



Arizona Department of Housing

Director's Message

Sheila D. Harris, Ph.D.



There's a quote that goes, "The future will be exactly like the past, only far more expensive." Those of us with a close eye on the housing industry would tend to agree, given our acute awareness of the increasing cost of housing.

This awareness frames our vision for Arizona's newest agency...Affordable Housing, Viable Communities, and drives the mission we have set, "providing housing and community revitalization to benefit the people of Arizona."

On October 1, 2002, the Arizona Department of Housing was established under Arizona law to give the Governor and Legislature a tool to assist in addressing the problems arising from the increasing cost of housing in the state, a cost that threatens to erode the standard of living for middle income Arizonans and leaves very little choice in the way of housing options for low-income families.

During State FY2003, this new agency had a very full agenda. It established policies and procedures necessary to operate a State agency, launched the Arizona Housing Finance Authority (an arm of the State designed to issue housing bonds for rural housing projects), relocated to the State Capitol building, hosted the first annual Homes for Arizonans Day at the Capitol, and administered \$48.6 million in state and federal housing resources. It's easy to look back at a year full of such activity and tend to contratulate ourselves for being so "busy". However, the bottom line for the year, and the only one that really matters is that during FY2003 the new agency was able to assist over 10,000 Arizonans with their housing needs. This report provides the details of that assistance.



A 72-unit complex developed through ADOH's Low-Income Housing Tax Credit Program during FY2003 opened its doors in November 2003. Homestead Hope, LLC, developed the property, located on West Bola Drive in Surprise. The property will serve households ranging from 20% to 60% of the area median income, with the majority of units reserved for populations earning 50% or less of area median income.

Table of Contents

The Department of Housing	2
The Need	2
The Programs	3
Homeownership	3
Rental Development	3
Community Revitalization	4
Public Housing Authority	5
Special Needs	5
Other Services	
Monitoring and Compliance	6
Technical Assistance	7
Funding Sources	8
Table 1 Households Assisted by Fund Source	9
Table 2 Summary of Resources Committed	9
Table 3 Geographic Distribution of Funding	10
Legislative Highlights	10
Arizona Housing Finance Authority	11
Arizona Housing Commission	11

The Department of Housing

In an effort to allow for greater coordination and innovation for housing related services at the state level, the Legislature passed HB2615 during the 2001 legislative session (Chapter 22, 45th Legislature, 1st Regular Session), establishing the Arizona Department of Housing (ADOH or Department). After a brief transition period, ADOH became an official cabinet level state agency on October 1, 2002. ADOH is responsible for establishing policies, procedures and programs to address the affordable housing issues confronting this state, including housing issues of low-income families, moderate-income families, housing affordability, special needs populations and decaying housing stock. Among other things, the Department is required to provide financial, advisory, consultative, planning, training and educational assistance for the development of safe, decent and affordable housing, including housing for low-and-moderate income households. A.R.S. § 41-3953 prohibits ADOH from directly owning, constructing, operating, or rehabilitating any housing units, "except as may be necessary to protect the department's collateral or security interest arising out of any department programs." As such, ADOH does not provide services directly to individual persons. The primary function of the Department is to facilitate the development of housing through financial and technical assistance. The well-trained and professional staff of the Department travel throughout the entire state working with local communities to develop housing for hard working people who cannot afford a place to live due to their modest incomes. Other statutes governing the Department include:



Title 41, Chapter 37, Article 2; A.R.S. §§ 35-726, 35-728 and 35-913; and Title 41, Chapter 4.3.

ADOH is a non-general fund agency, whose only state funding comes from a portion of unclaimed property proceeds. Funding received from unclaimed property is placed into the Department's Housing Trust Fund. In addition to state programs, ADOH oversees and administers many federal housing programs from the U.S. Department of Housing and Urban Development (HUD). These include the Home Investment Partnership Program (HOME), the Community Development Block Grant (CDBG), Section 8 Housing Choice Voucher Program for Graham and Yavapai counties, Housing Opportunities for People with AIDS (HOPWA), Shelter Plus Care and Supportive Housing Programs. Communities in Maricopa and Pima Counties receive federal housing funds directly from HUD, as do the cities of Yuma and Flagstaff in the case of CDBG.

ADOH also provides staff support to the Arizona Housing Commission (AHC) and the Arizona Housing Finance Authority (AzHFA). The AHC recommends affordable housing policy to the Governor and the Legislature, while the AzHFA promotes affordable housing opportunities in the 13 rural counties of the state through private activity bond issuances.

The Need

The price of privately developing and financing housing opportunities for those of modest means can make a project infeasible, as the housing units cannot be sold or rented at an affordable price and support the financing available in the private market. As such, there are more low-income citizens than there are affordable housing units. A recent study commissioned by the Department of Housing, in partnership with HUD and the Arizona Housing Commission, shows that over ten-percent of all Arizona households are cost burdened, meaning that they are paying more than is reasonable for rent or are living in overcrowded or substandard conditions. Ten percent of all Arizona households equates to over 194,000 households. The need is most severe on Native American reservations and in many rural parts of the state. The income level of households who are impacted the greatest are those who earn at or below approximately 50 percent of the area median income, although this varies depending on the respective locality. To fully address this housing crisis, the State, local governments and private and nonprofit developers must work together to find innovative ways to provide housing opportunities to those of modest means. An economically diverse housing stock benefits everyone because housing is the foundation for stability in one's life. Studies have shown a direct correlation between a lack of affordable housing and increased costs for: education, criminal justice, health care and other social services, transportation, and the environment.



Homeownership became a reality for this couple with assistance from the Department's RHAP program.

The Programs

HOMEOWNERSHIP PROGRAMS

The agency provides several different avenues to promote homeownership in the state. In FY2003, these programs included:

Rural Homeownership Assistance Program (RHAP)

This year, 121 rural first-time homebuyers were provided down payment and closing cost assistance. To be eligible for the pro-

gram, homebuyers' incomes could not exceed 80 percent of the area median income. Prospective homebuyers were required to attend homebuyer counseling prior to any financial assistance being provided.

State Housing Fund Program

The State Housing Fund Program was made available for financing the development of qualified homeownership units, as well as the reconstruction, rehabilitation and repair of units owned by low-income Arizonans throughout the state. **In FY2003, financing was provided for the development of 19 single-family homes and rehabilitation of 235 single-family homes. Another 40 households were provided with homeownership assistance.**



A single-family home built with funding through the State Housing Fund Program.

RENTAL DEVELOPMENT PROGRAMS

The agency provides different tools to nonprofit and for-profit housing developers to assist with the development of affordable rental units.

Low-Income Housing Tax Credit Program

ADOH is the statutorily designated federal housing credit agency and is responsible for allocating the Low Income Housing Tax Credits (LIHTC). Since the start of the LIHTC program in 1987, over 21,000 affordable rental-housing units have been produced.

Tax credits may be accessed in one of two ways:

- ▶▶ ADOH holds an annual competition to distribute the State's annual allocation of nine-percent tax credits. **In FY2003, the nine-percent allocation provided financing for 1,239 units of affordable rental housing.**
- ▶▶ Four percent tax credits are available on a non-competitive basis to qualified projects that have received a housing private activity bond allocation from the state. **In FY2003, the four percent allocation provided financing for 702 units of affordable rental housing units.**

State Housing Fund Program

The State Housing Fund Program (federal HOME and State Housing Trust Fund funding) was made available for financing the development of qualified affordable rental properties, as well as emergency shelters. Properties must comply with long-term affordability restrictions on rents charged and tenant incomes. **In FY2003, financing was provided for the development of 109 new rental units and rehabilitation of 66 rental units. An additional 44 emergency shelter beds or transitional housing units were also financed.**



Sunrise Circle Apartments in Phoenix consists of 35 units targeting Native Americans, the formerly homeless, seriously mentally ill persons and their families.

The Programs (CONTINUED)

COMMUNITY REVITALIZATION

The Community Revitalization program is a federal program aimed at creating viable communities by providing funds to improve housing, living environment, and economic opportunities for persons with low-and-moderate incomes. ADOH administers the program in the 13 rural counties in the state and the rural Council's of Government (COGs) play a major role in assisting the State in project selection. Funding is accessed through a process that is described in the agency's Five-Year Consolidated Plan and annual updates to the plan. The Consolidated Plan is a document required by HUD to describe these processes. ADOH received just over \$11.3 million in Community Development Block Grant (CDBG) funds from HUD to fund eligible programs and projects in FY2003. Maricopa County, Pima County, Phoenix, Tucson, Yuma and Flagstaff received entitlements directly from HUD in FY2003.

In FY2003, CDBG funds were utilized to reconstruct or rehabilitate 770 owner-occupied single-family homes. Additionally, over 101,000 people were assisted through various community development related efforts, including:

- ▶ Construction or renovation of various infrastructure projects including water, wastewater and solid-waste facilities, streets, parks and flood control projects.
- ▶ Construction or improvements of a range of community facilities such as senior, community, social services, health and youth centers.
- ▶ Expansion of public services to serve low-income persons.
- ▶ Creation of new jobs through small business loans or infrastructure improvements.



In the Centerville neighborhood of the Town of Clarkdale, CDBG funds and State Parks Department Heritage Funds were blended to develop this ADA accessible park.



CDBG funds were utilized in the City of Miami's upgrade of its electrical plant.



Community Revitalization includes the purchase of public safety equipment which benefits all of the municipality's citizens.

The Programs (CONTINUED)

PUBLIC HOUSING AUTHORITY

State statute designates ADOH as the State Public Housing Authority (PHA). The PHA currently has two primary functions:

Section 8 Housing Choice Voucher Program

The PHA currently administers a Section 8 Voucher program for Yavapai and Graham Counties, two rural counties that are not otherwise served by a local housing authority. The Section 8 Housing Choice Voucher Program provides rental subsidy payments for very low-income households, with the tenants paying 30-percent of their adjusted incomes for rent and utilities. Participating tenants are assigned vouchers and may utilize the assistance in any qualified private rental property. The program has a very small baseline of vouchers and is generally 100 percent subscribed. **In FY2003, 43 families received Section 8 Vouchers.** The PHA does, however, maintain a limited waiting list in anticipation of potential openings in the program. The PHA also accepts and administers "portable" vouchers to provide assistance to tenants who have already accessed Section 8 Vouchers through another housing authority and are moving into Yavapai and Graham Counties. **In FY2003, the PHA administered approximately 50 portable vouchers.**

Section 8 Project-Based Contract Administration

In 2001, the PHA entered into a contract with HUD to provide administrative oversight to approximately 111 HUD-subsidized rental properties accounting for 7,751 individual rental units located throughout the state of Arizona. Under this performance-based contract, the PHA is responsible for a number of key duties to assure that properties are not over-subsidized and that these properties are maintained as safe, decent, affordable housing for the life of their contracts with the federal government. Through this program, participating properties are subsidized, allowing the very low-income tenants to pay only 30 percent of their incomes for rent. **In FY2003, ADOH acted as a pass-through conduit for over \$28.8 million in federal rental subsidies for the respective properties.**

SPECIAL NEEDS PROGRAMS

The Special Needs section was developed to enable the agency to address the housing needs of populations that have special needs beyond the fact that their incomes may not support decent and affordable housing opportunities. The program provides a particular focus on persons who are homeless. Other populations assisted may include victims of domestic violence, those with physical disabilities, Alzheimer's disease, HIV/AIDS, serious mental illnesses, emotional disturbance or chronic substance abuse problems, developmental disabilities, and migrant or seasonal farm workers.

State Housing Fund - Homelessness Prevention Program

Homelessness Prevention Program grants were made to selected local governments and nonprofit agencies that provide housing counseling and financial assistance to individuals and families at risk of homelessness. Services eligible under this program included: loans and grants for security deposits, rent and mortgage assistance, utility payments, moving and storage fees to prevent eviction, landlord-tenant mediation, household management assistance, and budget counseling. **In FY2003, 3,545 households were assisted with rental eviction prevention or mortgage foreclosure prevention assistance. Various emergency shelters and/or transitional living facilities were provided operating assistance, in turn preventing their closure. This service assisted 1,471 households.**



The economy, mental illness and unemployment are all endemic causes of homelessness.

The Programs (CONTINUED)

Rural Continuum of Care Process and Applications to HUD for Federal Funding

The Special Needs staff leads the Continuum of Care process for the 13 rural counties in the state. The Continuum of Care process is required by HUD to enable localities to apply to the federal government for certain competitive grant programs that provide funding to combat specific special needs problems. This process brings together local governments and agencies to address local solutions to these problems. On an annual basis, the Department applies for competitive funding to HUD for projects and programs



At the end of the rainbow? Affordable, decent housing for all Arizonans.

that are identified as priority projects through the Continuum process. ADOH then acts as the administering agency for the grants that are passed through to the participating sub-recipients. Over the years, ADOH has secured millions of dollars in funding for projects and programs through the Shelter Plus Care and Supportive Housing Programs. **In FY2003, the Shelter Plus Care and Supportive Housing Programs provided financing for the production of 12 rental units. It also provided 1,554 households with rental assistance. Additionally, various emergency shelters or transitional living facilities were provided operating assistance, in turn preventing their closure. This service assisted 255 households.**

Housing Assistance for People With AIDS (HOPWA)

The State receives a small yearly grant from the federal Housing Opportunities for Persons With AIDS (HOPWA) program. HOPWA provides funding to eligible jurisdictions to address the housing needs of persons living with HIV/AIDS and their families. Funding is passed through to local governments or nonprofit organizations to provide direct assistance to eligible beneficiaries. **In FY2003, HOPWA funding assisted in the development of eight rental units; provided rental assistance to 11 households; provided rental eviction and mortgage foreclosure prevention to 243 households; and provided support services to 238 households.**

MONITORING AND COMPLIANCE

Rental developments receiving state assistance must continue to meet certain affordability criteria (in some cases up to 30 years). They must also comply with various health and safety regulations. **In FY2003, monitoring and compliance staff inspected 2,333 affordable units statewide.**

Other Services

TECHNICAL ASSISTANCE

During this fiscal year, technical assistance (TA) staff participated in a number of initiatives designed to develop affordable housing and community development projects that meet local needs. They also provided assistance in planning and evaluating housing community development solutions while pursuing additional federal funding opportunities. **Staff works directly with local communities and various affordable housing developers, especially those in rural Arizona.**

Project Development

During the first six months of this effort, **staff assisted in the development of 35 major projects, several of which are rural and meet special populations' needs.**



Director Harris addresses attendees at the ADOH Problem Solving Forum in Flagstaff.

Technical Assistance Workshops

In order to continue to develop Arizona's capacity to undertake successful housing and community development projects as well as using federal funds in a compliant way, **the department provided training on various topics to over 400 attendees, on subjects such as: current ADOH funding opportunities, environmental review, and labor standards.**

Tribal

During the early part of the fiscal year, a tribal liaison was added to provide a focused technical assistance effort on tribal lands. All Arizona tribes have been contacted and staff participated in the planning and presentation of a HUD tribal housing conference in May.



A single-family unit in the White Mountain Apache Housing Authority's Apache Dawn development.

Fair Housing

ADOH revamped its fair housing effort this year to ensure better coverage of the rural parts of the state as well as to focus attention on education prevention activities through better targeting of rental property managers and owners for education efforts.



Federal Grant Application Assistance

Staff prepared a HUD Rural Housing and Economic Development (RHED) grant application that received funding through a national competition to create replacement self-help housing units and job training opportunities in a colonia area in Pinal County. Application preparation was added to the technical assistance services available through ADOH as a part of the overall TA effort.

The Funding Sources

The Arizona Department of Housing is a non-general fund agency, which receives the bulk of its funding from federal resources. Below is a brief description of the resources available to the agency. Most funding sources allow for multiple-year projects, thus the amount allocated, awarded, and actually spent in any given fiscal year may differ.

State Housing Trust Fund

The State Housing Trust Fund (HTF) receives 55 percent of the State's Unclaimed Property proceeds, distributed by the Department of Revenue one time annually (at fiscal year end close out). As such, the HTF received approximately \$19.7 million at the end of FY2002 for use in FY2003. HTF dollars are flexible and fund many housing activities not eligible under the agency's federal programs, like: eviction and foreclosure prevention, emergency repair of homes, special projects, such as providing matching dollars to entities competing on a national level for federal dollars, one-time emergency funding for emergency shelters, and homeownership counseling. One-third of HTF monies must be spent in rural Arizona, although historically this percentage has exceeded 50 percent. HTF was used to fund the Rural Homeownership Assistance Program (RHAP) in FY2003. This first time homebuyer program for rural Arizona served as matching funds for the federally imposed 25 percent match to the HOME dollars.

HOME Investment Partnership Program (HOME)

The federal HOME Investment Partnership Program (HOME) is designed to expand the supply of decent, affordable housing for low and very low income families by providing grants to local governments, nonprofit and private developers. Phoenix, Maricopa County and Tucson/Pima County also receive their own HOME entitlement funds. In FY2003, ADOH received \$6.9 million in HOME entitlement funds, for which it must provide a 25 percent match with state funds (HTF). HOME is used primarily for the development of rental and homeownership units (through new construction, acquisition and/or rehabilitation), financial assistance to first time homebuyers, and substantial rehabilitation of dilapidated housing belonging to low-income homeowners.

Community Development Block Grant (CDBG)

This federal program provides funds to ADOH, which are passed through to local governments in rural Arizona (outside Maricopa and Pima Counties, Flagstaff and Yuma - which all receive their own entitlement

funds), for housing and community development activities, which benefit low to moderate-income neighborhoods. In FY2003, the Community Development Block Grant (CDBG) Program received \$11.3 million.

Housing Opportunities for People with AIDS (HOPWA)

This federal program provides a small amount of funding to the State to address housing needs for people with HIV and AIDS living in the rural areas outside of Maricopa and Pima Counties. In FY 2003 the grant was \$112,000.

Shelter Plus Care, Supportive Housing Program

These two sources of funding are competitive federal funding secured through the McKinney-Vento Act. Funding is applied for through a Rural Continuum of Care process, administered by the agency, securing millions of funding to support homeless assistance in the rural portions of the state (outside of Maricopa and Pima Counties). In FY 2003 the agency administered \$8.4 million.

Low-Income Housing Tax Credits

The Low-Income Housing Tax Credit (LIHTC) Program is a federal program of the Internal Revenue Service which provides a tax credit benefit which housing developers sell to investment groups for cash to use in building housing for low-income renters. In FY2003 the volume cap on tax credits administered through the agency was \$9.6 million.

Mortgage Revenue Bonds

The Arizona Housing Finance Authority (AzHFA) is authorized statutorily to issue single-family bonds from the State's Private Activity Bond (PAB) volume cap to assist in the promotion of homeownership opportunities in the rural areas of the state. In FY2003, the AzHFA issued Mortgage Revenue Bonds (MRB) in the amount of \$2.5 million. The MRB program assists in providing a mortgage rate that is typically below the average market rate.

Multi-Family Bonds

The Arizona Housing Finance Authority (AzHFA) is authorized statutorily to issue multi-family bonds from the State's Private Activity Bond (PAB) volume cap to assist in the development of affordable rental units in the rural areas of the state. In FY2003, the AzHFA issued a PAB in the amount of \$9,355,000 for the development of 268 units at Ft. Defiance on the Navajo Reservation.

**TABLE 1
HOUSEHOLDS ASSISTED BY FUND SOURCE
(Housing Related Services Only)**

	CDBG	HOME	HTF	LIHTC		MRB	RHAP	Supportive Housing	HOPWA	Section 8	Subtotal	%
				4%	9%							
Rental											3,744	34.7
New Construction		58	51	595	1,010						1,714	15.9
Rehabilitation		16	50	107	229			12	8		422	3.6
Rental Assistance								1,554	11	43	1,608	14.9
Homeownership											1,214	11.2
New Development		19									19	0.2
Rehabilitation	770	100	135								1,005	9.3
Homeownership Assistance			40			29	121				190	1.8
Emergency/Transitional											5,796	53.7
Prevention			3,545						243		3,788	35.1
Production		24	20								44	0.4
Support Services, Operating Cost			1,471					255	238		1,964	18.2
Other			41								41	0.4
Total	770	217	5,353	702	1,239	29	121	1,821	500	43	10,795	

**TABLE 2
SUMMARY OF HOUSING AND COMMUNITY DEVELOPMENT RESOURCES
COMMITTED IN FY 2003**

Program / Fund Source	Funds Committed – FY2003
Housing Trust Fund	\$9,856,520
Community Development Block Grant	\$9,292,863
HOME	\$5,500,049
Housing Opportunities for People with Aids	\$365,865
Section 8 Housing Choice Voucher	\$201,861
Supportive Housing	\$3,312,887
Shelter Plus Care	\$5,187,084
Low Income Housing Tax Credit (9%)	\$9,602,233
Low Income Housing Tax Credit (4%)	\$1,633,445**
Mortgage Revenue Bonds (AzHFA)	\$2,566,190**

*Note: This number may not represent the full amount received from the Unclaimed Property Fund. \$2.5 million was transferred to the Arizona Housing Finance Authority (pursuant to A.R.S. § 41-3955 (D)) and \$4 million was committed to the Rural Housing Assistance Program (RHAP). Additionally, in anticipation of legislative transfers during the FY04 budget cycle, the Department made conservative funding commitments for FY03 programs. In an effort to allow for sufficient program funding in FY2004, \$2.9 million was carried over from the FY2003 HTF budget.

**Note: These are not expenditures of cash within the Department's budget. The Department has authority to issue federal tax credits and federal housing private activity bonds. These numbers represent such issuances.

**TABLE 3
GEOGRAPICAL DISTRIBUTION OF FUNDING COMMITMENTS BY COUNTY**

County	CDBG	HOME	HTF	LIHTC		MRB	RHAP	Supportive Housing	HOPWA	Section 8	Sub Total	%
				4%	9%							
Apache	218,820	0	209,207	0	0	0	18,914	260,799	8,000	N/A	715,740	1.5
Cochise	1,451,080	273,066	468,637	0	0	0	269,758	247,975	47,078	N/A	2,489,101	5.1
Coconino	372,112	120,000	437,854	0	352,849	376,464	144,625	346,001	105,000	N/A	2,254,905	4.6
Gila	998,249	0	629,501	0	0	0	0	0	0	N/A	1,627,750	3.3
Graham	426,826	0	416,865	0	0	90,086	0	0	0	94,875	1,028,652	2.1
Greenlee	118,040	0	51,865	0	0	0	0	0	0	N/A	169,905	0.3
La Paz	233,678	100,000	171,449	0	0	0	0	0	0	N/A	505,127	1.0
Maricopa	N/A	1,495,467	2,132,071	1,633,445	3,952,241	0	N/A	5,535,244	0	N/A	14,748,468	30.3
Mohave	1,613,505	455,000	676,380	0	0	0	49,023	150,548	0	N/A	2,675,963	5.5
Navajo	541,492	271,945	1,352,285	0	1,097,313	0	55,787	91,900	10,500	N/A	3,421,222	7.0
Pima	N/A	1,109,008	1,755,064	0	1,333,646	0	N/A	652,200	72,793	N/A	4,922,711	10.1
Pinal	1,025,068	677,080	603,231	0	291,202	1,167,177	110,273	427,068	0	N/A	4,301,099	8.8
Santa Cruz	495,803	0	499,515	0	693,172	0	31,954	29,925	0	N/A	1,750,369	3.6
Yavapai	1,454,085	408,483	254,557	0	1,193,126	353,470	47,847	410,085	122,494	106,986	4,082,620	8.4
Yuma	1,418,077	590,000	198,039	0	688,684	568,993	380,942	348,226	0		3,924,468	8.1
Total	9,292,863	5,500,049	9,856,520	1,633,445	9,602,233	2,556,190	1,109,123	8,499,971	365,865	201,861	48,618,120	100.0
Rural	9,292,863	2,895,574	5,969,385	0	4,316,346	2,556,190	1,109,123	2,312,527	365,865	201,861	29,019,734	59.7
Urban	N/A	2,604,475	3,887,135	1,633,445	5,285,887	0	N/A	6,187,444	0	N/A	19,598,386	40.3

Legislative Highlights

The Department did not pursue any changes to State statutes during FY2003. However, two budgetary items were adopted with impacts to the Housing Trust Fund.

- ▶▶ Chapter 327, from the 45th Legislature, 2nd Regular Session, transferred \$2 million from the HTF to the General Fund in FY2003.
- ▶▶ Chapter 2, from the 46th Legislature, 1st Regular Session, transferred \$5 million from the Unclaimed Property Fund to the General Fund. Because the HTF receives 55percent of the proceeds of Unclaimed Property, this transfer will cause an additional FY2004 loss of approximately \$2.75 million to the HTF.



Board members from left: Ross McCallister, Stephanie Prudence, Victor Flores, Mo Stein, Cliff Potts, Rita Carrillo, Brian Mickelsen



Boards and Commissions



As part of the creation of the Arizona Department of Housing, the legislature also created a state housing finance authority to serve rural Arizona. The **Arizona Housing Finance Authority (AzHFA)** has the ability to issue Mortgage Revenue Bonds (MRBs) to provide reduced interest mortgages for first-time homebuyers. The AzHFA can also issue Mortgage Credit Certificates (MCCs) that reduce first-time homebuyers tax liability, thereby qualifying them for an increased mortgage amount. It can further issue private activity bonds for multifamily projects.

In FY2003, 29 households were provided with reduced rate mortgages through the issuance of MRBs.

The seven members of the AzHFA are appointed by the Governor and represent geographical diversity. No more than four members may be from the same political party.

Rita Carrillo <i>Chair</i>	Neighborhood Housing Services	Phoenix
Ross McCallister <i>Vice-Chair</i>	The McCallister Companies	Tucson
Victor Flores <i>Secretary</i>	Salt River Project	Phoenix
Stephanie Prudence <i>Treasurer</i>	National Bank of Arizona	Sierra Vista
Cliff Potts	Prudential Real Estate	Payson
Brian Mickelsen	City of Cottonwood	Cottonwood
Mo Stein	Stein-Cox Group	Phoenix

The **Arizona Housing Commission** was created by Executive Order in 1996 and in 1997 was formally established in statute. The Commission is comprised of 24 key decision-makers from private industry, community-based nonprofit housing organizations, and state, local and tribal governments.

The Commission may: Recommend housing strategic planning and policy; coordinate public and private housing finance programs; provide recommendations for better private and public partnerships and initiatives for developing housing; review state housing programs; encourage the development of housing opportunities for special needs populations; advise the governor, the legislature, state agencies and city, county and tribal governmental bodies on the public and private actions that affect the cost or supply of housing.

- Arthur Crozier (Chair)**
Frank M. Smith & Assoc., Inc.
- Scot Butler, III (Vice-Chair)**
Mfg. Housing Industry of Arizona
- Adeline Allen**
Pinal County Division of Housing
- Teresa Brice-Heames**
Housing for Mesa
- Rosa Bruce**
City of Casa Grande
- Chester Carl**
Navajo Housing Authority
- Maria Chavez**
AZ Interagency Farmworker Coalition
- Sam Cioffi**
Community Services of Arizona

- Elisa de la Vara**
Fannie Mae
- Joyce Eddie**
Gila River Indian Community
- Andrew Gordon**
Arizona Multibank CDC
- Nedra Halley**
Dunlap & Magee
- Jeannie Jertson**
Maricopa County Community Services
- Guy Mikkelsen**
Foundation for Senior Living
- Emily Nottingham**
Tucson Community Services
- Debra Owen**
Tucson New Beginnings

- Jean Richmond**
Northern Arizona Building Association
- Juan Salgado**
City of Phoenix
- Barbara Williams**
Public Member
- Sen. Ken Bennett**
President, Arizona State Senate
- Rep. Jake Flake**
Speaker, Arizona House of Representatives

Mission

Providing housing and community revitalization to benefit the people of Arizona.

Vision

Affordable housing...viable communities.



Arizona Department of Housing

1700 W. Washington, Suite 210 Phoenix, AZ 85007

MAIN (602) 771-1000

FAX (602) 771-1002

TTY (602) 771-1001

www.housingaz.com