

Housing Matters

WINTER 2012
VOLUME 11 | NUMBER 1

LEADING WITH SOLUTIONS



FISCAL YEAR 2011 ANNUAL REPORT
JULY 1, 2010 - JUNE 30, 2011



Native American Connection's newly developed Devine Legacy property sits on Central Avenue along the light rail in Phoenix and provides 65 low-income units and six market rate units. Financing for the \$15.8 million project was provided through the Arizona Department of Housing's Low-Income Housing Tax Credit and HOME Programs, the City of Phoenix, Federal Home Loan Bank's Affordable Housing Program, a loan from a private lender and grants from Home Depot and the Enterprise Foundation.

▲ The Fiscal Year 2011 Annual Report for the Arizona Department of Housing is now available on-line at www.azhousing.gov.

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Arizona
Department
of Housing





Director's Message

From the Desk of Michael Traylor

The department recently posted its annual report for fiscal year 2011. The Arizona Department of Housing through its federally funded programs provided over \$200,000,000 in housing and community revitalization assistance to Arizona residents and communities in fiscal year 2011.

The Arizona Finance Authority provided over \$18.7 million of assistance to Arizona residents through its rural mortgage loan program. The Arizona Home Foreclosure Funding Corporation provided over \$1.7 million in statewide assistance through its homeowner foreclosure assistance program, Save Our Home AZ. Together these resources assisted over 258,000 Arizona households in 15 counties.

Thanks to the Low Income Housing Tax Credit program the first low income housing rental projects within walking distance to the light rail stations in Phoenix and Tempe were built locating residents closer to jobs and effective public transportation.

The New Issue Bond Program sponsored by the Department of Treasury allowed the Arizona Finance Authority to continue to provide residents in rural Arizona with affordable mortgage loans and down payment assistance. The department's mortgage programs helped to absorb the oversupply of housing inventory in rural Arizona.

The Community Development Block Grant program provided needed funds to Holbrook for rehabilitation of a 500,000 gallon water tank which serves over 4272 residents. The rehabilitation will extend the life of the water tank for another 12 to 15 years and provide residents with a clean, safe source of water.

The department provided nearly 150 Arizona homeowners with housing rehabilitation assistance. \$5.3 million was invested in rehabilitating deteriorated housing into safe decent housing. Priority for funding was provided to Arizona senior citizens.

The foreclosure hotline, sponsored by the department, assisted over 12,000 Arizona households and over 7,000 of those households received extensive counseling services.

In FY 2011 the department received \$267,000,000 from the U.S. Treasury Hardest Hit Fund to prevent foreclosure. The department formed a three state partnership with Nevada and California to provide principal reduction. Unfortunately Fannie, Freddie and big banks have been resistant to assist homeowners with meaningful modifications. As a result the department was only able to assist 80 households. We continue to research and find innovative ways to assist troubled homeowners that do not require lender approval.

These are just a few of the projects and programs funded by the Arizona Department of Housing in FY 2011 with its federal resources. We are ever mindful of the responsibility to invest tax payer funds wisely and appreciate the assistance we receive from the federal government. We look forward to a productive 2012. Hopefully this will be a pivotal year for Arizona's economy.

ADOH RELEASES FISCAL YEAR 2011 ANNUAL REPORT

Commitments of over \$223 Million in Assistance to Support Activities

While housing conditions within the state have remained fairly consistent over this past year and thousands of Arizonans continue to struggle on a daily basis, the Arizona Department of Housing is well positioned entering 2012 to help tackle the current environment.

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

On January 3rd, we released our Fiscal Year 2011 Annual Report highlighting this past year's outstanding efforts and activities from the Arizona Department of Housing (ADOH), the Arizona Housing Finance Authority (AzHFA), and the Arizona Home Foreclosure Prevention Funding Corporation (AHPFPC).

In FY2011, ADOH, AzHFA, and AHPFPC made combined commitments of over \$223 million in assistance available to support housing, community development activities, and foreclosure prevention initiatives throughout the state. Additionally through the United States Department of Treasury, we launched a \$267 million program called Save Our Home AZ, to assist struggling Arizona homeowners stave off foreclosure.

This year's annual report cover page features Native American Connection's newly developed property, Devine Legacy. This \$15.8 million project represents a new breed of housing tax credit projects that are transit oriented. Devine Legacy is featured later on in this edition of Housing Matters along with some additional transit oriented housing tax credit projects. These types of projects help demonstrate the Department's desire to meet the demands of the marketplace for affordable housing with easy accessibility to public transportation.

It is our pleasure to share with you our Fiscal Year 2011 Annual Report. To access the report, please visit www.azhousing.gov.

ADOH ANNOUNCES THE APPOINTMENT OF NEW ASSISTANT DEPUTY DIRECTOR OF PROGRAMS

Director Michael Traylor recently announced the appointment of Andrew J. Rael to the Assistant Deputy Director of Programs position at ADOH. Mr. Rael will join the agency prior to February 1. The Assistant Deputy Director of Programs is one of two top management positions in the agency that report to the Director. This position oversees the majority of the federal programs administered by the agency, including the Rental Development Programs, Community Development and Revitalization Programs, Special Needs Housing Programs, and the Program Data division.

Mr. Rael has over 20 years of experience in administering housing and community development programs, and previously oversaw these programs for ADOH from 2002 to 2006. Mr. Rael has also administered a number of housing programs in both urban and rural communities within Arizona, as well as for the State of New Mexico, which has provided him with a wealth of experience in the day to day administration of these types of programs at the local level. He has spent the majority of his career working within Arizona and holds a well founded knowledge of the state's housing market and its challenges. Mr. Rael holds a B.S. in Urban and Regional Planning.

SAVE OUR HOME AZ UPDATE

From the initial inception of the Save Our Home AZ program, the Department identified that in order to make a true impact on the housing crisis principal mortgage reduction would have to be the major focal point of the program. Due to significant declines in property values, coupled with high unemployment/underemployment, the only real feasible, long term option is to adjust mortgage payments closer to the current fair market value.

While principal reduction may be the catalyst that gets the housing market back on track, lending institutions along with the government-sponsored enterprises, Fannie Mae and Freddie Mac, have been slow to come on board. This has forced the Department to look for alternative solutions to help the many Arizona homeowners who are continuing to struggle to stay in their homes.

Save Our Home AZ, while still relatively in its infancy, has significantly evolved since its initial rollout. What started as a program focused on principal mortgage reduction has since added several other components including unemployment/underemployment assistance, second mortgage settlement, reinstatement assistance and short sale assistance.

Below is an outline of the current program and the types of assistance we are now providing struggling homeowners. For additional information, or to take the self assessment to determine eligibility, please visit www.azhousing.gov or call the Arizona Foreclosure Help-Line at 1-877-448-1211 and request to speak with a Save Our Home AZ housing counselor.

► Program Qualifications

- o Income no greater than 120% of AMI (i.e. for a family of 4 in Maricopa County the income limit is \$78,600).
- o There must have been some household reduction in income since financing a home either through underemployment, illness, death, or divorce.
- o Must be homeowner's primary residence.
- o Eligible properties may not have been used for cash out refinancing. (Note: This provision is currently under review and may be removed; therefore we encourage you to still submit your application even if you had a cash out refinance.)

► Unemployment/Underemployment/Reinstatement Mortgage Assistance

- o Assistance up to \$50,000 (including all other program assistance) with a maximum of 24 months of assistance minus the number of rescue payments.
- o Reinstatement assistance may bring first mortgage current by curing all past due payments including: accrued interest, late fees, NSF fees and any legal fees (maximum number of payments rescued is 12).
- o Maximum amount of monthly assistance is \$2,000 or the mortgage payment minus 31% of borrower's monthly gross income excluding unemployment assistance.

► Short Sale Assistance

- o Assistance up to \$25,000 (including all other program assistance).
- o Maximum of \$4,500 in transition assistance paid to the consumer.
- o Maximum of 3% of the sales price for buyer's closing costs paid on behalf of the seller.

► Principal Reduction (Second Mortgage Settlement)

- o Assistance up to \$50,000 (including all other program assistance).
- o Affordability/Profitability Test Pass (maximum P&I is equal to or greater than 100% net return on real estate owned minimum P&I).
- o Mortgage balance greater than 120% of subject property's Fair Market Value.
- o Second Mortgage Settlement Assistance capped at \$5,000 maximum or 15% of outstanding loan balance.

LOW INCOME HOUSING TAX CREDIT PROGRAM

Qualified Allocation Plan Signed by Governor Brewer

► The FY 2012 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit program was signed and approved by Governor Brewer's office on Thursday, January 5. A final version of the report has been posted to the ADOH website on the **Publications** page.

Mortgage Trouble?

Don't Delay...Call Today

ARIZONA FORECLOSURE HELP-LINE

1-877-448-1211

TOLL FREE

Since inception in 2008, Arizona's mortgage foreclosure help-line has received over 55,000 calls.

Arizona Housing Finance Authority Activities

Extending the Mortgage Revenue Bond Plus Program

▶ The Arizona Housing Finance Authority is currently working on a couple of initiatives with the intention of extending its current Mortgage Revenue Bond Plus program well into 2012. The program offers an attractive 30 year fixed rate mortgage for first time homebuyers, along with downpayment and/or closing cost assistance of 5 percent of the purchase price of the home. This program is available in all counties of the State except Maricopa and Pima Counties. AzHFA staff is working with its financial advisor and Bond Counsel to sell a pool of mortgage backed securities and to close its permanent bond financing. The result will be additional capacity to make additional loans under the program at an attractive fixed rate.

Over 267 loans have been approved and/or reserved since the program started in early 2010, representing mortgage loans of over \$29.5 million.

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

AzHFA Board of Directors Vacancy

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

info For questions about the AzHFA or its programs, contact:

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

Arizona Housing Commission Activities

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

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

AzHFA Board of Directors

Robert Gardiner
Chairperson
Northern Trust, NA

Manny Gonzalez
Vice Chairperson
Pinal County

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

Carol Parry
Corporate Social Responsibility
Associates

SCHEDULED MEETINGS

February 9, 2012

March 8, 2012

**check website for times*



ARIZONA HOUSING COMMISSION

SCHEDULED MEETINGS

January 27, 2012

February 24, 2012

March - No Meeting

**check website for times*

ARIZONA LEGISLATION

Arizona State Legislature Set To Reconvene

➤ On January 9th, the 50th Arizona State Legislature is set to reconvene with the start of the Second Regular Session. With Republicans comfortably controlling both legislative chambers, coupled with this being an election year, the stage is set for what could be a relatively short session.

The makeup of both legislative chambers remains fairly consistent from last year, with Republicans controlling 40 out of the 60 seats in the House, and 21 out of the 30 seats in the Senate; however both bodies do have new leadership teams going into the session.

Last April, House Speaker Kirk Adams announced his resignation to run for Congress. Replacing Adams as speaker is Representative Andy Tobin (R-Paulden). Previously the majority leader, Tobin ran unopposed for the top leadership spot in the House and was appointed with unanimous consent by the entire body. Tobin is expected to carry on many of the similar policies as former Speaker Adams and the overall politics of the House should remain fairly unchanged from the past couple of legislative sessions.

In addition to the new Speaker, Representative Steve Court (R-Mesa) was named the new majority leader by his caucus. Court was first elected to the Arizona House of Representatives in 2008 and served as the Chairman of the House Higher Education Committee. Rounding out the leadership team is Debbie Lesko (R-Glendale), who will remain in her current leadership position as majority whip.

Taking over for Russell Pearce, as the new Senate President this session, is Prescott Republican, Steve Pierce. Pierce, who had been the Senate majority whip, won the support of his GOP caucus members in a close election with Majority Leader, Andy Biggs (R-Gilbert). Biggs will remain in his post as majority leader and Senator Frank Antenori (R-Tucson) will become the new majority whip.

State Budget Update

➤ For most of the year, revenue collections have continued to surprise budget analysts by coming in at a higher than expected rate. Driven by an increase in sales tax collections, spurred by the May 2010 voter approved 1-cent sales tax increase initiative, along with a boost in individual income tax collections, budget analysts are now predicting a budget surplus for the next couple of years.

The 2014 expiration of the one-cent sales tax increase and future funding requirements for the Obama Healthcare legislation is expected to significantly impact future state revenues. Budget analysts are estimating a potential budget deficit that could reach somewhere around \$1 billion for FY2014.

Many conservative lawmakers have suggested depositing the surplus money in the state's rainy day fund (Budget Stabilization Fund) to pay off future debt or use the money to buy back state properties, including the Capitol building. Several Democrat members have stated that the money should be used to replace funds to K-12 education that had been cut in the last couple of years.

See **STATE UPDATE** on page 7

FEDERAL LEGISLATION

HUD FY2012 Funding Levels

➤ On November 18th, following several months of negotiations between the House and Senate, President Obama signed House Resolution 2112, the Consolidated and Further Continuing Appropriations Act of 2012. After coming to terms in a joint conference committee, the House approved the measure 298 to 121 and the Senate passed the bill by a vote of 70 to 30.

HR 2112 contains the fiscal year 2012 appropriations for HUD and USDA housing programs. HUD in FY2012 will receive \$37.4 billion which is around \$3.7 billion or 9 percent less than their FY2011 funding level. Both the HOME and CDBG programs received significant cuts to their budgets this year. HOME in FY2012 received a 38 percent cut and CDBG will encounter a 12 percent reduction.

Other notable adjustments include:

- o 7 percent reduction in Housing Choice Voucher administrative fees;
- o 3 percent increase in funding for House Choice Voucher program;
- o 1 percent increase for Project-Based Section 8 program;
- o Level funding for homeless assistance grants.

Budget Control Act of 2011

➤ Back in August, President Obama signed the Budget Control Act of 2011 into law. In addition to allowing the President to increase the debt ceiling by \$2.8 trillion, this legislation will attempt to reduce the national deficit by \$2.3 trillion over the next 10 years, with an estimated \$840 billion in cuts to discretionary spending. For fiscal year 2012, discretionary programs will see a cut of \$44 billion.

There are two ways in which the federal deficit can be cut through this legislation. The first is through automatic budget caps on discretionary spending. Through a procedure known as "sequestration," if Congress approves any budget higher than the set cap amounts, across-the-board reductions are made in discretionary spending to make up the difference; however programs

See **FEDERAL UPDATE** on page 7

Transit Oriented Affordable Housing Projects

Over the years many Arizona families have made the decision to spend a substantial portion of their income on transportation, making the decision to trade shorter commutes to work in exchange for less expensive housing options. However, with gas prices continuing to rise, the demand for safe and affordable housing within close proximity to public transportation is at a premium.

Thanks to the Low-Income Housing Tax Credit program and a commitment from the Arizona Department of Housing to meet the demand for more transit oriented communities, Arizona residents will now be able to discover that they can truly find affordable housing in addition to cutting their commuting costs.

Over the last two months, two brand new low-income housing rental communities opened their doors, Native American Connection's Devine Legacy on Central and Apache ASL Trails. Within walking distance of the light rail stations in Phoenix and Tempe, these communities are the first of their kind in Arizona. Moving forward, we believe this will be a growing trend among low-income housing rental projects throughout the entire state, not just the Phoenix metropolitan area.

Additionally, back in August, the Lofts at McKinley, located at 5th Avenue and McKinley in Phoenix celebrated their groundbreaking on a redevelopment project that will cater to adults 55 years and older. This low-income rental community is expected to be completed sometime this summer and it was the first ever LEED Platinum multi-family project in Arizona. Like Devine Legacy and Apache ASL Trails, the Lofts at McKinley will also provide residents with easy accessibility to the light rail.



NATIVE AMERICAN CONNECTIONS' DEVINE LEGACY ON CENTRAL

Devine Legacy on Central is the first affordable housing community in Phoenix built along the Metro Light Rail. Offering 65 low-income units and 6 market rate units for families, this \$15.8 million project was financed through the Arizona Department of Housing's Low-Income Housing Tax Credit and HOME Programs, the City of Phoenix, Federal Home Loan Bank's Affordable

Housing Program, a loan from a private lender, and grants from the Home Depot and the Enterprise Foundation. Additionally, Devine Legacy is also a LEED Platinum multi-family facility. Devine Legacy's grand opening was held on October 20, 2011 and the community is already a proven success. There is currently a waiting list to move in to the complex.

APACHE ASL TRAILS

Apache ASL Trails is a brand new community sponsored by the Arizona Deaf Senior Citizens Coalition and Cardinal Capital Management, Inc. Located at 2428 East Apache Boulevard, along the light rail in Tempe, Apache ASL Trails is a 75 unit tax credit project for individuals with area median incomes at 40%, 50% and 60%. At least 80% of the units within Apache ASL Trail are set aside for households where at least one resident is 55 years old. Apache ASL Trail grand opening was held on November 16, 2011. The complex has special amenities for the hard of hearing such as strobe light smoke alarms, fire alarm signalers, DSL for videophones, annunciator light panels, tenant services, text and video phone in the lobby, loop system amplification for hearing aid users, and security. Funding for Apache ASL Trails included money from the Low-Income Housing Tax Credit program and Tax Credit Assistance Program Funds.



OTHER GROUNDBREAKING ANNOUNCEMENTS

Hope Development's Rainbow Lake Apartments - Lakeside, AZ

On November 2, 2011, Hope Development in Lakeside, Arizona, hosted the grand reopening of their Rainbow Lake Apartments. The Arizona Department of Housing in addition to speakers from USDA Rural Development Arizona and the City of Pinetop-Lakeside were all in attendance. Funding for this 36 unit rehabilitated affordable housing community was provided through Section 1602 Exchange and HOME funds.

The Symphony Apartments

The Symphony Apartments, previously known as Krohn West Public Housing, located near 16th Avenue and Buckeye Road in Phoenix, hosted their Grand Opening on November 10, 2011. This redevelopment project initiated by a 2007 HUD HOPE VI Revitalization Plan grant offers affordable housing options in the heart of downtown

See **TRANSIT ORIENTED PROJECTS** on page 7

STATE UPDATE *continued from page 5*

Moving forward, this issue is sure to be a major point of contention among members throughout the session and the budget process. Both the Governor and GOP leadership will be releasing their budgets shortly after the start of legislative session.

ADOH Sunset Review

The continuation of the Arizona Department of Housing is once again up before the legislature this session. Last year, ADOH ran House Bill 2079, Housing Department; continuation, sponsored by Representative Jim Weiers (R-Phoenix). After clearing the House, the bill failed to get a hearing in the Senate; however the Department was given a one year extension in the final budget.

On November 9th, the Department went before the Senate Commerce and Energy Committee of Reference and House Commerce Committee of Reference for a second Sunset Review hearing. Following a brief presentation from Director Traylor, the Committee once again unanimously approved a 10 year continuation for the Department.

Senator Al Melvin (R-Tucson), chairman of the Senate Commerce and Energy Committee, has agreed to sponsor our proposed continuation bill this session. The Arizona Department of Housing is looking forward to working with Senator Melvin and the other members of the 50th Legislature to ensure the passage of the bill and the continuation of the Department beyond June 30, 2012.

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FEDERAL UPDATE *continued from page 5*

like Social Security, food stamps, Medicare, and even money allocated for the Low-Income Housing Tax Credit program are exempted from sequestration.

The second vehicle that can be used to reduce the deficit is through the newly created Joint Select Committee on Deficit Reduction. This bipartisan committee was charged with finding an additional \$1.5 trillion in cuts. The Committee can recommend spending cuts, including cuts to Social Security and Medicare programs, raise revenue, or propose a combination of both. However, on November 21st, after several months of negotiations, the Committee failed to reach an agreement by their set deadline. By not coming to terms on a deal, \$1.2 trillion in cuts will be triggered through sequestration. The targeted cuts are divided equally among social programs and defense spending.

Republican legislators have been attempting to come up with a plan that would lessen the impact of automatic budget triggers on defense spending; however President Obama has stated that he will veto any attempt to adjust or remove any of the automatic cuts, including defense items.

The automatic spending cuts would have a direct impact on HUD's budget and programs such as CDBG and HOME. Since the cuts do not take place until 2013, the President is urging both Republicans and Democrats to come back to the negotiating table and continue to work towards reaching a bipartisan agreement.

TRANSIT ORIENTED PROJECTS *from page 6*

Phoenix. Prior to the redevelopment project, this community consisted of 76 units of outdated and dilapidated public housing. Today the community offers garden and townhouse style apartment homes with a pool and fitness center. Funding for the Symphony Apartments included money from the Low-Income Housing Tax Credit program and Tax Credit Assistance Program Funds.

Cloudbreak Phoenix - Victory Place III

On November 7, 2011 Cloudbreak Phoenix had their ribbon cutting ceremony for the launch of the third phase of Victory Place, near Ninth Street and Jones Avenue, in south Phoenix. Victory Place III contains 75 units of supportive housing for homeless veterans. Funding for the program included money from the Low-Income Housing Tax Credit program and Tax Credit Assistance Program Funds.

New Faces



Sylvia Burns

Sylvia A. Burns joins ADOH as an Administrative Assistant for the Rental Division. Sylvia moved to Phoenix in 1994 from New Jersey. Sylvia brings to the Department over 20 years of experience as a legal secretary and administrative assistant, with a strong computer skill set and organizational skills.



Stella Chuchuney

Originally from Kenya, East Africa, Stella moved to the United States in late 2009. She obtained a bachelors of Science degree in Finance and Economics at Grand Canyon University this May. She is a member of the Foreclosure Assistance staff.



Michael Farrar

Michael E. Farrar joins ADOH staff as a Senior Risk Assessment Officer. Michael holds a B.S. from Northern Arizona University and has earned double International MBAs from Thunderbird School of Global Management, and the Helsinki School of Economics in Finland. Mike has over 30 years of experience in housing and commercial real estate.



Carol Lassiter

Carol Lassiter moved to Phoenix from Indiana in 2000 to work with M&I Bank as a District Sales Manager for the Wholesale Department. Carol joins the ADOH staff as an Underwriter/Transaction Manager for the Save Our Home AZ program, has over 25 years experience in the housing and finance industry.



Pamela Linnens

Pamela Linnins joins the ADOH staff as our Attorney General's representative. Pam has an undergraduate degree from the U of A, a MBA from Drake and a J.D. from St. Mary's, plus over nine years of litigation experience, most recently at the Coconino County Attorney's Office.



Daniel Romm

Daniel Romm has over ten years of experience as a government and public affairs professional. Prior to joining ADOH as Legislative Liaison/PIO, Dan was with an Arizona-based lobbying firm. He holds a Bachelors of Arts in political science from the U of A.



Lisa Sanchez

Lisa Sanchez joins ADOH as a Data Specialist for the Data Division. Originally from Dallas, Texas, Lisa moved to Phoenix in 2004 and earned her BA in Communications from ASU with a minor in Psychology. She brings to the department strong analytical skills, a vast knowledge of computers with experience in technical writing and family studies.



Paula Scott recognized as 2011 Employee of the Year

Paula Scott was named Employee of the Year by the Arizona Department of Housing Executive Staff for her exceptional commitment to the agency and her outstanding dedication to the citizens of Arizona. Paula has been a tremendous asset to the Department, serving as the Public Housing Authority Administrator.

In a year that has been very difficult for the division that she oversees, Paula has remained focused and mission driven to the ongoing success of the Public Housing Authority and the Department.

Over the years, Paula and her highly talented team have developed an impeccable reputation. The federal government has referred to them as the "gold standard" for handling their contract administrative duties.

On December 14, Paula was recognized at the Department's December All Agency Staff Meeting and Holiday Celebration. For this honor, Paula received recognition from Director Michael Traylor and Arizona Governor Jan Brewer.

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



David Wilsey

David Wilsey joins ADOH as a Transaction Manager for the Save Our Home AZ program. He has over 25 years experience in the mortgage industry and brings to the department extensive experience, knowledge and analytical skills. David holds a Bachelor of Science degree in Business Administration from U of A and has lived in Arizona for over 30 years.

Calendar 2012

| JANUARY | |
|----------|--|
| 2 | New Years Day Holiday - Office Closed |
| 16 | Martin Luther King Holiday - Office Closed |
| 17 | LIHTC Application Workshop |
| 27 | Arizona Housing Commission |
| 31 | Nonprofit Developer Workshop |
| FEBRUARY | |
| 7-8 | UPCS Training |
| 9 | Arizona Housing Finance Authority |
| 20 | Presidents' Day Holiday - Office Closed |
| 24 | Arizona Housing Commission |
| MARCH | |
| 8 | Arizona Housing Finance Authority |

2012 LIHTC APPLICATION WORKSHOP

Training will provide an overview of the Low Income Housing Tax Credit (LIHTC) application process for 2012. Satisfies the annual training requirement in the Qualified Allocation Plan (QAP) for developers, co-developers and consultants who plan to submit an application in the 2012 application round.

DATE: January 17, 2012 8:00 am - 1:00 pm
LOCATION: Phoenix Airport Marriott Hotel
 1101 N. 44th Street, Phoenix, AZ 602-273-7373
REGISTRATION FEE: \$75.00
DEADLINE TO REGISTER: January 10, 2012

info Register on-line www.azhousing.gov

UPCS TRAINING IN PHOENIX

ADOH will sponsor a two-day U.P.C.S. training conducted by The Inspection Group, February 7-8, 2012 at the Phoenix Airport Marriott Hotel. Owners, managing agents, public housing authority staff, HUD insured and assisted facility staff, anyone who is involved with housing inspections, maintenance and/or management of housing inventory would benefit from this training. **Seating limited to first 50 paid.**

DATE: February 7-8, 2012 8:00 am - 5:00 am both days
LOCATION: Phoenix Airport Marriott Hotel
 1101 N. 44th Street, Phoenix, AZ 602-273-7373
REGISTRATION FEE: \$250.00
DEADLINE TO REGISTER: January 27, 2012

info Register on-line www.azhousing.gov

NONPROFIT DEVELOPER WORKSHOP

ADOH will host a half-day training to help non-profit developers gain a better understanding of how to formulate relationships with for-profit developers with respect to the Low Income Housing Tax Credit (LIHTC) program.

DATE: January 31, 2012
 8:00 am - 12:00 pm
LOCATION: Carnegie Center
 1101 W. Washington
 Phoenix, AZ
REGISTRATION FEE: FREE

info Register on-line www.azhousing.gov

OTHER 2012 TRAINING DATES

2012 LIHTC Compliance Workshops

Phoenix - May 8-9, 2012
 Phoenix Airport Marriott Hotel
 Tucson - October 23-24-25, 2012 (with HCCP Exam)
 Desert Diamond Hotel

Arizona Housing Forum

Tucson - October 2-4, 2012
 J.W. Marriott Starr Pass

Housing Matters

SPRING 2012
VOLUME 11 | NUMBER 2

LEADING WITH SOLUTIONS



▲ Apache ASL Trails is a 75 unit complex that is home to 85 seniors.

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Arizona
Department
of Housing



APACHE ASL TRAILS

Project targets much needed special needs community

Deafness can be a very isolating and lonely disability, especially for individuals who do not live in an area with an active deaf community. Kenneth Curtis unfortunately knows this reality all too well.

Living in an apartment complex in a depressed section of the West Valley, Kenneth found himself alone and isolated. When family members stopped visiting, Kenneth turned to alcohol to deal with his depression. Feeling trapped, Kenneth went looking for a sense of direction and purpose. While attending the DeafNation Expo in Las Vegas in July of 2010, Kenneth learned about a new community shortly opening up in the Tempe area called Apache ASL Trails.

Cardinal Capital Management, Inc., from Wisconsin, partnered with the Arizona Deaf Senior Citizens Coalition to build Apache ASL Trails. Apache ASL Trails is an active, state-of-the-art, independent living community for deaf seniors 55 years of age and older. Located at 2428 East Apache Boulevard, along the light rail in Tempe, Apache ASL Trails provides an affordable housing option for seniors with incomes ranging between 40, 50 and 60 percent of the area median for Maricopa County.

Offering amenities such as strobe light smoke alarms, fire alarm signalers, DSL for videophones, annunciator light panels, a text and video phone in the lobby, and loop system amplification for hearing aid users, this 75 unit complex is currently home to 85 deaf and hard of hearing seniors.

Residents come together and participate in various activities from card games, swimming, movie watching parties, and educational lectures, while maintaining their independence living in their own one or two bedroom apartments with fully equipped kitchens.



After her husband passed away, Rosemarie Prince was living in an apartment complex for deaf and hard of hearing seniors in Oregon. While Rosemarie found the general facilities to be nice, she felt as if her independence had been stripped away from her as she was often treated like a child by the staff.

Having lived in Arizona once before, she found out about Apache ASL Trails. After doing some careful research, Rosemarie made the decision to return to Arizona. She moved into her new apartment the day the complex opened on July 15, 2011 and she says she never wants to leave.

When asked if there could be some improvements made to the community, Rosemarie said she wouldn't change a thing, not even the color of the carpet. She enjoys playing cards with friends, telling jokes, and raves about the entire staff and all the helpful amenities, especially the video phone system. She stated that everyone at Apache ASL Trails is always laughing and having a great time.

The same can be said for Kenneth Curtis. Kenneth moved into his new apartment at Apache ASL Trails in August. Claiming that he has never been happier, when asked what his favorite part about his new home is, he said that's easy to answer, all his friends.

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

There is a growing need for low-income housing projects targeting special needs communities in Arizona. Later on in this edition of Housing Matters, Native American Connections' newest project, Encanto Pointe, is featured. Set to open this fall, Encanto Pointe will be the State's first ever "Housing First" community, targeting chronically homeless individuals.





Director's Message

From the Desk of Michael Trailor

Housing is an essential element in our lives and communities. With it we gain stability, without it instability. Housing that is accessible, decent and safe. These issues are even more pronounced if you are affected by a disability. If you, you're family, or close relationships are not affected by a disability it is difficult to understand the issues people with disabilities face when it comes to housing.

Housing for special needs populations requires multiple sources of funding for development, supportive services, and most likely rental assistance. Financial resources are shrinking and in some cases public policy can be counterproductive. Fortunately, Arizona has some heroes who are willing to step up and tackle these issues.

Apache ASL Trails is a great example of an affordable housing project specifically designed for the deaf. Cardinal Capital Management, the project's developer, did their homework. They teamed up with the Deaf Coalition and hired a well known deaf architect to assist in designing a barrier free living environment. To truly understand how successful the project is you have to talk to its residents. They will tell you that for most of their lives they have lived in isolation, not being able to communicate with their neighbors. At Apache ASL Trails they can talk to all of their neighbors because most are hearing impaired and speak American Sign Language. They have a living environment specifically designed to meet their needs, for function and safety, and can walk to our region's most effective public transportation, the light rail system. Ask Erich Schwenker at Cardinal Capital Management about the challenges they faced and you better have some time. These are difficult projects that require great attention to detail and additional costs for needed features. Public policies meant to protect people's rights, when interrupted incorrectly, can actually infringe on the rights they were meant to protect.

Mark Holleran at Arizona Housing Inc., Darlene Newsom at UMOM, or Dede Yazzie Devine at Native American Connections can tell you firsthand how difficult it is to develop permanent supportive housing for individuals and families experiencing homelessness. They have taken advantage of the great recession's foreclosures and lower costs to significantly increase their housing inventory. Their projects include supportive services for GED classes, financial management, computer labs, and children's activities before and after school. They are committed to ending homelessness because they have seen firsthand how people's lives are transformed once they are safe and secure in housing that is supported with services that assist people to become self-sufficient.

Autism has increased dramatically over the past 20 years. Today, one in eighty-five births are affected with autism spectrum disorders (ASD's) and in Arizona it affects one in sixty-five. As children affected with ASD's become young adults - 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 - and their parents who have taken care of them are ageing, where will they live once their parents are unable to care for them? In Arizona we are fortunate to have SARRC, Southwest Autism Research and Resource Center. Led by Denise Resnik, SARRC is dedicated to finding an appropriate housing solution for adults with ASD's beyond living with their parents. Of the three types of special needs housing I've mentioned, this is the most challenging. There is not a successful model to copy. SARRC engaged in research with ULI

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

SAVE OUR HOME AZ UPDATE

Arizona Bucking National Trend in Prices, Foreclosure Rate

Home prices throughout the country have been falling and foreclosures are up in recent months; however, Arizona has been managing to buck this nationwide trend over the past few months. Home values in our state are finally on the rise and we are starting to see fewer foreclosures taking place. Much of this improvement is due to our state's recovering economy and an improvement in the job market. Nevertheless, the recovery has been slower than we all have hoped and thousands of Arizonans are still either significantly underwater or continuing to struggle to stay in their homes.

While we are still very much in the midst of a housing crisis, we do believe that things are starting to improve and more action is now currently taking place to help alleviate the current environment. From changes to our program, Save Our Home AZ, to the historic mortgage financial settlement reached between the states and the banks coupled with the recent expansion of the federal Home Affordable Refinance Program (HARP), millions of more people are now eligible for some type of housing assistance.

RECENT CHANGES TO SAVE OUR HOME AZ FORECLOSURE PREVENTION PROGRAM

Save Our Home AZ is still relatively in its infancy and ADOH is constantly looking for new and creative ways to help struggling Arizona homeowners avoid foreclosure. What started as a program focused solely on principal mortgage reduction has since added several other components including unemployment/underemployment assistance, second mortgage settlement, reinstatement assistance and short sale assistance.

As part of the program's evolution, we recently have made some modifications to the qualifying provisions. The area median income (AMI) for qualified applicants has now been raised from 120 percent to 150 percent of AMI. This means that if you are a family of four living in Maricopa County, earning \$98,250.00 or less, you could potentially qualify for the program. Additionally, the program guidelines have been changed to remove the prohibition on "cash out" refinances to those that fall within 150 percent of the original purchase price of the home. These two changes will increase access to the program for more people throughout the state.

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

HISTORIC AG SETTLEMENT

On February 9, 2012, an historic settlement was reached between the Attorneys General of Arizona, the 49 other states, the federal government and the country's five largest residential mortgage loan servicers—Ally/GMAC, Bank of America, Citibank, JPMorgan Chase and Wells Fargo. The settlement will provide as much as \$25 billion in relief to distressed borrowers and direct payments to states and the

federal government. Arizona's share is over \$1.6 billion.

The agreement settles state and federal investigations finding that the country's five largest loan servicers engaged in unacceptable and sometimes fraudulent mortgage servicing and foreclosure practices. These practices violated state and federal law. The settlement provides benefits to borrowers whose loans are owned by the settling banks as well as to many of the borrowers whose loans they service. This settlement does not apply to loans backed by Fannie Mae or Freddie Mac.

For more information on this historic settlement or to determine if you may be eligible for further assistance, please visit the following link on the Arizona Attorney General's webpage at www.azag.gov/consumer/foreclosure/settlement.html.



DON'T MISS THIS 2 DAY EVENT!

- STOP FORECLOSURE
- GET HELP WITH MORTGAGE PAYMENTS
- TRANSITION ASSISTANCE

Save Our Home AZ is administered by the Arizona Department of Housing on behalf of the Arizona Home Foreclosure Prevention Funding Corporation



Homeowners who are finding it difficult to maintain and sustain their existing mortgages are invited to attend a two day event on April 26 and 27 at the Take Charge America Offices. Meet with a certified housing counselor one-on-one. One-hour appointments are being scheduled on the ADOH website both days from 9:00 am to 8:00 pm. Over 20 counselors will be ready to discuss the features of the Save our Home AZ program.

info http://www.azhousing.gov/calendar_details.aspx?ID=249

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

Arizona Housing Finance Authority Activities

MORTGAGE REVENUE BOND PLUS PROGRAM

In January 2012, the Arizona Housing Finance Authority successfully completed the sale of approximately \$4.9 million of mortgage backed securities enabling the AzHFA to recycle those funds into an additional \$4.9 million of loans to new, first-time homebuyers through the AzHFA MRB Plus program. The program offers an attractive 30 year fixed rate mortgage for first time homebuyers, along with downpayment and/or closing cost assistance of 5 percent of the purchase price of the home. This program is available in all counties of the State except Maricopa and Pima Counties. Over 327 loans have been approved and/or reserved since the program started in early 2010, representing mortgage loans of over \$35.8 million.

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

AZHFA BOARD OF DIRECTORS VACANCY

There are currently two openings available on the Arizona Housing Finance Authority Board of Directors. Due to legislated mandates, the two openings are for non-Republican representatives. Members are appointed by the Governor. If you wish to apply or would like to receive more information, please visit the Governor's Office of Boards and Commissions at <http://azgovernor.gov/bc/>.

info For questions about the AzHFA or its programs, contact:

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

Arizona Housing Commission Activities

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

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

AzHFA Board of Directors

Robert Gardiner
Chairperson
Northern Trust, NA

Manny Gonzalez
Vice Chairperson
Pinal County

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

April 12, 2012 - Cancelled

May 10, 2012

June 14, 2012

**check website for times*



ARIZONA HOUSING COMMISSION

SCHEDULED MEETINGS

April 27, 2012 - Tucson

May, 2012 - No Meeting

June 22, 2012 - Flagstaff

**check website for times*

FEDERAL LEGISLATION

► FEDERAL BUDGET UPDATE

On February 13, 2012, President Obama sent Congress his FY2013 budget plan which included appropriations for all federal programs including HUD and USDA housing programs; however, due to the current political environment on Capitol Hill, it appears that lawmakers are a long way off from negotiating any specific appropriations let alone a comprehensive budget package.

House Budget Committee Chairman Paul Ryan (R-Wisconsin) in early March released his own budget plan which claims to significantly cut spending by \$5 trillion compared to the President's proposal. His plan, which was passed in the House included changes to discretionary spending, the tax structure and entitlement programs.

Despite these two proposals, Congress has not passed an annual budget since 2009 and it is highly unlikely that the Democrat controlled Senate would approve the measure. Additionally, Senate Majority Leader Harry Reid (D-Nevada) has indicated that he has no intention of passing a budget this year in the Senate. Reid has stated that he will use the \$1.047 trillion spending cap outlined in the Budget Control Act passed last August instead of moving forward with a proposal.

In August of last year, the Budget Control Act was passed to reduce the national deficit by \$2.3 trillion over the next 10 years, with an estimated \$840 billion in cuts to discretionary spending. For fiscal year 2012, discretionary programs will see a cut of \$44 billion. With the Joint Select Committee on Deficit Reduction failing to reach an agreement to cut the deficit, automatic across-the-board reductions will be made in discretionary spending starting next year; however programs like Social Security, food stamps, Medicare, and even money allocated for the Low-Income Housing Tax Credit program will be exempted from these cuts.

Republicans on Capitol Hill are continuing to look for a solution that will lessen the impact of the budget triggers on defense spending; however President Obama has continued to state that he will veto any attempt to adjust or remove any of the automatic cuts, including defense items. While there is still time to negotiate a compromise, it appears unlikely that an agreement will be reached to prevent the automatic cuts from taking place on January 1, 2013.

► FEDS LOOKING TO WIND DOWN GSES FANNIE & FREDDIE

Both the Obama Administration and Congress are looking into several proposals to either significantly reduce the government's role in the mortgage giants, Fannie Mae and Freddie Mac, or to eliminate the entities altogether. The White House has offered several options which include privatization, a limited federal guarantee only for crises, and a government reinsurance model. Congressional members have held several hearings on various proposals from both Democrats and Republicans.

Representative Gary Miller (R-California) and Representative Carolyn McCarthy (D- New York) have put forth a proposal to merge Fannie Mae and Freddie Mac, creating a single entity so that the government held organization can collectively

See **FEDERAL UPDATE** on page 7

ARIZONA LEGISLATION

► SESSION OVERVIEW

The 50th Arizona State Legislature, Second Regular Session reconvened on January 7, 2012, with Governor Jan Brewer delivering her annual State of the State address. The Governor used her speech to focus on the State's centennial celebration and to highlight her priorities for the upcoming year and beyond. Economic competitiveness, education reforms, state government personnel reform, and renewed federalism were once again the top themes of the Governor's agenda.

April 17th will mark the 100th day of the legislative session. While there has been no compromise on the state budget at this point, both leadership teams in the House and Senate have expressed a strong desire to conclude the session no later than this date.

► BUDGET UPDATE

Unlike the last few years, Arizona lawmakers are not faced with the daunting task of having to deal with closing a significant budget gap. However, dealing with projected surpluses can often be just as challenging due to individual spending priorities.

Earlier this year, Governor Brewer released her FY2013 budget proposal. The Governor's \$8.96 billion proposal consists of mostly one-time expenditures such as debt reduction, technology upgrades and backfilling various programs, including education funding. The Governor's budget factors in a projected surplus of \$587 million for FY2013 and \$329 million for FY2014

Some of the Governor's spending priorities include \$100 million for school construction, \$105 million to replace out-of-date computer systems, and \$50 million to fund a reading remediation program.

As for the Arizona Department of Housing, the Governor's budget does call for some modest sweeps to the Housing Trust Fund, Arizona Housing Finance Authority (ISA Fund), and from the Housing Program Fund.

Shortly after the Governor released her budget, the Legislature released their \$8.66 billion plan for fiscal year 2013. In their budget, the Legislature rejected many of the Governor's spending priorities and even left out

See **ARIZONA UPDATE** on page 7

Encanto Pointe

One of the first "Housing First" communities

Located at 7th Street and Indian School Road in Phoenix, Encanto Pointe is the latest housing project from Native American Connections (NAC).



This 54 unit apartment complex will be the state's first "Housing First" community, according to Joe Keeper, Director of Housing at NAC. Scheduled to open later this fall, the groundbreaking for the project was held on January 26 and was attended by ADOH Director Michael Traylor.

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

A significant amount of research went into this project according to NAC President and CEO, Diana Yazzie-Devine. Similar communities in Seattle and Salt Lake City were visited prior to the groundbreaking of Encanto Pointe and this project is part of a larger regional effort to complete 1,000 units of permanent supportive housing for the chronically homeless. Additionally, approval from the surrounding Devonshire neighborhood was important to the implementation of the project.

Developed in partnership with the NRP Group, Encanto Pointe is a \$10.5 million project funded through a combination of City of Phoenix bond funds, private financing, Veterans Affairs Supportive Housing vouchers, and federal low-income housing tax credits awarded by ADOH. Additionally, representatives from both NAC and ADOH give Phoenix City Councilman Tom Simplot and the Valley of the Sun United Way a significant amount of the credit for getting this project off the ground.

info Encanto Pointe is located at 7th Street & Indian School Road, Phoenix + www.nativeconnections.org/about/locations/encanto-pointe

Encore on Farmer

Grand opening of transit oriented development for 55+



On February 7, 2012, Encore on Farmer held their official Grand Opening which was attended by ADOH Director Michael Traylor. This 56 unit affordable apartment complex, located near Fifth Street and Farmer Avenue in Tempe, AZ caters to seniors, 55 years and older who make less than 40, 50 or 60 percent of the Maricopa County median income. Built in downtown Tempe, this affordable transit oriented development is within walking distance of local regional transportation, retail and other services

Encore on Farmer is a joint venture by the PacifiCap Properties Group and the Urban Development Partners. Financing for the project was provided by the City of Tempe and ADOH through the

use of federal tax credits awarded to Hunt Capital Partners in conjunction with the Low-Income Housing Tax Credit program.



info Encore on Farmer is located at 601 South Farmer, Tempe + www.encoreonfarmer.com

FEDERAL UPDATE *continued from page 7*

purchase mortgages and sell them to investors as government backed securities. Additionally, Representative John Campbell (R-California) and Representative Gary Peters (D-Michigan) have sponsored legislation that would replace Fannie Mae and Freddie Mac with at least five private companies that would issue mortgage-backed securities with explicit federal guarantees. While Texas Republican, Jeb Hensarling's plan would phase out the companies altogether over a five year period.

Discussions between Congressional leaders and the White House are not expected to take place until possibility later this spring.

▶ RESTORED HOUSE AND SENATE MEASURES LOOK TO STRENGTHEN HOUSING CREDIT

The current nine percent floor for volume cap Housing Credits is set to expire on December 30, 2013. If Congress does not act, it could potentially hurt the market for affordable rental housing.

In an effort to help strengthen the Housing Credit, lawmakers have introduced legislation in both the House and Senate to make permanent the temporary nine percent floor for volume cap Housing Credits and create a new four percent floor for volume cap Housing Credits used for acquisition.

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

In addition to ensuring the value of the Credit, this legislation will eliminate the financial risk of the current floating rate system, simplify state administration, and create stability and predictability for owners and investors of Housing Credit developments.

Given the current political environment, Congress is not likely to pass this legislation as a free-standing bill. It is more likely that this legislation will be part of a larger package to deal with various tax reforms; however, no action on this legislation is expected to take place until after the election in November.

ARIZONA UPDATE *continued from page 5*

several of their own, including funding for the University of Arizona Medical School campus in downtown Phoenix.

While progress has been slow, the Governor and her staff have been meeting regularly to iron out a final package. With this being an election year, in conjunction with the newly adopted legislative districts, members are quite anxious to conclude the session and start campaigning.

▶ ADOH CONTINUATION

On March 13th, Governor Brewer signed Senate Bill 1339, Department of Housing Continuation, sponsored by Senator Al Melvin (R-Tucson). SB1339 continues the Arizona Department of Housing for an additional five years, to July 1, 2017.

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

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

DIRECTOR'S MESSAGE *continued from page 2*

and in 2009 published Opening Doors, a discussion of residential options for adults living with autism and related disorders. SARRC is currently researching living and life skills programs that may have application to their proposed housing project. Their vision is to create a multifamily housing development that serves approximately 60 residents. It has to be designed with architecture and features that ensure safety and security, minimize sensory overload, allow opportunities for controlling social interaction and privacy, and foster health and wellness.

This "first ever" multifamily housing development serving adults with ASD's is a critical next step in learning and addressing the housing needs of this exploding special needs population.

Housing our special needs populations requires vision, collaborative partnerships, funding, innovative architecture, knowledge of supportive services needed and the ability to deliver those services effectively and consistently. We need housing policies that recognize certain types of disabilities such as our hearing impaired population enjoy life more fully living with others who are hearing impaired. Also it is not a good use of tax payer funds to design and build a government subsidized housing project for an underserved special needs population and not allow that population to have priority when a unit becomes available.

If I have learned anything in the past three years with the Department it is how blessed I am and my responsibility to share my blessings with others who are less fortunate.

New Faces



Kathy King

Kathy King transferred to Arizona from Wisconsin in 1983 and has worked in the mortgage industry in some capacity since. She has over 20 years opening and processing mortgage loans. She comes to ADOH as a Transaction Assistant in the Foreclosure Assistance division.



Mickey Breen

Michael "Mickey" Breen comes to ADOH with over 20 years experience in the banking industry. He holds a B.S. in Marketing from the University of Utah and joins ADOH as a Housing Counselor/Lender Coordinator for the Foreclosure Assistance division.



Dee Rains

Dee Rains has been involved in the mortgage industry in some capacity since 1978. She is a HUD certified Housing Counselor and worked for a while as a HOPE Hotline/Debt Management counselor. Dee joins the Foreclosure Assistance division as an Underwriter/Transaction Manager.



Cheryl Stavris

Cheryl moved to Phoenix with her family in 2007 after many years' experience with the CT Housing Finance Authority. In Phoenix she worked as a Making Homes Affordable Specialist with a mortgage servicing company. She holds a BS Degree in Accounting. Cheryl joined the Accounting division working with the Save Our Homes AZ program.

APRIL IS FAIR HOUSING MONTH IN ARIZONA

Governor Brewer signs Proclamation

Governor Janice K. Brewer proclaimed April 2012 as Arizona Fair Housing Month, recognizing the importance of fair housing and the efforts of those who seek to reduce barriers to full and fair housing opportunities. Throughout the month of April, organizations around the state will focus in promoting fair housing initiatives for all Arizonans through a number of events commemorating Arizona Fair Housing Month.

On April 11, 1968, President Lyndon Johnson signed the Civil Rights Act of 1968, a follow-up to the Civil Rights Act of 1964. The Civil Rights Act of 1968 expanded on previous acts and prohibited discrimination concerning the sale, rental and financing of housing based on race, religion, national origin, sex and as amended handicap and family status. Title VIII of the Act is also known as the Fair Housing Act of 1968.

Within the inaugural year of the Fair Housing Act of 1968, the U.S. Department of Housing and Urban Development (HUD) had completed the Title VIII Field Operations Handbook and instituted a formalized complaint process. That year, HUD hosted a celebration, shared with advocates and politicians across the nation. In subsequent years, the tradition of celebrating Fair Housing Month grew with Governors across the nation issuing proclamations that designated April as Fair Housing Month.

Arizona Fair Housing Partnership + www.azfairhousing.info

FACES OF HOUSING DISCRIMINATION

April 11, 2012 | 9:00 AM to 2:00 PM (includes luncheon)

Disability Empowerment Center

5025 E. Washington, Phoenix

\$20 Early On-line Registration \$25 At Door

info *Arizona Fair Housing Partnership* + www.azfairhousing.info

2012 FAIR HOUSING SURVEY

To ensure that the Arizona Department of Housing is addressing those impediments identified in the Analysis of Impediments to Fair Housing Choice ADOH has prepared the Fair Housing Survey which must be completed by all state CDBG recipients.

Other agencies, developers, and non-profit groups, especially those in rural Arizona, are invited to give feedback on fair housing practices in their communities. The deadline to complete the survey is April 30, 2012.

[FAIR HOUSING SURVEY LINK](#)

info *Joy Johnson* + 602/771-1026 joy.johnson@azhousing.gov

Calendar 2012

| APRIL | |
|-------|---|
| 19 | Public Hearing on 2012-2013 Annual Action Plan |
| 26-27 | Save Our Home AZ Event |
| 27 | Arizona Housing Commission |
| MAY | |
| 3 | Public Hearing on Amendment 2011-2012 Action Plan |
| 8-9 | LIHTC Compliance Workshop |
| 10 | Arizona Housing Finance Authority |
| JUNE | |
| 14 | Arizona Housing Finance Authority |
| 22 | Arizona Housing Commission |

2nd Public Hearing on 2012-2013 Annual Action Plan

April 19, 2012 | 10:00 am
1110 W. Washington, Suite 280 | Phoenix

ADOH will hold its second Public Hearing to hear comments on the Annual Action Plan for FY2012-2013 on April 19, 2012 at 10:00 am at the ADOH offices. Comments submitted at the first public hearing will be inserted into the draft report and will be discussed at this hearing.

For additional information and to download a copy of the draft Annual Action Plan, see Information Bulletin IB12-12 on the Publications page of the ADOH website.

Public Hearing on Amendment to 2011-2012 Annual Action Plan

May 3, 2012 | 10:00 am
1110 W. Washington, Suite 280 | Phoenix

The U.S. Department of Housing and Urban Development (HUD) has allocated, through the 2011 Emergency Solutions Grant (ESG), an additional \$506,600 in funds for Homeless Prevention and Rapid Re-housing to the Department of Economic Security (DES). As a result Arizona Department of Housing (ADOH) in cooperation with DES is amending its 2011-2012 Annual Action Plan and is making the contents of this amendment available to the public for review.

info Andrew Rael, Asst. Deputy Director, Programs
+ publiccomments@azhousing.gov

LIHTC COMPLIANCE WORKSHOPS

May 8 & 9 | Phoenix Airport Marriott, Phoenix
October 23 - 25 | Desert Diamond Resort, Tucson

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

For 2012, ADOH is offering two, custom-designed workshops developed to provide this training, one in Phoenix (May 8-9) and one in Tucson (October 23-25). To register for this training, visit the ADOH website event calendar. The fee for the two day workshop is \$200.00.

The Housing Credit Certified Professional (HCCP) examination will be administered on October 25 in a 1/2 day session following the Tucson training. No HCCP exam will be administered at the Phoenix workshop.

Visit the Event Calendar on the ADOH website for additional information regarding deadlines, registration and hotel accommodations.



The annual Housing Hero Awards honor those who demonstrate excellence in developing and creating innovative housing solutions. The awards celebrate individuals and organizations who positively impact their communities, and showcase the best practices of developers, advocates and others.

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

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

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

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



The agenda for the 2012 Arizona Housing Forum is almost complete and we are in the process of confirming speakers and putting the finishing touches on the workshops. The ninth annual Arizona Housing Forum at the J.W. Marriott Starr Pass in Tucson promises to be the best program yet. We are working on arrangements for a dynamite keynote speaker. Registration for the program will be available in May. Room reservations are now open.

2012 Arizona Housing Forum

Hotel Information

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

Starr Pass features 575 guestrooms and 35 suites all smoke-free. Go to the hotel's web site www.jwmarriottstarrpass.com to see amenities available.

The conference rate is \$139. Deadline to register at this rate is September 12, 2012. Government rate rooms are available by calling the toll-free reservation line. You will be required to produce government identification upon check-in.

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

Marketplace

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

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

Sponsors

Sponsors are a very important part of the Forum. Sponsors help keep the costs low for attendees and help us provide quality programming. Sponsorship provides visibility for your organization and identifies you as a contributor. Download a sponsorship information packet to see the benefits of being a sponsor of this event.

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

Housing Matters

SUMMER 2012
VOLUME 11 | NUMBER 3

LEADING WITH SOLUTIONS



2002-2012
ADOH
Arizona
Department
of Housing

2012 Arizona Housing Forum

HOUSING AND THE ECONOMIC RECOVERY

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

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

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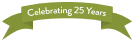
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Arizona
Department
of Housing


AzHFA
Arizona Housing
Finance Authority

2012 ARIZONA HOUSING FORUM



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

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

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



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



Coach Herman Boone

The Brian Mickelsen Housing Hero Awards will be presented for the eighth year. Recipients of the awards are selected by their peers as the best in their field. The winners will be celebrated at a

Hotel Information

J.W. MARRIOTT STARR PASS
3800 W. Starr Pass Boulevard
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Sponsors

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

Consultants Bar

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

[Get info](#)

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

luncheon on Thursday, October 4. Nominations will be accepted until August 3. Get additional information on page 9.

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





Director's Message

From the Desk of Michael Trailor

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

WINNER - URBAN/METRO AWARD

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



WINNER - SPECIAL NEEDS HOUSING

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

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

SAVE OUR HOME AZ UPDATE

Changes to Program Allowing More Arizonans to Get Help

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

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

In the coming months, we anticipate that there will be more changes made to the program that will allow us to assist even more struggling Arizona homeowners. For additional information, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the ARIZONA FORECLOSURE HELP-LINE at 1-877-448-1211.

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

Recent Foreclosure Prevention Events Successful



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

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

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



ABC 15 Save Our Home AZ Phone Bank

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

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

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

Arizona Housing Finance Authority Activities

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

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

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

AZHFA BOARD OF DIRECTORS VACANCY

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

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

Arizona Housing Commission Activities

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

CONGRATULATIONS TO CHAIRMAN ADAME AND VICE-CHAIRMAN ELIAS

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

AHC VACANCIES

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

info Daniel Romm, Legislative Liaison/PIO
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SCHEDULED MEETINGS

July 12, 2012

August - No meeting

September 13, 2012

**check website for times*



ARIZONA HOUSING COMMISSION

SCHEDULED MEETINGS

July - No meeting

August - No meeting

September 28, 2012

**check website for times*

FEDERAL LEGISLATION

Federal Budget Update

HUD FY2013 FUNDING LEVELS

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

Other notable provisions include:

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

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

CONGRESS IN A HOLDING PATTERN UNTIL AFTER NOVEMBER ELECTION

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

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

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

See **FEDERAL UPDATE** on page 7

ARIZONA LEGISLATION

SESSION OVERVIEW

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

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

BUDGET

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

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

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

See **ARIZONA UPDATE** on page 7

Charles L. Edson Tax Credit Awards

First projects in Arizona to receive special recognition

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

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



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

DEVINE LEGACY ON CENTRAL

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

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



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

APACHE ASL TRAILS

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

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

FEDERAL UPDATE *continued from page 5*

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

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

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

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

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

GSE REFORM EARLY NEXT YEAR?

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

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

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

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

ARIZONA UPDATE *continued from page 5*

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

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

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

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

➤ Every year since becoming a state agency, the Arizona Department of Housing (ADOH) has surveyed its constituency to gauge its performance and seek feedback as to how the agency can improve its ability to serve Arizona. ADOH was pleased to see the results of its most current survey completed in June 2012, which showed notable improvements with the Department scoring the highest ratings it has received in every category since 2004 or 2005, except for two categories, where it achieved its highest scores ever.

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



North 17 Holds Grand Opening

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

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

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



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

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



Tim Cantwell Receives 2012 Housing Person of the Year Award

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

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

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

Have Your Photo Featured in an ADOH Publication



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

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

New Faces



Julie Culver

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

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



Dwawn Isaac

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

years of experience as an Administrative Assistant.



Ivy Norris-Voss

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

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



Brian Mickelsen 2012 HOUSING HERO AWARDS

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

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

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

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

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

Calendar 2012

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

HOME COMPLIANCE WORKSHOP

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

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

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

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

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

LIHTC COMPLIANCE WORKSHOP

October 23 - 25 | Desert Diamond Resort, Tucson

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

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

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

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

Public Hearings Scheduled

October 3, 2012 at 4:15 pm

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

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

October 4, 2012 | 2:15 pm

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

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

Housing Matters

FALL 2012
VOLUME 11 | NUMBER 4

LEADING WITH SOLUTIONS



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

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Arizona
Department
of Housing





Family Finds Refuge in Phoenix's North 17

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



SAVE OUR HOME AZ UPDATE

SOHAZ Announces New HARP 2.0 Principal Reduction Assistance

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

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

As of this summer, in conjunction with the federal government's HARP 2.0 refinance program, Arizona homeowners may now qualify to have their principal reduced up to 100% Loan to Value by Save Our Home AZ. To qualify, the mortgage must be owned by Fannie Mae or Freddie Mac. The loan to value ratio must be more than 120 percent or more of the home's market value, while the mortgage cannot be more than 150 percent of the home's original purchase price.

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

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



Program Qualifications:

- Homeowner's loan must be owned by Fannie Mae or Freddie Mac.
- Household may not have Gross Income of more than 150% of Area Median Income (AMI) (i.e., for a family of four in Maricopa County, the income limit is \$98,250 or less).
- Eligible properties may not have an outstanding mortgage(s) in excess of 150% of purchase price.
- Property must be the homeowner's primary residence.
- Current Loan to Value (LTV) or Combined Loan to Value (CLTV) must be more than 120%.
- Principal reduction target of 100% LTV after HARP 2.0 refinance.
- Assistance will be provided without a lien.
- Unsecured promissory note signed concurrently with HARP 2.0 refinance.
- May be combined with Second Mortgage Settlement Assistance up to \$16,500 or 40% of outstanding second mortgage balance.

Application Process:

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

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

Arizona Housing Finance Authority Activities

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

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

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

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

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

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
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Paul DeSanctis
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AZ Lending Specialists, LLC

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Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

- October 11, 2012
- November 8, 2012
- December 13, 2012

*check website for times

Arizona Housing Commission Activities

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

AHC VACANCIES

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

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

SCHEDULED MEETINGS

- October 26, 2012
- November - No meeting
- December 7, 2012

*check website for times

MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Albert Elias
City of Tucson

Deb Drysdale Elias
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
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Courtney LeVinus
Capitol Consulting

Robert Michael McQuaid
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Kathy Pechman
National Bank of Arizona

Roberto Ruiz
Ruiz Engineering

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Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community
Services Department

Neal Young
City of Phoenix

Sen. Steve Pierce
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

FEDERAL LEGISLATION

CONGRESS WAITING ON LAME DUCK SESSION TO TACKLE KEY ISSUES

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

CONGRESS PASSES TEMPORARY MEASURE TO FUND HUD AND OTHER PROGRAMS

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

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

SEQUESTRATION LOOMS

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

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

See **FEDERAL UPDATE** on page 9

ARIZONA LEGISLATION

POSITIVE NEWS ON THE STATE BUDGET

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

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

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

DIRECTOR'S MESSAGE (continued)

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

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

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



ADOH Hosts 9th Annual Arizona Housing Forum

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

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

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

VISIT THIS LINK TO VIEW ADDITIONAL PHOTOS FROM THE FORUM:

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

TO DOWNLOAD AVAILABLE PRESENTATIONS FROM THE FORUM:

WWW.AZHOUSING.GOV/



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



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



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



ADOH ANNOUNCES 2012 BRIAN MICKELSEN HOUSING HERO AWARD RECIPIENTS

The 2012 Brian Mickelsen Housing Hero Awards were presented at a special luncheon at the Arizona Housing Forum on October 4th. The Brian Mickelsen Housing Hero Awards recognize outstanding service by individuals and organizations for their commitment to numerous housing issues throughout the state. Nominees in seven different categories were selected based on their efforts to support affordable housing for moderate and low-income Arizona families. The awards are named in honor of the outstanding public service exemplified by the late Brian Mickelsen, an original member of the Arizona Housing Finance Authority and former city manager for the Town of Cottonwood.

OUTSTANDING AFFORDABLE HOUSING INITIATIVE



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

INNOVATIVE SUPPORTIVE HOUSING PROGRAM



Victory Place III in Phoenix was recognized with the Innovative Supportive Housing Program Award. This award recognizes creative programs and services that provide outstanding housing related support and resources to individuals. Since its completion, Victory Place campuses have served more than 2,000 homeless and formerly homeless veterans in Maricopa County. Demonstrating need and success, as of July 2012, Victory Place III achieved 100 percent occupancy, just six months from being placed in service.

TRIBAL INITIATIVES



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

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

2012 HOUSING HERO AWARDS *continued-*

ARTHUR COZIER PARTNER IN HOUSING



Jerry Anderson from the Southern Arizona AIDS Foundation (SAAF) was awarded with the Arthur Cozier Partner in Housing Award which celebrates the single action or a lifetime of success of an individual committed to improving the lives of families and the health of communities through recognition that decent, affordable housing is basic to our social fabric. Jerry, a former Tucson City Council Member, has served as the Housing Service Property Manager for the Southern Arizona AIDS Foundation for nearly ten years. His work with SAAF and its housing program exemplifies a successful career improving the lives of low income individuals living with HIV/AIDS and their families.

EXEMPLARY URBAN MULTI-FAMILY PROJECT



The Exemplary Urban Multi-Family Project Award recognizes an outstanding multifamily rental project in urban Arizona that serves low to moderate income individuals, families or seniors. Grandfamilies Place of Phoenix received this year's award for their outstanding project targeting affordable housing for grandparents who have legal custody to raise their grandchildren. This project is the first affordable rental housing complex of its kind in Arizona.



EXEMPLARY RURAL MULTIFAMILY PROJECT



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

ELECTED OFFICIAL

Tempe Councilman Corey Woods was presented with the 2012 Elected Official Award which recognizes an Arizona elected official who has demonstrated ongoing support for affordable housing projects and programs including housing for homeless, domestic violence, special needs and low income families and seniors. Councilman Woods exemplifies this award through his ongoing advocacy for affordable housing projects throughout the Tempe area. Projects Councilman Woods has supported include Apache ASL Trails, Encore on Farmer, and Gracie's Village.

VISIT THIS LINK TO VIEW ADDITIONAL PHOTOS FROM THE FORUM:

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

FEDERAL UPDATE *continued from page 5*

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

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

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

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

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

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

ADOH Projects Honored by HUD

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

- **Rehoboth Place**, a 47 unit low-income housing community, located in the Canyon Corridor Neighborhood of Phoenix was recognized for "Meeting the Need for Quality Affordable Rental Homes."
- **Victory Place**, the **City of San Luis Infrastructure Project**, and the **New Homes for San Carlos Apache Nation program** were all honored for "Utilizing Housing as a Platform for Improving Quality of Life."
- United Methodist Outreach Ministries' **Legacy Crossing and White Mountain Catholic Charities** were both honored for their work to prevent homelessness and

ADOH Releases Draft of 2013 QAP for Comment

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

2013-QAP-Comments@azhousing.gov

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

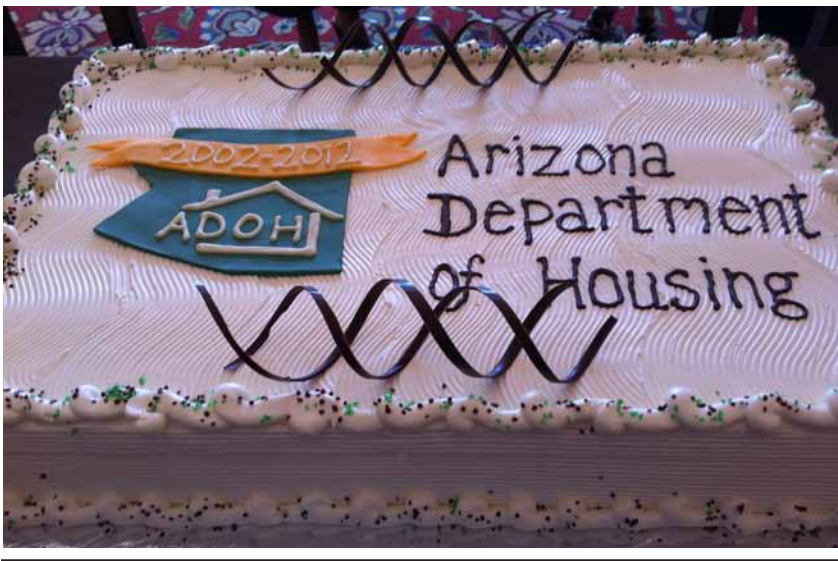
Carnegie Library – Main Floor
1101 W. Washington Street
Phoenix, AZ 85007

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

info Andrew Rael, Asst. Deputy Director - Programs
(602) 771-1010 + andrew.rael@azhousing.gov

"Promote Exemplary Practices of Faith & Community Based Organizations."

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



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

ADOH Celebrates 10 Years

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

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

This fall, the Arizona Department of Housing proudly celebrates its 10th anniversary as a standalone agency. ADOH continues to provide programs and critical resources to the most vulnerable populations of the state while serving as a driver for economic development and leveraging private capital. Whether it is through our work to provide safe and affordable housing, assistance to help aid the homeless and special needs populations, or our ongoing efforts to prevent Arizonans from losing their homes, we remain fully committed to finding responsible and reasonable solutions to counter the housing needs facing the state.

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

New Faces



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



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



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

Have Your Photo Featured in an ADOH Publication

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



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

Calendar 2012

| OCTOBER | |
|----------|--------------------------------------|
| 8 | OFFICE CLOSED - Columbus Day |
| 11 | Arizona Housing Finance Authority |
| NOVEMBER | |
| 8 | Arizona Housing Finance Authority |
| 12 | OFFICE CLOSED - Veterans Day |
| 22 | OFFICE CLOSED - Thanksgiving Holiday |
| DECEMBER | |
| 7 | Arizona Housing Commission |
| 13 | Arizona Housing Finance Authority |
| 25 | OFFICE CLOSED - Christmas Holiday |

HOME COMPLIANCE WORKSHOP

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

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

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

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

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

U.P.C.S. WORKSHOP

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

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

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

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