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## Arizona Tax Credits Get Off the Ground

In July of 2001, the NFWSC received a 9% tax credit for the project Plaza Manuel Ortega, with Bank of America handling the construction financing and permanent loan. The NFWSC has now bought the land which is located in the northwestern part of Maricopa County, off the 101 freeway, just 30 minutes west of Phoenix in the town of El Mirage. Carryover requirements were met in November 2001, and plans were drawn up by the Englewood Development Company, with whom we are partnering for the first time. However, the City of El Mirage and its planning commission had reservations owing to concerns about infrastructure, specifically about getting water to the property, and about increased traffic. The NFWSC was then asked to address the issues raised by conducting studies, and as a result, the NFWSC found that the water pressure is good and that the traffic impact to the area will be minimal.

Site work has begun for water, sewage and the foundation. Framing started on schedule at the end of October and will consist of 80 units with a mix of one-, two- and three-bedroom apartments targeted for 30%, 40% and 50% of the average median income (AMI).

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The NFWSC stakes out property in Arizona with a 9% tax credit for the Plaza Manuel Ortega Apartments.



Construction of 80 units for Plaza Manuel Ortega is under way.

## Letter from the Vice President

The late summer and early fall of 2003 have been quite a roller coaster ride for the NFWSC's Housing and Economic Development Fund (HED). We began the summer with notices from New Mexico that we had been awarded two 9% LIHTC allocations. Soon thereafter came the painful but immensely gratifying acquisition of 346 units in San Antonio (a.k.a., Aguila Oaks), our first acquisition in Texas. In early September, the NFWSC was notified that our wait-listed project in Arizona was going to be awarded an allocation of 9% LIHTC. Finally, in the middle

of September, we received competitive scores for the two applications we submitted in California's second round of 9% LIHTC. But the roller coaster made its way down.

By late September, the California 9% LIHTC awards were announced, where despite our highly competitive applications, our projects lost at the tie-breaker level. In mid-October, we lost two NIMBY battles in New Mexico. In Texas, our projects following Aguila Oaks have come dangerously close to collapse more than once. It is easy to allow events

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## Arizona Tax Credits Get Off the Ground (cont.)

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Plaza Manuel Ortega will bring much-needed affordable housing to lower-income families who commute to Phoenix for work. Amenities will include larger floor plans, central air, washer/dryer hook-ups, stoves, dishwashers, common areas (a swimming pool, basketball court, and tot lot), and club facilities (laundry rooms, computer lab, office for a social service person, and a meeting room). Completion of construction is anticipated for May 2003 with the NFWSC administering its own property management.

Just this past August 29th, the NFWSC received a 9% tax credit for its Somerton project, along with an \$880,000 AHP grant and Bank of America handling the construction financing and permanent loan. The project will consist of 80 units with a mix of one-, two-, and three-bedroom apartments targeting 50 and 60 AMI. Amenities will include larger floor plans, central air, washer/dryer hook-ups, stoves, dishwashers, common areas (a basketball court and tot lot), and club facilities (laundry rooms, computer lab, office for social service person, and a meeting room). The Englewood Development Company will serve as the general contractor and architect with construction slated to start in Spring of 2003.

This particular project is most significant for the NFWSC because it is located in the town of Somerton in Yuma County (Yuma being the birthplace of Cesar E. Chavez). It will solidify the NFWSC's position in the area because it has a radio station that opened here a year ago – Radio Campesina KCEC YUMA. Also, there is a UFW office in the vicinity in San Luis, just 10 miles away from the border with Mexico. It is a dream come true to offer affordable housing to the farm worker population of about 6,000 when Cesar's own father had the family land in Yuma taken away from them during the Depression.

The NFWSC is actively seeking 501(c)(3) deals to firmly establish its foothold in Arizona. And with such a flurry of activity, the NFWSC is also searching for a director of Arizona programs as it continues to grow throughout the Southwest. If you know of anyone who may be qualified and interested, please refer them to our Web site at [www.nfwschousing.org](http://www.nfwschousing.org), where they may search under 'Job Openings'.

## Letter from the Vice President (cont.)

(Continued from page 1)

like these to overcome us with feelings of frustration and defeat.

Our organizational values must inspire us, especially during these times. For us at HED, we rely on our *Sí Se Puede Attitude*. We define the *Sí Se Puede Attitude* as the embodiment of a personal and organizational spirit which promotes confidence, courage, innovation and hard work. Further, it is the belief that collaboration, faith in other people, doing what is right, and facilitating social justice through affordable housing development can overcome seemingly insurmountable odds.

For us, Somerton Apartments in Somerton, Arizona is a practical reflection of our *Sí Se Puede Attitude*. Somerton Apartments received an allocation of credits back in 1999. Unfortunately, HED had to return the credits in 2000. Because we believe that there is a need for affordable housing in the area that must be addressed, we have been reapplying ever since. As mentioned above, late this summer, we received notice that the project received an allocation. To those of you that

work seemingly endless and frustrating hours to achieve social justice through affordable housing, I share with you the following:

"When we are really honest with ourselves, we must admit that our lives are all that really belong to us. So, it is how we use our lives that determines what kind of men we are. It is my deepest belief that only by giving our lives do we find life." -- Cesar E. Chavez

As many of our peers in the affordable housing industry, HED will remain on the roller coaster, and we will continue on the journey with ever more fierce conviction. Thank you for your support along the way.



# Rehabilitation of Aguila Oaks Under Way

**E**ffective September 1, 2002, the NFWSC opened an office at 3270 Nacogdoches #1104, San Antonio, Texas. Through its related entity San Antonio Low Income Housing LLC (SALIH), the NFWSC completed the acquisition of Aguila Oaks Apartments (formerly known as the Worthing Oaks Apartments) on June 28, 2002. The property consists of 346 one- and two-bedroom units in the northeast section of San Antonio, Texas.

This acquisition was financed with 501 (c)(3) bonds issued by the Texas State Affordable Housing Corporation. Morgan Keegan & Company was the bond underwriter and Berkshire Mortgage Finance was the mortgage banker. Legal representation for NFWSC was provided by Emilio J. Huerta, Attorney at Law, and Johnson, Radcliff & Petrov, LLP.

In conjunction with the financing, SALIH has set aside 20% of the units to be rented to households making less than 50% of the Average Median Income in Bexar County. The rent to these households can be no more than 30% of the income for a household at 50% AMI.

Subsequent to the acquisition, we have begun a rehabilitation of the property that will total \$200,000. Construction is being completed by Concept Builders of San Antonio. Certain units have fireplaces, washer and dryer connections, vaulted ceilings, and ceiling fans. Amenities on the property include two swimming pools, three clothes care facilities, and a fitness center.



A majority of the rehabilitation involves painting and the exterior woodwork.

## Staff Changes

**T**here are some more changes happening at the Los Angeles office of the NFWSC. As we grow our operations throughout the Southwest, we also grow our staff. Bob Joy will now be working out of our San Antonio office. Joining us at our Los Angeles office are Alice Salinas as Director of California Programs and Lydia Avila as our office intern.

Ms. Salinas joined the NFWSC in August of 2002. She directs and manages all affordable housing development activities in the State of California. By working with a team of project managers, Ms. Salinas is able to move the NFWSC closer to meeting its yearly housing production goals. Her duties include seeking out new affordable housing sites, securing their financing, and ensuring their timely completion.

Prior to joining the NFWSC, Ms. Salinas served as Director of Housing and Public Policy for Esperanza Community Housing Corporation. Her 10 years of service at Esperanza enabled her to develop eight large multi-family projects, one child care center and

one community park. Her development work led to the infusion of over \$13 million of new investment into a seriously underserved community in South Central Los Angeles.



# Vote YES on Prop. 46!

The following article is courtesy of SCANPH.

On November 5, Californians will vote for Proposition 46, the \$2.1 billion affordable housing bond. California has 9 of the 10 least affordable housing markets in the nation. The state ranks last in homeownership. Only 56% of Californians own their homes, compared to 67% nationwide. More than half of the state's renters, and 91% of low-income renters, pay more than 30% of their income on rent. On any given day, there are 361,000 homeless persons in California.

YES on Prop. 46 will provide emergency shelters for battered women, affordable housing for seniors and low-income families, and shelters with social services for the homeless.

- 131,000 units of affordable housing will be produced or preserved.
- 65,000 families will be able to purchase their own home.
- Housing assistance will be provided for 12,000 farm workers and their families.
- 20 million shelter bed days for the homeless population will be created.
- Prop. 46 will also create \$14 billion in economic leverage, 276,002 full-time jobs, and \$42 billion in consumer spending.

That is why the Congress of California Seniors, the League of Women Voters of California and the Association to Aid Victims of Domestic Violence strongly urge a YES vote on Prop. 46.

There is no formal, organized opposition to the Bond. Some people may be confused about the Bond because they do not believe the housing crisis is terrible. They do not think government should invest in housing, or they do not think the State should issue bonds now.

Currently, 4% of California's budget goes to repaying bonds. The State Treasurer's Office says that a healthy budget can include up to 6% for bond repayment; most big states have 6% of their budget for bond repayment. Even if all bonds on the November ballot passed, we would still be under the 6% limit. California has a good credit rating and interest rates are low right now, so it is a good time for the State to issue bonds.

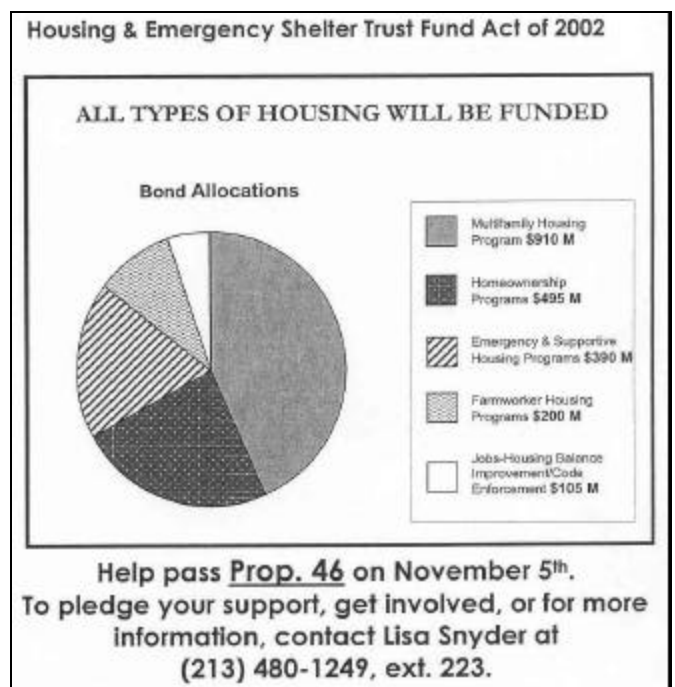
The State's Housing and Community Development Department (HCD) and the California Housing Finance Agency (CHFA) will administer the money. Most of the money goes into existing programs that grant or loan money to local governments and non-profit organizations that develop and manage homeowner and rental housing as well as social services.

The Bond will not directly raise your taxes. The Bond will be repaid over time out of the general fund. The general fund is, essentially, our tax dollars. This is a chance to have a say in where your tax dollars go. By voting YES on Prop. 46, we are prioritizing housing and telling the legislature that is where we want our tax dollars to go.

Without the Bond, the state has almost no money for housing. The legislature cut HCD's budget by approximately 50%. Furthermore, legislators will give no attention to housing policy in the future, saying Californians don't care about housing based on this vote.

If Prop. 46 passes, the first funds, \$60 million, will be available January 1, 2003. HCD will make funds available 2 or 3 times a year for the next 3 to 5 years, depending on how soon the housing community is ready to utilize the money. We will see results over the next few years as more housing is developed and as California prioritizes housing development and good policy.

Everyone will benefit from the Bond! Working families, your parents, your children, special needs groups, abused women and children, farm workers and their families, first-time homeowners, and business owners. Even those already safely housed will benefit as increased housing production improves community and quality of life and decreases traffic congestion, slum housing and crime.



## Phase I Completed, Phase II To Start at Vista Del Monte

**C**onstruction Notice of Completion of Phase I for the Vista del Monte apartments was filed on July 29, 2002. The exteriors of all the buildings (Building 1, 2 and 3) now have new roofs, windows, sliding glass doors, siding, paint, balconies and railings. All apartments also have newly installed, hard-wired smoke detectors and ground fault interceptor circuits, which comply with life and safety issues.

For Phase II, contractors Explore General of Fresno are working on the design build for the repair of site drainage, asphalt, and new landscaping. Architects Del Campo & Maru of San Francisco have completed plans and specifications for remodeling the community center with new offices, playground equipment, a laundry room, and a computer room, and repair of the garages. They will also repair common areas, such as hallways, and will comply with the American Disabilities Act by installing a new ramp at the main office and renovating an apartment for handicapped accessibility.

The NFWSC recently discovered mold in the buildings and is working to clean out this potential health hazard. Last year, owing to heavy rains, units in Building 1 incurred water damage. With insurance proceeds and property funds, the NFWSC was able to rehabilitate all units, including the replacement of cabinets, closets, doors, sinks, and tubs. The NFWSC turned the water-

damaged units into model apartments residents can look forward to live in.

Site work for Phase II will be completed in the following months. And in terms of financing, the NFWSC is working to close out loans from Citibank and to make CHFA the permanent lender for a 30-year mortgage. Phase III will involve the complete rehabilitation of the interiors of the buildings and will begin next year.



All building exteriors have been rehabilitated with the completion of Phase I.

## Staff Changes (cont.)

**M**s. Lydia Avila joined the NFWSC this summer as an office intern. She works with Microsoft Project software to develop a detailed timeline of each project's scope of work. She is also responsible for managing the Microsoft Project files so that the Project Managers can determine the information needed to streamline the process of organizing and implementing a project at all levels of affordable housing development.

Prior to joining the NFWSC, Ms. Avila was actively involved in the implementation of Community Based Learning at Occidental College. This past year, she also served as the student speaker at the Liberal Arts Colleges National Conference at Oberlin College, "Higher Education and the Common Good", and participated in the United Students Against Sweatshops' Border Delegation.

Born and raised in East Los Angeles, Ms Avila is currently a sophomore majoring in Urban and Environ-

mental Policy at Occidental College and is very interested in issues of social justice and the creation of a dignified society through education and equity.





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You can read past newsletters, learn about our staff and Board of Directors, view our past and present accomplishments, as well as conduct a search under our current **job openings**. It's a great site! Please visit us there soon!

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