



The Arizona Department of Housing 2005 Information Bulletin

REGARDING PROGRAMS:

Revitalization, Homeownership, Special Needs, Rental Housing

REGARDING FUNDING SOURCES: CDBG, HOME, SHP, SPC, HOPWA

INFORMATION BULLETIN No. 01-05

ISSUED: January 18, 2005

RE: ADOH/CDBG Grantee/COG Meeting Agenda
Corrected EP-3 Environmental Review Public Notice

ADOH/CDBG Grantee/COG Meeting Agenda

An agenda for the ADOH/ CDBG Grantee/COG Meeting discussed in Bulletin Nos. 8-04 and 9-04 follows. **The meeting will be held on January 20, 2005 from 2:00 PM to 5:00 PM at the State Capitol in the Second Floor Conference Room.** The purpose of the meeting is to discuss the 2005 Application Handbook and to receive input on the following items:

1. Review of Changes to the Application Handbook
 - a. Reorganized Table Contents
 - b. Threshold Review
 - c. Contract Duration
 - d. Maximum Grant Amount
 - e. Number of Contracts
 - f. Public Participation Requirements Streamlined
 - g. Method of Distribution Clarifications
 - h. SSP Scoring Criteria
2. Contract Required for TAAP Services
3. How to Maximize Use of COGs for Grant Administration
4. Comments to ADOH on How to Improve the Application Process

The Application Handbook and all of the application forms will be mailed to grantees on CD ROM following Thursday's meeting allowing ADOH to make any changes that may result from the meeting. The forms have been converted to a Word fillable format the same as the new ERR forms. Paper copies of the Handbook and forms are available upon request.

Corrected EP-3 Environmental Review Public Notices

The CD ROM mailed to grantees in November 2004 with the Environmental Handbook and all of the ERR forms contained a form with an error. The EP-3 Publication format did not contain a fillable cell in paragraph three to list alternatives to conducting work in the floodplain nor was the name of the applicant fillable in the same paragraph. The corrected EP-3 form is attached to this email.

ADOH has also taken this opportunity to expand on both EP-2 and EP-3 to include language that elaborates on the function of Appendix A for housing rehabilitation projects. The revised EP-2 is also attached. The rehabilitation language does not preclude the revised forms from being used for non-housing rehabilitation activities. A completed EP-3 example form is also attached for the following type of project: a non-profit doing an owner occupied housing rehabilitation project with HOME funds with a floodplain clearance.

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**REGARDING PROGRAMS: Homeownership, Community Revitalization,
Rental Housing, Special Needs Housing**

REGARDING FUNDING SOURCES: CDBG, HOME, SHP, SPC

INFORMATION BULLETIN No 02-05

Issued: February 16, 2005

**RE: ADOH/CDBG Grantee/COG Meeting Agenda
Competitive Sealed Bids and Project Fragmentation
Changes to the Uniform Relocation Assistance and Real Property Acquisition
Policies Act**

This is electronic Information Bulletin No. 02-05, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

ADOH/CDBG Grantee/COG Meeting Results

ADOH wishes to thank everyone that attended the January 20, 2005, ADOH/CDBG Grantee/COG Meeting. We trust you will find the revised CDBG Application Handbook more user-friendly and clearer. While the format of the Application Handbook changed significantly, the content of the Handbook is substantially the same except with respect to public participation requirements and MOD requirements.

Communities are no longer required to submit a public participation plan. The minimum statutory requirements are outlined in the Handbook and communities may increase public involvement at their discretion.

The MOD requirements have also been streamlined with all ranking, rating and redistribution of funds functions removed. As discussed at the meeting all deviations from standard rotations (trading years) must be accomplished prior to September 30.

There was a clear indication at the meeting that the great majority of communities are satisfied with the application process. The COGs are essential to the CDBG program and provide the necessary technical assistance function for a majority of communities. There is a general need by both communities and COGs to better define how the COGs will be paid for their services. ADOH is not prescribing how to achieve this. ADOH is requiring a written agreement between the communities and COGs for all types of services beyond simple application review, for which a simple billing by the hour should suffice. ADOH does not need to approve such agreements but recommends that they be entered into early in the process.

ADOH will distribute the Application Handbook and all the forms in CD ROM format next week. Those who would like to receive a paper copy please contact your Program Specialist or the CDBG Program Manager.

Competitive Sealed Bids and Project Fragmentation

As a point of clarification, the sealed bid method is to be used for **all** construction contracts and for purchases of equipment costing more than \$100,000.00. Pursuant to Federal Statute 29 CFR 97.36 (d)(2), "The sealed bid method is the preferred method for procuring construction..." Additionally, 29 CFR 97.36(d)(2)(ii) states:

- (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

Therefore, when procuring any construction services, the grantee must follow the sealed bid method, as outlined in the Procurement, Contracts and Acquisition Handbook. This method of procurement will ensure a competitive process is followed and establishes compliance with the use of federal funds.

General contractors not only provide the professional expertise necessary to handle the complexities of construction, they also warrantee the project. Except for very small projects where there is rationale to do otherwise, ADOH does not allow project fragmentation. Project fragmentation is the practice of hiring many sub-contractors to complete a project as opposed to hiring one general contractor to complete a project. When several sub-contractors are involved no one entity is responsible for the overall quality of the project. Responsibilities become convoluted as one sub-contractor might

blame the other for failed work. Construction projects funded with CDBG funds must be warranted; therefore, the use of a general contractor is required.

Changes to the Uniform Relocation Assistance and Real Property Acquisition Policies Act

The following represents the most salient of the recent changes to the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Please review and update your procedures accordingly. ADOH will update the Procurement, Contracts and Application Handbook to reflect the changes. For a complete and comprehensive understanding of all changes, please refer to the final rule at

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-6.pdf>

Subpart A – General

- *Definitions:* New definitions added for *dwelling site*, *household income*, *mobile home*, and *waiver valuation*. The definition of the term *mobile home* includes both manufactured homes and recreational vehicles used as residences.
- *Comparable Replacement Dwelling:* Eliminates phrase “style of living”; “Financial means” language made consistent with changes in Subpart E regarding base monthly rent for low income persons; added language clarifying that for persons receiving government housing assistance those program requirements relating to the size of the replacement dwelling shall apply.
- *Decent, Safe & Sanitary (DSS):* Emphasizes application of local housing and occupancy codes as primary source for defining “standard” housing where appropriate. Clarifies need to address physical attributes of replacement housing beyond those dependent on a wheelchair.
- *Displaced Person / Temporary Relocation:* Requires any residential tenant who has been temporarily relocated for a period beyond one year be contacted by the agency and offered all permanent relocation assistance.
- *Initiations of Negotiations (ION):* Establishes for voluntary acquisitions without recourse to the use of eminent domain, ION does not become effective for purposes of relocation eligibility until there is a written agreement between the Agency and owner to purchase the property. Requires agencies to inform tenant occupants of their potential eligibility for relocation assistance when negotiations are initiated, when and if they become fully eligible, and in the event the purchase will not occur, notifying them that they are no longer eligible for relocation assistance.

Subpart B – Real Property Acquisition

- *Appraisal Waiver*: Increases threshold for appraisal waivers from \$2,500 to \$10,000 with an option for the federal agency funding the project to approve an increase in the amount to a maximum of \$25,000. Appraisal waivers above \$10,000 require offering the property owner the option of requesting an appraisal of the property in lieu of an appraisal waiver.
- *Appraisal Standards*: Terminology changed to “*appraisal requirements*” to avoid confusion with Uniform Standards of Professional Appraisal Practice (USPAP) standards rules. Clarifies performance standards such as USPAP do not directly govern programs covered by the Uniform Act.
- *Scope of Work*: New requirement for scope of work statement in each appraisal. Scope of work replaces former appraisal problem statement and renders obsolete former minimum standards and detailed appraisal requirements.
- *Appraiser Qualifications*: Strengthens qualification requirements for appraisers and review appraisers.

Subpart C – General Relocation Requirements

- *Relocation Planning, Advisory Services and Coordination*: Emphasizes relocation assistance planning and adds personal interview requirements for nonresidential displacements including:
 - 1) Replacement site requirements,
 - 2) Need for outside specialists required for move,
 - 3) Early identification and resolution of realty/personal property issues,
 - 4) Estimated time needed to vacate,
 - 5) Anticipated difficulty in locating replacement site,
 - 6) Identification of advanced relocation payments required for the move.
- *Transportation*: Clarifies agencies must offer all residential displaced persons transportation to inspect replacement housing.
- *Eviction for Cause*: Clarifies an eviction related to non-compliance with a requirement to carry out a project (*e.g., failure to move or relocate when instructed, or to cooperate in the relocation process*) does not negate a person’s entitlement to relocation assistance and payments
- *No Waiver of Relocation Assistance*: Prohibits agencies from proposing or requesting a displaced person to waive their rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

Subpart D – Payments for Moving and Related Expenses

- *Reorganized for clarity and ease of use.*
- *Types of Moves:* Clarifies types of moves available to residential and nonresidential displaced persons.
- *Residential Self Moves:* Prohibits payment based on the lower of two bids or estimates.
- *Personal Property Only Move:* New category of move for persons required to move personal property only from real property.
- *Low Value/High Bulk:* Reintroduces provision for determining moving payment when personal property is of low value/high bulk.
- *Actual Direct Loss of Tangible Personal Property:* Clarifies method for calculating payments.
- *Searching Expense:* Increases payment from \$1,000 to \$2,500 for nonresidential displacements.
- *Related Nonresidential Eligible Expenses:* Establishes new category of eligible moving expense payments. Provides for reimbursement of actual, reasonable and necessary expenses for some former reestablishment expenses previously limited to the \$10,000 maximum. Eligible expenses include: 1) Connection to nearby utilities from right-of-way to replacement site, 2) Professional services for site suitability determination, 3) Impact fees or one-time assessments for heavy utility usage.
- *Security and Utility Deposits:* Clarifies refundable security and utility deposits are ineligible moving expenses.

Subpart E – Replacement Housing Payments

- *Professional Home Inspection:* Added to list of eligible incidental expenses
- *Rental Assistance Payment for 180 Day Homeowner Occupant:* Provides for a replacement housing payment to exceed \$5,250 for displaced 180 day homeowner occupants (*who elect to rent instead of purchase a replacement dwelling*) if the difference in the estimated market rent of the acquired dwelling and rent for a comparable replacement dwelling support a higher figure. However, the payment may not exceed the amount the person would have received as a housing (*purchase*) supplement.

- *Base Monthly Rental for Replacement Dwelling (30% rule):* Language revised to reflect more closely the statutory requirement that only a low-income displaced person's income be taken into consideration when calculating rental assistance payments for a comparable replacement dwelling. Revision establishes 30% of gross household income standard be applied only to displaced persons who qualify as "low income" under the HUD's Annual Survey of Income Limits.
- *Downpayment Assistance:* Removes language that limited payment to amount ordinarily required for conventional loan financing.
- *Adjustment of Asking Price:* Removes requirement to adjust the asking price of comparable replacement dwellings when computing a homeowner's replacement housing payment.

Subpart F – Mobile Homes

- *Reorganized for clarity and ease of use.*

Subpart G – Certification

- *No change*

Appendix A –

- *Content:* Significant increase in content including detailed explanation of regulatory sections for implementation purposes.

Appendix B -

- *Statistical Report Form:* Simplification of report form and instructions for use.



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INFORMATION BULLETIN No 03-05

Issued: March 24, 2005

**RE: CDBG Windshield Surveys
ARS 36-1471 et seq. regarding Slum/Blight Resolutions
April is Fair Housing Month
ERR Handbook Updates**

This is electronic Information Bulletin No. 03-05, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by the Arizona Department of Housing (ADOH).

CDBG Windshield Survey

ADOH has revised the procedures for conducting a Windshield Survey. The revised procedures reflect a streamlining of the Windshield Survey process. Homes outside of the Service Area (SA) but within a low/mod CT/BG area no longer need to be surveyed and made a part of the calculations. CT/BG information already confirms at least 51% LMI. Revised forms, instructions, methodology, and checklist are attached to this email for your use.

A.R.S. 36-1471 et seq. Slum Clearance and Redevelopment

A recent change to Arizona law invokes additional notice requirements for local governments who wish to designate an area to be slum or blighted. The following language is included in the revised A.R.S. 36-1471 et. Seq. Slum Clearance and Redevelopment.

“A Municipality must notify the owner of real property that is within the boundaries of a proposed redevelopment area of the time, date and location of a public meeting concerning the findings. The Municipality must provide this notice by first class mail to the address stated on the most recent records of the County Assessor.

“The designation of an area as a slum or blighted area terminates ten years after this designation unless substantial action has been taken to remove the slum or blighted conditions. The termination does not affect existing projects as described in Section 35-701, paragraph 8, subdivision (a), item (xiv) that are within that designated area.”

The CDBG program has revised the language within the Slum/Blight Resolution and has included a certificate of mailing to be completed by the Grantee certifying that all homeowners within a redevelopment area have been contacted by first class mail. This mailing will inform the homeowner of the time/place/date of the public meeting concerning the proposed designation of a slum/blighted area. The revised Redevelopment Area (Slum or Blight) Sample Resolution and Certificate of Mailing are attached for your use.

Please refer to www.azleg.state.az.us/ArizonaRevisedStatutes.asp for the complete statute.

April is Fair Housing Month

April is national “Fair Housing Month.” ADOH is providing this important reminder to communities to ensure sufficient recognition of this important month long commemoration. At a minimum, communities receiving federal or state funds should adopt local government proclamations and resolutions, display Fair Housing posters and undertake a proactive educational endeavor such as publishing information in the local newspapers. ADOH encourages all recipients of federal and state funds to take leadership roles in promoting the spirit of Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended. This law prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). ADOH suggests that fair housing can be affirmatively furthered in ways more appropriate and meaningful to each community such as essay contests and educational forums.

ERR Handbook Updates

The addresses of the agencies with environmental jurisdiction have been verified and updated as needed. On page 109 under the heading of **Historic Properties and Archaeological Concerns** the following address should replace the Lakewood, CO address. The Colorado facility is only to be contacted if there will be an adverse effect on the land as a result of the project.

Advisory Council on Historic Preservation
1100 Pennsylvania Avenue NW, Room 803
Washington, DC 20004
202/606-8503

Additionally, when contacting the National Park Service, do not use the address of 800 N. Capitol St. NW (page 110). The National Park Service can be contacted at the same address as the National Register of Historical Landmarks. NPS falls under the jurisdiction of the Department of Interior.

On Form E-11 (page 76) instructions for questions 4 (Erosion) and 5 (Soil Suitability) are not listed. The Grantee's engineer or the project engineer should be able visit the site and make the determination regarding these two categories.



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REGARDING PROGRAMS: Community Revitalization, Rental Housing

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No 04-05

Issued: May 5, 2005

**RE: CDBG Request for Payment Backup Documentation
Small Purchase Limit
Demolition and Clearance Guidelines
Website for Infrastructure
Labor Standards Form 8
Applications - Forms 13 and 15**

This is electronic Information Bulletin No. 04-05, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by the Arizona Department of Housing (ADOH).

CDBG Request for Payment Backup Documentation

It has been the practice of the CDBG program to only require that Form F-4 be submitted along with the F-3, Request for Payment (RFP), to document compliance with Treasury Circular 1075. However, submission of the Form F-4 without payment backup documentation has proven insufficient for verifying costs charged to CDBG. Therefore, all subrecipients are requested to submit the appropriate invoices along with the F-3 and F-4 in order to facilitate the payment of RFPs. All new 2005/2006 contracts are required to submit appropriate invoices.

Small Purchase Limit

The Arizona Department of Housing CDBG program has raised the limit on small purchases of goods and services from \$100 to \$1,000. The subrecipient does not have to acquire three quotes for any purchases of goods and/or services, excluding construction, of \$1,000 or less. If the purchase of goods or services is over \$1,000, the subrecipient must follow the procedures in the Procurement, Contracts and Acquisition Handbook on page 5-1; sections 5.1.1 or 5.1.2.

Draft Demolition and Clearance Guidelines

The CDBG program has developed draft Demolition and Clearance Guidelines for removal of abandoned, unsafe, unlivable properties within a subrecipient's jurisdiction. The draft guidelines are intended to be a guide as to what should be addressed in your Demolition and Clearance Guidelines that will be adopted by your councils or county boards. However, the following paragraph must appear in your guidelines:

CONSTRUCTION GUIDELINES FOR DEMOLITION AND CLEARANCE

To ensure compliance with federal regulations, licensed contractors performing property demolition and clearance activities must follow the federal regulations. For guidance, see Title 40, Part 61.145, Subpart M for the National Emission Standards for Hazardous Air Pollutants, and Title 29, Part 1926, Subpart T and 1926.62, Subpart D for Safety and Health Regulations for Construction.

The guidelines are posted on the ADOH website, www.housingaz.com in Programs/Community Revitalization/Community Revitalization Forms.

Website for Infrastructure

The Rural Community Assistance Partnership, in Washington, D.C. has made available a website where subrecipients can acquire a list of funding sources and technical assistance available regarding infrastructure issues. The website is still under construction, but is accessible. Please visit www.scwie.org. Hopefully this site will be of assistance to you.

Labor Standards Form 8

The Labor Standards Form 8, Construction Status Report, has been revised. This report is submitted to CDBG after the start of construction and supplies CDBG with additional pertinent information needed to complete reports for HUD. One of the purposes of this form is to alert CDBG to stop sending Wage Rate Decisions (WRD) to the subrecipient.

The revision changes the deadline that the form will be due to CDBG. Currently it is due seven days after the start of construction. Now the report will be due seven days after the contract has been signed. This will reduce unnecessary man hours spent on issuing WRDs to subrecipients that have already entered into contract. All of the information on the form should be known at the time the contract is signed with the possible exception of the start of construction, which can be estimated. The new form is posted on the ADOH website, www.housingaz.com in Programs/Community Revitalization/Community Revitalization Forms.

Application Forms 13 and 15

Form 13 pertaining to area wide low/moderate benefit, and Form 15 pertaining to applications related to the Slum or Blight National Objective, have been revised. The changes that have been made are the addition of a column under #4 and #6 respectively; the columns that will need to be completed will be for: CT/BG Data; Total Population; Low/Mod Universe; LMI Population and the Percentage of LMI. The new forms are posted on the ADOH website, www.housingaz.com in Programs/Community Revitalization/Community Revitalization Forms.



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REGARDING FUNDING SOURCES: CDBG, HOME, SHP, SPC, HOPWA

INFORMATION BULLETIN No. 05-05

ISSUED: August 26, 2005

RE: State Housing Fund FY 2006 Program Summary and Application Guide - REVISIONS
State Housing Fund FY 2006 Program Summary and Application Guide - CLARIFICATION
ADOH Environmental Review Handbook - REVISION

State Housing Fund FY 2006 Program Summary and Application Guide - REVISION

Two Third-Party Cost Estimates. ADOH has determined that the requirement to provide two third-party cost estimates pursuant to Tab D on the State Housing Fund Homeownership Development Application and Tab O on the State Housing Fund Rental Development application was difficult to satisfy and not necessary for the negotiation of a budget.

The new language will be as follows:

“One third-party cost estimate from a professional estimator, contractor or architect must be included for all construction and rehabilitation projects using Attachment O-1. Cost estimates must be based on actual drawings and specifications for the proposed development. Drawings and specifications may be preliminary provided they are of sufficient detail to represent the cost of the final design.”

Pre-development Loans. Local Government are now eligible to receive pre-development loans.

Previously, only non-profit organizations were eligible for pre-development loans. ADOH has changed its policy to allow local governments to receive pre-development

loans. This excludes CDBG Entitlements, HOME Participating Jurisdictions, and Tribal Entities having NAHASDA funds.

State Housing Fund FY 2006 Program Summary and Application Guide - CLARIFICATION

Reimbursements of land already purchased by local governments, for-profits and non-profits is allowed provided the land was not purchased more than 12 months prior to application, excluding LIHTC projects.

Definition of Cash Flow. ADOH defines cash flow as follows:

"Cash flow is calculated by subtracting operating expenses, replacement reserves, and debt service on the permanent loan from total rental income. Operating expenses must include all expenses/fees/obligations as expressly identified and included in the original Application at the time of underwriting. Operating expenses must include only cash expenses incurred during the period in question, with two exceptions. Non-cash expenses and fees paid to any investor/syndicator must be excluded from the calculation."

The instruments used to verify cash flow will be the Audited Financial Statement.

ADOH Environmental Review Handbook - REVISION

The following revisions have been made to the ADOH ERR Handbook available on the ADOH website www.housingaz.com/library/#1023.

Page 8, corrections and clarifications to bullet points under Section 3.2.1

Page 9, corrections and clarifications to bullet points under Section 3.2.1

Page 11, The validity of an ERR was extended to 5 years from 3 years.

Page 64, Form E-3, categories were clarified under B. Categorically Excluded.

Page 46, New address for Yavapai Apache Nation Chair

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The Arizona Department of Housing FY 2005 Information Bulletin

REGARDING PROGRAMS:

Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 06-05

ISSUED: September 19, 2005

RE: New Policy Regarding CDBG Scope of Work Changes
Correction to Chapter 5, page 5.5 of the CDBG Administrative Handbook
COG/Community Meeting – SAVE THE DATE

New Policy Regarding CDBG Scope of Work Changes

Effective immediately and applicable to all open contracts, a Communication Letter Change (CLC) is required for all scope of work changes. Previously, scope of work changes of 35% or less did not require a CLC. The CLC is essential for the file to document use of federal funds and, therefore, must be received for all changes. ADOH will generally approve a CLC within ten (10) business days. As a reminder, if the revision to the scope of work is of such a nature that it alone or in concert with prior revisions, alters the project to such a degree that it becomes a different activity, or changes the purpose, beneficiary or location of the activity, an Amendment process is required. Thank you in advance for your cooperation with this change.

Correction to Chapter 5, page 5.5 of the CDBG Administration Handbook

Chapter 5, Page 5-5, Section 3.1 of the CDBG Administration Handbook refers to seven days for public comment on amendments which is in conflict with the Chapter 5, page 55 of the CDBG Application Handbook which requires fifteen (15) days. Fifteen (15) days is the correct public notice period. As a further clarification regarding amendments, CDBG contract amendments must be approved by the local governing body, regardless of circumstance. The meeting at which the local governing body approves the amendment is the public hearing referred to in the Handbooks.

COG/Community Meeting – SAVE THE DATE

Please hold October 18, 2005 at 1:00 p.m. for a COG/Community Meeting. ADOH will meet with the COGs from 1:00 pm to 2:00 pm. The community representatives will join the meeting at 2:00 pm. We will be discussing **amendments to the Grant Administration and Administration Handbooks, new SSP scoring criteria**, and other issues you wish to discuss. Information regarding the location of the October 18 meeting will be forthcoming.



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The Arizona Department of Housing 2005 Information Bulletin

REGARDING PROGRAMS:

Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 07-05

ISSUED: October 12, 2005

RE: ADOH/CDBG Grantee/COG Meeting Agenda
Change in Policy Regarding Budget (Activity) Amendments

ADOH/CDBG Grantee/COG Meeting Agenda

An agenda for the ADOH/ CDBG Grantee/COG Meeting discussed in Bulletin No. 06-05 follows. The meeting will be held in Phoenix on October 18, 2005 at 1:00 pm. ADOH will meet separately with the COGs at the conclusion of the meeting. The meeting will be at the Arizona State University Downtown Center, 502 East Monroe Street, Room A202 in Building A, Phoenix, AZ 85004-4442. A map is attached to this Bulletin.

The purpose of the meeting is to discuss the 2006 Application Handbook, the 2005 Administration Handbook, the new SSP Scoring Criteria and to receive input from the COGs and communities regarding ways in which the CDBG program can be improved. The agenda is as follows.

1. Application Handbook
 - a. Corrections to forms
 - b. Changes to Handbook format
2. Administration Handbook
 - a. Clarification regarding Communication Letter Changes (CLC) and amendments.
3. Technical Assistance Meetings
4. New SSP Scoring Criteria
5. Suggestions from COGs and Communities regarding CDBG Administration.
6. COG/ADOH meeting.

The Application and Administration Handbooks and all of the forms will be mailed to grantees on CD ROM and paper format following Tuesday's meeting. As before the forms are in a Word fillable format.

Change in Policy Regarding Budget (Activity) Amendments

Previously, changes in funding amounts from one Activity to another in the same funding year required an amendment if the change was greater than 35%. In order to accommodate more changes with a CLC, ADOH has increased the threshold for an amendment to 50%. Effective immediately, changes to Activity funding amounts of 50% or less can be accomplished by a CLC and those exceeding 50% require an amendment. The 50% amendment threshold applies to changes in the Scope of Work as well. Only two amendments are allowed with no limitation on the amount of CLCs. CLCs are approved at the discretion of ADOH based on contract performance. These change will be discussed at the October 18, 2005 COG/Community meeting.

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The Arizona Department of Housing 2005 Information Bulletin

REGARDING PROGRAMS:

Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 08-05

ISSUED: November 2, 2005

RE: Draft State Special Projects Rating and Ranking Format
Application and Administration Handbooks and Forms

Draft State Special Projects Rating and Ranking Format

Attached to this bulletin is the proposed rating and ranking criteria for the SSP competitive applications. We are asking for your comments before we finalize the criteria. Please fill out the attached survey and provide any other information you wish to convey regarding the proposed rating and ranking criteria. Please send surveys and comments to ADOH_programs@housingaz.com or Andrew Rael, Housing Programs Administrator, Arizona Department of Housing, 1700 W. Washington, Suite 210, Phoenix, Arizona 85007. Please submit comments by November 25, 2005 at 5pm.

Application and Administration Handbooks and Forms

ADOH is in the process of mailing a CD ROM and paper copies of the 2006 CDBG Application and Administration Handbooks as well as the associated forms. The forms are in Word fillable format. Please contact your CDBG Program Specialist if you do not receive this mailing within two weeks or if you wish to receive additional copies.

If you require special accommodations to receive, review or respond to this information please contact Lori Moreno at the numbers listed below.

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The Arizona Department of Housing 2005 Information Bulletin

REGARDING PROGRAMS:

Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 09-05

ISSUED: December 20, 2005

RE: Notice of Funding Availability for CDBG State Special Projects
Competitive Funding

NOTICE OF FUNDING AVAILABILITY

For FY 2006, the Arizona Department of Housing (ADOH) expects to allocate approximately \$2.9 million in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2006 SSP funds will be distributed in one competitive funding round and the application submission deadline is June 1, 2006 at 5 p.m.

The Application Process for the SSP funding allocations is located in the 2006 Application Handbook. If you are interested in applying for funds, please review the application guidelines in the 2006 Application Handbook from the ADOH CDBG program. The 2006 Application Handbook and SSP Scoring Sheet can be obtained from the ADOH website at www.housingaz.com/library/#1007. The Scoring Sheet is also attached to this bulletin.

CHANGES FOR THIS YEAR

The FY 2006 funding cycle and application process will be significantly different than the 2005 funding round. Changes are highlighted below. For more detailed information on these changes, applicants may contact a Revitalization Program Specialist.

Program Changes

Project time frames were lengthened to reflect individual project schedules; but generally not more than 24 months.

Application Changes

The application process this year encourages applicants to submit more extensive information than in past years. To ensure a competitive application, all applicants should submit the following:

- Data showing the poverty level in the community or target area by census tract;
- extensive public participation information, including Council meeting minutes, projects discussed, and any other relevant public participation information;
- budgets that have been carefully considered to maximize the potential of CDBG funds;
- documentation of the administering agency's qualifications to manage the activity;
- a timeline or schedule showing at least the project's likely start date and finish date; and
- information on attempts to secure other or additional funding, and a report on which were successful.

Please review the rating and ranking sheet to ensure that you have supplied all relevant information under each criterion so that you will obtain the maximum points available to your type of project.

Application Rating Changes

The rating system has been significantly expanded since FY 2005. The goals of the proposed rating system are as follows:

- Ensure fairness in competition for the grants;
- increase the objectivity of the reviews;
- create a 100-point scale;
- encourage communities to target their poorest areas; and
- provide grantees with more information on how to write a competitive application.

The greatest change to the application rating system is that it places additional emphasis on targeting the most impoverished areas and low-moderate income communities, justifies the need for the activity, past performance, and cost effectiveness. There are seven broad categories in the rating system and each contain multiple topics. The rating section on activity need and justification is specific to the type of activity proposed, allowing for a more complete analysis.

The full proposed rating system, without specific point values, is attached to this notice. In general, applications scoring maximum points will contain the following aspects:

- An activity that benefits low- and moderate-income individuals, and in particular, an activity that benefits many people at or below poverty level;
- an activity that meets needs identified in both the public participation process and in the General Plan or other local planning document;
- an activity that has a significant and lasting impact on an identified problem;
- a well-documented and justified need for the activity;
- reasonable cost estimates with supporting documentation;
- an administering agency with the staff and skill to carry out the proposed activity;
- an administering agency with an excellent record of proper program management; and
- documented success in efforts to obtain funding from other sources.

APPLICATION TIMELINE

The following is a listing of key dates in the application and funding process:

NOFA release:	December 19, 2005
2006 Application Handbook release:	November 1, 2005
Application deadline:	June 1, 2006 at 5:00 p.m.
Awards announcement:	No later than August 15, 2006

APPLICATION SUBMITTAL

All communities eligible to receive funding from the State CDBG program are eligible to apply for SSP funds. Each community is encouraged to submit one application. A community may submit multiple applications if the applications are prioritized. All first priority applications will be reviewed first, and subsequently prioritized applications will be reviewed if sufficient funding is available.

Applications are due to ADOH on **Thursday, June 1, 2006 by 5:00 p.m.** Applications will be considered received if one of the following indicates a date and time no later than the application due date:

- U.S. Post Office postmark
- Fed Ex, UPS, etc. delivery documents
- Department staff documentation of receipt

Applications may not be submitted via e-mail or fax. Applications may be delivered or mailed to:

Arizona Department of Housing
Attn: CDBG Application SSP Account
1700 W. Washington, Suite 210
Phoenix, AZ 85007

STATE SPECIAL PROJECTS INFORMATION

Eligible Applicants

Consistent with federal law, eligible applicants for the State CDBG Program are:

- All incorporated cities and towns, except those located in Maricopa and Pima Counties and excluding the cities of Flagstaff and Yuma
- All of Arizona's counties except Maricopa and Pima Counties

Eligible Activities

Any eligible CDBG activity can be undertaken with State Special Projects (SSP) Account. Common activities awarded SSP funds are housing rehabilitation, equipment purchases, public facility construction or improvements, and infrastructure improvements.

A detailed explanation of eligible activities, complete with a list of eligible and ineligible activities, is available in the 2006 Application Handbook. Applicants unsure of an activity's eligibility are encouraged to contact ADOH staff to discuss the project.

Eligible activities must be ready to begin implementation within two months of funding, and must anticipate completion within the self-determined and approved contract timeframe.

Threshold Issues and Application Requirements

To qualify for funding under this notice, applicants must submit the following items in addition to all elements required by the 2006 CDBG Application Handbook. Applications that are not complete and do not contain the following items will be rejected.

For all applications:

- Approved environmental review documents, including Authority to Use Grant Funds issued by ADOH;
- proof of land/property control, with documentation of ownership;
- planning/design/specifications (for non-engineered projects only);
- final engineering design drawings, signed/certified;
- acquired permits (i.e. zoning approval, Army Corps permit);
- detailed cost estimates; and
- proof that any other related upfront issues are resolved.

For equipment purchase and public works:

- Completed and detailed specifications for the items to be purchased, complete plans and specifications for construction approved by local government and/or construction to be completed are included;
- list of qualified bidders selected for solicitation and statement certifying that the local government will select vendors through a competitive procurement process compliant with CDBG guidelines;
- final engineering design drawings, signed and certified, are included;
- if an infrastructure project, the community has site control;
- all applicable permits (e.g. zoning, building, Army Corps of Engineers) have been secured or letters stating likely approval from the appropriate bodies are included; and
- a detailed cost estimate, including any administrative costs is provided.

For owner-occupied housing or rental rehabilitation:

- A letter certifying that a waiting list of income-qualified homeowners/tenants exists to support need;
- a letter certifying that work orders and specifications have been completed for all houses to be rehabilitated;
- pre-approved and adopted housing rehabilitation guidelines that include documentation of ADOH approval;
- for owner-occupied rehab, the current resident has site control. If rental rehab, the landlord has site control; and
- agreement between the landlord and the local government to rent a certain percentage of units to L/M income households (rental rehabilitation only).

For homeownership assistance:

- A letter certifying that a list of income-qualified applicants exists to support need;
- documentation demonstrating that a home lot has been selected and that all other financing has been approved for the specific persons to be assisted; and
- pre-approved and adopted home ownership assistance guidelines that include documentation of ADOH approval.

For new construction of housing:

- Proof that the proposed developer has developed at least one successful and similar project;
- the applicant or the proposed developer currently has site control; and
- a description of the planning and design for the project, along with detailed architectural drawings and floorplans, is included.

For public services:

- Comprehensive scope of work; and
- information qualifying the agency to carry out the type of public service to be provided, or if the service provision is to be bid out, a list of qualified consultants.

For Public or Commercial Facilities-New Construction (Public Facilities only) and Renovation

- Complete construction plans with detailed drawings of the final product are included;
- documentation demonstrating that the applicant owns the land in question with no restrictive agreements is included. If commercial rehab, a deed must be included to demonstrate that the assisted owns the property; and
- all applicable permits (e.g. zoning, building, Army Corps of Engineers) have been secured or letters stating likely approval from the appropriate bodies are included.

Economic Development Assistance

- A list of qualified business owners to be assisted is included; and
- a qualified agency able to conduct or provide the public service is identified; or if the project will be bid out, a list of qualified consultants is included.

Public Participation

ADOH encourages each community to combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings.

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are scored. The highest scoring applications within each priority category will be awarded prior to awarding projects in subsequent priority categories. Scored applications will be kept on file for one year and the next highest scoring applications will be funded if funding becomes available through recapture or de-obligated CDBG funds. The SSP Scoring Criteria is attached to this bulletin and can be obtained from the ADOH website at www.housingaz.com/library/#1007

Contract Terms

Contract time frames will not be restricted. Contracts entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. In general projects should be complete within 24 months. The successful applicant must return contract documents with Mayor's/Board Chair's signature within ten days of their receipt. Contracts not returned within the specified time period will be terminated and funds will be reassigned to the next community.

Maximum Grant Amount

The maximum grant available under this notice is \$300,000. Funds unexpended at contract termination shall be returned to ADOH.

Selection Notification

ADOH anticipates notifying all applicants within 45 days of receiving the application as to whether they will be funded or not. Applicants approved for funding must be prepared to initiate projects within 30 days of notification.

Upon request, both funded and unfunded applicants will have the opportunity to review their application's scoring with ADOH staff, in order to increase their competitiveness in subsequent application and funding processes.

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