AzHFA
Arizona Housing Finance Authority

MEETING MINUTES
ARIZONA HOUSING FINANCE AUTHORITY
BOARD MEETING
February 10, 2011

Location
1110 West Washington, Suite 310
Phoenix, AZ 85007
10:00 a.m.

Board Members Present	**Others in Attendance**	
Carol Parry	Michael Trailor	Carl Kinney
Paul DeSanctis*	Scott Ruby	Susy Bustillos
Richard Houseworth	Frank Fallon*	Cindy Coen
Randy Pullen*	Bill Gehrig *	Kathleen Jakubowicz *
Robert Gardiner	Shaun Rieve	Carol Ditmore

Manny Gonzalez

*Joined by phone

1. **Call AzHFA Board Meeting to Order and Roll Call (Chairperson Parry)**

   Chairperson Parry called the meeting to order at 10:05 a.m. Chairperson Parry asked for a roll call of Board members. Board members Parry, Houseworth, Gardiner and Gonzalez were present while board members DeSanctis and Pullen were present via phone.

2. **Call to the Public (Chairperson Parry)** No action will be taken on any item presented during the Call to the Public unless such item is also listed on the agenda. Comments are limited to three (3) minutes.

   Chairperson Parry made a call to the public. There was no response.

3. **Approval of Minutes (Secretary Gonzalez)** Discussion of minutes from the January 13, 2011 Board meeting: vote to approve or deny.

   Chairperson Parry asked for a motion to approve the minutes from the January 13, 2011 meeting. Mr. Gonzalez made a motion to approve the minutes from the January 13, 2011 Board meeting; the motion was seconded by Mr. Gardiner. Motion carried.

4. **Treasurer's Report (Treasurer Gardiner)**
   Vote to accept or reject Treasurer's Reports for January, 2011. Discussion, consideration and/or vote.

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Treasurer Gardiner presented the Treasurer's Report for January, 2011. Mr. Gonzalez made a motion to accept the Treasurer's Report for January, 2011; the motion was seconded by Mr. Houseworth. Motion carried.

5. **Director's Report (Mr. Michael Trailor)**

a) Foreclosure Initiative Program
Director Trailor provided an update on the status of the Save My Home AZ program.

6. **Federal and State Legislative Update (Mr. Shaun Rieve)**

Federal Update

Federal Budget

Mr. Rieve reported that the House Republicans pledged last Thursday to slice more than $32 billion from agency budgets over the next few months. Independent budget analysts state that this would force some domestic agencies to immediately slash spending by as much as 20 percent.

The Administration's FY 2012 Budget will propose to reduce the Community Development Block Grants (CDBG) program by $300 million, or 7.5 percent, from its FY 2010 funding level of $3.99 billion.

The government is currently operating under a temporary funding resolution that expires March 4. Both parties risk triggering a shutdown unless they can agree on a spending bill to pay for operations through the rest of the fiscal year, which ends in September.

As the parties spar over immediate spending cuts, they are also at work on a longer-term budget for the fiscal year that begins in October. President Obama plans to unveil his budget request on or about February 14, 2011.

State Update

State Budget

Mr. Rieve reported that the Governor's budget estimates a $750-$800 million shortfall in 2011 and a $1.1-1.2 billion shortfall in 2012. The Legislature's budget was more optimistic: $530 million in 2011 and a $975 million in 2012.

The Governor's budget outlines essentially the same spending reductions and sweeps for ADOH for 2012 as it did in 2011, totaling $8.5 million. Affected funds include the Housing Program Fund ($2.2 million), Housing Trust Fund ($6 million), and Finance Authority ($258K).

The Legislature's baseline budget only outlines reductions of $2.8 million, but it could be expected that they will likely agree to the Governor's proposed sweeps as well.

Agency Continuation Bill

Mr. Rieve shared that last week Mr. Trailor represented the ADOH t in front of the House Commerce Committee which was considering a vote on a bill to extend the existence of the Department for another 10 years. In a unanimous decision, the committee voted to recommend the bill. We are currently waiting for the bill to clear caucus and then it will be heard by the entire House. Upon final read, the bill would then move over to the Senate.

7. **Request for Proposals for Auditor (Mr. Carl Kinney)** Discussion and possible vote to authorize going out for a Request for Proposals for audit services for the Arizona Housing Finance

Authority beginning with the fiscal year ending June 30, 2011. Discussion, consideration and/or vote.

Mr. Houseworth made the motion to authorize the Request for Proposals for audit services for the Arizona Housing Finance Authority beginning with the fiscal year ending June 30, 2011; the motion was seconded by Mr. Gonzalez. Motion carried.

8. **Update on Programs (Mr. Carl Kinney)**

2009 MRB Program

The $25 million 2009 New Issue Bond Program closed December 30, 2009 and opened for reservations beginning March 3, 2010. Twenty-four lenders have now signed up to participate in the program. One hundred-fourteen loans have been reserved as of January 31, 2011 in the amount of $13,184,489.

2009 MCC Program

The AzHFA closed on a $20 million 2009 MCC program on June 30, 2009. The AzHFA began issuing Certificates from the 2009 program in December, 2009. One hundred forty-eight certificates have been issued as of December 31, 2010 representing loans in the amount of $17,309,877. No Certificates were issued in January, 2011.

Multi-Family

No updates.

Foreclosures

Mr. Kinney provided an update on foreclosures.

9. **Discussion of Issuer Fees and funding sources for future bond issues (Mr. Carl Kinney, Frank Fallon, Bill Gehrig) Discussion of issuer fees and other funding sources for future bond issues. Discussion, consideration and/or vote.**

Board members discussed Issuer Fees and funding sources for future bond issues.

10. **Chairperson's Report (Ms. Parry)**

Ms. Parry made a call to Board Members for any comments, issues, etc.

Ms. Parry had no report.

11. **Adjourn**

Mr. Gardiner moved to adjourn the meeting. The motion was seconded by Mr. Gonzalez. Motion carried. The meeting adjourned at 11:10 a.m.