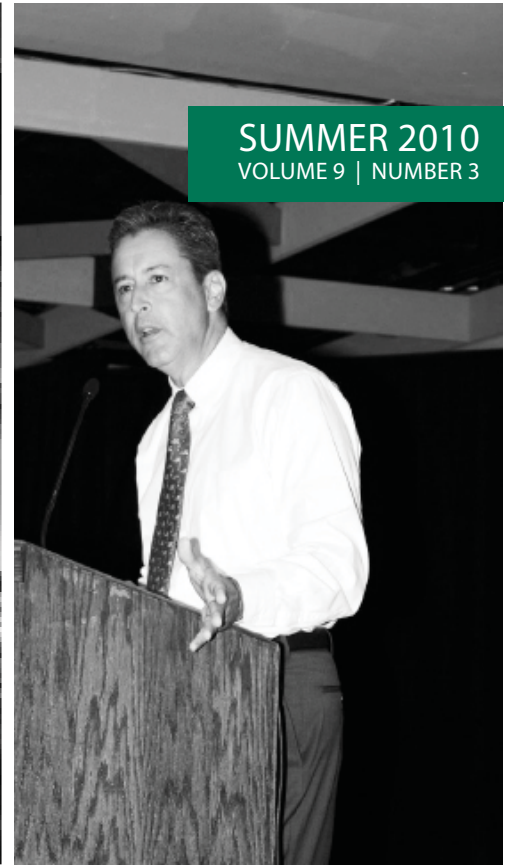


# Housing Matters

LEADING WITH SOLUTIONS

SUMMER 2010  
VOLUME 9 | NUMBER 3



## 2010 Arizona Housing Forum J. W. Marriott Starr Pass | Tucson | September 15-17

**INNOVATION...The Road to Recovery.** Register on-line at [www.azhousing.gov](http://www.azhousing.gov). This year's event will be held at the J.W. Marriott Starr Pass in Tucson. Additional information on page 8.

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Arizona  
Department  
of Housing



## ARIZONA FORECLOSURE HELP-LINE

### Mortgage Trouble?

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TOLL-FREE

## ADOH Receives Funds to Continue Foreclosure Counseling Efforts

On April 16, the Arizona Department of Housing (ADOH) received a grant of \$2.1 million in fundings to continue its participation in the National Foreclosure Mitigation Counseling (NFMC) program. With the funds, ADOH will continue working with 15 HUD certified housing counseling agencies across the state to provide free foreclosure assistance to Arizonans through the Arizona Foreclosure Helpline. The toll-free helpline, 1-877-448-1211, has received over 35,000 calls since its launch in May 2008.

"Arizona currently has the second highest foreclosure rate in the nation, with another 50,000 foreclosures projected in 2010," said ADOH Director Michael Trailor. "It is our hope that continuation of our free counseling services through the Arizona Foreclosure Helpline will allow some of our most distressed citizens to retain their homes."

The Arizona Foreclosure Helpline will compliment another of ADOH's foreclosure prevention programs, which will launch in September. In addition to providing free counseling services to at-risk homeowners through the NFMC program, ADOH's network of HUD certified housing counseling agencies will be participating in the Save My Home AZ program. Homeowners will work with housing counselors as they navigate the application and loan modification process.

"Coupling the Arizona Foreclosure Helpline with the Save My Home AZ program will ensure that homeowners have access to all available foreclosure prevention options and an advocate to guide them through the process," said Trailor. "Through both of these efforts, we hope to help many at-risk Arizonans."

The NFMC program, originally authorized by the 2008 Consolidated Appropriations Act, is administered by NeighborWorks® America, an independent, Congressionally- chartered non-profit organization with a mission to provide access to sustainable homeownership and safe, affordable rental housing. Funding for round four grant awards was provided by Congress through the Consolidated Appropriations Act of 2010.

**info** Those interested in accessing public assistance in purchasing a foreclosed home can visit [www.YourWayHomeAZ.com](http://www.YourWayHomeAZ.com) to determine if they are eligible to participate in the state's program or one of the other nine county and community programs listed on the web site.

## State Budget Reductions Impact ADOH Programs and Services

**B**ecause of the state's economic crisis, funding for the Arizona Department of Housing (ADOH) and the Arizona Housing Finance Authority (AzHFA) has been significantly reduced over the past few years. Since FY 2008, ADOH and the AzHFA have lost a total of over \$69 million. As a result ADOH reduced staff by 25 percent and suspended or eliminated many programs and services. Additionally, the Legislature enacted a provision in 2009 restricting the Housing Trust Fund's annual distribution from Unclaimed Property revenues to \$10.5 million per year.

**Since FY 2008, the reduction in funding to the Housing Trust Fund has resulted in the elimination of critical housing activities including:**

- Emergency home repairs for low-income households or to address emergency housing situations created by floods or fires.
- Eviction prevention and emergency housing funding to provide one-time assistance for mortgage/rental payments, housing deposits and utility assistance to prevent homelessness.
- Homeownership and rental development projects solely supported by the Housing Trust Fund, including homeless and domestic violence shelter development.
- Homes for Arizonans Downpayment Assistance Program to help families achieve homeownership.
- Support for the AzHFA bonding programs to assist first-time homebuyers including the AzHFA Mortgage Credit Certificate Program.
- Housing development on tribal lands supported by the Housing Trust Fund.

While ADOH has significantly scaled back its scope of work, moving forward the Department will continue to fund projects that provide essential services for those in need including housing for the seriously mentally ill and emergency operating support for homeless shelter operations.

# Director's Message

From the Desk of Michael Traylor



It is hard to believe it has been a year since I was given the honor and privilege to serve our state as director of the Housing department. We have achieved many accomplishments over the past year but have so much more to do. Solving homelessness, providing effective solutions and leadership to assist homeowners who are facing foreclosure, and developing state, county, and city leadership to promote and develop sustainable communities are high priorities.

The economic crisis is unparalleled in modern history and its affects continue to linger, especially in Arizona. Staffing at the department is at its lowest level since 2003 and we have contributed over \$69 million to assist with the state's budget deficit. No complaints, this is our job; this is what we are charged to manage and we are grateful to have an opportunity to help our state in this crisis.

Mediocrity will not survive this economy. We all must learn how to do our jobs better, be more efficient, more cost effective, develop better business plans, find housing opportunities that offer the greatest return on our investment and look to the future, not just maintain the status quo.

The staff at the department has been working hard to produce the best Arizona Housing Forum ever this coming September. We are excited to host the event this year at J.W. Marriott's Starr Pass in Tucson. We have invited new speakers that will discuss timely topics on property management issues, strategic marketing, proven strategies to solve homelessness, sustainable housing and communities, building cost effective urban housing, multi-generational housing, and last but certainly not least — Mr. Karnas goes to Washington - Part II.

The always entertaining and very knowledgeable economist Lee McPheters will give us an update on the economy and Ms. Mercedes Marquez, HUD Assistant Secretary for Community Planning and Development, will address forum participants as the keynote speaker for our closing luncheon on Friday. We understand that you invest time and money to attend the annual Housing Forum and it is our job to ensure that you get a good return on your investment.

As always, we appreciate all of our community partners who contribute to providing safe, decent and attainable housing for the residents of our state and look forward to seeing you at this year's forum.

## AzHFA Activities

### AZHFA BOARD APPROVES DISCONTINUANCE OF MCC PROGRAM

The Board of Directors of the Arizona Housing Finance Authority voted to discontinue the Mortgage Credit Certificate (MCC Plus) program effective May 31, 2010. The MCC Plus program provided the benefits of a Federal Income Tax Credit with down payment assistance. Due to the reductions in funding available from the Housing Trust Fund, the Finance Authority could not continue both the MCC Plus program and its Mortgage Revenue Bond program (MRB Plus). The MRB Plus program continues to be available and offers an attractive, 30 year fixed rate mortgage for first time homebuyers, along with downpayment and/or closing cost assistance of 5 percent of the purchase price of the home.

Additional information about the MRB Plus program and a list of participating lenders can be found on the website [www.azhousing.gov](http://www.azhousing.gov) and click on Arizona Housing Finance Authority.



### BOARD WELCOMES NEW MEMBER

Governor Brewer has appointed Randall L. Pullen to the AzHFA Board to serve a seven year term. Mr. Pullen is a Managing Director of Oasis Partners, LLC, a private banking company and is currently the Treasurer of the Republican National Committee as well as the Chairman of the Arizona Republican Party. Mr. Pullen holds a BA in mathematics and an MBA from Arizona State University. He is a Certified Public Accountant in Arizona and California, as well as a licensed real estate broker in Arizona.

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

## AHC Activities

### MIKKELSEN AND VILLEGAS RE-ELECTED FOR 2011

In May, the Arizona Housing Commission (AHC) unanimously selected Guy Mikkelsen and Betty Villegas to remain in the Chairperson and Vice-Chairperson positions for FY 2011.

Mikkelsen has led the Foundation for Senior Living, one of the largest non-profit organizations in Arizona dedicated to improving the quality of life for seniors, adults with disabilities and their family caregivers, for 24 years. Prior to his work with the Foundation, he worked for the states of Arizona and South Dakota, and the Milwaukee County Public Welfare Department. Mikkelsen was originally appointed to the AHC by Governor Jane Dee Hull in January 1999 to represent special needs populations.

Villegas is the Housing Program Manager for the Pima County Community Development and Neighborhood Conservation Department. Prior to joining Pima County, she spent 19 years in the retail banking and lending industry. Villegas was appointed to the AHC by Governor Janet Napolitano in January 2008 representing Pima County.

"This reflects the outstanding leadership by Guy and Betty," said Commissioner Jerry Anderson. "We're fortunate to have the quality that these two folks bring to the Commission."

**info** **Carol Ditmore**, Assistant Deputy Director/Operations  
(602) 771-1007 + [carol.ditmore@azhousing.gov](mailto:carol.ditmore@azhousing.gov)



SCHEDULED MEETINGS	
July	8
August	No meeting
September	9

SCHEDULED MEETINGS	
July	30
August	No meeting
September	17

## AzHFA Board of Directors

**Carol Parry Fox**  
Chairperson  
Corporate Social Responsibility Associates

**Richard Houseworth**  
Vice Chairperson  
Capitol Bancorp, Ltd.

**Robert Gardiner**  
Treasurer  
Northern Trust, NA

**Manny Gonzalez**  
Secretary  
Pinal County

**Paul DeSanctis**  
AZ Lending Specialists, LLC

**Ross McCallister**  
MC Companies

**Randall L. Pullen**  
Oasis Partners, LLC

## 2009 Legislative Wrap Up

**A**fter 109 days in session, the Legislature adjourned the Forty-Ninth Legislature, Second Regular Session on April 29. 1233 bills were introduced this year of which 352 passed. Of those, 338 were signed by the Governor and 14 were vetoed.

Faced with large budget deficits for both FY 2010 and 2011, the Legislature began work on the budget in January. During a special session in February, lawmakers enacted some adjustments to the FY 2010 budget, which closed part of the \$1.4 billion deficit. Legislators continued work on the budget and convened an additional special session in March to complete work on the FY 2010 budget and enact a budget for FY 2011.

Included in the budget legislation was an additional \$4.8 million reduction to the Department of Housing for FY 2010 and an \$8.6 million reduction for FY 2011. Fund sweeps and spending reductions were enacted to the Housing Trust Fund in the amounts of \$2.5 million for FY 2010 and \$6 million for FY 2011, to the Housing Program Fund in the amount of \$2.1 million in FY 2010 and \$2.4 million in FY 2011, and to the Arizona Housing Finance Authority (AzHFA) in the amounts of \$176,900 in FY 2010 and \$251,400 in FY 2011. These sweeps are in addition to earlier sweeps affecting this fiscal year. The legislature swept a total of \$14.3 million from ADOH and the AzHFA for FY 2010.

With the budget resolved by mid-March, Legislators focused much of their attention on bills introduced in the early months of session. The foreclosure crisis remained a priority for legislators this year, with 21 bills introduced to address different aspects of the problem. Of those, eight were passed and signed by the Governor. One of the key bills that passed, SB 1130, establishes regulations for foreclosure consultants that are hired by homeowners in foreclosure. The legislation requires foreclosure consultants to disclose all fees to homeowners in a contract, which may be cancelled up to three days after the contract was signed. Foreclosure consultants are also prohibited from charging upfront fees.

Additionally, legislation was enacted to require lenders to contact borrowers to explore options to avoid foreclosure at least 30 days before a notice of trustee sale is recorded. Landlords of foreclosed homes will also be required to provide written notice of a possible foreclosure in any rental agreements entered into after foreclosure proceedings have begun.

**info** **Carol Ditmore**, Assistant Deputy Director/Operations  
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## Federal Stimulus Update

**I**n March 2010, President Obama and the U.S. Treasury announced that Arizona would receive \$125.1 million in funding from the federal government's Troubled Assets Relief Program (TARP). The Treasury program has also been referred to as the Hardest Hit Fund, and is designed to address the housing foreclosure crisis. Arizona, which has the second highest rate of foreclosures in the nation, was one of five states to receive this award. Since the initial announcement in March, five additional states have been slated to receive similar assistance.

Arizona Department of Housing (ADOH) officials have been working closely with the U.S. Treasury, mortgage service lenders, and others to develop a plan for utilizing this assistance. In June the U.S. Treasury announced the approval of Arizona's program plan. To view basic information on that plan click [here](#).

While the Arizona program received a green light from Treasury officials in June, much work still lies ahead in order to launch the new program called Save My Home AZ. The Arizona program is expected to become available for homeowners to access in early September. ADOH will be working with 22 HUD-approved counseling agencies to work with homeowners facing foreclosure, and homeowners will be able to apply for the assistance on-line, through a link that will be available through the agency's website, [www.azhousing.gov](http://www.azhousing.gov), or by calling toll-free at 1-877-448-1211, to be connected with one of the counseling agencies.

Until the program becomes available, homeowners facing foreclosure may wish to access free counseling services by calling 1-877-448-1211.



View from balcony, looking northwest



View looking southwest from parking lot



1



2

**APACHE ASL TRAILS COMMUNITY**  
Tempe, AZ

Cardinal Capital Management Inc.  
135 S. 84th Street, Suite 100 Milwaukee, WI 53214

Arizona Deaf Senior Citizens Coalition

Architect:  
Welman Sperides Mickelberg Architects PLC  
4330 N. Campbell Avenue #268 Tucson, AZ 85718

Construction Manager:  
Adolphson & Peterson Construction

Consultant Team:

Winter and Company  
Boulder, CO

GAS Engineering  
Scottsdale, AZ

PH Mechanical Engineering  
Tucson, AZ

Electrical Design Associates  
Tucson, AZ



**Apache ASL Trails**

ADOH Director Mike Traylor joined Tempe Mayor Hugh Hallman and others at the groundbreaking ceremony for the Apache ASL Trails apartment community on June 17.

The 75-unit development will provide housing for seniors who are deaf, deaf-blind, or hard of hearing. Management staff will use American Sign Language (ASL), and design features, such as flashing light signalers for phone and doorbell, videophones, light fixtures and windows designed to minimize glare, an amplification system for hearing aids, will be implemented to assist those with these impairments. Located at the corner of Lemon and Apache, this \$16 million community sits just east of the light rail station at Price and Apache., which will provide easy access for the residents to places along the route. The apartment homes will be ready for occupancy in the summer of 2011.

ADOH worked closely with the developer to obtain tax credits and stimulus funds to get construction underway. Partners in the development of the project with ADOH are the City of Tempe, Arizona Commission for the Deaf and Hard of Hearing, Arizona Community Foundation, JPMorgan Chase, Arizona State Comp Fund, and Red Stone Equity Fund.

1 (l to r) Tempe Mayor Hugh Hallman; ADOH Director Mike Traylor; Gilbert Gerst, JPMorgan Chase Bank; Doris Krampe, ADSCC; Corey Woods, Tempe City Council; (unidentified man); Olivia Ochoa, JPMorgan Chase Bank; Sherri Collins, ACDHH

2 Light rail access was a huge factor in the location of this project.

**info** Apache ASL Trails is located at 2428 E. Apache Boulevard, Tempe, AZ

**Katie Voss or Judy Leiterman, Cardinal Capital Management**

+ (414) 937-5903 or (414) 727-9902

## Calendar 2010

JULY	
5	CLOSED - 4th of July
8	Arizona Housing Finance Authority
23	CLOSED - Furlough Day
30	Arizona Housing Commission
AUGUST	
20	CLOSED - Furlough Day
SEPTEMBER	
6	CLOSED - Labor Day
9	Arizona Housing Finance Authority
15-17	Arizona Housing Forum
17	Arizona Housing Commission
17	CLOSED - Furlough Day

### ADOH on Furlough

Mandatory third quarter closures of all state offices will take place on

- July 23
- August 20
- September 17

Please make note of these dates.

### ADOH Reports now Available

#### Five Year Consolidated Plan & 2010 Annual Update

The 2010-2014 State of Arizona Consolidated Plan and the 2010 Annual Plan are now available on the Publications page of the ADOH website.

### Stay Up To Date On News And Events

Click on the **Stay Up to Date On News and Events** icon from any page of our website to be taken to a listing of all the Recent News for the Arizona Department of Housing.

Effective July 29, 2010, pursuant to H.B. 2209, ADOH will post Public Notices of Meetings on the **Notices & Deadlines** page accessed through the General Information tab on the home page.

### LIHTC COMPLIANCE WORKSHOP

#### October 18-19, 2010

#### Desert Diamond Hotel | Tucson, AZ

This workshop is recommended for all Property Managers. Reduced room rate is available by contacting the hotel directly.

#### Day One | 8:00 am - 5:00 pm

Qualified Households Workshop

#### Day Two | 8:00 am - 5:00 pm

AM Qualified Households Workshop (*continued*)

PM ADOH specific issues and updates, focusing on the everyday work of an on-site LIHTC professional.

**On-line registration** [www.azhousing.gov](http://www.azhousing.gov)

**Hotel reservations** [www.desertdiamondcasino.com](http://www.desertdiamondcasino.com)

Use Attendee Code: [ADOH2010](#)

**info** Cynthia Diggelmann

602 771-1016 + [cynthia.diggelmann@azhousing.gov](mailto:cynthia.diggelmann@azhousing.gov)

### OTHER DATES OF NOTE:

**August 7** COMMUNITY AUCTION | NSP Homebuyer Event

**Information:** [www.yourwayhomeaz.com](http://www.yourwayhomeaz.com)

**August 31 - September 2** 10th Annual Travois Indian Country Tax Credit Conference, Kansas City, MO

**Information:** [www.travois.com](http://www.travois.com) + 816 994-8970

**September 16, 23, 30** Arizona Saves | Financial Education Workshops, Sunnyslope Community Center

**Register:** <http://septsunnyslope.eventbrite.com>

## New Faces

With the President's announcement that Arizona would receive \$125.1 million for the Save My Home AZ program, two new employees have joined the Homeownership Division.



### Dirk Swift

Dirk Swift, brings over 24 years of mortgage related experience to ADOH as the Underwriter/Transaction Manager for the Save My Home AZ program. Dirk's background includes operational, sales, and management positions within the retail, wholesale and bulk acquisition mortgage distribution channels. He received his Bachelors degree from Western Illinois University and his M.B.A. from Keller Graduate School of Management.

Dirk and his wife Mindy have been residents of Arizona since 1985. With three children (sons Nathan- 20, Max - 11 and daughter Weslie - 16) and three dogs, the Swift home front is always busy and never boring.

### Roxanne Wilson

Roxanne Wilson brings over 13 years mortgage industry experience to Arizona Dept of Housing as the Underwriter/Transaction Manager for the Save My Home AZ Program. Roxanne has held various positions in the mortgage industry which include: Underwriting, Loan Modification, Negotiation and most recently, supporting the Making Home Affordable Program. Roxanne is an avid sports fan and also enjoys traveling. She has been married to Paul Wilson for 25 years and moved to Phoenix in 1999 from Chicago, IL. Roxanne has a son, daughter-in-law and two grandchildren who reside in the Chicago area.



## Have Your Photo Featured in an ADOH Publication

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



**info** Visit [www.azhousing.gov](http://www.azhousing.gov) for more information or to submit your photo.

## New Administrator for Special Needs Program

Noël Schaus has taken on the leadership role for the Special Needs Program. Prior to her promotion, Noël worked in the Community Development and Revitalization area as a Senior CD&R Specialist, providing technical assistance and administering various community revitalization and housing contracts funded by CDBG, HOME, and State Housing Trust Fund dollars.



The Special Needs area is responsible for the implementation of Homelessness Prevention programs, Housing for Persons with Aids (HOPWA) funding, is the lead agency for the Continuum of Care process in the 13 rural Arizona counties, and acts as the ADOH liaison for the Arizona Commission on Homelessness and Housing (ACHH).

Noël came to ADOH in 2005 with several years of experience working in non-profit affordable housing development. She was named ADOH Employee of the Year in 2007, described by her nominator as "...very focused, self-motivated, a team leader, and a critical thinker...if she takes on a project, it is as good as done."

### A quarterly publication of Arizona Department of Housing

Comments or suggestions on content should be forwarded to:

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This publication may be made available in alternative formats upon request.

**info** **Joy Johnson**

(602) 771-1026 + TTY (602) 771-1001

[joy.johnson@azhousing.gov](mailto:joy.johnson@azhousing.gov)



Join ADOH and partners in Tucson in September for the only annual statewide housing conference in Arizona. The economy has made it necessary for us all to use innovative ideas and strategies to get the job done. The old formulas for successful projects and programs don't always work. **Innovation...the Road to Recovery** looks at innovative ideas and practices from those who are successfully meeting the challenges being presented.

**info** Detailed agenda and program are available on our web site + [www.azhousing.gov](http://www.azhousing.gov)

## Agenda Highlights

► **INNOVATION...THE ROAD TO RECOVERY** Arizona Department of Housing, Director Michael Traylor will open the Forum, with an assist from Tucson Mayor, Bob Walkup.



### ► FRIDAY BREAKFAST PLENARY

Our traditional economic breakfast presentation will be by Dr. Lee McPheters, Research Professor in Arizona State University's W.P. Carey School of Business and Director of the school's JPMorgan Chase Economic Outlook Center, which specializes in economic forecasts for Arizona. Dr. McPheters is author of the article, **The**

**End (of Recession) is Near, But it Won't Be Pretty**, a look at his optimistic but cautious view of the Arizona economy.

### ► HOUSING HERO AWARD LUNCHEON

The luncheon will be held on Thursday to present these coveted awards to Arizona professionals nominated by their peers. Catherine Reagor, Arizona Republic reporter, will MC the event.



### ► KEYNOTE ADDRESS

This year's keynote speaker, Mercedes Marquez, was President Obama's choice as HUD Assistant Secretary for Community Planning and Development, the division which oversees the CDBG, HOME and HOPWA programs. Ms. Marquez has proven herself to

be one of the nation's most savvy and effective housing advocates, and a dynamic and knowledgeable speaker.

## HOUSING HERO AWARDS nomination deadline: July 9

## Hotel Information

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

Starr Pass features 575 guestrooms and 35 suites all smoke-free. Go to the hotel's web site [www.jwmarriottstarrpass.com](http://www.jwmarriottstarrpass.com) to see amenities available.

The conference rate is \$125. Deadline to register at this rate is August 15, 2010.

**info** Reservations + 1-888-527-8989 or online using this link.

## Marketplace

Don't forget to register for the Marketplace, a popular venue located in the hub of all conference activity, close to all plenary and meal sessions. New this year is an option to sponsor our Cyber Cafe. Display your logo or message on computers set up for attendee's internet access.

**info** Susy Bustillos  
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## Sponsors

Sponsors are a very important part of the Forum. Sponsors help keep the costs low for attendees and help us provide quality programming. Download a sponsorship information packet to see the benefits of being a sponsor of this event.

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### 2010 ARIZONA HOUSING FORUM SPONSORS

