tour of the complex was held on May 29th.

2014 Customer Satisfaction Survey

"Overall Satisfaction with ADOH" hits 10 year high

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. This year ADOH's constituency gave it the highest ranking in "Overall Satisfaction" that it has received since 2004. In rating its overall satisfaction with the Department, ADOH's constituency gave the Department a rating of 5.79, out of a possible top rating of 7.

An analysis of all eleven categories that the survey covers reveals that ADOH received its highest scores in every category within the past three years, when compared to all survey scores received by ADOH since 2005. This tells us that even though there may have been slight changes in satisfaction within individual categories from one year to the next over the past three years, ADOH has made its best strides in improving its customer service in its most recent past, when compared to its survey rankings over the past decade.

"We are continually striving to improve agency programs and operations, so that



the Arizona Department of Housing meets its mission to serve Arizona's housing and community development needs as it was intended," stated Director Michael Trailor. "While we take heart that our annual survey conveys we are headed in the right direction, you will not see us slow down our efforts to make improvements whenever and wherever we can."

Calendar 2014

AUGUST	
14	Arizona Housing Finance Authority
SEPTEMBER	
1	OFFICE CLOSED - LABOR DAY
10-12	2014 Arizona Housing Forum

Funding Deadlines

REINVENTPHX TOD PREDEVELOPMENT ASSISTANCE FUND

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

Focus Groups Scheduled

ADOH has scheduled focus groups to gather comments on the first draft of the 2015 Qualified Allocation Plan.

September 12, 2014 | 2:15 pm
JW Marriott Starr Pass, Tucson

September 19, 2014 | 11:00 am
Carnegie Library Auditorium, Phoenix

For additional information, refer to the ADOH website Event Calendar or Information Bulletin 15-14 published July 17, 2014.

2014 ADOH Training Calendar

ADOH has scheduled the following training opportunities for 2014:

October 21-23 LIHTC Compliance Workshop #3
 (Available HCCP exam) 8:00 am - 5:00 pm
 Casino del Sol, Tucson \$200.00

November 5 & 6 HOME Workshop + HOME HCE Exam + Fair Housing Training

One day HOME Workshop (with optional HOME HCE exam) and second day 3-hour Fair Housing training, specifically designed for multi-family properties. Visit the ADOH Event Calendar for times and pricing.

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

New Faces



➤ **Dena Dotson**

Dena Dotson joins the Department as Finance and Accounting Administrator. While at the Commerce Department in 2002, Dena was instrumental in helping a fledgling Department of Housing set up its accounting functions. Dena holds a B.A. from the University of Phoenix.



➤ **Kim Jackson**

Kim Jackson joins the Foreclosure Division of the Department as a Transaction Manager Coordinator. Kim has worked in the mortgage industry for over fifteen years. She holds a Bachelor of Commerce from St. Mary's University in Halifax.



➤ **Valerie Marciano**

Valerie joins the Department from the Attorney General's office, assigned to legal work for our agency on a part-time basis. Valerie has over 30 years of experience in real estate, bankruptcy and litigation. She received both her B.A. and Juris Doctorate from the University of Arizona.