
CD&R Frequently Asked Questions (FAQS) for CDBG & HOME

This FAQ is intended to provide clarification and guidance on programmatic questions regarding programs administered by the CD&R Division of the Arizona Department of Housing. The most recent information or responses will be added at the top of the FAQ. The FAQ sheet will be available for viewing or download from the CD&R page of the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=47&CID=12>

Policy changes or changes to ADOH handbooks will be announced through electronic Information Bulletin.

4/9/15 No Visible Changes to the Exterior of the Structure

With respect to housing rehabilitation environmental clearance, the E-HR.2 Appendix A at Part III, Historic Preservation, number 2. ADOH has clarified with HUD what is meant by “no visible changes to the exterior of the structure”. Per HUD Office of Environment and Energy San Francisco, visible changes are architectural in nature. New paint or a change in paint color does not affect the historic features of a residence. Examples of visible changes would include such things as: columns that are altered or removed, windows changed out (not just the glass panes but the entire window); doors changed out, new roof with a change in type of roofing material, decorative features altered or removed (i.e. dentil molding on a Victorian style home) etc.

Additionally, HUD clarified that the language in question 2 of the Appendix A was changed in their most current 2013 version to the word “and” to satisfy conditions imposed by the California SHPO office. HUD acknowledged that the Arizona SHPO office does not impose the same requirement to satisfy both the age “and” no visible change requirements. **Therefore if the project involves only acquisition and/or minor rehabilitation of a 1-4 unit residential structure (or individual unit(s) within a multifamily structure) that is less than 50 years old you may answer “Yes” to question 2, document the age of the property and no further consultation with SHPO is required. Likewise if the property is greater than 50 years old but involves only interior rehabilitation with no visible changes to the exterior of the structure that are architectural in nature, you may answer “Yes” to question 2, document the scope of work with no visible changes to the exterior and no further consultation with SHPO is required.**

HUD Office of Environment and Energy will look at providing a revised Appendix A that is specific to Arizona. ADOH will release that form when it becomes available.

11/24/14 Reconstruction of Housing treated as New Construction for ERR

With respect to housing rehabilitation, reconstruction of housing including: replacement of mobile or manufactured housing with either a new mobile (must be permanently affixed with axels removed) or manufactured unit or a stick built unit (CDBG eligible only); and replacement

of a stick built unit with a stick built unit is considered new construction for purposes of completion of an Environmental Review Record. This applies to all federal funding sources and the procedures for ERR clearance differ from those required for traditional housing rehabilitation. For further information please consult Chapter 7, Section 7.4 of the ADOH ERR Handbook located on the Handbooks page of the ADOH website at:

<http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>

8/28/14 **Replacement of Manufactured (Mobile) Homes with Stick Built Homes**

With respect to owner occupied housing rehabilitation and reconstruction, specifically replacement of manufactured (mobile homes) with HOME or CDBG funding, we have received guidance from HUD which states the following for CDBG:

“Reconstruction is eligible as a rehabilitation activity for both homeowner and rental housing in the CDBG Program. Reconstruction is defined in the Guide to National Objectives and Eligible Activities for States as the rebuilding of a structure on the same site in substantially the same manner. This has been defined to mean that a single unit must be replaced by a single unit. It is possible to increase the size, but not the number of units in reconstruction. The reconstructed structure may be residential or nonresidential and either publicly or privately owned. **The CDBG program allows a substandard manufactured home to be replaced with a new or conforming manufactured home or by a stick built home as reconstruction.** Other deviations from the original design are permitted for reasons of safety or if otherwise impractical. (See page 2-34 of the CDBG Guide to National Objectives and Eligible Activities for State CDBG Programs found at: <https://www.onecpd.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>.”

HUD Guidance from CDP Notice 03-05 clarifies for the HOME program that eligible HOME funded activities applicable to manufactured housing are found in 24CFR92.205(a)(4) and 92.2 (definition of “reconstruction”).

Reconstruction of a housing unit is allowable as a rehabilitation activity in the HOME program. The HOME program definition of reconstruction (24 CFR 92.2) is as follows:

“*Reconstruction* means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. **Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.** Reconstruction is rehabilitation for purposes of this part.”

The HOME program does *not* include replacement of a manufactured home with a stick built home as an eligible HOME funded activity.

3/10/14 **THPO consultation on Owner Occupied Housing Rehabilitation**

With respect to Environmental Reviews for Single Family Owner Occupied Housing, THPO consultation would generally not be required unless the project included significant ground disturbance or the residence has significant tribal association (this is not typical). Helpful

guidance can be obtained from the HUD CPD-12-006 Notice published June 15, 2012:
http://portal.hud.gov/hudportal/documents/huddoc?id=env_notice_tribe_con.pdf. "Not all projects that require Section 106 review require consultation with Indian tribes. Consultation with federally-recognized tribes is required when a project includes activities that have the potential to affect historic properties of religious and cultural significance to tribes. These types of activities include: ground disturbance (digging), new construction in undeveloped natural areas, introduction of incongruent visual, audible, or atmospheric changes, work on a building or structure with significant tribal association, or transfer, lease or sale of historic properties of religious and cultural significance." ... HUD has also provided a checklist tool:
http://portal.hud.gov/hudportal/documents/huddoc?id=env_tribes_checklist.pdf

11/19/13 Minor rehabilitation and SHPO Consultation

With respect to Environmental Reviews for Single Family Housing Rehabilitation "Minor Rehabilitation" is any project that is categorically excluded pursuant to 24 CFR 58.35 which is as follows:

"In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland"

Because the "Appendix A," can only be used for Categorically Excluded single family owner occupied rehab, it is a given that under Part III (2), Historic Preservation of the "Appendix A" that the Rehabilitation is "Minor." The only tests that need to be applied for this question are: 1) whether the building is 50 years; or 2) does the work involve only interior work. Notice the conjunction in the previous sentence is "or" not "and," therefore, both conditions do not have to be met to return a "yes" answer to Part III (2), Historic Preservation of the "Appendix A.

5/30/13 Lead Based Paint and Demolition

Demolition is exempt from lead paint regulations pursuant to the following:

24 CFR 35.115 (a)(6) An occupied dwelling unit or residential property that is to be demolished, provided the dwelling unit or property will remain unoccupied until demolition.

For reconstruction activity conducted as part of a housing rehabilitation program no testing, abatement or clearance is required for the demolition. Partial demolition of a home requires that the family be relocated as with full demolition, but no testing abatement or clearance is required of the portion that will be demolished. Worker protection (Occupational Safety and Health Administration), air quality (National Emission Standards for Hazardous Air Pollutants) and hazardous waste (Environmental Protection Agency) laws apply to the recipient but are not part of the ADOH compliance responsibilities.

5/30/13 Floodplain and Housing Rehabilitation

(This clarification has been incorporated into ERR Form E-HR.1)

Work may be conducted in the floodplain without conducting an 8 step process (Executive Order 11988 Floodplain Management) provided that the cost of the rehabilitation is not more than 50% of the market value of the structure before rehabilitation.