

# Housing Matters

WINTER 2016  
VOLUME 15 | NUMBER 1

LEADING WITH SOLUTIONS



▲ Take an inside look at the HOME Plus loan program.

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Arizona  
Department  
of Housing



## HOME Plus Loan Program

### The Low Down on No Down

**T**here are a lot of people across Arizona with steady jobs and good credit, but can't afford the down payment on a new home. However, Arizona residents should know that they do have a key to home ownership through a loan program called HOME Plus.

Operated by Arizona Housing Finance Authority (AzHFA), the program has opened doors to many looking for a place of their own across Arizona.

"With the escalating increase in rents, many creditworthy renters are finding it more difficult to save for a down payment," said AzHFA Programs Administrator Dirk Swift. "With the HOME Plus program this obstacle has been removed. HOME Plus gives qualified renters a pathway to homeownership with a non-repayable down payment assistance grant."

HOME Plus is a homebuyer assistance program providing down payment and closing cost assistance combined with a 30-year fixed rate mortgage for creditworthy homebuyers. The AzHFA's homebuyer program, which has been in existence for more than a decade in Arizona's 13 rural counties, is getting more traction since it recently expanded into Maricopa County. The loan program is currently not available in Pima County. Dawn Svoboda, a mortgage loan officer and branch manager with Academy Mortgage Corp. in Casa Grande, is enthusiastic about the terms of the HOME Plus program that offers buyers more flexibility than previous down payment programs with which she has worked.

"If an applicant needs a boost in the amount of cash for the down payment, the three main qualifications are having a good credit score, being under the income level and buying a home that's around or under the \$350,000 mark," said Svoboda. Details of the program include an attractive 30-year fixed-rate mortgage with a down payment assistance (DPA) grant to qualifying homebuyers purchasing a primary residence which they intend to occupy. The DPA is provided as a non-repayable grant that can be used for the down payment and closing costs. The amount of the grant is equal to a percentage of the principal balance of the new mortgage loan, ranging from 2% - 5% depending upon the underlying mortgage type.

"Qualified U.S. Military Personnel may receive an additional 1% of DPA on any mortgage type," said Swift. "The DPA is only available in conjunction with a HOME Plus loan and is funded by AzHFA at the mortgage loan closing. HOME Plus users do not need to be first-time buyers."

The HOME Plus program is available to homebuyers with an annual household income of less than \$89,088, purchasing homes under \$356,352.

"First-time and boomerang homebuyers should find the program especially helpful," states Svoboda. "Currently, I'm helping a young couple with two kids in Casa Grande that were denied by the husband's bank, but we've been able to help buyers of all ages throughout the Golden Corridor."

The AzHFA is acting on behalf of the Arizona Department of Housing and raises funds for its initiatives in the national capital markets and forms partnerships with banking and lending institutions to facilitate the HOME Plus program.

"We self-fund the program, functioning similar to a private sector mortgage company, generating income through the program's operation. No taxpayer funds are used for the HOME Plus program", said Swift. "In the third quarter alone for 2015, the AzHFA assisted more than 600 homebuyers across Arizona by providing more than \$4 million in down payment assistance grants".

Homebuyers must obtain a mortgage loan through one of the program's 70+ approved participating lenders and take a homebuyers course that prepares them for their homeownership. Currently the program approves Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, FHA-insured, VA-guaranteed, USDA mortgages.

Derrell and Leigh Anne Brown, of Maricopa, are among the many home buyers who recently took advantage of the HOME Plus program. Like a lot of Arizonans who took a hit during the housing crash with either a short sale or foreclosure, they had trouble fixing their credit and saving enough money to buy a home.

"It's better to pay my mortgage than someone else's, but I didn't think I could do it," Derrell Brown said.

Another couple in Scottsdale was able to "save what savings they did have to do the things to the house they wanted to do."

For Michael Piercy of Chandler, "HOME Plus gave us a way so we could make our own dream home."

**info** To learn more about the HOME Plus Home Loan Program and see a list of participating lenders, please visit [www.azhousing.gov](http://www.azhousing.gov).

## Weatherization Update

### WAP Thriving in New Home

Since taking over the Weatherization Assistance Program (WAP) in November, the Arizona Department of Housing (ADOH), Community Development & Revitalization (CD&R) Division continues to work hard making sure the transition is smooth for funders, providers and assisted homeowners. Payment requests are current, contract amendments with funders are complete, a new WAP webpage is active at <https://housing.az.gov/general-public/weatherization-program> and new WAP Policies and Procedures are being drafted. ADOH will meet with the WAP Policy Advisory Committee (PAC) on February 10, to allow WAP PAC members to provide input to ADOH staff on the draft Policies and Procedures. A list of WAP PAC members is listed below. At the same meeting, ADOH will seek recommendations for changes to the Weatherization State Plan, which is due to the U.S. Department of Energy by April 29. A public hearing will be held to review the WAP State Plan as well as the 2016-2017 Annual Action Plan on April, 13. The WAP Policy Advisory Committee Members and the organizations they work for include:

COMMITTEE MEMBER	ORGANIZATION
Cynthia Zwick	Arizona Community Action Association
Jerry Mendoza	Arizona Public Service
Val Iverson	Arizona Housing Alliance
Diane E. Brown	Arizona Public Interest Research Group
Amy Jacobson	Maricopa County Human Services Dept.
Carrie Smith	Foundation for Senior living
Malissa Buzan	Gila County
Bob Baca	Northern Arizona Council of Governments
Bonnie Temme	Salt River Project
Kimberly Lukasiak	Southwest Gas Corporation
Desiree Clark	Tucson Electric Power

Upcoming Weatherization Assistance Program meetings and events may be found on page 8, in the Calendar of Events section of this newsletter.

**info** **Kathy Blodgett**, Community Development & Revitalization Programs Administrator (602) 771-1021 + [kathy.blodgett@azhousing.gov](mailto:kathy.blodgett@azhousing.gov)

## Director Trailor Honored

### Michael Trailor Receives Exemplary Advocate Award

In November, Director Michael Trailor was honored with the Exemplary Advocate Award by the Local Initiatives Support Corporation (LISC) Phoenix at their Annual Breakfast held at the Phoenix Art Museum. Director Trailor was chosen to receive this award for his leadership and dedication to creating location efficient housing along the light rail. Accepting this award for his work at the Arizona Department of Housing, Director Trailor commented, "ADOH has diligently worked as a team toward achieving this goal and today there are over 1,700 affordable housing units within walking distance of the light rail - creating, as Governor Ducey likes to put it, 'Opportunity for All!'"



Director Trailor accepts Exemplary Advocate Award at LISC Phoenix Annual Breakfast.

# Director's Message

From the Desk of Michael Traylor



**A**s we look forward to 2016, we're hopeful for opportunities to improve lives through location efficient affordable housing, rental assistance, community revitalization, foreclosure prevention and innovative mortgage products.

We kicked off the year with our Low Income Housing Tax Credit Program application workshop January 19. Thanks to our collaborative efforts, the Program's Qualified Allocation Plan continues to evolve to create balanced opportunities throughout the state to develop affordable housing that meets the needs of families, seniors, people with disabilities, and homeless citizens. Our development partners, architects, engineers, landscape designers, and general contractors continue to produce some of the best affordable housing projects in the country.

The U. S. Department of the Treasury recently approved a mortgage down payment assistance program for the Hardest Hit Fund. Based on Treasury's formula for determining the approved hardest hit areas, Avondale, Buckeye, El Mirage, Goodyear, Laveen, Tucson, Yuma, Arizona City, Casa Grande, Coolidge, Maricopa, Red Rock, Douglas, Huachuca City, Sierra Vista Fort Mohave, and Snowflake all qualify for the "Pathways to Purchase" down payment assisted mortgage program.

Down payment assistance will be made available along with a 30-year, fixed rate mortgage and is capped at 10 percent of the purchase price up to a maximum of \$20,000. Eligible borrowers are those with incomes not exceeding \$89,088, purchasing homes priced at \$356,352 or below. More information will be available on the department's web site when the program launches in March.

Six years ago the finance authority's mortgage programs were producing approximately \$20 million in mortgages annually and cost the state approximately \$2 million in bonding fees. Today, the Arizona Housing Finance Authority's mortgage programs are producing approximately \$420 million in mortgages annually at no cost to the State. The new Treasury program will provide more opportunities for qualified homebuyers at a time when interest in homeownership is starting to improve.

You may have heard about Governor Ducey's implementation of Lean Management principles in state government. At the Department of Housing we're training our teams and preparing to implement Lean throughout the organization to reduce time and cost and increase effectiveness.

As always, we appreciate our partnerships that provide better opportunities for Arizona's citizens.

## AzHFA Activities

### Making the Market Work for Millennials

**A** recent housingwire.com article notes, out of the 75.3 million Millennials, 93% want to own a home in the near future. Yet with ever increasing rents, stagnant wages and increasing levels of student loan debt, these young first time homebuyers are finding it difficult to save enough money for a down payment. A National Association of Realtor study found 54% of Millennials state student debt is their biggest obstacle in saving for a home. The HOME Plus Home Loan Program eliminates this hurdle, offering a pathway to homeownership by giving creditworthy renters who can qualify for a mortgage, but cannot afford the down payment, the funds to move forward.

The Arizona Housing Finance Authority's HOME Plus Home Loan Program provides an attractive 30-year fixed-rate mortgage with down payment assistance (DPA) grant to be used for the down payment and or closing costs. The amount of the grant is equal to a percentage of the principal balance of the new mortgage loan, ranging from 2% - 5% depending upon the underlying mortgage type.

During 2015, over 2,000 new homebuyers have entered the HOME Plus program, with over \$13.0 million dollars in down payment assistance made available to them. AzHFA raises funds for our initiative in the national capital markets and forms partnerships with banking and lending institutions to facilitate our HOME Plus Home Loan Program throughout the State of Arizona. No taxpayer funds are used for this program.



#### Home Loan Program

**info** Information on the HOME Plus Home Loan Program may be found on our website: [www.azhousing.gov](http://www.azhousing.gov).

## National Housing Trust Fund News

### Arizona's NHTF Allocation Plan

**A** new affordable housing funding source will become available to Arizona in 2016. The National Housing Trust Fund (NHTF) was created under the Housing and Economic Recovery Act of 2008, and funded from a portion of new business created by Fannie Mae and Freddie Mac. The first NHTF funding will be transferred to U.S. Department of Housing and Urban Development in March for distribution to the States in July of this year. The Arizona Department of Housing (ADOH) is the designated grantee for Arizona's portion of the NHTF which is expected to be approximately \$3 million. ADOH's receipt of NHTF is contingent upon HUD's approval of Arizona's NHTF Allocation Plan which is a component of the 2016-2017 Annual Action Plan. ADOH will hold two public hearings to receive input on the use of the NHTF. The first is March 8 at 1:00 p.m. and the second is April 13 at 10:00 a.m. Both will be held at the Arizona Department of Housing, 1110 West Washington Street, Suite 280, in Phoenix. A draft of the Allocation Plan will be posted on the ADOH website prior to the meetings and announced through the ADOH Information Bulletin.

**info** Andrew Rael, Assistant Deputy Director/Programs (602) 771-1010 + [andrew.rael@azhousing.gov](mailto:andrew.rael@azhousing.gov)

## AzHFA 2016 Board of Directors

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**Robert Gardiner**

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Northern Trust, NA

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**John Sundt**

Vice Chairperson  
Rusing Lopez &  
Lizardi, PLLC

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**Zeek Ojeh**

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**Steven Krenzel**

Bankers Trust AZ

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**Peter Burch**

Metropolitan Land Co.

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**Craig Tribken**

Central AZ  
Shelter Services

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**Marc Schultz**

Snell & Wilmer

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**SCHEDULED MEETINGS**

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<b>March</b>	<b>10</b>
<b>April</b>	<b>14</b>
<b>May</b>	<b>12</b>

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## Federal Legislative Update

**O**n December 18, 2015, President Obama signed Fiscal Year 2016 omnibus spending and tax extender legislation into law. The legislation enacts key policies relating to housing. Specifically, the legislation makes permanent the 9 percent minimum Housing Credit rate, allowing states to provide more equity to Credit properties that need it for financial feasibility. Further, the spending package funds HOME at \$950 million, \$50 million more than in FY 2015.

The bill passed by Congress also transfers \$2 billion in funding from the Making Home Affordable program to the Treasury Department's Hardest Hit Fund (HHF) program. The additional funding is to be made available to all HFAs currently participating in HHF. The bill will also allow Treasury to extend the HHF program beyond 2017, when it is currently set to expire.

The omnibus bill provides a total of \$38.6 billion for HUD programs, which amounts to an increase of \$3 billion over FY 2015 funding.

**info** **Jake Agron, Legislative Liaison and Public Information Officer (602) 771-1008 + [jake.agron@azhousing.gov](mailto:jake.agron@azhousing.gov)**

## State Legislative Update



### GOVERNOR DUCEY'S STATE OF THE STATE ADDRESS

► On January 11, 2016, Governor Doug Ducey delivered his second State of the State address. The Governor highlighted Arizona's impressive job growth in the last year, stating that Arizona has added more than 56,000 new jobs. The State of the State focused on the Governor's commitment to lowering taxes and a

continued spotlight on education, child welfare and public safety. Further, Governor Ducey called for the Legislature to send him legislation to allow agencies to get rid of unnecessary regulations.

Governor Ducey once again emphasized the need to make the Arizona economy an innovative landscape by embracing new industries such as ridesharing, proclaiming: "Arizona should be to the Sharing Economy, what Texas is to Oil and what Silicon Valley used to be to the tech industry." The theme of the address was "Arizona on the Rise", and the Governor remains committed to creating opportunity for all within Arizona.



### GOVERNOR DUCEY UNVEILS FY 2017 BUDGET

► On January 15, 2016, Governor Ducey released his proposed executive budget for FY 2017. The governor's budget prioritizes vital commitments such as K-12 education, child safety and public safety while promoting fiscal responsibility, protecting our most vulnerable and finding cost-savings for Arizona taxpayers. The budget includes \$106 million in additional money for K-12 education. That's on top of the \$224 million supplemental added with the \$3.5 billion funding package approved last year in special

*STATE LEGISLATIVE UPDATE continued on page 7*

## Escobedo at Verde Vista

### Mesa Project for Seniors and Chronically Homeless

➤ In October, ADOH celebrated the grand opening of Escobedo at Verde Vista in downtown Mesa. The development includes 132 affordable residential housing units with comprehensive on-site resident services for working families, senior citizens and chronically homeless households.

Escobedo at Verde Vista was once a blighted, vacant and boarded-up former public housing development. Originally built in the early 1940s, the twelve-acre site formerly housed African American United States Air Force pilots during World War II. However, over time the property deteriorated and was in need of revitalization.

The community center at Escobedo at Verde Vista will offer the following on-site services: a before and after school program; bi-monthly parenting classes; bi-monthly computer training; bi-monthly job training, search and placement assistance and quarterly credit and financial counseling and education. Additionally, the residents will receive training in family violence prevention, crime prevention, housing survival skills, wellness activities for adults and children and tuition assistance for community activities.



Escobedo at Verde Vista ribbon cutting ceremony (top); Director Trailor speaks at grand opening (bottom).

## Catalunya and Miraflores Apartments

### Tucson Project to Serve Refugee Communities

➤ Last September, ADOH was proud to celebrate the grand re-openings of the Catalunya and Miraflores Apartments. Both sets of apartments are located in Tucson and utilize Low Income Housing Tax Credits in order to effectively serve refugee communities living in Arizona. The Catalunya and Miraflores Apartments contain 140 and 100 units respectively. The Catalunya and Miraflores Apartments partner with various supportive service agencies, including the International Rescue Committee, to provide a plethora of tenant services. Those services include:

- Assistance in securing and maintaining safe affordable housing.
- Counseling and services for persons who have experienced disease, abuse, exploitation or loss and separation from their families.
- Self-reliance training, including job placement and employment skills, English-language classes, and community orientation.
- Credit and financial counseling.
- Job training, including computer skills, proper use of critical employment-related software such as MS Office, Excel, and Outlook, resume writing, interview techniques, critical concept training such as soft skills, job retention, and networking.



Catalunya and Miraflores Apartments contain 240 units serving the refugee community; a shaded playground area (bottom).



## El Rancho Del Arte

66 Units in Downtown Mesa

► The grand opening of El Rancho del Arte was celebrated in October at its Mesa location. The El Rancho project was an acquisition, demolition and new construction of an existing blighted and physically obsolete motel residence complex. The original standing structure consisted of the El Rancho Motel, which was first built in 1947. The project includes 66 low-income units (41 two bedroom units and 25 three bedroom units). These units will be available to low-income households with a preference to households with children.

The project is located at 719 East Main Street in Mesa and is within immediate walking distance of the Downtown Mesa and the light rail corridor.

In conjunction with the service provider, La Frontera, case management and supportive services are provided on-site or at nearby public or private agencies for residents through the services of a Resident Services Coordinator. These services will include on-site computer training, on-site job training, and credit and financial counseling and education.



*El Rancho Del Arte building front facing East Main Street in Mesa (top); Ribbon cutting ceremony celebrated on October 21 (bottom).*

### STATE LEGISLATIVE UPDATE *continued from page 5*

#### GOVERNOR DUCEY UNVEILS FY 2017 BUDGET

session. In addition, the proposed budget includes a \$134 million increase in funding for child safety, with \$87 million over the next two fiscal years to fully fund children in state care. The executive proposal directs \$1.8 million to open a 100-bed community corrections center in Maricopa County, offering intensive drug treatment with housing and transitional services to reduce recidivism and reverse the growth of our prison population.

In addition to making spending changes, the proposed budget calls for key policy initiatives as well. The Governor recommends consolidating the Department of Fire, Building and Life Safety (DFBLS) by relocating components into existing agencies with similar missions. The consolidation aids in government efficiency, preserves critical functions, and has the potential for cost savings. Relocating the components and functions of the DFBLS would entail consolidation of the Office of Manufactured Housing (OMH) within ADOH. OMH maintains standards of safety and quality for all manufactured homes, factory built buildings, and accessory structures. ADOH is a natural fit for OMH as the Office receives funding through U.S. Department of Housing and Urban Development (HUD) and ADOH houses numerous HUD programs.

**info** Jake Agron, Legislative Liaison and Public Information Officer

(602) 771-1008+ [jake.agron@azhousing.gov](mailto:jake.agron@azhousing.gov)



# Calendar 2016

## FEBRUARY

10	Weatherization Policy Advisory Committee Meeting
15	CLOSED - President's Day
23-24	LIHTC Compliance Workshop #1, Phoenix

## MARCH

8	National Housing Trust Fund Public Hearing
10	Arizona Housing Finance Authority Board Meeting

## APRIL

13	2016-2017 Weatherization State Plan & 2016-2017 Annual Action Plan Public Hearing
14	Arizona Housing Finance Authority Board Meeting

## LIHTC Compliance Workshop

February 23-24, 2016

Black Canyon Conference Center, Phoenix, AZ

- This is a two-day training, custom-designed for Arizona rules and regulations.
- Registration deadline - February 8<sup>th</sup>.

**info** Training content & requirements, contact **Juan Bello, Senior Compliance Officer** (602) 771-1074 + [juan.bello@azhousing.gov](mailto:juan.bello@azhousing.gov) For Registration info, contact **Lori Moreno, HR & Procurement Administrator** (602) 771-1061 + [lori.moreo@azhousing.gov](mailto:lori.moreo@azhousing.gov)

## WEATHERIZATION POLICY ADVISORY COMMITTEE

➤ **PHOENIX**  
 WEDNESDAY, FEBRUARY 10  
**Training Room 280**  
 1110 W. Washington Street  
 Phoenix, AZ 85007  
 10:00 a.m.

## NATIONAL HOUSING TRUST FUND PLAN

➤ **PHOENIX**  
 TUESDAY, MARCH 8  
**Training Room 280**  
 1110 W. Washington Street  
 Phoenix, AZ 85007  
 1:00 p.m.

## 2016 Arizona Housing Forum

August 24-26, 2016

JW Marriott Starr Pass Resort, Tucson, AZ

- Event Registration will open soon.



## WEATHERIZATION STATE PLAN & ANNUAL ACTION PLAN

➤ **PHOENIX**  
 WEDNESDAY, APRIL 13  
**Conference Room 250**  
 1110 W. Washington Street  
 Phoenix, AZ 85007  
 10:00 a.m.

## New Faces



### Michael Frary

Michael Frary has joined ADOH as a CD&R Energy Specialist. Prior to coming to the Department, Michael worked in the Governor's Office of Energy Policy on Weatherization Assistance Programs. Michael received an Associate of Arts Degree from Glendale Community College and holds an Energy Manager in Training certification from the Association of Energy Engineers.



### John Juarez

John Juarez has joined ADOH in the role of Asset Manager. John has more than 25 years of experience in community development and affordable housing loan programs—including 17 years in the Community Development Lending Division of Bank of America. John holds a B.S. in Business Administration and Economics from Santa Clara University and a Masters in Economics and Urban Planning from the University of So. California.



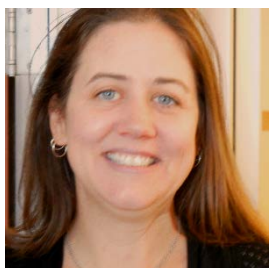
### Jake Agron

Jake Agron joined ADOH as the agency's Legislative Liaison/Public Information Officer. Jake previously worked for the Arizona State Senate as a Research Analyst for the Judiciary Committee. Jake received his B.A. in Political Science from ASU and a J.D. from City University of New York School of Law.



### Glennifer Mosher

Glennifer Mosher has joined ADOH as a Specialist in the agency's Special Needs Division. Glennifer holds both a B.S. and a Master's in Business Education from the University of North Dakota. Glennifer has extensive experience in the Homeless Management Information System, as well as other homeless program-related experience.

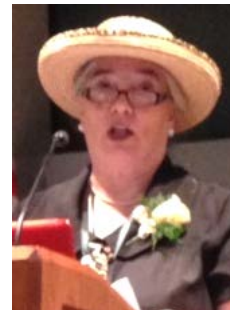


### Trisha Ekenberg

Trisha Ekenberg has joined the ADOH as a CD&R Specialist. Trisha has worked for the State for 13 years, most recently with the Governor's Office of Energy Policy. Trisha works with the Weatherization Program.

## Karia Basta Honored

**O**n October 7th, Karia Basta was awarded the Lifetime Achievement Award by the Arizona Coalition to End Homelessness. Karia serves as the Department's Special Needs Programs Administrator



and has worked a lifetime helping those in need. Karia accepted her award with great humility at the 22nd annual Statewide Conference to End Homeless. We are very proud and thankful for the good work accomplished by Karia and her Special Needs team. Please join

us in congratulating Karia as we thank her for her dedication and passion.

## 2015 Employee of the Year

**G**reg Cooper was honored in December as the 2015 ADOH Employee of the Year. As head of the Section 8/Compliance Division, Greg has a



work ethic that exemplifies all of the Agency's guiding principles. Greg is mission driven, exceptionally accountable, customer focused and responsive, and fosters a productive work environment through good communication and team work. Greg strives

each and every day for excellence.

Among his many notable accomplishments Greg has accepted the challenge to administer the newly formed Section 8/Compliance division. Having demonstrated his ability to streamline and improve work processes within the Section 8 division, we know we can count on Greg to lead this newly merged division to achieve even greater efficiencies and customer service.