



HOUSING ARIZONA



Arizona Department of Housing **FY2008 ANNUAL REPORT**



HOUSING ARIZONA

2008 was a year of significant challenges in the housing world in Arizona and across the nation. Almost daily, the headlines screamed of the growing foreclosure crisis and general economic meltdown. At the national level, multiple policy intervention sought to slow down, if not end, the housing crisis. In Arizona, Governor Napolitano convened the Departments of Housing and Financial Institutions and members of her senior staff to craft a strategy for assisting homeowners facing foreclosure.

Without additional staff or resources, the Department of Housing took on the task of reaching out to homeowners facing foreclosure. First, using the State Housing Trust Fund, the Department increased funding for the Eviction and Foreclosure Prevention program in an effort to extend help to homeowners about to lose their homes and renters being evicted from foreclosed homes.

The Department also sought to assist housing counseling agencies dealing with the onslaught of struggling homeowners. The State Housing Trust Fund was used to support training to expand the number of foreclosure mitigation counselors available across the state. Federal funds were successfully obtained to support further expansion of counseling services and State Housing Trust Fund were used to create a hotline for struggling consumers to call to access assistance. Thousands of Arizonans have taken advantage of this resource.

But even as the work of addressing the foreclosure crisis consumed much of the attention of the Department, the traditional work continued. 19 Low income Housing Tax Credit projects were funded that will eventually create 1,437 units of affordable housing across the state. The Arizona Housing Finance Authority assisted nearly 300 Arizonans to obtain their first homes. 1,537 units of dilapidated, but affordable, housing was preserved through the homeowner and rental rehabilitation programs. And, the safety and security of thousands tenants of publicly subsidized units was protected through the state Public Housing Authority's monitoring and oversight efforts.

In September, in conjunction with this year's very successful annual housing conference, the Governor announced the Housing Arizona Initiative that focused over \$13 million in State Housing Trust Fund resources on two groups hardest hit by the current economic crisis: households facing foreclosure, and families and individuals experiencing homelessness. The homelessness effort will take place under the leadership of the Interagency and Community Council on Homelessness (ICCH) and will focus resources on homeless youth in partnership with DES, homeless veterans in partnership with the Department of Veterans Services, homeless offenders in collaboration with the Department of Corrections, and persons experiencing serious mental illness with the Department of Health Services.

So, despite the unprecedented challenges to the housing world, the Department was able to accomplish some very important things in 2008. FY2009 will bring similar challenges, with a substantial state budget shortfall and continuing bad news on the national economic scene. The key to success in the coming year will be keeping the Department's focus on its core mission to meet the housing needs of low and moderate income Arizonans. Never before has that mission been so critical.

A handwritten signature in black ink, reading "Fred G. Karnas, Jr.", is positioned below the text.

Fred G. Karnas, Jr.
Director

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Central Arizona

GILA | PINAL



HOUSING FACTS & FIGURES

The Central Arizona region which includes Gila and Pinal counties has over 150,000 housing units. It is projected that by 2016 that number could increase by nearly sixty percent, mostly due to the growth rate of Pinal County. The greatest number of housing units in this region are single family homes. The region is home to a significant number of mobile homes—which make up 25 percent of the regional housing stock. A very low number of multi-family rental units—only 8 percent—can be found within these two counties.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed over \$16.2 million in resources to Gila County and over \$27.3 million in Pinal County. Over 40,000 residents are expected to benefit from these investments in some manner, mostly through community-wide improvements made available through the Community Development Block Grant (CDBG) program.

In Gila County, over \$17 million in Low-Income Housing Tax Credits will result in over 100 affordable rental units being financed in the county. The

State Housing Fund (HOME and Housing Trust Fund) Program assisted another 580 homeowners or renters with securing safe, decent, affordable housing.

In Pinal County, \$2.5 million in Low-Income Housing Tax Credits will result in over 42 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 752 homeowners or renters with securing safe, decent, affordable housing.

Pinal County, which was once growing at run-away speed with housing subdivisions going up practically overnight, has slowed amidst the recent mortgage foreclosure crisis. Nevertheless, a significant number of first-time homebuyers were assisted into new or existing units in Pinal County during FY2008 by accessing the homeownership assistance programs of either ADOH or the Arizona Housing Finance Authority (AzHFA). Between the Mortgage Credit Certificate Program, Mortgage Revenue Bond Program, and the Homes for Arizonans Program, over \$17.5 million in financial resources provided 277 homebuyers with assistance.

Homeless funding through the Supportive Housing Program (SHP) assisted 38 homeless with over \$12,000 in assistance, utilized primarily for rental assistance and supportive services.

FY2008 ANNUAL REPORT

| | | CDBG | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | MCC | MRB | HOMES FOR ARIZONANS AZHFA | HOMES FOR ARIZONANS ADOH | SHP | HOPWA | TOTAL |
|------|--------------|-------------|-----------|-----------|--------------------------------|--------------|-----|-----|---------------------------|--------------------------|----------|---------|--------------|
| | | | | | 4% | 9% | | | | | | | |
| GILA | by Program | \$1,456,693 | \$750,000 | \$257,979 | \$432,377 | \$13,270,701 | * | 0 | 0 | \$53,530 | \$12,115 | \$1,816 | \$16,235,211 |
| | by Household | 8,270 | 6 | 574 | 0 | 100 | 0 | 0 | 0 | 3 | 0 | 2 | 8,955 |

| | | | | | | | | | | | | | |
|-------|--------------|-------------|-------------|-----------|-----------|-------------|----|--------------|-----------|-------------|-----------|---|--------------|
| PINAL | by Program | \$2,331,467 | \$1,750,000 | \$965,215 | \$465,855 | \$2,029,546 | * | \$15,665,143 | \$535,873 | \$1,404,496 | \$251,543 | 0 | \$25,399,138 |
| | by Household | 30,948 | 34 | 718 | 0 | 42 | 13 | 105 | 73 | 86 | 38 | 0 | 32,057 |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

Gila County Housing Services is in the business of preserving the sentimental and historic value of their communities if at all possible. That's why when they were called to help one of their homeowners, their first reaction was not to demolish the small home.

Nettie Martin is a widow raising a teenage grandchild. Their home had major repair issues—a roof that needed to be replaced, windows and doors leaking air and pollutants, rotting gas piping. Added to this, the home had inadequate heating and cooling, an out-of-date kitchen and bathroom, in which mold had taken hold, as well as a community of Africanized bees that had to be removed prior to starting the rehabilitation.

With a CDBG investment of \$50,000 (and some weatherization money), Ms. Martin's home was preserved and the quality of her small family's life improved dramatically. The improvements also increased the market value of the property and enhanced the neighborhood and community.

"In our community, it is more eco-friendly to rehabilitate older homes than to demolish and replace them," said Malissa Buzan, Housing Services Manager for Gila County Health and Community Services.





Maricopa County



HOUSING FACTS & FIGURES

With a population of over three million, Maricopa County is the most populous county in the state. Home to more than half of the residents of Arizona, this largely metropolitan area provides a wide variety of housing options for every income level. From 2005-2007, Maricopa County had a total of 1.5 million housing units, 12 percent of which were vacant. Of the total housing units, 69 percent was in single-unit structures, 25 percent was in multi-unit structures, and six percent was mobile homes. Forty-two percent of the housing units were built since 1990.

With one of the highest foreclosure rates in the nation, Maricopa County has seen a significant drop in the median home price, with a decrease of over 20 percent since 2007. Rental properties also saw a spike in vacancies in 2007-2008. The median monthly housing costs for mortgaged owners was \$1,470, non-mortgaged owners, \$361; and renters, \$845. Thirty-seven percent of owners with mortgages, 12 percent of owners without mortgages, and 46 percent of renters in Maricopa County spent 30 percent or more of household income on housing.

Maricopa County is home to a number of municipalities that are considered entitlement communities by the Federal government. This means many of the county's communities directly receive grant funds, such as the Community Development Block Grant (CDBG) and HOME programs, to

address local housing and community development needs. In addition to the County itself, the cities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, Surprise and Tempe all receive allocations of CDBG and/or HOME funds. For this reason, ADOH investments in Maricopa County are not as substantial as they might otherwise be if the local governments in the area did not already have resources to address many of the housing issues in their communities.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed over \$54.8 million for projects located in Maricopa County.

Over \$36 million in Low-Income Housing Tax Credits will result in over 742 affordable rental units being financed in the county. The State Housing Fund (HOME and Housing Trust Fund) Program provided more than \$13 million to assist another 4,565 homeowners or renters with safe, decent, affordable housing.

Homeless funding through the Shelter Plus Care program assisted nearly 1,000 homeless with over \$5 million in assistance, utilized primarily for rental assistance and supportive services.

FY2008 ANNUAL REPORT

| MARICOPA COUNTY | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | SHELTER PLUS CARE | TOTAL |
|-----------------|-------------|-------------|--------------------------------|--------------|-------------------|--------------|
| | | | 4% | 9% | | |
| by Program | \$4,229,091 | \$8,833,009 | \$12,018,691 | \$24,432,906 | \$5,342,676 | \$54,856,373 |
| by Household | 68 | 4,497 | 547 | 195 | 984 | 6,291 |

Pinchot Apartments provides permanent rental housing for homeless women with children who are in recovery from substance abuse. The complex opened in April 2008 and is operated by New Arizona Family, Inc. (NAFI), a non-profit public benefit organization established in 1970.

Female tenants must be over 18, must have children or be in the process of getting their children returned to them, and must have a job. Rent for these two and three-bedroom units is determined on a sliding scale based on the tenant's ability to pay. A DES-subsidized daycare center located next to the apartment complex is available while they work. Programs are available for family reunification, remediation and parenting skills.

Residents tend to stay—the complex has had only four leave since April.

“These women are very motivated and ready to change their lives,” said Tracy Watts, Pinchot’s on-site manager, “I see them grow every day.”

The project was funded by a blend of ADOH, Federal Home Loan Bank, HUD, and City of Phoenix monies.



Pinchot Community Supportive Housing provides permanent rental housing for homeless women recovering from substance abuse.

Northern Arizona

APACHE | COCONINO | NAVAJO | YAVAPAI

HOUSING FACTS & FIGURES

The Northern Arizona region which includes Apache, Coconino, Navajo and Yavapai counties has well over 200,000 housing units, serving a population of over half a million. The greatest number of housing units in this region are single family homes. The region is home to a significant number of mobile homes —which make up nearly 21 percent of the area housing stock. Approximately 11 percent are multi-family rental units. Thirty-three percent of the housing units in this four-county region were built since 1990. In Yavapai County that figure is even higher at over 44 percent.

Within this region, the cities of Flagstaff and Prescott are both considered entitlement communities by the Federal government, for purposes of accessing the Community Development Block Grant (CDBG) program with direct allocations. ADOH provides CDBG to other area municipalities and counties.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed over \$45.8 million in resources to this region. Over 38,000 residents are expected to benefit from these investments in some manner, mostly through community-wide improvements made available through the Community Development Block Grant (CDBG) program.

In Apache County, the State Housing Fund (HOME and Housing Trust Fund) Program assisted 756 homeowners or renters with securing safe, decent, affordable housing.

In Coconino County, \$6.3 million in Low-Income Housing Tax Credits will result in 57 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 4,084 homeowners or renters with securing safe, decent, affordable housing.

In Navajo County, \$4.4 million in Low-Income Housing Tax Credits will result in 32 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 683 homeowners or renters with securing safe, decent, affordable housing.

In Yavapai County, almost \$9.8 million in Low-Income Housing Tax Credits will result in 54 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 381 homeowners or renters with securing safe, decent, affordable housing.

Within the region a significant number of first-time homebuyers were assisted into new or existing units during FY2008 by accessing the homeownership assistance programs of either ADOH or the Arizona Housing Finance Authority (AzHFA). Between the Mortgage Credit Certificate Program, Mortgage Revenue Bond Program, and the Homes for Arizonans Program, over \$10.6 million in financial resources provided 197 homebuyers with assistance.

Homeless funding through the Supportive Housing Program (SHP) assisted nearly 300 homeless with over \$1.1 million in assistance, utilized primarily for rental assistance and supportive services.

The Housing Assistance for Persons with AIDS (HOPWA) program also assisted 94 households living with HIV/AIDS with housing assistance.

FY2008 ANNUAL REPORT

| | | CDBG | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | MCC | MRB | HOMES FOR ARIZONANS AZHFA | HOMES FOR ARIZONANS ADOH | SHP | HOPWA | TOTAL |
|----------|--------------|-------------|-------------|-------------|--------------------------------|-------------|-----|-------------|---------------------------|--------------------------|-----------|----------|--------------|
| | | | | | 4% | 9% | | | | | | | |
| APACHE | by Program | \$227,340 | \$1,382,000 | \$1,185,692 | 0 | 0 | * | \$1,378,761 | \$126,182 | \$51,686 | \$212,709 | \$3,632 | \$4,568,002 |
| | by Household | 584 | 33 | 723 | 0 | 0 | 6 | 11 | 19 | 3 | 38 | 2 | 1,419 |
| COCONINO | by Program | \$372,353 | \$280,000 | \$536,676 | 0 | \$6,318,727 | * | \$1,448,381 | \$128,959 | \$217,688 | \$231,925 | \$44,488 | \$9,579,198 |
| | by Household | 532 | 8 | 4,076 | 9 | 48 | 6 | 9 | 14 | 12 | 24 | 40 | 4,778 |
| NAVAJO | by Program | \$527,250 | \$325,000 | \$379,400 | 0 | \$4,445,871 | * | \$4,863,488 | \$292,361 | \$87,918 | \$142,176 | \$4,540 | \$11,088,003 |
| | by Household | 27,758 | 7 | 676 | 0 | 32 | 10 | 37 | 42 | 6 | 37 | 2 | 28,607 |
| YAVAPAI | by Program | \$1,109,997 | \$250,000 | \$2,362,639 | 0 | \$9,781,859 | * | \$1,720,358 | \$65,222 | \$269,618 | \$526,295 | \$36,316 | \$16,779,367 |
| | by Household | 2,557 | 3 | 378 | 0 | 54 | 4 | 11 | 10 | 15 | 187 | 50 | 3,387 |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

Phase III of **Valley View Apartments**, an affordable housing complex in Prescott Valley, was recently completed by Wescap Investment, Inc. of Phoenix. Spread over a 20-acre site, there are 224 units in the three phase project, ranging from one-bedroom to three-bedroom apartments. This project was funded with LIHTC and HOME monies through ADOH, as well as a \$1.5 million RD538 Loan Guarantee.

The developer has positioned picnic and barbecue areas throughout the complex, divided by grassy spaces for the tenants' to plan events outdoors. Volleyball courts, an exercise facility, and theater provide tenants with plenty of recreational avenues.

Numerous new job opportunities in the Prescott Valley area have made these apartment homes popular and keep the vacancy rate at a very low level. Tim's Toyota Center, home of two semipro athletic teams and a full schedule of entertainment events; Harkins' new 14-theater complex; and many other healthy small businesses are providing stable positions for those living at Valley View.



Pima County



HOUSING FACTS & FIGURES

With a population of over one million, Pima County is the second most populous county in the state. This largely metropolitan area provides a wide variety of housing options for every income level. From 2005-2007, Pinal County had a total of 124,000 housing units, 17 percent of which were vacant. Of the total housing units, 63 percent was in single-unit structures, 9 percent was in multi-unit structures, and 26 percent was mobile homes. Fifty-nine percent of the housing units were built since 1990.

From 2005-2007, Pinal County had 103,000 occupied housing units comprised of 77,000 (75 percent) owner occupied and 25,000 (25 percent) renter occupied.

The median monthly housing costs for mortgaged owners was \$1,280; nonmortgaged owners, \$309; and renters, \$697. Forty percent of owners with mortgages, 13 percent of owners without mortgages, and 36 percent of renters in Pinal County spent 30 percent or more of household income on housing.

Statistics indicate that the rate of foreclosures in Tucson are lower than both state and national averages. Nevertheless, the median home price dropped about 9 percent over the last year.

Both Pima County and the City of Tucson are considered entitlement communities by the Federal government. This means these entities directly receive grant funds, such as the Community Development Block Grant (CDBG) and HOME programs, to address local housing and community development needs. For this reason, ADOH investments in Pima County are not as substantial as they might otherwise be if the local governments in the area did not already have resources to address many of the housing issues in their communities.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed over \$17.9 million for projects located in Pima County.

Over \$16 million in Low-Income Housing Tax Credits will result in over 140 affordable rental units being financed in the county. The State Housing Fund (HOME and Housing Trust Fund) Program provided more than \$1 million to assist another 536 homeowners or renters with safe, decent, affordable housing.

Homeless funding through the Shelter Plus Care program assisted nearly 200 homeless with over \$800,000 in assistance, utilized primarily for rental assistance and supportive services.

FY2008 ANNUAL REPORT

| PIMA COUNTY | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | SHELTER PLUS CARE | TOTAL |
|--------------|-----------|-----------|--------------------------------|--------------|-------------------|--------------|
| | | | 4% | 9% | | |
| by Program | \$500,000 | \$611,214 | \$588,337 | \$15,469,430 | \$818,196 | \$17,987,177 |
| by Household | 7 | 529 | * | 140 | 180 | 856 |

* Households are counted in the 9% credit figure.



Southwest Fair Housing Council (SWFHC) is a non-profit tax-exempt organization based in Tucson which advocates and facilitates enforcement of the Federal Fair Housing Act. The SWFHC has served the communities of Southern Arizona since 1988, providing assistance to people who have housing discrimination complaints, including investigation, documentation and even mediation. They provide outreach and education on topics such as Fair Housing and predatory lending. They also assist groups in the development of fair housing goals, plans, strategies and actions. They also train first time homebuyer program staff in a train-the-trainer effort. The agency also houses the “Don’t Borrow Trouble®” anti-predatory lending and foreclosure prevention-intervention campaign, as well as the educational component for a City of Tucson Lead Hazard project.



ADOH has a long relationship with SWFHC and contracts with them to provide free fair housing/fair lending training in Arizona, except for Pima and Maricopa Counties. They are also contracted with Pima County, City of Tucson, City of Phoenix, and the U.S. Department of Housing and Urban Development.

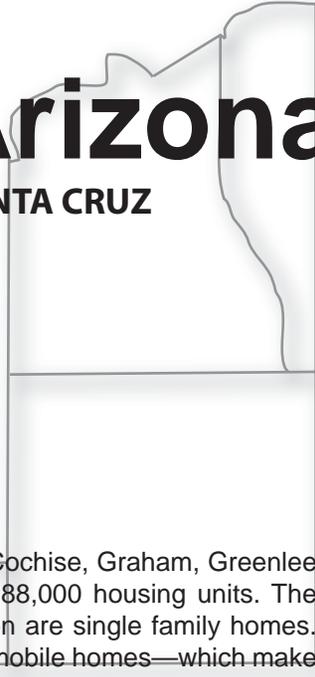


In one year, the staff at SWFHC conducted over 175 workshops and training classes reaching over 3,400 students (top photo), and distributed over 30,000 pieces of fair housing/fair lending literature at events such as this resource fair (bottom photo).



Southern Arizona

COCHISE | GRAHAM | GREENLEE | SANTA CRUZ



HOUSING FACTS & FIGURES

The Southern Arizona region which includes Cochise, Graham, Greenlee and Santa Cruz counties has approximately 88,000 housing units. The greatest number of housing units in this region are single family homes. The region is home to a significant number of mobile homes—which make up nearly 23 percent of the area housing stock. Approximately 12 percent are multi-family rental units.

Within this region, there are no entitlement communities that receive direct funding from the Federal government for housing or community development related issues. All funding for such activities comes through ADOH.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed almost \$22.2 million in resources to this region. Over 9,700 residents were expected to benefit from these investments in some manner, mostly through community-wide improvements made available through the Community Development Block Grant (CDBG) program.

In Cochise County, \$7.8 million in Low-Income Housing Tax Credits will result in 51 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted

another 378 homeowners or renters with securing safe, decent, affordable housing.

In Graham County, the State Housing Fund (HOME and Housing Trust Fund) Program assisted 75 homeowners or renters with securing safe, decent, affordable housing.

In Greenlee County, the State Housing Fund (HOME and Housing Trust Fund) Program assisted 76 homeowners or renters with securing safe, decent, affordable housing.

In Santa Cruz County, the State Housing Fund (HOME and Housing Trust Fund) Program assisted 335 homeowners or renters with securing safe, decent, affordable housing.

Within the region a significant number of first-time homebuyers were assisted into new or existing units during FY2008 by accessing the homeownership assistance programs of either ADOH or the Arizona Housing Finance Authority (AzHFA). Between the Mortgage Credit Certificate Program, Mortgage Revenue Bond Program, and the Homes for Arizonans Program, over \$4.0 million in financial resources provided 155 homeowners with assistance.

Homeless assistance funding through the Supportive Housing Program (SHP) and Shelter Plus Care program assisted 81 homeless with over \$390,000 in assistance, utilized primarily for rental assistance and supportive services.

FY2008 ANNUAL REPORT

| | | CDBG | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | MCC | MRB | HOMES FOR ARIZONANS AZHFA | HOMES FOR ARIZONANS ADOH | SHP | SHELTER PLUS CARE | TOTAL |
|------------|--------------|-------------|-----------|-------------|--------------------------------|-------------|-----|-------------|---------------------------|--------------------------|-----------|-------------------|--------------|
| | | | | | 4% | 9% | | | | | | | |
| COCHISE | by Program | \$1,340,100 | \$750,000 | \$1,650,785 | 0 | \$7,850,716 | * | \$2,138,843 | \$202,419 | \$451,931 | \$188,914 | \$52,920 | \$14,626,627 |
| | by Household | 5,091 | 28 | 350 | 0 | 51 | 17 | 16 | 29 | 30 | 43 | 11 | 5,666 |
| GRAHAM | by Program | \$388,841 | 0 | \$205,717 | 0 | 0 | * | \$296,348 | \$51,032 | \$172,147 | \$12,115 | \$56,568 | \$1,182,768 |
| | by Household | 2,184 | 0 | 75 | 0 | 0 | 5 | 2 | 7 | 10 | 0 | 11 | 2,294 |
| GREENLEE | by Program | \$100,000 | 0 | \$128,297 | 0 | 0 | 0 | 0 | 0 | \$18,805 | \$12,115 | 0 | \$259,217 |
| | by Household | 1,162 | 0 | 76 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1,239 |
| SANTA CRUZ | by Program | \$495,839 | 0 | \$325,696 | 0 | \$278,135 | * | \$277,142 | \$57,008 | \$370,950 | \$41,642 | \$25,920 | \$1,872,331 |
| | by Household | 142 | 0 | 335 | 0 | 0 | 6 | 2 | 8 | 22 | 11 | 5 | 531 |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

The **Food Bank of Tombstone** opened in its new building on November 23, 2008 complete with a ribbon cutting and a vigilante hanging. ADOH funding through the CDBG program helped the city—dubbed “The Town Too Tough to Die”—fund the larger space. “The demand is rising weekly,” said Marge Legler, Food Bank of Tombstone secretary.

In mid-April, Tombstone began construction on the new building. Tombstone had had a food bank for over 30 years, but it had been housed in the small, rodent-infested building that was originally a hospital. The Boards of both the Tombstone Food Bank and the Tucson Food Bank agreed that although Tombstone volunteers would staff the new food bank, the Tucson facility would provide training and access to a regionally networked computer system to track recipients. A truly cooperative effort of several agencies, including SEAGO for writing the grant and administering the project, and the Tucson Food Bank for also assisting in getting Rural Development funding for items such as coolers and furnishings.

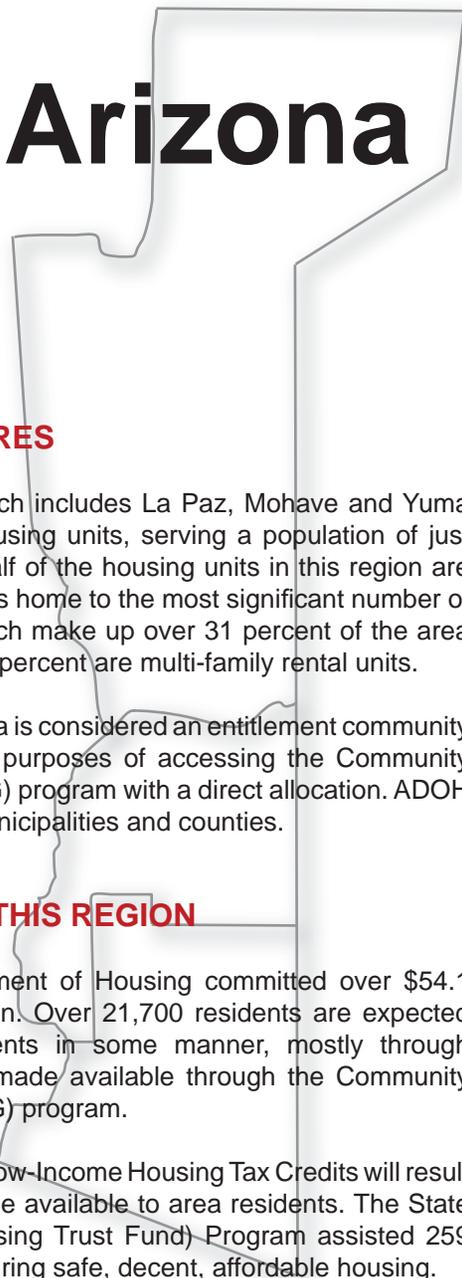
The new space, now with a five-year lease, will serve 196 families. Food donations come from USDA federal funds, local churches, the Vigilantes (a local non-profit service organization), and the Lions' Club.





Western Arizona

LA PAZ | MOHAVE | YUMA



HOUSING FACTS & FIGURES

The Western Arizona region which includes La Paz, Mohave and Yuma counties has nearly 200,000 housing units, serving a population of just under half a million. Just over half of the housing units in this region are single family homes. The region is home to the most significant number of mobile homes in the state —which make up over 31 percent of the area housing stock. Approximately 12 percent are multi-family rental units.

Within this region, the City of Yuma is considered an entitlement community by the Federal government, for purposes of accessing the Community Development Block Grant (CDBG) program with a direct allocation. ADOH provides CDBG to other area municipalities and counties.

ADOH INVESTMENTS IN THIS REGION

In FY2008, the Arizona Department of Housing committed over \$54.1 million in resources to this region. Over 21,700 residents are expected to benefit from these investments in some manner, mostly through community-wide improvements made available through the Community Development Block Grant (CDBG) program.

In La Paz County, \$6.9 million in Low-Income Housing Tax Credits will result in 50 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted 259 homeowners or renters with securing safe, decent, affordable housing.

In Mohave County, \$7.8 million in Low-Income Housing Tax Credits will result in 38 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 473 homeowners or renters with securing safe, decent, affordable housing.

In Yuma County, \$16.9 million in Low-Income Housing Tax Credits will result in 140 new rental units being made available to area residents. The State Housing Fund (HOME and Housing Trust Fund) Program assisted another 250 homeowners or renters with securing safe, decent, affordable housing.

Within the region a significant number of first-time homebuyers were assisted into new or existing units during FY2008 by accessing the homeownership assistance programs of either ADOH or the Arizona Housing Finance Authority (AzHFA). Between the Mortgage Credit Certificate Program, Mortgage Revenue Bond Program, and the Homes for Arizonans Program, over \$11.7 million in financial resources provided 262 homebuyers with assistance.

Homeless funding through the Supportive Housing Program (SHP) and the Shelter Plus Care program assisted 136 homeless with nearly \$800,000 in assistance, utilized primarily for rental assistance and supportive services.

The Housing Assistance for Persons with AIDS (HOPWA) program also assisted 94 households living with HIV/AIDS with housing assistance.

FY2008 ANNUAL REPORT

| | CDBG | HOME | HTF | LOW INCOME HOUSING TAX CREDITS | | MCC | MRB | HOMES FOR ARIZONANS AZHFA | HOMES FOR ARIZONANS ADOH | SHP | SHELTER PLUS CARE | HOPWA | TOTAL | |
|---------------|--------------|-------------|-----------|--------------------------------|-----------|--------------|-----|---------------------------|--------------------------|-----------|-------------------|-----------|----------|--------------|
| | | | | 4% | 9% | | | | | | | | | |
| LA PAZ | by Program | \$439,550 | 0 | \$253,143 | \$271,293 | \$6,700,288 | 0 | 0 | 0 | 0 | \$12,115 | \$94,776 | 0 | \$7,771,165 |
| | by Household | 4,196 | 0 | 259 | 0 | 50 | 0 | 0 | 0 | 0 | 18 | 0 | 4,523 | |
| MOHAVE | by Program | \$1,793,349 | \$750,000 | \$1,112,531 | 0 | \$7,804,030 | 0 | \$684,872 | \$17,135 | \$461,987 | \$204,191 | 0 | \$83,808 | \$12,911,903 |
| | by Household | 488 | 30 | 473 | 0 | 38 | 0 | 4 | 2 | 26 | 38 | 0 | 26 | 1,125 |
| YUMA | by Program | \$1,146,685 | \$600,000 | \$208,191 | 0 | \$16,964,439 | * | \$10,276,178 | \$575,987 | \$892,452 | \$203,180 | \$256,224 | 0 | \$31,123,336 |
| | by Household | 15,370 | 6 | 250 | 0 | 140 | 18 | 76 | 83 | 53 | 29 | 51 | 0 | 16,076 |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

Katherine Heights Villas and Townhomes is an affordable rental community located near Bullhead City, Arizona, comprised of three-bedroom, two-bath family townhomes; and two-bedroom, one-bath senior villas, with an attached one or two car garage for each unit. The Katherine Heights project is being developed under the Low Income Housing Tax Credit (LIHTC) program by Adams Construction & Management Company of St. George, Utah. The company recently completed Phase III, which consists entirely of family townhomes.

Amenities supplied for the residents include a basketball court with a "Sport Court" surface and lights for night play, a playground for the small children, a swimming pool with a covered area and a club house that tenants may use to host dinners, parties or other events. A community park is nearly complete and will include a large covered pavilion with picnic tables, grassy lawn areas, and playground equipment for the children.

This project is unique in that due to its remote location in Mohave County, it was necessary to build a sewer treatment plant, a water distribution system, and drill wells specifically for the community's use.



table 1
COMMITTED FUNDS AND LEVERAGING RESOURCES

| program | funds committed | leverage | ratio of commitment to leverage |
|-----------------------------------|----------------------|----------------------|---------------------------------|
| CDBG | \$ 11,729,464 | \$ 3,421,725 | 29% |
| HOME | 11,566,091 | 3,047,000 | 26% |
| HOPWA | 174,600 | 0 | 0% |
| Shelter Plus Care | 6,647,280 | 0 | 0% |
| SHP | 2,051,035 | 3,748,490 | 183% |
| Section 8 HCVP | 657,064 | 363,813 | 55% |
| Section 8 Project Based Pass Thru | 38,697,877 | 32,418,645 | 240% |
| LIHTC 4%** | 13,776,553 | 0 | 0% |
| LIHTC 9%** | 115,346,648 | 115,220,358 | 100% |
| HTF | 25,016,184 | 39,650,496 | 159% |
| MRB | 38,769,514 | 0 | 0% |
| MCC | * | 12,373,809 | 0% |
| Homes for Arizonans ADOH | 4,453,207 | 40,508,178 | 909% |
| Homes for Arizonans AzHFA | 2,052,178 | 30,612,986 | 687% |
| TOTAL | \$270,937,695 | \$281,365,500 | 104% |

| PROGRAM ACRONYMS | |
|------------------|---|
| AzHFA | Arizona Housing Finance Authority |
| CDBG | Community Development Block Grant |
| MRB | Mortgage Revenue Bond |
| MCC | Mortgage Credit Certificate |
| HCVP | Housing Choice Voucher Program |
| HOME | HOME Investment Partnership Program |
| HOPWA | Housing Opportunities for Persons with AIDS |
| HTF | State Housing Trust Fund |
| LIHTC | Low Income Housing Tax Credit |
| RD | Rural Development |
| SHP | Supportive Housing Program |
| USDA | U. S. Department of Agriculture |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

** 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. These amounts represent the 10-year value of the issued tax credits.

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table 2
TOTAL FUND COMMITMENT BY PROGRAM

| | CDBG | HOME | HTF | LIHTC | | Homes for Arizonans ADOH | Homes for Arizonans AzHFA | SHP | Shelter Plus Care | Section 8 | MRB | MCC | HOPWA | Total All Programs |
|-----------------------------------|--------------|--------------|--------------|--------------|---------------|--------------------------------|---------------------------------|-------------|-------------------------|--------------|--------------|-----|-----------|-----------------------|
| | | | | 4% | 9% | | | | | | | | | |
| MULTIFAMILY | \$66,893 | \$7,125,000 | \$6,119,819 | \$13,776,553 | \$115,346,648 | 0 | 0 | \$927,966 | \$6,647,280 | \$657,064 | 0 | 0 | v83,808 | \$150,751,030 |
| New Construction | 0 | \$3,850,000 | \$4,845,819 | \$6,070,612 | \$98,075,423 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$112,841,853 |
| Acquisition-Rehab | \$66,893 | \$3,275,000 | \$1,114,000 | \$7,705,941 | \$17,271,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$29,433,059 |
| Rental Assistance | 0 | 0 | \$160,000 | 0 | 0 | 0 | 0 | \$927,966 | \$6,647,280 | \$657,064 | 0 | 0 | \$83,808 | \$8,476,118 |
| SINGLE FAMILY | \$4,311,438 | \$4,441,091 | \$3,591,500 | 0 | 0 | \$4,453,207 | \$2,052,178 | 0 | 0 | 0 | \$38,769,514 | * | 0 | \$57,618,928 |
| New Construction | 0 | 420,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$670,000 |
| Homeowner Rehab | \$4,311,438 | \$3,921,091 | \$2,641,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10,874,029 |
| Homeownership Assistance | 0 | \$100,000 | \$700,000 | 0 | 0 | \$4,453,207 | \$2,052,178 | 0 | 0 | 0 | \$38,769,514 | * | 0 | \$58,448,708 |
| EMERGENCY AND TRANSITIONAL | 0 | 0 | \$7,812,861 | 0 | 0 | 0 | 0 | \$965,569 | 0 | 0 | 0 | 0 | \$90,792 | \$8,869,222 |
| Eviction Prevention | 0 | 0 | \$4,233,671 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$90,792 | \$4,324,463 |
| Development of Transitional | 0 | 0 | \$827,420 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$827,420 |
| Development of Shelters | 0 | 0 | \$2,074,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$2,074,750 |
| Operating and Services | 0 | 0 | \$677,020 | 0 | 0 | 0 | 0 | \$965,569 | 0 | 0 | 0 | 0 | 0 | \$1,642,589 |
| PLANNING/OTHER | \$7,351,133 | 0 | \$1,492,004 | 0 | 0 | 0 | 0 | \$157,500 | 0 | 0 | 0 | 0 | 0 | \$9,000,637 |
| OTHER COMMITMENTS** | 0 | 0 | \$6,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,000,000 |
| GRAND TOTALS | \$11,729,464 | \$11,566,091 | \$25,016,184 | \$13,776,553 | \$115,346,648 | \$4,453,207 | \$2,052,178 | \$2,051,035 | \$6,647,280 | \$657,064 | \$38,769,514 | * | \$174,600 | \$232,239,818 |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

** OTHER COMMITMENTS is comprised of \$4 million committed and transferred to the AzHFA and \$2 million transferred to the Arizona Department of Health Services.

table 3
HOUSEHOLDS SERVED BY PROGRAM

| | CDBG | HOME | HTF | LIHTC | | Homes for Arizonans ADOH | Homes for Arizonans AzHFA | SHP | Shelter Plus Care | Section 8 | MRB | MCC | HOPWA | Total All Programs |
|-----------------------------------|---------|------|--------|-------|-----|--------------------------------|---------------------------------|-----|-------------------------|--------------|-----|-----|-------|-----------------------|
| | | | | 4% | 9% | | | | | | | | | |
| MULTIFAMILY | 6 | 129 | 405 | 547 | 890 | 0 | 0 | 355 | 1,280 | 118 | 0 | 0 | 0 | 3,730 |
| New Construction | 0 | 56 | 49 | 196 | 728 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,029 |
| Acquisition-Rehab | 6 | 73 | 29 | 351 | 162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 621 |
| Rental Assistance | 0 | 0 | 327 | 0 | 0 | 0 | 0 | 355 | 1,280 | 118 | 0 | 0 | 0 | 2,080 |
| SINGLE FAMILY | 579 | 101 | 278 | 0 | 0 | 267 | 287 | 0 | 0 | 0 | 273 | 85 | 0 | 1,870 |
| New Construction | 0 | 12 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| Homeowner Rehab | 579 | 89 | 248 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 916 |
| Homeownership Assistance | 0 | 0 | 20 | 0 | 0 | 267 | 287 | 0 | 0 | 0 | 273 | 85 | 0 | 932 |
| EMERGENCY AND TRANSITIONAL | 0 | 0 | 13,247 | 0 | 0 | 0 | 0 | 90 | 0 | 0 | 0 | 0 | 188 | 13,525 |
| Eviction Prevention | 0 | 0 | 12,348 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 188 | 12,536 |
| Development of Transitional | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Development of Shelters | 0 | 0 | 180 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 180 |
| Operating and Services | 0 | 0 | 710 | 0 | 0 | 0 | 0 | 90 | 0 | 0 | 0 | 0 | 0 | 800 |
| PLANNING/OTHER | 98,697* | 0 | 59* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 98,756* |
| GRAND TOTALS | 585 | 230 | 13,930 | 547 | 890 | 267 | 287 | 445 | 1,280 | 118 | 273 | 85 | 188 | 19,125 |

*Individuals assisted; not included in totals.

Arizona Housing Commission

The purpose of the Arizona Housing Commission is to advocate for Arizona's residents by identifying challenges in the state's housing arena and propose legislation or policy changes to produce solutions. The Commission consists of 21 Governor appointed representatives from a variety of housing disciplines including: building associations, real estate professionals, developers, nonprofit organizations, tribal entities, special needs populations, city and county government and the general public. While it is not unusual to have commissions that advise Governors on public policy issues, what is unique about the Arizona Housing Commission is their consistency in basing their advocacy upon research that is locally based. The annual report produced from this research, **Arizona's Housing Market...a glance**, gathers current information on housing availability and affordability in Arizona communities from many Federal, state and local sources. The publication has become very popular and often quoted.

In FY2008, the Commission hosted a Legislative Reception for the incoming House and Senate members, providing a panel of experts echoing the theme of the event, **Shrinking Choices...Challenges in Affordable Housing**. The Commission is also active in the development of the program for the Governor's Housing Forum, an annual conference underwritten and staffed by ADOH.

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(left to right) AHC member Maria Chavez greets Adrienne Howell of Southwest Gas, a Homes for Arizonans reception sponsor; AHC member A.J. Yazzie leads a discussion at Governor's Housing Forum; the 2007 edition of Arizona's Housing Market...a glance.

Arizona Housing Finance Authority



The Arizona Housing Finance Authority (AzHFA), the work of which is directed by a seven member, Governor-appointed Board of Directors, provided housing assistance to nearly 600 households during FY2008.

The AzHFA has the ability to issue housing bonds that do not become a liability to the taxpayers of Arizona. These bonding programs compliment and further the housing mission of the Arizona Department of Housing, by providing assistance to the 13 rural counties of the state, including Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai and Yuma.

During FY2008, the AzHFA provided nearly \$36.8 million in below-market mortgages to first-time homebuyers through its Mortgage Revenue Bond (MRB) Program. Assisted homebuyers also benefitted from over \$2 million in down-payment and closing cost assistance. Eighty-five households were assisted with Mortgage Credit Certificates (MCCs) which provide an annual federal tax credit which creates additional income for the borrower to use in making a monthly mortgage payment.



| AzHFA | Homes for Arizonans Downpayment Assistance | MRB Mortgages | MCC Tax Credits | TOTAL |
|--------------|--|---------------|-----------------|--------------|
| | | | | |
| by Program | \$2,052,178 | \$36,769,514 | * | \$38,821,692 |
| by Household | 287 | 273 | 85 | |

* The Mortgage Credit Certificates (MCCs) provide an annual federal tax credit for assisted households, based on 20 percent of the annual interest paid on their qualifying mortgage.

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