

Housing Matters

WINTER 2013
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LEADING WITH SOLUTIONS



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

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Arizona
Department
of Housing





ADOH Utilizes LIHTC Program to Help Stimulate Job Growth

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

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

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

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

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

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



Director's Message

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

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

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

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

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

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

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



SAVE OUR HOME AZ UPDATE

Program Updates Allow ADOH to Assist Significant Number of Households

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

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

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

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

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

For additional information, or to take the self assessment to determine your eligibility, please visit www.azhousing.gov or call the 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

LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

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

Application Process:

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

Arizona Housing Finance Authority Activities

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

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

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

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

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

Manny Gonzalez
Vice Chairperson
Pinal County

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Randall L. Pullen
Treasurer
Oasis Partners, LLC

Richard Houseworth
Capitol Bancorp, Ltd.

SCHEDULED MEETINGS

January 10, 2013

February 14, 2013

March 14, 2013

**check website for times*

Arizona Housing Commission Activities

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

AHC VACANCIES

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

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

SCHEDULED MEETINGS

January 25, 2013

February - No meeting

March 29, 2013

**check website for times*

MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Albert Elias
City of Tucson

Deb Drysdale Elias
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
Coldwell Banker Narico

Courtney LeVinus
Capitol Consulting

Robert Michael McQuaid
JM Management Company

Kathy Pechman
National Bank of Arizona

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community
Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

FEDERAL LEGISLATION

FEDS AVERT FISCAL CLIFF BUT OTHER KEY CHALLENGES LOOM

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

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

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

HOUSING CREDIT RATE EXTENSION INCLUDED IN TAXPAYER RELIEF ACT

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

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

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

51ST ARIZONA STATE LEGISLATURE SET TO CONVENE

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

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

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

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

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

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5***CONGRESSIONAL COMMITTEE CHANGES COULD SPELL HOUSING REFORMS IN 2013**

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

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

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

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

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

DIRECTOR'S MESSAGE *continued from page 3*

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

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

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

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

Featured Groundbreakings & Grand Openings

ADOH Tax Credit Projects

The Lofts@10 | Phoenix, AZ

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



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

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

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

Washington Pointe | Phoenix, AZ

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



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

Escobedo at Verde Vista | Mesa, AZ

Located at 125 E. University Drive in Mesa, Escobedo at Verde Vista will be a 70 unit, low to moderate income energy-efficient



community. This \$16 million dollar development is a partnership between Gorman & Company and ARM of Save the Family Foundation, a certified Community Housing Development Organization (CHDO), as well as the West Mesa CDC and the City of Mesa.

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

Once completed in 2013, Escobedo at Verde Vista will serve as the new headquarters for Save the Family Foundation, a non-profit organization in Mesa founded in 1988 to help homeless families become self-sufficient.

A groundbreaking ceremony took place on December 6, 2012. Mesa Mayor Scott Smith and Director Traylor were both on hand for the ceremony.

Gracie's Village | Tempe, AZ

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



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

Amenities for Gracie's Village include a multi-purpose room for on-site before- and after-school care, a Wi-

See **GROUNDBREAKINGS** on page 8

GROUNDBREAKINGS *continued from page 7*

Fi internet lounge, a roof deck, playground, picnic area, front-loaded energy-efficient washers & dryers inside each unit, hard-surface flooring, and electronically controlled entry.

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

La Mesita | Mesa, AZ

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



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

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

Lofts at McKinley | Phoenix, AZ

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



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

Sentinel Plaza | Tucson, AZ

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



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

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

Grandfamilies Place | Phoenix, AZ

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



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



Lori Hofer recognized as the 2012 ADOH Employee of the Year

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

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

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

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

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

New Faces



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

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

Qualified Allocation Plan Sent to the Governor

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

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

ADOH Releases Fiscal Year 2012 Annual Report

As 2012 comes to a close, we are all encouraged by the latest trends in the housing market. Statewide, home values are quickly rising, foreclosures are significantly down, our distressed inventory has decreased, and permitting is picking up, which means more jobs.

On December 20, 2012, we released our Fiscal Year 2012 Annual Report highlighting this past year's outstanding efforts and activities from the Arizona Department of Housing (ADOH), the Arizona Housing Finance Authority (AzHFA), and the Arizona Home Foreclosure Funding Corporation (AHFPC).

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

In FY2012, ADOH, AzHFA, and AHFPC made combined commitments of over \$339 million in assistance available to support housing, community development activities, and foreclosure prevention initiatives throughout the state. Additionally through the federally funded Save Our Home AZ program, over 600 families were able to avoid foreclosure. Together, all our resources were able to assist over 105,000 Arizona families throughout all 15 counties.

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

Calendar 2013

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

LIHTC APPLICATION WORKSHOP

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

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

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

Upcoming Workshop Dates:

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

U.P.C.S. WORKSHOP

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

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

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

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

Housing Matters

SPRING 2013
Volume 12 | Number 2



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

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Arizona
Department
of Housing





ADOH Honors 45th Anniversary of the Fair Housing Act

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

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

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

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

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

When Fair Housing Isn't Fair

HUD ANNOUNCES NEW DISPARATE IMPACT RULE

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

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

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

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

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

HUD's new rule could have unintended and serious consequences

See **DISPARATE IMPACT RULE** on page 9



Director's Message

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

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

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

Summary of Findings

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

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

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

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



SAVE OUR HOME AZ UPDATE

Rising Home Prices, Declining Foreclosure Numbers

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

Home prices are on the rise and Arizona has the highest appreciation rate out of any state in the Union. Home prices in Arizona rose 20.1 percent in January compared to

the same month last year. The national average is at 9.7 percent. Most importantly, we are finally witnessing a significant decline in the number of foreclosures and our numbers are finally back to normal trend levels.

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

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

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

SAVE OUR HOME AZ EVENTS

ADOH-sponsored counseling opportunities

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

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

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

LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

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

Application Process:

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

Arizona Housing Finance Authority Activities

GOVERNOR APPOINTS TWO NEW AZHFA BOARD MEMBERS

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

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



Zeek Ojeh



John Sundt

MRB PLUS PROGRAM UPDATE

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

AZHFA ANNOUNCES TWO NEW PROGRAMS FOR AZ HOMEBUYERS

A new program, Home Plus, is available for loan reservations beginning March 26, 2013. The Home Plus program will couple a first mortgage loan with downpayment/closing cost assistance of 4% of the loan amount. The downpayment assistance is a grant that does not have to be repaid. Additional information on the Home Plus program may be found on the website: www.azhousing.gov.

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

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Zeek Ojeh
Cartwright School District

Randall L. Pullen
Treasurer
Oasis Partners, LLC

John Sundt
Rusling Lopez & Lizardi, PLLC

SCHEDULED MEETINGS

May 9, 2013

June 13, 2013

*check website for times

Arizona Housing Commission Activities

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

AHC VACANCIES

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

<http://azgovernor.gov/bc/>

MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Albert Elias
City of Tucson

Deb Drysdale
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
Coldwell Banker Narico

Courtney LeVinus
Capitol Consulting

Robert Michael McQuaid
JM Management Company

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community
Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

SCHEDULED MEETINGS

May 31, 2013

June 13, 2013

July 26, 2013

*check website for times

info Daniel Romm, Legislative Liaison/PIO
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FEDERAL LEGISLATION

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

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

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

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

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

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

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

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

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

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

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

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

SESSION OVERVIEW/BUDGET UPDATE

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

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

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

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

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5*

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

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

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

LOW-INCOME HOUSING TAX CREDIT PROGRAM - FLOATING RATE FIX

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

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

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

HOUSING FINANCE REFORM

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

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

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

STATE UPDATE *continued from page 5*

GOVERNOR BREWER CALLS FOR FULL EXPANSION OF STATE MEDICAID SYSTEM

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

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

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

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

info Daniel Romm, Legislative Liaison/PIO
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Featured Groundbreakings & Grand Openings



ENCANTO POINTE APARTMENTS, PHOENIX, AZ

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

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

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

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

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

CASA DEL SOL 1, SIERRA VISTA, AZ

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

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



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

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

AEROTERRA SENIOR VILLAGE, PHOENIX, AZ

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

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





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

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



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

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

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



CALL FOR SPONSORS AND EXHIBITORS

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

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

HOTEL INFORMATION

TALKING STICK RESORT

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

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

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



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

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

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

Director Traylor Receives 2013 Advocate of the Year Award from ACDHH

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

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

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

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



New Faces



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



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

DIRECTOR'S MESSAGE *continued from page 3*

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

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

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

DISPARATE IMPACT RULE *continued from page 1*

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

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

Calendar 2013

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

2013 LIHTC COMPLIANCE WORKSHOPS

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

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

Upcoming Workshop Dates:

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

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

HOME Compliance Workshop

November 14, 2013
Phoenix Airport Marriott, Phoenix, AZ

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

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

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

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

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

Housing Matters

SUMMER 2013
Volume 12 | Number 3

LEADING WITH SOLUTIONS



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Arizona
Department
of Housing



Housing Matters LEADING WITH SOLUTIONS

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

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

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

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

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

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

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

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

We look forward to seeing you there!



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



PLATINUM SPONSOR



GOLD SPONSOR



SILVER SPONSOR



REGISTRATION

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

SPONSOR AND EXHIBITOR INFORMATION

Deadline: August 16, 2013

HOTEL INFORMATION

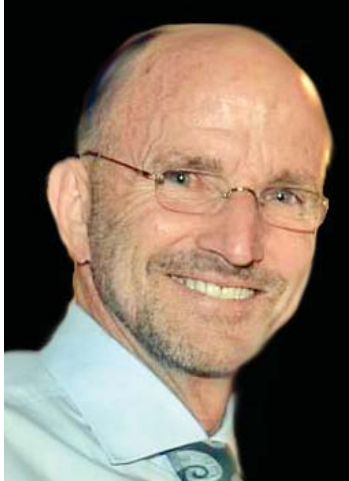
Reservations: 1-866-877-9897

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

CALL FOR SPONSORS AND EXHIBITORS

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

info Theresa Hoover + 602-771-1007
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The economic downturn and recovery have presented housing agencies and the housing industry with unprecedented challenges. As our economy continues to improve, it is most important that we consolidate gains, share best practices and learn from each other what works, what hasn't worked, and what can be made to work.

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

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

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

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

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



SAVE OUR HOME AZ UPDATE

Rising Home Prices, Declining Foreclosure Numbers

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

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

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

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



SAVE OUR HOME AZ EVENTS

ADOH-sponsored counseling opportunities

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

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

LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

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

Application Process:

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

Arizona Housing Finance Authority Activities

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

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

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

Carl Kinney, Arizona Housing Finance Authority Programs Administrator
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AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Zeek Ojeh
Cartwright School District

Randall L. Pullen
Treasurer
Oasis Partners, LLC

John Sundt
Vice Chairperson
Rusling Lopez & Lizardi, PLLC

SCHEDULED MEETINGS

September 12, 2013

October 10, 2013

*check website for times

Arizona Housing Commission Activities

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

AHC VACANCIES

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

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

August 30, 2013

October 2, 2013

*check website for times and locations.

MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Albert Elias
City of Tucson

Deb Drysdale
George Washington Carver
Elementary School

Peter David Herder
Herder Companies

David Lembke
Coldwell Banker Narico

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JM Management Company

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community
Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House
of Representatives

FEDERAL LEGISLATION

FEDERAL BUDGET - FY2014 HUD FUND LEVELS

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

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

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

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

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

TAX REFORM - LIHTC FLOATING RATE

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

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

See **FEDERAL UPDATE** on page 6

ARIZONA LEGISLATION

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

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

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

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

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

See **STATE UPDATE** on page 6

FEDERAL UPDATE *continued from page 5*

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

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

HOUSING FINANCE REFORM

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

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

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

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STATE UPDATE *continued from page 5*

BUDGET

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

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

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

Featured Groundbreakings & Grand Openings

SUNNYSIDE POINTE VILLAS, TUCSON, AZ

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



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

URBAN LIVING ON 2ND AVENUE, PHOENIX, AZ



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

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

APACHE JUNCTION TOWNHOMES, APACHE JUNCTION, AZ

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

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



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

FLAGSTAFF SENIOR MEADOWS, FLAGSTAFF, AZ

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

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



THE MARQUEE, PHOENIX, AZ

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

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



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

Calendar 2013

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



Director Traylor Receives 2013 Advocate of the Year Award

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

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

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

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

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

New Faces



Scott Haberman

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

2013 Customer Satisfaction Survey hits several historic highs



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

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

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

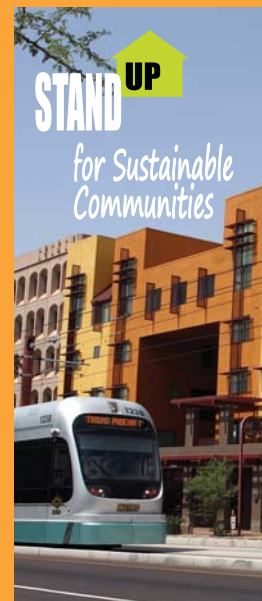
Public Hearing and Focus Group to be held at Arizona Housing Forum

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

Housing Matters

FALL 2013
Volume 12 | Number 4

LEADING WITH SOLUTIONS



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

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2	Director's Message
3	Save Our Home AZ Update
4	AzHFA/Arizona Housing Commission Update
5	State/Federal Updates
6	What's New Around the State
9	2013 Brian Mickelsen Housing Hero Awards
11	Event Calendar



Arizona
Department
of Housing





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

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

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

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

Stand Up for Affordable Housing

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

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

Stand Up for Accessible Housing

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

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

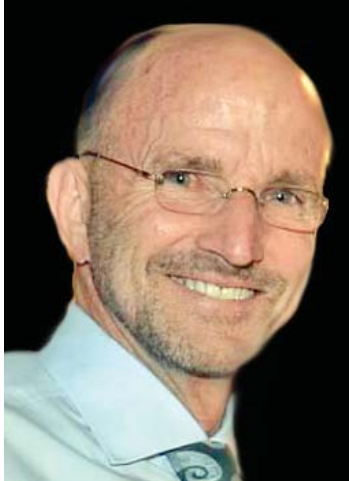
ADOH and our housing partners are dedicated to fighting for the rights of disabled Arizonans who deserve safe, accessible, and affordable housing. We are continuing to promote and finance the construction of rental projects that meet the needs of this important population.

Stand Up for Sustainable Housing

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

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

See **STANDUP** on page 7



Director's Message

From the Desk of Michael Traylor

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

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

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

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

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

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

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

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

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



SAVE OUR HOME AZ UPDATE

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

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

owe more than what their home is currently worth.

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

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

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

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

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

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



LOWER YOUR PRINCIPAL IN CONJUNCTION WITH HARP 2.0

Program Qualifications:

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

Application Process:

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

Arizona Housing Finance Authority Activities

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

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

AZHFA VOTES TO REELECT OFFICERS FOR ANOTHER TERM

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

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

AZHFA BOARD OF DIRECTORS

Robert Gardiner
Chairperson
Northern Trust, NA

Paul DeSanctis
Secretary
AZ Lending Specialists, LLC

Zeek Ojeh
Cartwright School District

Randall L. Pullen
Treasurer
Oasis Partners, LLC

John Sundt
Vice Chairperson
Rusing Lopez & Lizardi, PLLC

SCHEDULED MEETINGS

November 14, 2013

December 12, 2013

**check website for times and locations.*

Arizona Housing Commission Activities

GOVERNOR BREWER APPOINTS NEW HOUSING COMMISSIONERS

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

- ▶ Lisa Deer fills the Tribal Housing position on the Commission. Ms. Deer serves as the Director of Operations for Salt River Financial Services in Scottsdale, Arizona.
- ▶ John Kaites, owner of 913 W. McDowell LLC, a real estate holding company in Phoenix, fills the Private Sector Real Estate Industry opening on the AHC.
- ▶ Daniel Ranieri is the President & Chief Executive Officer of La Frontera in Tucson. Mr. Ranieri fills one of the nonprofit vacancies on the Commission.

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

Daniel Romm, Legislative Liaison/PIO
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MEMBERS

David Adame
Chicanos Por La Causa, Inc.

Kenneth F. Anderson
Arizona Housing Association

Sarah Darr
City of Flagstaff

Lisa Deer
Salt River Financial Services

Albert Elias
City of Tucson

Deb Drysdale
George Washington Carver Elementary School

Peter David Herder
Herder Companies

John Kaites
913 W. McDowell LLC

Robert Michael McQuaid
JM Management Company

Daniel Ranieri
La Frontera

Roberto Ruiz
Ruiz Engineering

Steven Tofel
Tofel Construction

Betty Villegas
Pima County

Ted Williams
Arizona Behavioral Health

Dave Wolf
Mohave County Community Services Department

Neal Young
City of Phoenix

Sen. Andy Biggs
President, Arizona Senate

Rep. Andrew Tobin
Speaker, Arizona House of Representatives

SCHEDULED MEETINGS

December 6, 2013

**check website for times and locations.*

FEDERAL LEGISLATION

GOVERNMENT REOPENS AND U.S. AVERTS DEFAULT FOR NOW

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

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

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

TAX REFORM UPDATE

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

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

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

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

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

See **FEDERAL UPDATE** on page 7

ARIZONA LEGISLATION

POSITIVE NEWS ON THE STATE BUDGET CONTINUES

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

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

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

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

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Featured Grand Openings



Heritage Glen Apartments, Coolidge, Arizona

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

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

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

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



City Place Apartments, Phoenix, Arizona

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

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

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

that will help them succeed.

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

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



STANDUP continued from page 1

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

Stand Up for Homelessness

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

Stand Up for Veterans

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

Stand Up for Grandfamilies

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

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

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

FEDERAL UPDATE continued from page 5

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

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

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

HOUSING FINANCE REFORM

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

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

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

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



2013 Arizona Housing Forum

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

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

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



Save the Date!

2014 Arizona Housing Forum

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

ADOH Recognizes 2013 Brian Mickelsen Housing Hero Award Recipients

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

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

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

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

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

See *HOUSING HERO AWARDS*, page 10



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



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



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



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

HOUSING HERO AWARDS, continued from page 9

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

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

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

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

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

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

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



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



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



Mesa Councilman Dave Richins accepts the 2013 Elected Official award.



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



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

Calendar 2013

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

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

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

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

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

Carnegie Public Library

1101 W Washington Street
Phoenix, AZ 85007

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

New Faces



JACOB SHOPE

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

ADOH Training Calendar

HOME Training Workshop

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

2014 LIHTC Application Workshop

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

2014 LIHTC Compliance Workshop - #1

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

UPCS Workshop

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

2014 LIHTC Compliance Workshop - #2

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

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

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