



Arizona  
Department  
of Housing

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# State of Arizona Annual Action Plan

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*Federal FY 2016*

*July 1, 2016 - June 30, 2017*

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Table of Contents

Executive Summary ..... 1

    AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b) ..... 1

    PR-05 Lead & Responsible Agencies - 91.300(b) ..... 6

    AP-10 Consultation - 91.110, 91.300(b); 91.315(l) ..... 7

    AP-12 Participation - 91.115, 91.300(c) ..... 25

Expected Resources ..... 29

    AP-15 Expected Resources – 91.320(c)(1,2) ..... 29

Annual Goals and Objectives ..... 35

    AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e) ..... 35

    AP-25 Allocation Priorities – 91.320(d) ..... 43

    AP-30 Methods of Distribution – 91.320(d)&(k) ..... 45

    AP-35 Projects – (Optional) ..... 66

    AP-38 Project Summary ..... 67

    AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii) ..... 70

    AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii) ..... 71

    AP-48 Method of Distribution for Colonias Set Aside – 91.320(d)&(k) ..... 72

    AP-50 Geographic Distribution – 91.320(f) ..... 75

Affordable Housing ..... 77

    AP-55 Affordable Housing – 24 CFR 91.320(g) ..... 77

    AP-60 Public Housing - 24 CFR 91.320(j) ..... 78

    AP-65 Homeless and Other Special Needs Activities – 91.320(h) ..... 79

    AP-70 HOPWA Goals – 91.320(k)(4) ..... 83

    AP-75 Barriers to Affordable Housing – 91.320(i) ..... 84

AP-80 Colonias Actions – 91.320(j) ..... 87

AP-85 Other Actions – 91.320(j) ..... 89

Program Specific Requirements..... 93

    AP-90 Program Specific Requirements – 91.320(k)(1,2,3)..... 93

Attachments..... 99

    Citizen Participation Comments..... 100

    Grantee SF-424's and Certification(s) ..... 108

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### Introduction

The State of Arizona 2016-2017 Annual Action Plan (Action Plan) is a document required by the U.S. Department of Housing and Urban Development (HUD) to be submitted by all jurisdictions that directly receive HUD formula funds. The Arizona Department of Housing (ADOH) developed the five (5) year 2015-2019 Consolidated Plan (Consolidated Plan), of which the Annual Action Plan is the annual update. The Consolidated Plan determines priorities, establishes strategic goals and allocates resources for the HUD funded programs administered by ADOH, namely: the Community Development Block Grant Program (CDBG); the HOME Investment Partnerships Program (HOME); Housing Opportunities for Persons with AIDS Program (HOPWA); the Emergency Solutions Grant Program (ESG) administered by the Arizona Department of Economic Security (DES); and the Housing Trust Fund (HTF).

The Annual Action Plan covers the timeframe from July 1, 2016 to June 30, 2017, a one (1) year period.

The primary focus of the HUD programs is on assisting low-income households. Throughout this document, there are several references to various income levels: 1) extremely low-income households are those earning at or below thirty percent (30%) of the area median income; 2) very low-income households are those earning thirty-one percent (31%) to fifty percent (50%) of the area median income; and 3) low-income households are those earning fifty-one percent (51%) to eighty percent (80%) of the area median income.

The objectives of the Consolidated Plan include: 1) improve the quality of the housing stock; 2) construction and rehabilitation of rental units; 3) public services for LMI; 4) provide public infrastructure and facilities; 5) clearance and demolition of substandard units; 6) housing and supportive services for persons with HIV/AIDS; 7) rental assistance and supportive services for those who are homeless; 8) further fair housing and address impediments; 9) improve the economic environment; 10) assist new homebuyers; 11) build local capacity; and 12) housing for persons with special needs.

The Consolidated Plan affirms the three (3) national objectives of Title I of the Housing and Community Development Act of 1974, as amended, including activities which: 1) primarily benefit low-and-moderate income persons; 2) aid in the prevention of slums and blight; and 3) alleviate conditions which pose a serious and immediate threat to the health or welfare of a community.

ADOH anticipates receiving the following amounts in 2016-2017: 1) CDBG - \$10,578,395; 2) HOME - \$4,804,047; 3) HOPWA - \$239,785; 4) ESG - \$1,685,725; and 5) HTF - \$3,000,000.

ADOH endorses the objectives of the National Affordable Housing Act of 1990, including: 1) ensure that all residents have access to decent shelter; 2) increase the supply of affordable housing; 3) make neighborhoods safe and livable; 4) expand opportunities for homeownership; 5) provide a reliable supply of mortgage financing; and 6) reduce generational poverty in assisted housing.

ADOH endorses the objectives of the Housing and Economic Recovery Act of 2008 establishing the Housing Trust Fund to increase and preserve the supply of rental housing for extremely low and very low-income families including homeless.

The Consolidated Plan also addresses the needs of persons living with HIV/AIDS and supports the objectives of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) of 2009, which reauthorized the 1987 McKinney-Vento Homeless Assistance Act.

### **Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.

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5) provide a reliable supply of mortgage financing; and 6) reduce generational poverty in assisted housing.

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### **Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Arizona made progress on its priority needs and objectives. The best indicators of results (i.e. performance measures) are described below. ADOH obligated \$477,049,664 to affordable housing and community development efforts through multiple resources.

**Community Development Block Grant (CDBG) Program:** ADOH awarded \$9,041,460 in CDBG funds to the following projects: 1) \$2,937,529 to streets, sidewalks, and drainage; 2) \$2,500,400 to potable water delivery; 3) \$371,768 to neighborhood facilities; 4) \$649,697 to ADA improvements; 5) \$207,589 to public services; and 6) \$3,374,477 to owner-occupied home rehabilitation. To further coordination of CDBG funding with other federal/state/local resources, ADOH awarded \$80,000 for Technical Assistance activities. ADOH is involved on a continual basis in numerous planning efforts with other state departments; local, regional, and county governments; housing and social service providers; businesses; and citizens.

**HOME Investment Partnership Programs (HOME):** Arizona awarded \$2,418,787 HOME resources for owner-occupied housing rehabilitation and rental development in order to increase accessibility and availability as well as improve sustainability of permanent housing for 145 low-income households.

**Housing Opportunities for Persons with AIDS (HOPWA) Program:** The State awarded \$223,937 in HOPWA funds within five (5) of the thirteen (13) non-entitlement counties assisting a total of fifty-seven (57) households with short term rental, utility, and mortgage assistance; rental assistance; and supportive services.

**Emergency Solutions Grant (ESG) Program:** Arizona awarded ESG funds in the amount of \$1,582,653 to encourage a range of services to help prevent people from entering the homeless system and rapidly transition people from homelessness to permanent housing.

**Balance of State Continuum of Care:** ADOH has several roles in the Balance of State Continuum of Care (BOSCO) process: ADOH is the Collaborative Applicant for the \$4.2 million annual renewals; recipient of all but one (1) of the projects (ninety-seven percent (97%)); and is the Homeless Management Information System (HMIS) lead agency. ADOH supports the planning and organization of the BOSCO. There are sixteen (16) sub-recipients to administer the thirty-

four (34) housing projects, seventy-five percent (75%) of which are permanent supportive housing and twenty-five percent (25%) are transitional housing. These projects provide 379 units of housing. The federal partners involved in the BOSCO include the U.S. Department of Veterans Affairs with the VASH vouchers and the SSVF programs, and SAMHSA with the Projects for Assistance in Transition from Homelessness (PATH) and the Runaways and Homeless Youth Assistance (RHYA) programs. They are required to participate in the HMIS along with ESG and HOPWA providers.

### **Summary of citizen participation process and consultation process**

Summary from citizen participation section of the Plan.

The public participation process included both an amendment to the Consolidated Plan (to amend the affordable housing Sections of the Strategic Plan for the HTF) and review of the Action Plan. ADOH encouraged citizen participation throughout the development of the Action Plan by consulting stakeholders, local, and regional governments, holding public meetings, and encouraging public comment during the public review period. The following two (2) public meetings were held: 1) Phoenix, Arizona: March 8, 2016 at 1:00 p.m., Arizona Department of Housing, 1110 West Washington Street, Suite 280 (ADOH Training Room on 2nd Floor); 2) Phoenix, Arizona: April 13, 2016 at 10:00 a.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250 (building conference room). Newspaper advertisements, e-mail bulletins, and website information were published at least seven (7) days prior to the meetings held to receive public input. The draft Action Plan was made available to the public for a thirty (30) day comment period beginning March 22, 2016 and ending April 22, 2016. Among those receiving e-mail notifications were governments, Continuums of Care, businesses, developers, institutions, non-profit organizations, and all agencies serving low income, special needs (including persons with disabilities), and minority residents.

### **Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.

Most of the comments received pertained to the use of the Housing Trust Fund. There was notable and widespread support for using the Housing Trust Fund to provide permanent supportive housing for chronically homeless individuals and families. Refer to the attached public comments documents attached to this plan for more information

### **Summary of comments or views not accepted and the reasons for not accepting them**

All comments were accepted.

## **Summary**



Two (2) public meeting were held with a total of fifty-five (55) persons in attendance. There was ample discussion at both meetings regarding the Housing Trust Fund. There was widespread support for using HTF for permanent supportive housing for chronically homeless. The HTF Allocation Plan was derived from community needs and comments. There were no comments regarding the amendment of the Strategic Plan section of the Consolidated Plan.

## PR-05 Lead & Responsible Agencies - 91.300(b)

### Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

**Table 1 – Responsible Agencies**

CDBG Administrator	Kathy Blodgett, CD&R Programs Administrator
HOPWA Administrator	Karia Basta, Special Needs Administrator
HOME Administrator	Andrew Rael, Assistant Deputy Director - Programs
ESG Administrator	Alfred Edwards, Arizona Department of Economic Security

### Narrative

#### Consolidated Plan Public Contact Information

Andrew Rael, Assistant Deputy Director – Programs

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## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **Introduction**

ADOH is involved on a continual basis in numerous planning efforts with other State agencies and departments; local, regional, and county governments; housing and social service providers; businesses; and citizens. The planning bodies responsible for these efforts often consist of members that are recipients of ADOH funding or share in some respect ADOH's mission to address housing and community development needs for low-income and special needs populations throughout the state. ADOH consulted with these planning bodies regarding the use of the Housing Trust Fund.

**Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

**Coordination between public housing providers, private and governmental mental health and service agencies are achieved through the following statewide organizations and efforts.**

ADOH received a HUD 811 Demonstration Program Grant, which provides rental assistance for LIHTC properties that Set Aside units for individuals with developmental disabilities. ADOH is working with the Arizona Department of Economic Security (DES) to select the tenants and provide them with supportive services and the Arizona Health Care Cost Containment system (Medicare) which provides the funding for DES services. ADOH will use Housing Trust Fund to develop permanent supportive housing for chronically homeless individuals and families for which it will partner with private, governmental, mental health, and service agencies for the identification of tenants. The Arizona Coalition to End Homelessness (AZCEH) provides leadership in statewide efforts to end homelessness through advocacy, education, and coordination with local communities and initiatives. AZCEH activities include its annual statewide conference, coordination of focused service initiatives, along with providing education opportunities for those working on behalf of all those experiencing homelessness. Regional Behavioral Health Authorities (RHBA's): AHCCCS Behavioral Health Service Delivery contracts with RHBA's who provide integrated health care through a provider service network. Each RBHA has a Housing Coordinator who is very engaged in the COC and housing process. Both Housing Coordinators for the northern and southern RHBA's have accepted an invitation from the Balance of State Continuum of Care to sit on the Governance Advisory Board. Arizona SOAR (SSI/SSDI, Outreach, Access, and Recovery) State Steering Committee was created in June 2014. This project is designed to increase access to the disability income benefit programs administered by the Social Security Administration (SSA) for eligible adults who are homeless or at risk of

homelessness and have a mental illness and/or a co-occurring substance use disorder. Each COC has a local lead assisting with the execution of the Action Plan. The goal is to continue to expand the number of individuals trained in SOAR in order to obtain benefits for eligible individuals in a decreased amount of time.

**Provide a concise summary of the state’s activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.**

Arizona has sixty-three (63) designated Colonias existing in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma as well as on the Cocopah and Tohono O’odham Indian Reservations. The State, in consultation with the University of Arizona Drachman Institute, developed a Colonias housing assessment guide and water/sewer/housing assessment questionnaire that is completed by Colonias communities and used to determine the eligibility and needs of the Colonias. Most of the State CDBG eligible Colonias communities partner with their corresponding city, town, or county governments to apply for funding through the State Set Aside program. Additionally, the State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. Finally, the State is a participating member of the Rural Water Infrastructure Committee (RWIC) where other state agencies, non-profit, and for profit entities come together to discuss current water and wastewater projects or technical assistance needs for rural communities including Colonias. The State sets aside ten percent (10%) of its CDBG funds annually for infrastructure and housing activities within Colonias and holds a competitive application round bi-annually to facilitate the ability to award funding in an amount sufficient for the Colonias to address their water, sewer, or housing need in its entirety.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and unaccompanied youth) and persons at risk of homelessness.**

The following statewide goals and objectives, some of which have been achieved, were adopted and introduced at meetings of all three (3) Continua of Care (COC).

**END CHRONIC HOMELESSNESS:** 1) Move 300 chronically homeless individuals or families into permanent housing each year for the next five (5) years; 2) adopted and implemented statewide use of a common assessment tool to prioritize housing placement based on vulnerability; and 3) support, monitor, and assess for centralized intake to prioritize chronically

homeless individuals for placement and to evaluate outcomes; Phoenix and Tucson are two (2) of the cities that participated in the key federal strategy known as the 25 Cities Effort through which communities received technical assistance and are mobilized local planning efforts and partnerships to create systems for aligning housing and services interventions through coordinated systems to end homelessness. The entire state has accelerated the number of permanent housing placements for veterans experiencing homelessness and individuals experiencing chronic homelessness.

**PREVENT AND END VETERAN HOMELESSNESS:** 1) Insure all mainstream and community resources identify veteran status and connect veterans to additional veteran resources; and 2) target and prioritize use of Housing and Urban Development (HUD) VASH housing vouchers towards chronically homeless veterans. In addition to the 25 Cities initiative, Phoenix and Tucson are also participating in the Zero: 2016 Initiative, working to create a sustainable system for identifying, engaging, and rapidly housing homeless veterans to reach functional zero and maintain it. The Balance of State Continuum applied for and is now participating in the Vets@Home Technical Assistance offered through HUD, working on a By-Name List of homeless veterans and developing a sustainable process to accelerate permanent housing placements.

**CONTINUE WORK TO PREVENT AND END HOMELESSNESS FOR FAMILIES, YOUTH AND CHILDREN BY 2021:** 1) Develop common reporting standards for family units versus beds to determine housing needs; 2) adopt common definition of homeless youth; and 3) add 300 units of permanent supportive housing to the housing system each year for the next ten (10) years.

**DEVELOP MEASUREMENT STANDARDS, DATA COLLECTION AND ACCURATE REPORTING SYSTEMS:** 1) Organize a comprehensive statewide street and shelter survey to establish baseline data for future comparisons and research; and 2) establish common definitions, methodology, measurement tools, and reporting standards to be reported by the Continuum of Care.

**MOVE FROM THE CURRENT SYSTEM OF HOMELESS MANAGEMENT TO A HOMELESS PREVENTION SYSTEM:** 1) Expand Coordinated Entry system to become housing options centers with access to all forms of affordable housing, rental assistance, and emergency housing solutions; 2) implement a statewide re-entry process for jail and prison inmate release to prevent release to homelessness; and 3) expand the number of individuals trained in SOAR in order to obtain benefits for eligible individuals in a decreased amount of time.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and**

**evaluate outcomes of projects and activities assisted by ESG funds and develop funding, policies and procedures for the operation and administration of HMIS**

The State Homeless Coordination Office worked through the ESG Collaborators Group in Maricopa County and directly with all three (3) Continuums in the State (Maricopa, Pima, and Balance of State) to coordinate funding objectives for state funded Emergency Solutions Grant (ESG) programs in order that the State could fund those program objectives that the local ESG recipients did not have resources or capacity to serve. Simultaneously, the Maricopa ESG Collaborators Group, which is facilitated by the Maricopa County Continuum of Care, has developed performance standards and outcome measures for the Maricopa Continuum and ESG funded programs. As part of this project, we are working closely with the Homeless Management Information System (HMIS) to develop reports and procedures that will allow all funders to measure and monitor program recipients. All four (4) ESG activities (outreach, emergency shelter, rapid rehousing, and homeless prevention) are funded for the Balance of State. In the Maricopa County and Pima County COCs, many local jurisdictions preferred to focus on homeless prevention, allowing state funding to focus on rapid re-housing. ESG contracts are issued for a period of three (3) to five (5) years and an RFP is not due to be issued until 2018.

**Agencies, groups, organizations and others who participated in the process and consultations**

Table 2 – Agencies, groups, organizations who participated

1	<b>Agency/Group/Organization</b>	<b>Arizona Coalition to End Homelessness (AZCEH)</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Persons with HIV/AIDS Services - Victims of Domestic Violence Services - Homeless Services - Health Services - Education Services - Employment Services - Fair Housing Services - Victims Health Agency Other government - State Other government - County Other government - Local Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

		HOPWA Strategy Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	ADOH and DES are members of Arizona Coalition to End Homelessness (AZCEH) and are sponsors of the AZCEH annual statewide conference. Additionally, DES and the ADOH Special Needs Program Administrator participate on committees within AZCEH that coordinate and plan the conference. Coordination with AZCEH provides access to all major non-profits, service providers, developers, and agencies in Arizona who are working to end homelessness and provide services to persons experiencing homelessness. ADOH and DES membership in ACEH continues to provide education, development of the statewide homeless strategy, and identification of the housing and services needs for populations experiencing homelessness; in particular: veterans, persons with disabilities, victims of domestic violence, and unaccompanied youth.
<b>2</b>	<b>Agency/Group/Organization</b>	<b>Arizona Housing Alliance (AHA)</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Victims of Domestic Violence Services - homeless Services - Health Services - Employment



	<p>Services - Fair Housing                  Services - Victims                  Health Agency                  Other government - State                  Other government - County                  Other government - Local                  Regional organization                  Business Leaders                  Business and Civic Leaders</p>
<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment                  Homeless Needs - Chronically homeless                  Homeless Needs - Families with children                  Homelessness Needs - Veterans                  Homelessness Needs - Unaccompanied youth                  Homelessness Strategy                  Non-Homeless Special Needs                  Market Analysis</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The Arizona Housing Alliance (AHA) is an organization formed to support housing initiatives and programs in the State of Arizona. The Alliance is made up of 151 member entities that consist of developers; non-profits; real estate professionals; property management companies; financial institutions; service providers for persons experiencing homelessness or persons with disabilities; foreclosure and homebuyer counseling agencies; city, town, and county governments; regional Councils of Government; and private citizens who are involved with or</p>

		<p>interested in furthering efforts to solve housing issues for low to moderate income persons and vulnerable populations such as persons experiencing homelessness, veterans, or persons with disabilities. Examples of member agencies include A New Leaf; Arizona Coalition to End Homelessness; Bank of America; Merrill Lynch; Bethel Development; Chicanos Por La Causa; City of Casa Grande; Dohrmann Architects; Foundation for Senior Living; Habitat for Humanity; Housing Authority of Maricopa County; Housing Solutions of Northern Arizona; Native American Connections; etc. ADOH has consulted frequently with AHA especially regarding multi-family housing. AHA has attended consolidated plan and annual action plan hearings as well as the annual ADOH Housing Forum. Consultation with AHA gives ADOH access to a wide cross-section of housing practitioners who help to define the most pressing housing and service needs within Arizona.</p>
3	<b>Agency/Group/Organization</b>	<b>Northern Arizona Council of Governments (NACOG)</b>
	<b>Agency/Group/Organization Type</b>	<p>Housing            Services - Housing            Services - Children            Services - Elderly Persons            Other government - County            Other government - Local            Regional organization</p>
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Northern Arizona Council of Governments (NACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Apache, Coconino, Navajo, and Yavapai counties as well as the communities within those counties. NACOG is frequently the project administrator for those counties and communities. NACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. NACOG is also the responsible agency for the Head Start and Area Agency on Aging programs in northern Arizona. Their input into housing needs assessment and housing and community development needs is critical to the development of the Consolidated Plan and Annual Action Plan.</p>
4	<p><b>Agency/Group/Organization</b></p>	<p><b>Central Arizona Council of Governments (CAG)</b></p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing            Services - Housing            Services - Education            Other government - County            Other government - Local            Regional organization            Planning organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment            Market Analysis            Economic Development</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Central Arizona Council of Governments (CAG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Gila and Pinal counties as well as the communities within those counties. CAG is frequently the project administrator for those counties and communities. CAG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. CAG is also the responsible agency of the region for Workforce Investment Act, Transportation Planning, GIS data and mapping, and is a Federal Economic Development District. Their input into housing need assessment and community development needs is critical to the development of the Consolidated Plan and Annual Action Plan.</p>
<p><b>5</b></p>	<p><b>Agency/Group/Organization</b></p>	<p><b>Western Arizona Council of Governments (WACOG)</b></p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing            Services - Housing            Services - Children            Services - Elderly Persons            Services - Homeless            Other government - County            Other government - Local            Regional organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment            Homeless Needs - Chronically homeless            Homeless Needs - Families with children            Homelessness Needs - Veterans            Homelessness Needs - Unaccompanied youth</p>

		Market Analysis Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Western Arizona Council of Governments (WACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in La Paz, Mohave, and Yuma counties as well as the communities within those counties. WACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. WACOG is the responsible agency for the Head Start and Area Agency on Aging programs in western Arizona as well as the agency responsible in the region for Social Services Block Grant funds. WACOG also provides housing counseling services and is a member of the Regional Council on Aging. Their input into housing need assessment and housing and community development needs is critical to the development of the Consolidated Plan and Annual Action Plan.
<b>6</b>	<b>Agency/Group/Organization</b>	<b>SouthEastern Arizona Governments Organization (SEAGO)</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Elderly Persons Services - Persons with Disabilities Services - Homeless Other government - County Other government - Local Regional organization Planning organization

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment Market Analysis Economic Development</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>SouthEastern Arizona Governments Organization (SEAGO) is a partner with ADOH on the delivery of Community Development Block Grant funds in Cochise, Graham, Greenlee, and Santa Cruz counties as well as the communities within those counties. SEAGO is frequently the project administrator for those counties and communities. SEAGO coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. SEAGO is also the responsible agency for the Area Agency on Aging and Social Services Block Grant programs in southeastern Arizona. SEAGO is also a member of the Transportation Advisory Committee for the region and is a Federal Economic Development District. Their input into housing need assessment and housing and community development needs is critical to the development of the Consolidated Plan and Annual Action Plan.</p>
<p>7 <b>Agency/Group/Organization</b></p>	<p><b>Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC)</b></p>
<p><b>Agency/Group/Organization Type</b></p>	<p>Housing Grantee Department</p>
<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The Arizona Home Foreclosure Prevention Funding Corporation (AHPFC) offers assistance to homeowners facing foreclosure in Arizona's hardest hit markets. AHPFC provides assistance in the form of mortgage modification, principal forbearance, mortgage payment relief, and second lien elimination. AHPFC makes constant programmatic adjustments in order to remain relevant to current market conditions and the mitigation needs of those homeowners facing foreclosure. AHPFC input into the consolidated planning process provides key information and data on current housing market conditions.</p>
8	<p><b>Agency/Group/Organization</b></p>	<p><b>Arizona Department of Economic Security (DES)</b></p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Services - Housing            Services - Children            Services - Elderly Persons            Services - Homeless            Other government - State</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Homeless Needs - Chronically homeless            Homeless Needs - Families with children            Homelessness Needs - Veterans            Homelessness Needs - Unaccompanied youth            Homelessness Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The Arizona Department of Economic Security (DES) is the State agency responsible for administering federal Emergency Solutions Grant funding. Data collected from DES includes critical information on the number of persons in Arizona receiving</p>

		emergency homeless services to prevent homelessness or to rapidly re-house individuals and families experiencing homelessness. ADOH consults with DES on the ESG program several times annually to prepare either for the Annual Action Plan or the CAPER.
9	<b>Agency/Group/Organization</b>	<b>Arizona Department of Housing / Arizona Housing Finance Authority (AzHFA)</b>
	<b>Agency/Group/Organization Type</b>	Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Arizona Housing Finance Authority (AzHFA) is the mortgage bond authority for the thirteen (13) rural counties of the state. ADOH consults with the AzHFA continuously throughout the year through data sharing to understand the homebuyer market and needs in the rural parts of our State.
10	<b>Agency/Group/Organization</b>	<b>Balance of State Continuum of Care (BOSCO)</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services - Children Services - Elderly Persons Services - Persons with Disabilities Services - Persons with HIV/AIDS Services - Victims of Domestic Violence Services - Homeless Services - Health



		<p>Services - Education</p> <p>Services - Employment</p> <p>Services - Fair Housing</p> <p>Services - Victims</p> <p>Regional organization</p>
	<b>What section of the Plan was addressed by Consultation?</b>	<p>Housing Need Assessment</p> <p>Homeless Needs - Chronically homeless</p> <p>Homeless Needs - Families with children</p> <p>Homelessness Needs - Veterans</p> <p>Homelessness Needs - Unaccompanied youth</p> <p>Homelessness Strategy</p> <p>HOPWA Strategy</p>
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	<p>ADOH serves as the collaborative applicant and Homeless Management Information System (HMIS) lead agency for the Continuum of Care for the thirteen (13) non-metro counties in the state. A Continuum of Care is a community planning process to organize and deliver housing and services to meet the specific needs of people experiencing homelessness as they move to stable housing and maximum self-sufficiency. This process brings together local governments, community businesses, faith-based organizations, non-profits, current and/or formerly homeless persons to develop local solutions to end homelessness.</p>
<b>11</b>	<b>Agency/Group/Organization</b>	<b>Arizona Division of Behavioral Health Services (AzDBHS)</b>
	<b>Agency/Group/Organization Type</b>	<p>Housing</p> <p>Services - Homeless</p>

		<p>Services - Health                  Health Agency                  Other government - State</p>
	<b>What section of the Plan was addressed by Consultation?</b>	<p>Homeless Needs - Chronically homeless                  Homeless Needs - Families with children                  Homelessness Needs - Veterans                  Homelessness Needs - Unaccompanied youth                  Homelessness Strategy                  Non-Homeless Special Needs                  HOPWA Strategy</p>
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	<p>The Arizona Division of Behavioral Health Services (AzDBHS) is the ADOH connection to behavioral health service providers who become part of the BOSCO. Consultation provides critical information on the housing and service needs of behavioral health clients who are either non-homeless or experiencing homelessness.</p>
<b>12</b>	<b>Agency/Group/Organization</b>	<b>Maricopa County</b>
	<b>Agency/Group/Organization Type</b>	<p>Housing                  Services - Housing                  Services - Children                  Services - Elderly Persons                  Services - Persons with Disabilities                  Services - Homeless                  Other government - County</p>

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy</p>	
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>ADOH partners with Maricopa County to fund the development or rehabilitation of multifamily affordable housing through the Low Income Housing Tax Credit and HOME programs. DES ESG funds are used within the county to support emergency shelter, rapid re-housing, outreach, and HMIS. Finally, ADOH is the entity that provides Maricopa County with the Certification of Consistency with the Consolidated Plan.</p>	
<p>13</p>	<p><b>Agency/Group/Organization</b></p>	<p>Pima County Community Development &amp; Neighborhood Conservation Department</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing  Services - Housing  Services - Children  Services - Elderly Persons  Services - Persons with Disabilities  Services - Homeless  Other government - County</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Homeless Needs - Chronically homeless  Homeless Needs - Families with children</p>

		Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	ADOH partners with Pima County to fund the development or rehabilitation of multi-family affordable housing through the Low Income Housing Tax Credit and HOME programs. DES ESG funds are used within the county to support emergency shelter, rapid re-housing, and outreach. Finally, ADOH is the entity that provides Pima County with the Certification of Consistency with the Consolidated Plan.

**Identify any Agency Types not consulted and provide rationale for not consulting**

ADOH, through consultation with the Arizona Housing Alliance, Arizona Coalition to End Homelessness, rural Councils of Government, Arizona Division of Behavioral Health Services, Arizona Housing Finance Authority, Arizona Home Foreclosure Prevention Funding Corporation, Balance of State Continuum of Care, Maricopa County, Pima County, and the Arizona Department of Economic Security, is confident that all agency types have been given the opportunity to assist with determination of needs for the State.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Table 3 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		

**Narrative**

## **AP-12 Participation - 91.115, 91.300(c)**

### **Summary of citizen participation process/Efforts made to broaden citizen participation**

#### **Summarize citizen participation process and how it impacted goal setting**

This public participation process included both an amendment to the Consolidated Plan (to amend the affordable housing sections of the Strategic Plan for the HTF) and Review of the Action Plan. ADOH encouraged citizen participation throughout the development of the Consolidated Plan by consulting stakeholders, local, and regional governments; holding public meetings; and encouraging public comment during the public review period. The following two (2) public meetings were held: 1) Phoenix, Arizona: March 8, 2016 at 1:00 p.m., Arizona Department of Housing, 1110 West Washington Street, Suite 280 (ADOH Training Room on 2nd Floor); 2) Phoenix, Arizona: April 13, 2016 at 10:00 a.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250 (building conference room). Newspaper advertisements, e-mail bulletins, and website information were published at least seven (7) days prior to two (2) meetings held to receive public input. The draft Consolidated Plan amendment and draft Action Plan were made available to the public for a thirty (30) day comment period beginning March 22, 2016 and ending April 22, 2016. Among those receiving e-mail notifications were governments, Continuums of Care, businesses, developers, institutions, non-profit organizations, and all agencies serving low income, special needs (including persons with disabilities), and minority residents.

All public meetings included segments whereby participants were not only asked to identify housing and community development needs but to also prioritize these needs. The goals outlined in the Annual Action Plan are based on the priorities and timelines outlined in the public meetings. The comments received through the citizen participation process were essential to outlining priorities in the Action Plan and Consolidated Plan amendment. The majority of the needs identified throughout the process are incorporated in amended Consolidated Plan and Action Plan goal statements.

#### **Summary citizen participation process and efforts made to broaden citizen participation in Colonias**

Arizona has sixty-three (63) designated Colonias existing in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma as well as on the Cocopah and Tohono O'odham Indian Reservations. The State, in consultation with the University of Arizona Drachman Institute, developed a Colonias housing assessment guide and water/sewer/housing assessment questionnaire that is completed by Colonias communities and used to determine the eligibility and needs of the Colonias. Most of the State CDBG eligible Colonias communities partner with their corresponding city, town, or county governments to apply for funding through the State Set Aside program. Additionally, the State of Arizona has a partnership with the

regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. Finally, the State is a participating member of the Rural Water Infrastructure Committee (RWIC) where other state agencies, non-profit, and for profit entities come together to discuss current water and wastewater projects or technical assistance needs for rural communities including Colonias. The State sets aside ten percent (10%) of its CDBG funds annually for infrastructure and housing activities within Colonias and holds a competitive application round bi-annually to facilitate the ability to award funding in an amount sufficient for the Colonias to address their water, sewer, or housing need in its entirety

Citizen Participation Outreach

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Residents of Public and Assisted Housing</p>	<p>There were twenty-three (23) in attendance representing local government, private business, the development community and non-profits.</p>	<p>The Discussion centered around the use of the National Housing Trust Fund. Concern was expressed that both chronically homeless individuals and families should be eligible. Support was expressed for scattered site rehabilitation of existing units. Balance of State areas have a shortage of ELI housing and should be able to access the funding. Applicants should be required to identify rental subsidy and funding for supportive services. Operating costs should be an eligible expense. NHTF loans should be soft debt. If this is administered under the HOME project guidelines, this would restrict the rent to the thirty percent (30%) AMI rent, rather than calculating the rent at the fifty percent (50%) AMI level to support the property at a rent level that is feasible for operations. Support was expressed to for</p>	<p>All comments were accepted.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
				<p>ADOH to increase the length of affordability period. NHTF should not be for mixed development where eighty percent (80%) are market and twenty percent (20%) are affordable. Do not add additional regulation that is not necessary. HOME rules limit the subsidy on rent and would need a third party subsidy for operating expenses.</p>		
2	Public Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Residents of Public and Assisted Housing</p>	<p>There were thirty-two (32) in attendance representing local government, private business, the development community and non-profits.</p>	<p>The discussion again centered around the use of the NHTF. NHTF units should be ADA accessible. Support was expressed to use NHTF for operating cost for rental developments. If not enough demand exists for PSH, the funds should be opened up for all very low income. Operating costs should be allowed. Questions on the following regarding HTF: What are eligible costs? What is the expenditure timeline? Is assistance a grant or a loan? Can HTF be used in conjunction with PHA funds?</p>		



## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

The State will use the program resources covered by this Action Plan including CDBG, HOME, HOPWA, ESG, HTF, and NSP program income, as well as AzHFA Bond Financing, in the following manner:

#### Anticipated Resources

**Table 5 - Expected Resources – Priority Table**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Admin and Planning</li> <li>• Economic Development</li> <li>• Housing</li> <li>• Public Improvements</li> <li>• Public Services</li> </ul>	10,578,395	0	0	10,578,395	0	State of Arizona CDBG State and Small Cities Program
CDBG Colonias Set Aside	public - federal	<ul style="list-style-type: none"> <li>• Admin and Planning</li> </ul>	0	0	0	0	0	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
		<ul style="list-style-type: none"> <li>• Homeowner rehab</li> <li>• Multifamily rental rehab</li> <li>• Public Improvements</li> </ul>						
HOME	public - federal	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Homebuyer assistance</li> <li>• Homeowner rehab</li> <li>• Multifamily rental new construction</li> <li>• Multifamily rental rehab</li> <li>• New construction for ownership</li> <li>• TBRA</li> </ul>	4,804,047	0	0	4,804,047	0	State of Arizona HOME

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	<ul style="list-style-type: none"> <li>• Permanent housing in facilities</li> <li>• Permanent housing placement</li> <li>• Short term or transitional housing facilities</li> <li>• STRMU</li> <li>• Supportive services</li> <li>• TBRA</li> </ul>	239,786	0	0	239,786	0	State of Arizona HOPWA
ESG	public - federal	<ul style="list-style-type: none"> <li>• Conversion and rehab for transitional housing</li> <li>• Financial Assistance</li> </ul>	1,685,724	0	0	1,685,724	0	State of Arizona ESG

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
		<ul style="list-style-type: none"> <li>• Overnight shelter</li> <li>• Rapid re-housing (rental assistance)</li> <li>• Rental Assistance</li> <li>• Services</li> <li>• Transitional housing</li> </ul>						
Other	public - federal	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Homebuyer assistance</li> <li>• Multifamily rental new construction</li> <li>• Multifamily rental rehab</li> </ul>	1,194,700	0	0	1,194,700	3,000,000	State of Arizona NSP funds program income.
Other	public - state	<ul style="list-style-type: none"> <li>• Acquisition</li> </ul>	3,000,000	0	0	3,000,000	3,000,000	HTF in the amount of \$3,000,000 will be available for the program year July 1,

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
		<ul style="list-style-type: none"> <li>• Multifamily rental new construction</li> <li>• Multifamily rental rehab</li> </ul>						<p>2016 through June 30, 2017. ADOH will distribute HTF throughout Arizona on a competitive basis in accordance with Housing Trust Fund Interim Rule (24 CFR Parts 91 and 93) and the following Allocation Plan. Eligible activities for HTF are the production, preservation, and rehabilitation of affordable rental housing developments in which all or a portion of the rental units are set-aside as permanent supportive housing for individuals and families who are chronically homeless with extremely low income (thirty percent</p>

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								(30%) of the HUD area median income).

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The LIHTC, HOME, and HTF Programs leverage construction financing, local government contributions, Federal Home Loan Bank-AHP, and private equity. The CDBG program leverages local government contributions. Arizona Housing Trust Fund will provide the twenty-five percent (25%) HOME match requirement and the administrative funds for ADOH’s Continuum of Care funds.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The State has no land holdings that will be used to address the needs in this plan.

**Discussion**

Anticipated resources include CDBG \$10,578,395; HOME \$4,804,047; ESG \$1,685,724; HOPWA \$239,786; and HTF \$3,000,000. The State of Arizona through the Arizona Department of Housing leverages private, state and local funds to address affordable housing, community development and homeless issues. These leverage funds, especially the State Housing Trust Funds, also provide the required program match for CPD Programs. These leverage resources are necessary to accomplish the goals as outlined in this Plan.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Table 6 – Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve quality of housing stock	2015	2019	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Public Housing</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>• Accessibility for Disabled Persons</li> <li>• Owner Occupied Housing Rehabilitation</li> <li>• Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$2,900,000 <b>HOME:</b> \$2,000,000 <b>CDBG Colonias Set Aside:</b> \$146,000	Rental units rehabilitated: Six (6) household housing units  Homeowner housing rehabilitated: 118 household housing units
2	Construction and Rehabilitation of Rental Units	2015	2019	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Public Housing</li> <li>• Homeless</li> <li>• Non-Homeless Special Needs</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>• Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$100,000 <b>HOME:</b> \$2,000,000 <b>HTF:</b> \$3,000,000 <b>NSP 1 Program</b>	Rental units constructed: 155 household housing units  Rental units rehabilitated: Forty-seven (47) household housing units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
							<b>Income:</b> \$1,000,000	
3	Clearance and Demolition of Substandard Units	2015	2019	<ul style="list-style-type: none"> <li>Affordable Housing</li> <li>Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Owner Occupied Housing Rehabilitation</li> <li>Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$198,000	Buildings demolished: Two (2) buildings  Housing code enforcement/foreclosed property care: Two (2) household housing units
4	Public Services for LMI	2015	2019	<ul style="list-style-type: none"> <li>Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Public Services</li> </ul>	<b>CDBG:</b> \$312,000	Public service activities other than low/moderate income housing benefit: 4,800 persons assisted
5	Provide Public Infrastructure and Facilities	2015	2019	<ul style="list-style-type: none"> <li>Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Public Facilities and Improvements</li> </ul>	<b>CDBG:</b> \$4,000,000	Public facility or infrastructure activities other than low/moderate income housing benefit: 18,000 persons assisted
6	Housing and Services for Persons with HIV/AIDS	2015	2019	<ul style="list-style-type: none"> <li>Affordable Housing</li> <li>Non-Homeless Special Needs</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Public Services</li> <li>Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG Colonias Set Aside:</b> \$236,060	Public service activities other than low/moderate income housing benefit: Ten (10) persons assisted



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
								HIV/AIDS housing operations: Ten (10) household housing units
7	Rental Assistance and Services for the Homeless	2015	2019	<ul style="list-style-type: none"> <li>Homeless</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Emergency Services</li> <li>Rental Assistance</li> <li>Rental Housing Development and Rehabilitation</li> </ul>	<b>ESG:</b> \$1,545,994 <b>HTF:</b> \$3,000,000	Public service activities for low/moderate income housing benefit: 200 households assisted  Rental units constructed: Thirty-five (35) household housing units  Rental units rehabilitated: Thirty-five (35) household housing units  Tenant-based rental assistance / rapid re-housing: 200 households assisted
8	Further Fair Housing and Address Impediments	2015	2019	<ul style="list-style-type: none"> <li>Affordable Housing</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Further Fair Housing</li> <li>Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$123,000	Other: 200 other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Improve the Economic Environment	2015	2019	<ul style="list-style-type: none"> <li>Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Economic Development and Section 108</li> <li>Public Facilities and Improvements</li> </ul>	<b>CDBG:</b> \$50,000	Facade treatment/business building rehabilitation: Two (2) businesses  Jobs created/retained: Twenty (20) jobs  Businesses assisted: Two (2) businesses assisted
10	Assist New Homebuyers	2015	2019	<ul style="list-style-type: none"> <li>Affordable Housing</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Homebuyer Assistance</li> </ul>	<b>HTF:</b> \$36,000,000	Direct financial assistance to homebuyers: 750 households assisted
11	Building Local Capacity	2015	2019	<ul style="list-style-type: none"> <li>Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Public Facilities and Improvements</li> </ul>	<b>CDBG:</b> \$75,000	Public facility or infrastructure activities other than low/moderate income housing benefit: Ninety-one (91) persons assisted
12	Housing for persons with special needs	2015	2019	<ul style="list-style-type: none"> <li>Affordable Housing</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>Emergency Services</li> <li>Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$1,000,000 <b>HOPWA:</b> \$700,000 <b>HOME:</b> \$1,000,000 <b>CDBG Colonias</b>	Public service activities for low/moderate income housing benefit: Fifty (50) households assisted  Tenant-based rental assistance / rapid re-

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
							<b>Set Aside:</b> \$100,000	housing: Fifty (50) households assisted  Homelessness prevention: Fifty (50) persons assisted
13	Provide ADA improvements for housing	2015	2019	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Non-Housing Community Development</li> </ul>	State of Arizona	<ul style="list-style-type: none"> <li>• Accessibility for Disabled Persons</li> <li>• Owner Occupied Housing Rehabilitation</li> <li>• Public Facilities and Improvements</li> <li>• Rental Housing Development and Rehabilitation</li> </ul>	<b>CDBG:</b> \$100,000  <b>HOME:</b> \$250,000	Public facility or infrastructure activities other than low/moderate income housing benefit: 200 persons assisted  Rental units rehabilitated: Ten (10) household housing units  Homeowner housing rehabilitated: Ten (10) household housing unit

Goal Descriptions

Table 7 – Goal Descriptions

1	<b>Goal Name</b>	Improve quality of housing stock
	<b>Goal Description</b>	The poor quality of the housing stock is generally identified as one of Arizona's largest housing problems. By improving the quality of the housing stock through rehabilitation of existing single family and multi-family units, the community sustains its affordable housing stock while allowing the current residents to be able to afford their homes.
2	<b>Goal Name</b>	Construction and rehabilitation of rental units
	<b>Goal Description</b>	This goal will aid individuals and families with finding affordable housing through the construction and rehabilitation of affordable rental units.
3	<b>Goal Name</b>	Clearance and demolition of substandard units
	<b>Goal Description</b>	Provide the necessary assistance for local governments to clear and demolish substandard buildings alleviating hazards to the health and safety of its residents.
4	<b>Goal Name</b>	Public services for LMI
	<b>Goal Description</b>	This goal is to assist individuals and families in obtaining the necessary public services to improve their quality of life.
5	<b>Goal Name</b>	Provide public infrastructure and facilities
	<b>Goal Description</b>	Assist local government with providing and upgrading public facilities including community buildings, parks, water and drainage infrastructure, streets, sidewalks, lighting, water treatment facilities, and energy infrastructure.
6	<b>Goal Name</b>	Housing and services for persons with HIV/AIDS
	<b>Goal Description</b>	Provide the necessary rental assistance and services for persons suffering with HIV/AIDS.

7	<b>Goal Name</b>	Rental assistance and services for the homeless
	<b>Goal Description</b>	Through coordination with the Continuum of Care and HTF, ADOH will address the housing needs of the homeless persons and provide the necessary supportive services to help them attain stability.
8	<b>Goal Name</b>	Further fair housing and address impediments
	<b>Goal Description</b>	This goal encourages sub-recipients to further fair housing in their communities and address the impediments that may be hindering housing choice for the protected classes.
9	<b>Goal Name</b>	Improve the economic environment
	<b>Goal Description</b>	Develop economic opportunities to improve the economic environment for the State of Arizona, especially the rural areas.
10	<b>Goal Name</b>	Assist new homebuyers
	<b>Goal Description</b>	Assist families and individuals with the financial and educational resources to become homebuyers through homebuyer counselling classes, low interest mortgage bond financing, and down payment assistance provided by the Arizona Housing Finance Authority (AzHFA).
11	<b>Goal Name</b>	Building local capacity
	<b>Goal Description</b>	Build the capacity of local governments and non-profit organizations giving them the ability to implement projects and programs that benefit the low-income populations.
12	<b>Goal Name</b>	Housing for persons with special needs
	<b>Goal Description</b>	Increase the number of housing units that accommodate the following populations: homeless individuals and families; elderly (sixty-two (62) and over); persons with sensory or physical disabilities; persons with developmental disabilities; veterans; victims of violence; persons recovering from substance abuse; and seriously mentally ill.

13	<b>Goal Name</b>	Provide ADA improvements for housing
	<b>Goal Description</b>	Provide ADA improvements for housing and public facilities to ensure accessibility to persons with physical and sensory impairments.

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

The State determines allocation priorities through analysis of need, demand, historical funding data, and through consultation with public and private partners, units of local government, service providers, for profit, and non-profit entities. Funding allocation priorities for FY2016 are shown in the table below.

### Funding Allocation Priorities

**Table 8 – Funding Allocation Priorities**

	Improve quality of housing stock (%)	Construction and Rehabilitation of Rental Units (%)	Clearance and Demolition of Substandard Units (%)	Public Services for LMI (%)	Provide Public Infrastructure and Facilities (%)	Housing and Services for Persons with HIV/AIDS (%)	Rental Assistance and Services for the Homeless (%)	Further Fair Housing and Address Impediments (%)	Improve the Economic Environment (%)	Assist New Homebuyers (%)	Building Local Capacity (%)	Housing for persons with special needs (%)	Provide ADA improvements for housing (%)	Colonias Set Aside (%)	Total (%)
CDBG	27	0	0	3	60	0	0	0	0	0	0	0	0	10	100
CDBG Colonias Set-aside	20	0	0	0	80	0	0	0	0	0	0	0	0	0	100
HOME	45	55	0	0	0	0	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	100	0	0	0	0	0	0	0	0	100
ESG	0	0	0	0	0	0	55	0	0	0	0	0	0	0	55
Other HTF	0	70	0	0	0	0	0	0	0	0	0	0	0	0	70
Other NSP 1 Program Income	0	100	0	0	0	0	0	0	0	0	0	0	0	0	100

**Reason for Allocation Priorities**

The State determines allocation priorities through analysis of historical project funding data; Consolidated Annual Performance Evaluation Reports (CAPER); public meetings held and public comment received during the development of this plan; current market analysis; and finally current needs assessment as described in this plan.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The proposed funds distribution has been determined based on allocation priorities using historical data going back a minimum of five (5) years. Historical data identified the percentage of federal allocation used for each priority listed. As the priorities identified for this plan are largely the same as for the previous plan, historical data provides an excellent basis for determining distribution.



## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

The method of distribution for the State takes into consideration the number of rurally located communities, as well as the metropolitan areas, which have the highest density populations. To reach all of these areas, the State awards funds to sub-recipients who administer the projects and programs. The method of distribution for each funding source, as well as the award selection process, is described below.

### Distribution Methods

**Table 9 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	CDBG
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the method of distribution.</b>	CDBG eligible activities are found in 24 CFR Part 570.482, as amended and typically involve construction and rehabilitation of public facilities (parks, streets, sewers) as well as public services like job training. ADOH plans to utilize no less than seventy percent (70%) of the CDBG funds for activities that directly benefit persons of low- and moderate-income and no more than thirty percent (30%) toward addressing community blight or other urgent need activities. Those activities listed in SP-25 of the Consolidated Plan document that have received a priority ranking of high are eligible for funding under this Action Plan.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Applicants must propose projects that are financially viable, necessary and feasible, ready to start, conform to compliance standards, meet a national objective, and result in benefit. Projects must adhere to contracted timeliness parameters for both progress and expenditures. Projects must comply with the priorities communicated through this Annual Action Plan. Benefit to low-income persons, preventing or eliminating slum or blight, or meeting other urgent community needs must be measurable by the end of the approved contract timeframe.

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>All application materials are available from the ADOH website. Additionally, the following handbooks are available: CDBG Application Handbook; CDBG Administration Handbook; Environmental Review Handbook; and CDBG Procurement Handbook.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The State expects to retain one percent (1%) Set Aside for technical assistance and two percent (2%) plus \$100,000 for State administration. ADOH will provide the two percent (2%) required match in non-federal matching funds. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in areas designated as Colonias. Eighty-five percent (85%)</p>

of the remaining amount of CDBG funds after allocations to administration, technical assistance, and the Colonia Set Aside will be distributed into the Regional Account (RA). The RA is divided into four (4) sub-accounts, one (1) for each of the non-metropolitan Council of Governments (COG) areas. To determine the amount of CDBG funding allocated to each COG's sub account, the State uses a formula based on population and persons in poverty. Regional Account allocations are as follows: CAG - \$2,227,865; NACOG - \$2,004,302; SEAGO - \$1,138,343; and WACOG - \$2,367,213. Each COG region must adopt a method of distribution (MOD) and submit it to ADOH for approval. The MOD contains a multi-year schedule indicating how CDBG allocations are to be distributed such that all eligible communities within each respective COG region will receive funding. This will allow each community to plan its CDBG projects in advance. After the MOD is determined, local governments must complete applications for funding and route them through the COG to ADOH. The COG reviews each application for completeness, priority project selection, and assists the applicant with rectifying any application deficiencies. The COGs have no discretion to approve or reject applications and must forward all applications to the State. Only those communities and counties identified as eligible to receive funding in the current year MOD may submit an application. All applications for the Regional Account are due to ADOH by 4:00 P.M. on the following dates: NACOG - June 1<sup>st</sup> annually; WACOG - July 1<sup>st</sup> annually; SEAGO - August 1<sup>st</sup> annually; and CAG - September 1<sup>st</sup> annually. Fifteen percent (15%) of the remaining amount of CDBG funds, after allocations to administration, technical assistance, and the Colonia Set Aside, will be distributed into the competitive State Special Projects Account (SSP). All communities eligible to receive funding from the State CDBG program are eligible to apply for SSP funding. Eligible categories are as follows: 1) public facilities and improvements; 2) community/supportive housing facilities; 3) housing; 4) economic development; and 5) neighborhood revitalization and redevelopment. Applications submitted must propose all activities pursuant to 24 CFR 570 that are ready to begin implementation immediately with environmental review requirements completed, Release of Funds issued, land control secured,

	<p>planning, design, and permitting complete, and all other related upfront issues resolved. A NOFA will be released and will include the application form and applicable deadlines. Additionally, the NOFA will indicate any variances in project eligibility, documentation requirements, etc. Projects will be selected for SSP funding through a competitive process in which applications are scored by a rating and ranking system that includes project priority, project needs, percentage of low/mod income persons served, project readiness, leveraged funds, and organizational capacity. Projects must receive a minimum score of seventy (70) points to be eligible for an award. The highest scoring applications that have also achieved the minimum score of seventy (70) points will be awarded until SSP funding is exhausted.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>ADOH applies performance criteria to all communities that submit CDBG funding applications. Applications/projects in excess of one (1) per community or three (3) per county will be funded only if the following threshold criteria are met on the date the application is received by ADOH: all reporting required by the Department is up to date; all monitoring findings have been cleared; recipient is compliant with all current contracts; recipient is in compliance with all original contract Schedules of Completion or has obtained ADOH approvals for revisions or amendments to their Schedules of Completion; recipient has no contracts over the previous three (3) years that have been extended more than once; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; and recipient has no current contract in which funds have not been drawn for six (6) months. Additional thresholds apply for recipients with current contracts for projects previously awarded and are as follows: recipients with contracts in their twenty-fourth (24<sup>th</sup>) or greater month must be one hundred percent (100%) complete with Scope of Work and CDBG funds must be one hundred percent (100%) expended or de-obligated. Grant size for Regional Account projects are determined by the formulas used for each COG's approved method of distribution. Grant size for Colonia Set Aside projects is determined by two (2) years of pooled ten percent (10%) Set Asides and then through project application budgets and sources and uses. SSP grant size is a maximum \$300,000 per project.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p> <p>Investment of CDBG funds will create suitable living environments, promote sustainability and make housing affordable and accessible. Over the year covered by this plan, ADOH anticipates assisting 370 households and 149,369 persons through investment of CDBG funds.</p>
2	<p><b>State Program Name:</b></p> <p>CDBG Colonias Set Aside</p>
	<p><b>Funding Sources:</b></p> <p>CDBG Colonias Set Aside</p>
	<p><b>Describe the state program addressed by the method of distribution.</b></p> <p>State of Arizona CDBG Colonias Set Aside. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in the areas designated as Colonias. Colonias funding will be distributed through a competitive application process. ADOH will issue a funding notice, once every two (2) years, to solicit projects located in eligible, designated Colonias. Eligible projects include water or sewer infrastructure and substantial housing rehabilitation.</p>
	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p> <p>According to Section 916 of the Cranston-Gonzalez Act of 1990, a “Colonias” is any identifiable community that: is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; is designated by the state or county in which it is located as a Colonias; is determined to be a Colonias on the basis of objective criteria, including the lack of potable water supply; lack of adequate sewage systems; lack of decent, safe and sanitary housing; and is generally recognized as a Colonias before the enactment of the National Affordable Housing Act of 1990. All cities, towns, counties, and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities designated as Colonias and that are eligible to receive CDBG Colonias Set Aside funding through ADOH are eligible to apply for these funds. Maricopa and Pinal Counties, as well as the communities and tribal reservations located within those counties, are excluded from eligibility for Colonias funding. Under this funding, ADOH is able to serve eligible designated Colonia in Pima County, although the county is not eligible to receive other CDBG funds from ADOH. The</p>

	<p>funding notice will further outline the Colonias Set Aside maximum project funding, application requirements, as well as the scoring categories, which will be designed to award projects for Colonias demonstrating the greatest need due to severe water, sewer, and housing issues. Other scoring categories will include, but are not limited to, poverty level; leveraged funds; project need; project priority; project readiness; past performance; and organizational capacity. An application for Colonias Set Aside funds will not affect a jurisdiction’s eligibility for other CDBG funding. CDBG Colonias resources for Federal FY2015 and FY2016 will be combined and will be awarded through one (1) competitive funding round announced through a Notice of Funding Availability (NOFA) in State Fiscal Year 2016. Water/sewer infrastructure (delivery and/or treatment systems) and substantial housing rehabilitation activities will be considered eligible Colonias Set Aside projects for areas certified as designated Colonias.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>All Colonias Set Aside application requirements and materials will be available on the ADOH website; in the NOFA; and in the CDBG Application Handbook. Additionally, the following handbooks are available: CDBG Administration; Environmental Review; and CDBG Procurement.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including</b></p>	<p>Not applicable to this program.</p>

	<b>community and faith-based organizations. (ESG only)</b>	
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not applicable to this program.
	<b>Describe how resources will be allocated among funding categories.</b>	Resources will be allocated based on relative needs based on needs assessment data provided in each application.
	<b>Describe threshold factors and grant size limits.</b>	Thresholds are outlined in the NOFA when released as well as in the CDBG Application Handbook. Grant size is limited to the total amount of available funds listed in the NOFA and is usually two (2) years-worth of CDBG Colonias Set Aside funds at ten percent (10%) per year. This will allow sufficient funding for applicants to address water, sewer, or housing related issues in their entirety.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Colonias Set Aside funding will provide accessibility/affordability, promote sustainability and create suitable living environments. It is anticipated that Colonias Set Aside funds will provide assistance to approximately 400 Colonia residents every two (2) years.
3	<b>State Program Name:</b>	ESG
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the method of distribution.</b>	Emergency Solutions Grant (ESG) funds support street outreach services to homeless persons living on the streets; basic shelter and supportive services for homeless persons in the form of operation costs and direct services for homeless persons living in temporary emergency shelters; funding for homeless prevention services to assist individuals and families at risk of

	<p>losing housing and becoming homeless; and rapid re-Housing support for individuals and families who are homeless and need assistance to return to housing and independent living. ESG funds also support HMIS data collection, information management and reporting systems and administrative services necessary to coordinate grant activities. ESG funding for outreach essential services and temporary emergency shelter will not exceed sixty percent (60%) of the grant amount.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The method of distribution for ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point In Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through contracts with specific providers from each Continuum as long as there are enough providers who qualify for funding based on the request for proposal (RFP) selection process. The DES will award contracts through a competitive RFP process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care, and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience and expertise, cost, capacity, and other factors deemed relevant.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to this program.</p>



<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>ESG funding is allocated based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point In Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The DES will award contracts through a competitive request for proposal (RFP) process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care, and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience, expertise, cost, capacity, and other factors deemed relevant.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The State expects to receive \$1,685,724 in ESG Funds. These funds are administered through the Arizona Department of Economic Security (DES). The DES retains seven and one-half percent (7.5%) of the grant award for administrative costs. After administrative funds retention, the remaining ninety-two and one-half percent (92.5%) of ESG funds will be allocated as follows: approximately ten percent (10%) for street outreach; approximately fifty percent (50%) for temporary emergency shelter; approximately five percent (5%) for homelessness prevention; and approximately thirty-five percent (35%) for rapid re-housing.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Contracts are awarded based on the needs of the service area and available service providers. There are no grant size limits other than the budget proposals included in the RFP response. One (1) aspect of the review process is assessing the number of people that each provider commits to serve and the projected cost per person served reflected in the proposed budget.</p>

<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The State will utilize this grant to increase the availability and accessibility of suitable living environments and housing options by providing a wide range of supportive services to persons experiencing homelessness or at risk of homelessness including street outreach services, temporary emergency shelter, rapid re-housing, and homeless prevention services. Approximately 14,500 people are anticipated to be served using ESG funding for emergency shelter and street outreach essential services. Additionally, 1,100 to 1,250 households are expected to be served through rapid re-housing activities. Contracts with sub-grantees also call out specific performance measures to be accomplished:</p> <p>6.0 Performance Measures</p> <p>6.1 Seventy-five percent (75%) of participants improve in overall Arizona Self-Sufficiency Matrix score from participant entry to participant exit.</p> <p>6.2 Sixty percent (60%) of participants who exit the rapid re-housing program exit to permanent housing during the program year.</p> <p>6.3 Seventy-five percent (75%) rapid re-housing participants who exit the rapid re-housing program score at least four (4) on the income question of the self-sufficiency matrix.</p> <p>6.4 Sixty percent (60%) of rapid re-housing participants meet at least one (1) of the priority populations criteria.</p> <p>6.5 Forty percent (40%) percent of temporary emergency shelter clients exit to positive permanent housing situations during the program year.</p>
<p><b>4 State Program Name:</b></p>	<p>HOME</p>
<p><b>Funding Sources:</b></p>	<p>HOME</p>
<p><b>Describe the state program addressed by the method of distribution.</b></p>	<p>The Home Investment Partnership (HOME) program provides funding to state and local governments and non-profit organizations for local programs that support the construction or rehabilitation of rental housing and the rehabilitation of ownership housing.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Competitive applications rounds are announced through a Notice of Funds Available (NOFA) and applications are selected through a competitive process. Competitive criteria include readiness, project team capacity, priority populations served, and percentage of leverage funds in the project. Competitive point scoring favors non-entitlement areas outside of Maricopa and Pima Counties.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based</b></p>	<p>Not applicable to this program.</p>

<p><b>organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>ADOH will allocate new funding to the following activity in the approximate following amount: 1) rental housing development, including CHDO Set Aside - \$2,323,642; and 2) owner-occupied housing rehabilitation (OOHR) - \$2,000,000. The State will make available owner-occupied housing rehabilitation funds through a competitive Notification of Funds Availability (NOFA), which will be announced and will include information regarding project eligibility, maximum funding amounts, application requirements, etc. A competitive advantage will exist in each NOFA for areas of the State that do not have access to other HOME funds or CDBG funds. HOME funds Set Aside for rental development are expected to be utilized as gap financing in projects that are successful in securing a competitive Low-Income Housing Tax Credit (LIHTC) allocation. Any remaining funds may be made available through a competitive process NOFA. If CHDO funds remain available, a NOFA strictly for CHDO projects may be released. Ten percent (10%) or \$480,405 of the HOME funds will be for ADOH administrative costs. Of the multi-family projects, an amount equal to fifteen percent (15%) or \$720,607 of the total HOME allocation will be reserved for CHDO sponsored multi-family development projects.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>To be eligible to apply for HOME funds (for any project type), the applicant and all of its team members, with the exception of the applicant’s consultant (“Applicant Team”), must meet the following performance criteria on all SHF and CDBG contracts on the date the application is received by ADOH: all reporting required by ADOH is up to date; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts; Applicant Team is in conformance with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing contracts in which project completion reports and data have not been submitted and accepted by ADOH within sixty (60) days of a final</p>

	<p>draw; Applicant Team has no current contract in which funds have not been drawn for six (6) months; Applicant Team with contracts in their twenty-fourth (24<sup>th</sup>) or greater month must be one hundred percent (100%) complete with Scope of Work, Contract Close-out Report received, and approved and HOME funds one hundred percent (100%) expended or de-obligated; Applicant Team has no outstanding or unresolved contractual, property, or beneficiary-related compliance issues; the applicant is an eligible party to apply for funding through ADOH; the activity, project, and property type is eligible; SHFs are budgeted for eligible uses; the proposed beneficiaries are eligible; the amount of SHF invested per unit does not exceed the program limits and is at least \$1,000/unit; applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances; the applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: <a href="http://www.sam.gov">www.sam.gov</a>; the Environmental Review requirements pursuant to 24 CFR Part 58, (up to Part III HUD Appendix A for Single Family Owner-Occupied Rehabilitation), are complete and an Authority to use Grant Funds from HUD or ADOH is provided; and all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application and the project must be scheduled to start within ninety (90) days of executing a Funding Agreement with the ADOH. Grant sizes are determined in each NOFA but typically are \$500,000 per multi-family project and \$250,000 per owner occupied housing rehabilitation project.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The State will use its HOME allocation for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households. ADOH anticipates assisting approximately one hundred (100) households at or below eighty percent (80%) AMI with owner occupied housing rehabilitation and approximately sixty-six (66) households at or below eighty percent (80%) AMI with construction or new or rehabilitation of multi-family rental units.</p>

<b>5</b>	<b>State Program Name:</b>	HOPWA
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the method of distribution.</b>	Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds provide housing and supportive services for persons with HIV/AIDS. These funds may go toward acquisition, rehabilitation or new construction of housing units and may also fund rental assistance, facility operations, short-term homelessness prevention, medical and mental health services, chemical dependency treatment, nutritional services, case management, and other supportive services.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Contracts will be reviewed annually with additional proposals solicited as necessary. Project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits, and grassroots organizations.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable to this program.
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-</b>	Not applicable to this program.	

	<b>profit organizations, including community and faith-based organizations. (ESG only)</b>	
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Contracts will be reviewed annually with additional proposals solicited as necessary. Project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits, and grassroots organizations.
	<b>Describe how resources will be allocated among funding categories.</b>	ADOH expects to receive \$239,786 in HOPWA Funds. Three percent (3%) will be retained by ADOH to cover administrative related expenses of the program; grantees will be allowed to utilize seven percent (7%) of the grant money for grantee administration costs. The remaining ninety percent (90%) of the grant award will be spent on rental assistance and direct service provision. ADOH will contract with housing providers to administer the HOPWA program within the thirteen (13) non-entitlement counties. Two-thirds (2/3) of the funding will be spent for housing assistance, most for tenant-based subsidies, while the remaining one-third (1/3) will be used for supportive services.
	<b>Describe threshold factors and grant size limits.</b>	Contracts are awarded based on the needs of the service area and available service providers. There are no grant size limits.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	ADOH will utilize HOPWA funds to increase the availability/accessibility and affordability of suitable living environments and decent housing through organizations that provide planning for housing needs, education, and access to essential community resources. Approximately fifty (50) people are anticipated to be served using available HOPWA funds.
<b>6</b>	<b>State Program Name:</b>	Housing Trust Fund
	<b>Funding Sources:</b>	A portion of the State of Arizona unclaimed property deposits.

<p><b>Describe the state program addressed by the method of distribution.</b></p>	<p>The National Housing Trust Fund (HTF) is a new affordable housing production program to increase and preserve the supply affordable housing for extremely low-income (ELI) and very low-income households (VLI), including families experiencing homelessness. HTF, established under Title I of the Housing and Economic Recovery Act of 2008, will be distributed through the U.S. Department of Housing and Urban Development (HUD) on a formula basis to the states. The Arizona Department of Housing (ADOH) is the designated grantee of HTF for Arizona. ADOH will receive \$3,000,000 in HTF to be available for the program year July 1, 2016 through June 30, 2017. ADOH will distribute HTF throughout Arizona on a competitive basis in accordance with Housing Trust Fund Interim Rule (24 CFR Parts 91 and 93) and the following Allocation Plan.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>HTF will be distributed to eligible projects through one (1) of the following competitive application processes that contain the priority funding objectives outlined below: 1) the Low Income Housing Tax Credit (LIHTC) process in accordance with the criteria outlined in the most recent Qualified Allocation Plan (QAP) found at <a href="http://www.azhousing.gov">www.azhousing.gov</a>; and 2) a Request for Proposals (RFP) process in general conformance with the point scoring, threshold, and underwriting criteria outlined in the most recent QAP. Priority funding will be given to eligible projects that best demonstrate adherence to the following criteria through a competitive scoring process: 1) equitable disbursement of funds to all areas of the State, both rural and urban; 2) capacity, experience, and past performance of applicant; 3) extent and quality of service to chronically homeless individuals and families; 4) proximity of proposed project to transit, employment, services, and amenities; 5) project readiness, 6) sustainable development (energy and water efficiency); 7) the extent to which the eligible project has rental assistance; 8) the duration of the affordability period; and 9) the inclusion of non-federal funding in the eligible project.</p>
<p><b>If only summary criteria were described, how can potential</b></p>	<p>Not applicable to this program.</p>



<p>applicants access application manuals or other state publications describing the application criteria? (<i>CDBG only</i>)</p>	
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations. (<i>ESG only</i>)</p>	<p>Not applicable to this program.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (<i>HOPWA only</i>)</p>	<p>Not applicable to this program.</p>
<p>Describe how resources will be allocated among funding categories. a</p>	<p>Costs allowed for eligible projects are “Eligible Project Costs”. Eligible Project Costs are the following: 1) development hard costs; 2) acquisition costs; 3) related soft costs; 4) staff and overhead costs for ADOH not to exceed ten percent (10%) of the annual allocation; and 5) relocation costs. HTF will be distributed statewide by ADOH directly to eligible recipients in the form of loans to partially (gap financing) or fully fund (primary financing) eligible projects. Loans will be low to no interest loans with minimum payments or deferred forgivable for</p>

		terms of at least thirty (30) years. Financing will be made available only to the extent it is needed as determined by ADOH underwriting guidelines as outlined in the most recent ADOH QAP.
	<b>Describe threshold factors and grant size limits.</b>	There will be no grant size limits. Limits will be established based in individual project underwriting criteria and the ability for the project to perform. The maximum per unit development subsidy per unit are the most recent Section 234 condominium housing elevator base limits by bedroom size. Priority funding will be given to eligible projects that best demonstrate adherence to the following criteria through a competitive scoring process: 1) equitable disbursement of funds to all areas of the State, both rural and urban; 2) capacity, experience, and past performance of applicant; 3) extent and quality of service to chronically homeless individuals and families; 4) proximity of proposed project to transit, employment, services, and amenities; 5) project readiness; 6) sustainable development (energy and water efficiency); 7) the extent to which the eligible project has rental assistance; 8) the duration of the affordability period; and 9) the inclusion of non-federal funding in the eligible project.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	It is expected that seventy (70) units of permanent supportive rental housing will be developed for chronically homeless individuals and families.
7	<b>State Program Name:</b>	NSP 1 Program Income
	<b>Funding Sources:</b>	HTF
	<b>Describe the state program addressed by the method of distribution.</b>	Program Income from investment of Neighborhood Stabilization Program 1 funds (NSP1) will be invested in redevelopment or rehabilitation of eligible multi-family housing projects.
	<b>Describe all of the criteria that will be used to select</b>	According to the approved NSP1 Action Plan, the State will either directly select eligible multi-family housing projects or will select through a competitive application process as outlined through a NOFA where all application criteria will be announced. Investment of funds will

<p><b>applications and the relative importance of these criteria.</b></p>	<p>include at least twenty-five percent (25%) of funding Set Aside to serve persons at or below fifty percent (50%) of area median income. Competitive criteria include readiness, project team capacity, priority populations served, and percentage of leverage funds in project. Only applications that meet completeness requirements and minimum thresholds are considered for funding. Applications that meet minimum thresholds are underwritten based on the following criteria as relevant to the proposed activity: 1) market need/demand; 2) management/capacity; 3) budget/financial analysis; 4) program design; and 5) all other financing is secured. Once it is determined an application meets minimum underwriting standards, the application and underwriting results are forwarded to an ADOH funding review.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable to this program.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable to this program.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>One hundred percent (100%) of any NSP1 program income received will be invested in NSP1 eligible multi-family redevelopment or rehabilitation activities.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>To be eligible to apply for NSP1 program income funds, the applicant and all of its team members with the exception of the applicant’s consultant (“Applicant Team”), must meet the following performance criteria on the date the application is received by ADOH: all reporting required by ADOH is up to date; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts; Applicant Team is in conformance with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing contracts in which project completion reports and data have not been submitted and accepted by ADOH within sixty (60) days of a final draw; Applicant Team has no current contract in which funds have not been drawn for six (6) months; Applicant Team with contracts in their twenty-fourth (24<sup>th</sup>) or greater month must be one hundred percent (100%) complete with scope of work, contract close-out report received and approved and grant funds one hundred percent (100%) expended or de-obligated; Applicant Team has no outstanding or unresolved contractual, property, or beneficiary-related compliance issues; the applicant is an eligible party to apply for funding through ADOH; the activity, project, and property type is eligible; SHFs are budgeted for eligible uses; the proposed beneficiaries are</p>

	<p>eligible; applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances; the applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: <a href="http://www.sam.gov">www.sam.gov</a>; the Environmental Review requirements pursuant to 24 CFR Part 58, (up to Part III HUD Appendix A for Single Family Owner-Occupied Rehabilitation), are complete and an Authority to use Grant Funds from HUD or ADOH is provided; all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application; and the project must be scheduled to start within ninety (90) days of executing a Funding Agreement with the ADOH. Grant sizes are determined in each NOFA for competitive application rounds or through the underwriting process for projects directly selected by ADOH.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The State will use its NSP1 program income for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households with incomes at or below fifty percent (50%) of area median income. ADOH anticipates assisting approximately fifty-two (52) households.</p>

## Discussion

These methods of distribution will allow the State to address affordable housing, community development, and homeless issues throughout its entire jurisdictional service area. CDBG funds are distributed to non-entitlement jurisdictions on a non-competitive basis that ensures all eligible communities receive funding for community development projects in their respective jurisdictions. HOME funds are distributed statewide on a competitive basis for Rental Development and Housing Rehabilitation with point scoring that slightly favors non-entitlement areas outside of Maricopa and Pima Counties. ESG funds are distributed on a competitive basis targeted to areas with a higher percentage of homeless populations. HOPWA contracts are reviewed annually with additional proposals solicited as necessary. HOPWA project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits, and grassroots organizations. HTF funds will be distributed on a competitive basis.

## AP-35 Projects – (Optional)

### Introduction

This Section applies only to HOPWA activities. HOPWA funds will be used for the following activities: 1) short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family; 2) tenant-based rental assistance; 3) units provided in permanent housing facilities developed, leased or operated with HOPWA funds; 4) units provided in transitional short-term housing facilities developed, leased or operated with HOPWA funds.

Projects currently funded by HOPWA:

**Table 10 - Project Information**

#	Project Name
1	HOPWA STRMU - Northland Cares / #511-16
2	HOPWA TBRA - Northland Cares / #510-16
3	HOPWA - Mohave County TBRA / #509-16

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

State funding is allocated in such a way as to address areas of greatest need and the needs determined by communities through their public participation processes. Obstacles to addressing underserved needs relate to capacity and funding limitations.

## AP-38 Project Summary

### Project Summary Information

**Table 11 – Project Summary**

1	<b>Project Name</b>	HOPWA STRMU Northland Cares / #511-16
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	HOPWA: \$86,432
	<b>Description</b>	Recipient shall administer a Housing Opportunities for Persons Living with AIDS (HOPWA), Short-term (Emergency) Rental, Mortgage, and/or Utility Assistance (STRMU) program to fifty (50) households; individuals and families in three (3) northern Arizona counties, consisting of Coconino, Gila, and Yavapai Counties; to persons diagnosed as HIV positive or as having AIDS; whose income is at or below eighty percent (80%) AMI. Recipient will also provide supportive services such as case management, transportation, childcare, and project administration.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
	<b>Project Name</b>	HOPWA TBRA Northland Cares / #510-16

2	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing and Services for Persons with HIV/AIDS Rental Assistance and Services for the Homeless
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	HOPWA: \$48,588
	<b>Description</b>	Recipient shall administer a Housing Opportunities for Persons with HIV/AIDS (HOPWA), Tenant Based Rental Assistance (TBRA) project to a minimum of five (5) households of low-income (eighty percent (80%) AMI for the applicable county of residence) diagnosed as HIV positive or as having AIDS. Preference will be given to either persons who meet HUD's definition of homeless or chronically homeless, are living in substandard housing, have been released from a residential treatment setting within the previous fourteen (14) days, or have received a written eviction notice in Coconino, Yavapai, Gila, Navajo, or Apache Counties in Arizona.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
3	<b>Project Name</b>	HOPWA Mohave County TBRA / #509-16
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing and Services for Persons with HIV/AIDS Rental Assistance and Services for the Homeless



<b>Needs Addressed</b>	Rental Assistance
<b>Funding</b>	HOPWA: \$164,262
<b>Description</b>	Recipient shall administer a Housing Opportunities for Persons with HIV/AIDS (HOPWA), Tenant Based Rental Assistance (TBRA) program to a minimum of eleven (11) households diagnosed as HIV positive or as having AIDS, who are at or below eighty percent (80%) AMI consisting of eight (8) individuals and three (3) families with preference given to either persons who meet HUD's definition of homeless or chronically homeless in Mohave County, Arizona. The households will also receive supportive services as delineated in formulated housing and supportive service plans.
<b>Target Date</b>	
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
<b>Location Description</b>	
<b>Planned Activities</b>	

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## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

### **Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No.

### **Available Grant Amounts**

Section 108 Loan Guarantee grant amounts will be available in accordance with 24 CFR 570, subpart M. There is no minimum grant amount and the maximum grant amount would be determined by the funding requirements as presented in the application not to exceed the amount of available uncommitted Section 108 Loan Guarantee Funds.

### **Acceptance process of applications**

Section 108 is the loan guarantee component of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities and large-scale physical development projects. Section 108 loan guarantee applications must meet a CDBG National Objective and the activity must be listed as eligible in accordance with the 24 CFR Part 570 and must meet a public benefit standard in accordance with 24 CFR Part 570.209 (b). Potential applicants must present a project concept to the State with a plan of development including resources, consultants, and other entities involved with the development of the project and project application. The State will determine whether to move forward with a Section 108 Loan Guarantee based on the strength of the Section 108 loan application. The project must have positive cash flow and have assets available as security. Applicants must have two (2) forms of collateral in addition to the Section 108 loan guarantee provided by the State. It is recommended that a financial consultant with experience in Section 108 loans be contracted to ensure the project will meet HUD underwriting and feasibility standards. Applications will be forwarded to HUD on a rolling basis dependent upon the amount of available uncommitted Section 108 loan guarantee funds.

## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No.

### **State's process and criteria for approving local government revitalization strategies**

The State provides detailed Neighborhood Revitalization Strategy (NRS) criteria (including details on how the criteria is met) and forms in its CDBG Application Handbook at Section 4 available for download from the ADOH website. The State will approve NRS based on the degree to which it addresses the following requirements per HUD regulation: 1) consultation; 2) boundaries; 3) rationale; 4) demographic criteria; 5) program linkages; 6) economic conditions; 7) strategy assessment; 8) timeline; and 9) proposed performance measures.

## AP-48 Method of Distribution for Colonias Set Aside – 91.320(d)&(k)

### Introduction

### Distribution Methods

Table 12 - Distribution Methods by State Program for Colonias Set-aside

State Program Name	Funding Sources
CDBG	CDBG
CDBG Colonias Set Aside	CDBG Colonias Set Aside
ESG	ESG
HOME	HOME
HOPWA	HOME
NSP 1 Program Income	HTF

### State Programs Addressed

CDBG eligible activities are found in 24 CFR Part 570.482, as amended, and typically involve construction and rehabilitation of public facilities (parks, streets, sewers), as well as public services, like job training. ADOH plans to utilize no less than seventy percent (70%) of the CDBG funds for activities that directly benefit persons of low- and moderate-income and no more than thirty percent (30%) toward addressing community blight or other urgent need activities. Those activities listed in SP-25 of the Consolidated Plan document that have received a priority ranking of high are eligible for funding under this Action Plan.

### Criteria and their importance

Applicants must propose projects that are financially viable, necessary and feasible, ready to start, conform to compliance standards, meet a national objective, and result in benefit. Projects must adhere to contracted timeliness parameters for both progress and expenditures. Projects must comply with the priorities communicated through this Annual Action Plan. Benefit to low-income persons, preventing or eliminating slum or blight, or meeting other urgent community needs must be measurable by the end of the approved contract timeframe.

### CDBG only: Access of application manuals

All application materials are available from the ADOH website. Additionally, the following handbooks are available: CDBG Application Handbook; CDBG Administration Handbook; Environmental Review Handbook; and CDBG Procurement Handbook.

### ESG only: Process for awarding funds to state recipients

Not applicable to this program.

**HOPWA only: Method of selecting project sponsors**

Not applicable to this program.

**Resource Allocation among Funding Categories**

The State expects to retain one percent (1%) set aside for technical assistance and two percent (2%) plus \$100,000 for State administration. ADOH will provide the two percent (2%) required match in non-federal matching funds. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in areas designated as Colonias. Eighty-five percent (85%) of the remaining amount of CDBG funds after allocations to administration, technical assistance, and the Colonias Set Aside will be distributed into the Regional Account (RA). The RA is divided into four (4) sub-accounts, one (1) for each of the non-metropolitan Council of Governments (COG) areas. To determine the amount of CDBG funding allocated to each COG's sub account, the State uses a formula based on population and persons in poverty. Regional Account allocations are as follows: CAG - \$2,227,865; NACOG - \$2,004,302; SEAGO - \$1,138,343; and WACOG \$2,367,213. Each COG region must adopt a method of distribution (MOD) and submit it to ADOH for approval. The MOD contains a multi-year schedule indicating how CDBG allocations are to be distributed such that all eligible communities within each respective COG region will receive funding. This will allow each community to plan its CDBG projects in advance.

After the MOD is determined, local governments must complete applications for funding and route them through the COG to ADOH. The COG reviews each application for completeness, priority project selection, and assists the applicant with rectifying any application deficiencies. The COGs have no discretion to approve or reject applications and must forward all applications to the State. Only those communities and counties identified as eligible to receive funding in the current year MOD may submit an application. All applications for the Regional Account are due to ADOH by 4:00 P.M. on the following dates: NACOG - June 1<sup>st</sup> annually; WACOG - July 1<sup>st</sup> annually; SEAGO - August 1<sup>st</sup> annually; and CAG - September 1<sup>st</sup> annually.

Fifteen percent (15%) of the remaining amount of CDBG funds, after allocations to administration, technical assistance, and the Colonias Set Aside, will be distributed into the competitive State Special Projects Account (SSP). All communities eligible to receive funding from the State CDBG program are eligible to apply for SSP funding. Eligible categories are as follows: 1) public facilities and improvements; 2) community/supportive housing facilities; 3) housing; 4) economic development; and 5) neighborhood revitalization and redevelopment. Applications submitted must propose all activities, pursuant to 24 CFR 570, that are ready to begin implementation immediately with environmental review requirements completed; Release of Funds issued; land control secured; planning, design, and permitting complete; and all other related upfront issues resolved. A NOFA will be released and will include the application form and applicable deadlines. Additionally, the NOFA will indicate any variances in project eligibility,

documentation requirements, etc. Projects will be selected for SSP funding through a competitive process in which applications are scored by a rating and ranking system that includes project priority, project needs, percentage of low/mod income persons served, project readiness, leveraged funds, and organizational capacity. Projects must receive a minimum score of seventy (70) points to be eligible for an award. The highest scoring applications that have also achieved the minimum score of seventy (70) points will be awarded until SSP funding is exhausted.

### **Threshold Factors and Grant Size Limits**

ADOH applies performance criteria to all communities that submit CDBG funding applications. Applications/projects in excess of one (1) per community or three (3) per county will be funded only if the following threshold criteria are met on the date the application is received by ADOH: all reporting required by the Department is up to date; all monitoring findings have been cleared; recipient is compliant with all current contracts; recipient is in compliance with all original contract schedules of completion or has obtained ADOH approvals for revisions or amendments to their schedules of completion; recipient has no contracts over the previous three (3) years that have been extended more than once; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; and recipient has no current contract in which funds have not been drawn for six (6) months. Additional thresholds apply for recipients with current contracts for projects previously awarded and are as follows: recipients with contracts in their twenty-fourth (24<sup>th</sup>) or greater month must be one hundred percent (100%) complete with scope of work; and CDBG funds must be one hundred percent (100%) expended or de-obligated. Grant size for Regional Account projects are determined by the formulas used for each COG's approved method of distribution. Grant size for Colonias Set Aside projects is determined by two (2) years of pooled ten percent (10%) set asides and then through project application budgets and sources and uses. SSP grant size is a maximum \$300,000 per project.

### **Outcome Measures expected as results of Distribution Method**

Investment of CDBG funds will create suitable living environments, promote sustainability, and make housing affordable and accessible. Over the year covered by this Plan, ADOH anticipates assisting 370 households and 149,369 persons through investment of CDBG funds.

### **Discussion**

## AP-50 Geographic Distribution – 91.320(f)

### Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Arizona does not provide specific geographic target priorities for allocating investments for the programs that it administers.

**CDBG Program Geographic Priorities:** CDBG funds are allocated to all non-entitlement Units of General Local Government outside of Pima and Maricopa County, and the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista, and Yuma. After the set aside of ten percent (10%) for Colonias projects and State allowable retention of administration (two percent (2%) plus \$100,000) and technical assistance funding (one percent (1%)), eighty-five percent (85%) of remaining CDBG funds are distributed on a non-competitive basis through the Regional Account to each Council of Government region using a method of distribution developed by each respective COG and approved by the State. Fifteen percent (15%) of the remaining CDBG funds are distributed on a competitive basis through the State Special Projects Account using a Notice of Funding Available. Each non-entitlement unit of local government determines their individual priority needs through their public participation process. A minimum of seventy percent (70%) of all CDBG expenditures will serve persons at or below eighty percent (80%) of area median income.

**HOME Program Geographic Priorities:** Arizona does target special needs populations and service enriched locations through its competitive point structures used for awarding HOME funds. The State HOME funds are targeted to rental development programs and owner occupied housing rehabilitation programs, and allocated on a competitive basis.

**HOPWA Program Geographic Priorities:** HOPWA funds are allocated based on need to service providers located outside of Cochise, Maricopa, and Pima Counties.

**ESG Program Geographic Priorities:** ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point in Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through an RFP process and contracts are awarded from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process.

**HTF Geographic Priorities:** Priority funding will be given to eligible projects that best demonstrate adherence to the following criteria through a competitive scoring process: 1) equitable disbursement of funds to all areas of the State, both rural and urban; 2) capacity, experience, and past performance of applicant; 3) extent and quality of service to chronically homeless individuals and families; 4) proximity of proposed project to transit, employment, services, and amenities; 5) project readiness; 6) sustainable development (energy and water

efficiency); 7) the extent to which the eligible project has rental assistance; 8) the duration of the affordability period; and 9) the inclusion of non-federal funding in the eligible project.

**Geographic Distribution**

**Table 13 - Geographic Distribution**

Target Area	Percentage of Funds
State of Arizona	100%

**Rationale for the priorities for allocating investments geographically**

ADOH works in cooperation with the Councils of Governments to ensure that CDBG funds are allocated as fairly as possible. Application scoring criteria for HOME funds for single-family housing rehabilitation include a performance threshold that effectively rotates available funds in accordance with expenditure performance. HOPWA and ESG funds are allocated as in accordance with capacity. HTF will be distributed on a competitive basis.

ESG funding is allocated based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point In Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through contracts with specific providers from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process. HTF funds are allocated on a competitive basis.

**Discussion**

CDBG funds are distributed to non-entitlement jurisdictions on a non-competitive that ensures all eligible communities receive funding for community development projects in their respective jurisdictions. HOME funds are distributed statewide on a competitive basis for rental development and housing rehabilitation with point scoring that slightly favors non-entitlement areas outside of Maricopa and Pima Counties. ESG funds are distributed on a competitive basis targeted to areas with a higher percentage of homeless populations. HOPWA contracts are reviewed annually, with additional proposals solicited as necessary. HOPWA project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits, and grassroots organizations. HTF funds will be used to develop permanent supportive housing for chronically homeless individuals and families.

Although no specific geographic target priorities are established by the State, funding is allocated in such a way as to address areas of greatest need and the needs determined by communities through their public participation processes.



## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

Affordable Housing goals are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including production of new units, rehabilitation of existing units or acquisition of existing units. Note that goals entered for ESG are only for homeless prevention and rapid re-housing. The HOME goals include multi-family and single family activities. HTF goals include the production of permanent supportive housing for chronically homeless individuals and families.

**Table 14 – One (1) Year Goals for Affordable Housing by Support Requirement**

<b>One (1) Year Goals for the Number of Households to be Supported</b>	
Homeless	750
Non-Homeless	0
Special-Needs	0
<b><i>Total</i></b>	<b>750</b>

**Table 15 – One (1) Year Goals for Affordable Housing by Support Type**

<b>One (1) Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	120
Production of New Units	40
Rehab of Existing Units	487
Acquisition of Existing Units	9
<b><i>Total</i></b>	<b>656</b>

#### Discussion

ADOH distributes approximately \$20 million in HUD Formula grant funds, \$3 million in HTF funds, \$4.5 million in Continuum of Care funds, \$140 million in LIHTCs, and \$1.3 million in Section 8 funds impacting over 1,338 units affordable housing units annually. Over the life of the State’s FY2015-2019 Plan, the State will assist no less than 6,690 households throughout its jurisdiction, equating to approximately 1,409 households during this one (1) year Action Plan.

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## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction**

The State will from time to time provide support and technical assistance to PHAs upon local request.

### **Actions planned during the next year to address the needs to public housing**

While ADOH and its PHA Division do not own or manage any public housing, the PHA has monitoring and compliance oversight of approximately 114 federally-financed properties (through the competitively awarded Project-Based Contract Administration award from HUD), 186 Section 8 Housing Choice Vouchers, and approximately eighty-six (86) port-in vouchers. The Housing Choice Voucher Program (HCVP), administered by the agency, is an extremely small program confined to Yavapai County and one that requires in-kind contributions from the State to administer. ADOH does not collect this information from the public housing authorities that service the non-entitlement regions of the State and has no authority over their programs, service areas, or outcomes.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The State of Arizona will remain ready to assist any public housing agency in Arizona with technical assistance and planning to ensure they promote resident involvement and continue to address the needs for public housing in their respective jurisdictions.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable.

### **Discussion**

Not applicable to State programs covered by this one (1) year consolidated Action Plan.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

Arizona developed a State Plan to End Homelessness that aligns with the objectives of the United States Interagency Council on Homelessness (USICH) and the Federal Plan to End Homelessness, “Opening Doors”. The Arizona Plan to End Homelessness focuses on five (5) goals: 1) end chronic homelessness; 2) prevent and end veteran homelessness; 3) continue work to prevent and end homelessness for families, youth, and children; 4) develop measurement standards, data collection, and accurate reporting systems; and 5) move from a homeless management system to a homeless prevention system.

### **Describe the jurisdictions one (1) year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

HTF will help meet one (1) year goals by effecting the production of permanent supportive housing for chronically homeless individuals and families. All three (3) Continua of Care in Arizona have adopted the VI-SPDAT tool to effect a coordinated entry system to determine the needs and prioritize housing interventions and support services using a comprehensive universal assessment tool. For each region, the Continuum and service delivery systems, through contracts and MOU’s between community partners, utilize outreach teams, first responders, and crisis and medical agencies to reach individuals who are unsheltered. Special initiatives have been adopted through these community partners to respond to current priorities, which include ending veteran homelessness and ending chronic homelessness. The Arizona StandDown Coalition has been formed to share and spread resources to smaller communities for StandDown events to reach homeless veterans throughout the State. Larger initiatives are being led by counties and cities in the metropolitan areas of Phoenix, Mesa, and Tucson to focus on ending chronic homelessness.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

During the 2017 Balance of State homeless street count, 1,768 individuals and members of families were identified as homeless. The unsheltered count went down by 21% from 2016. Eighty-seven percent (87%) of those found living on the streets were single adults and 358 households identified as chronically homeless. This is a reduction of 25.6% since 2015. Data shows that more beds and services need to be allocated to single adults, chronically homeless, families without children; and youth. The State of Arizona has adopted an aggressive rapid re-housing approach in order to move homeless individuals and families out of emergency shelters and into permanent housing, which will free up beds for those populations who are predominately unsheltered. State contracts for rapid re-housing emphasize priority targets including chronically homeless,

veterans, youth between the ages of eighteen (18) and twenty-four (24), victims of domestic violence, persons exiting in an institutional setting, and those exiting a substance abuse program. All three (3) Continua are focusing performance measures on improving length of stay in order to encourage rapid re-housing and improve bed availability in those programs that provide immediate assistance to those currently living on the streets. A collaborative body of State, county and city governments, as well as service providers, is also exploring alternative "Low Demand" shelter alternatives in Maricopa County.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The State of Arizona follows *Opening Doors*, the federal strategy to prevent and end homelessness as amended in 2015. Arizona's efforts to end homelessness are driven by the goals and objectives listed below. From 2012 to 2015, the number of unsheltered homeless households had been reduced by seventy-eight percent (78%). In just this last year it was reduced another 24% with two Continuums seeing a strong decrease in the number of veterans encountered during the PIT although sadly, the number of those unsheltered increased in all three Continuums. On the other hand the Annual Housing Assessment Report shows Balance of State increasing the number of persons housed in permanent supportive housing from 2015 to 2016 by 14%. The entire State(all three Continuums) has adopted a statewide common assessment tool and developed a statewide shared database of permanent supportive housing, affordable housing, and tax credit supported housing options. Through commitment to improve outreach and assessment tools, the State Homeless Coordination office fully expects to effectively end unsheltered homelessness for those people who remain chronically homeless in Arizona within the next five years.

**END CHRONIC HOMELESSNESS:** 1) Move 300 chronically homeless individuals or families into permanent housing each year for the next five (5) years; 2) adopt and implement statewide use of a common assessment tool to prioritize housing placement based on vulnerability; 3) support, monitor, and assess all pilots for centralized intake to prioritize chronically homeless individuals for placement and to evaluate outcomes; and 4) develop a statewide shared database of permanent supportive housing, affordable housing and tax credit supported housing options.

**END VETERAN HOMELESSNESS:** 1) Insure all mainstream and community resources identify veteran status and connect veterans to additional veteran resources; and 2) target and prioritize use of Housing and Urban Development (HUD) VASH housing vouchers towards chronically

homeless veterans.

**CONTINUE WORK TO PREVENT AND END HOMELESSNESS FOR FAMILIES, YOUTH, AND CHILDREN BY 2021:** 1) Develop common reporting standards for family units versus beds to determine housing needs; 2) adopt common definition of homeless youth; and 3) add 300 units of permanent supportive housing to the housing system each year for the next ten (10) years.

**DEVELOP MEASUREMENT STANDARDS, DATA COLLECTION, AND ACCURATE REPORTING SYSTEMS:** 1) Organize a comprehensive statewide street and shelter survey to establish baseline data for future comparisons and research; 2) establish common definitions, methodology, measurement tools, and reporting standards to be compiled into standardized reports by the three (3) Continua of Care; and 3) analyze the Annual Housing Assessment Reports(AHAR) and the HUD System Performance Measure reports to determine if the system changes are resulting in increased households becoming housed and stabilized in their housing.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions) or receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The DES Homeless Coordination Office requires all sub-contractors to adhere to program goals and objectives including target populations to be served. Contracts require that at least sixty percent (60%) of all rapid re-housing and/or homeless prevention participants shall represent at least one (1) of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being "released from an institution"; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth eighteen (18) to twenty-four (24) years of age; 9) veterans; or 10) sixty-two (62) years of age or older.

Sub-contractors are also required to adhere to standard performance measures and outcomes which consist of: 1) seventy-five percent (75%) of participants improve in overall Self Sufficiency Matrix score from participant entry to participant exit; 2) sixty percent (60%) of participants who exit the rapid re-housing program, exit to permanent housing during the program year; 3) seventy-five percent (75%) of rapid re-housing participants who exit the rapid re-housing program score a four (4) or better income section of the Self Sufficiency Matrix, 4) sixty percent (60%) of rapid re-housing participants meet at least one (1) of the priority populations criteria; and 5) forty percent (40%) of temporary emergency shelter clients exit to positive permanent

housing situations during the program year.

**Discussion**

The adoption of the VI-SPDAT tool and ADOH's subsequent ability to improve recipient proficiency with this tool has greatly improved Arizona's adherence to its goals and has greatly improved data collection and reporting standards. Following this plan, Arizona is on track to prevent further veteran homelessness and end chronic homelessness. ADOH, in partnership with DES, is working in concert to plan, improve, and address services and housing for persons experiencing homelessness and those who are chronically homeless.

### AP-70 HOPWA Goals – 91.320(k)(4)

<b>One (1) year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	45
Tenant-based rental assistance	30
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b><i>Total</i></b>	<b>75</b>

## AP-75 Barriers to Affordable Housing – 91.320(i)

### Introduction

Please refer to the State of Arizona 2015-2019 Analysis to Impediments Report available at <https://housing.az.gov/>.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

HTF will reduce barriers to affordable housing by producing the most difficult type of housing, which is permanent supportive housing for chronically homeless individuals and families. The State of Arizona will continue to fund education and outreach (E&O) throughout its Community Development Block Grant (CDBG jurisdiction as it has since 1994). ADOH presently contracts with a fair housing E&O provider to conduct E&O throughout the non-entitlement areas of the State. ADOH will conduct the following activities with same levels of frequency it has since 2006:

ADOH will continue to ensure CDBG sub-recipients are trained in effective fair housing referral procedures and encourage them to report any concerns.

ADOH will continue to provide trainings and other resources to communities throughout the State as the need arises so residents have the opportunity to learn about the benefits of affordable housing, diverse neighborhoods, and the State's fair housing obligations; and monitor current events throughout the state and proactively respond to situations, which may impact members of the protected classes.

ADOH request for proposals (RFP) for housing and community development related projects and funding will require that proposals address how they will affirmatively further fair housing (AFFH) based on its impact to racial and ethnic concentrations of poverty and protected classes. Housing and community development projects funded by ADOH will include an AFFH plan that includes demographic data and maps to identify racial and ethnic concentrations or poverty in the residential areas impacted by the project. Specific activities that will be conducted to AFFH (i.e. Affirmative Marketing Plan; and all tax credit, HOME, and Housing Trust Fund projects) will be monitored to evaluate the performance of the projects fair housing goals.

ADOH will require a mandatory comprehensive questionnaire with new questions about local zoning and land use laws' compliant with fair housing laws be filled out and submitted by all CDBG sub-recipients.

The State will assess how the housing crisis and its aftermath has had an impact on communities within the State's jurisdiction and respond with appropriate projects, programs, and education outreach; continue to utilize the Councils of Government (COG) structure to monitor CDBG



recipients and develop education and outreach strategies; create regional fair housing priorities, goals, and selection criteria for potential CDBG recipients; utilize information provided in the CDBG recipient surveys to monitor and update regional fair housing priorities and goals.

Please refer to the State of Arizona 2015-2019 Analysis to Impediments Report available at <https://housing.az.gov/>.

## Discussion

ADOH will undertake the following activities to alleviate barriers to fair housing and disparate impacts on low-income, financially troubled, disabled, or other vulnerable populations:

**FORECLOSURE ASSISTANCE:** ADOH will invest funding to address the mortgage foreclosure crisis and other housing issues caused by economic distress. Through 2017, ADOH, in partnership with the Arizona Housing Finance Authority, will provide funding for direct financial assistance to aid Arizona homeowners avoid foreclosures by: 1) making housing counselors available to the public through a toll-free hotline; 2) providing in-depth foreclosure counseling; and 3) providing financial assistance in the form of principal reduction, second mortgage settlements, reinstatement, monthly mortgage payment assistance, or short sale assistance. ADOH will continue to invest in paid advertising and marketing efforts to ensure households experiencing the threat of foreclosure know about available programs and gain access to assistance. Outreach efforts will include billboards, English and Spanish radio, internet banner ads, bus shelter ads, electronic news messages through the Motor Vehicle Network, Spanish newspapers, ecumenical newspapers, televised telethons and direct mail campaigns.

**OFFERING MORTGAGE ALTERNATIVES TO FIRST TIME HOMEBUYERS:** To assist first time homebuyers in Arizona in finding alternatives to predatory lending practices, the Arizona Housing Finance Authority (AzHFA) will offer low-interest mortgage products along with down payment/closing cost assistance and homebuyer counseling to promote homeownership in fourteen (14) counties in Arizona.

**ACCESS TO AFFORDABLE RENTAL OPPORTUNITIES:** To assist low-income Arizonans in finding decent, affordable rental units throughout the State, ADOH sponsors a web-based search engine through [socialserve.com](http://socialserve.com), which provides information on affordable rental units financed by ADOH and other public funders. The search engine also allows for searches by certain ADA related accommodations for disabled renters.

**FAIR HOUSING ACTIVITIES:** During its annual monitoring visits to the rental properties financed by the Department, ADOH will continue to check that a fair housing sign is visible in the property's Leasing Office. ADOH will also inquire whether the property has had any fair housing complaints or legal actions against it.

**ANNUAL ARIZONA HOUSING FORUM:** ADOH continues to host an annual statewide housing conference to promote affordable, fair housing choices throughout Arizona. During the

event, approximately 400 attendees attend sessions on a myriad of topics ranging from best practices in development and design, to fair housing and addressing the housing needs of the homeless and special needs populations.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG):** The CDBG program provides oversight of and technical assistance to units of local government to assure compliance with fair housing regulations. To demonstrate compliance with Affirmatively Furthering Fair Housing, local governments must at a minimum: 1) adopt a Fair Housing Proclamation or Resolution annually; 2) display a fair housing poster in at least one (1) public area of the community's administration building/office year round; and 3) undertake at least one (1) additional action. The additional action must be specifically designed to further fair housing and/or educate the public about fair housing laws. Further guidance is provided to units of local government in the State's CDBG Administration Handbook, Section 4, available for download on the ADOH website. Additionally, units of local government receive a reminder each March that April is National Fair Housing Month and that they are required to demonstrate compliance annually whether or not they have open CDBG funded projects.

## AP-80 Colonias Actions – 91.320(j)

### Introduction

According to Section 916 of the Cranston-Gonzalez Act of 1990, a “Colonias” is any identifiable community that: 1) is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; 2) is designated by the State or county in which it is located as a Colonias; 3) is determined to be a Colonias on the basis of objective criteria, including the lack of potable water supply; lack of adequate sewage systems; and lack of decent, safe, and sanitary housing; and 4) is generally recognized as a Colonias before the enactment of the National Affordable Housing Act of 1990. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in the areas designated as Colonias. Arizona has sixty-three (63) designated Colonias existing in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma as well as on the Cocopah and Tohono O’odham Indian Reservation. The State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. The State sets aside ten percent (10%) of its CDBG funds for infrastructure and housing activities within Colonias. Please refer to the following web page for the list of designated Colonias:

[https://housing.az.gov/sites/default/files/documents/files/Arizona%20Designated%20Colonias\\_0.pdf](https://housing.az.gov/sites/default/files/documents/files/Arizona%20Designated%20Colonias_0.pdf)

### Actions planned to address obstacles to meeting underserved needs

The largest obstacle to meeting underserved needs on Colonias is funding. ADOH will issue a funding notice, once every two (2) years, to solicit projects located in eligible, designated Colonias. All cities, towns, counties, and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities designated as Colonias and that are eligible to receive CDBG Colonias Set Aside funding through ADOH are eligible to apply for these funds. Maricopa and Pinal Counties, as well as the communities and tribal reservations located within those counties, are excluded from eligibility for Colonias funding. Under this funding, ADOH is able to serve eligible designated Colonias in Pima County, although the county is not eligible to receive other CDBG funds from ADOH.

### Actions the state plans to take to reduce the number of poverty-level families

State CDBG Colonia Set Aside funds primarily water and wastewater treatment as these have been identified as the highest priority issues affecting Arizona Colonias communities. Colonias funding is awarded through a competitive process once every two (2) years and allows potential for sufficient funding to complete very large projects. Scoring criteria emphasizes demonstrated

need, poverty statistics, and whether the project will completely eliminate issues relating to water, wastewater, and housing within the Colonias. Addressing these issues improves sustainability and quality of life issues for residents who could not afford to pay increases in water or sewer service fees that would be required if the community were trying to fund improvements on their own.

### **Actions the State plans to take to develop the institutional structure**

The State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. Working with the Arizona Balance of State COC (which includes areas of the State where Colonias are common), ADOH encourages the publication of the availability of homelessness services. Families that are “doubled-up” or otherwise possibly at risk of homelessness will be provided information about available services in the areas closest to the Colonias.

### **Specific actions the State plans to take to enhance coordination between public and private house and social service agencies**

The Arizona Department of Housing hosts the Arizona Housing Forum. The Forum is a two (2) day professional housing conference that studies recent trends and ideas in affordable housing, while addressing more common issues in discussion-oriented sessions. The Forum is well-attended (390 in attendance in 2014) and registrants represent a diverse cross section through government, non-profit, and for profit entities.

### **Discussion**

The State began offering Colonias Set Aside funding through this competitive process combining two (2) years of Set Aside funds in 2010. Since that time, three (3) large scale projects have been awarded that will each positively affect thousands of Colonias residents. The State has determined this to be a successful implementation of its method for distribution for Colonias Set Aside funds and will continue this process in the future.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

There are several obstacles Arizona will face in implementing the five (5) year strategies. The limited amount of funds available to meet the many needs of Arizona residents is possibly the most significant barrier. Recent federal and State cutbacks in social services programs will limit the amount of assistance that can be provided over the next five (5) years. This will be offset somewhat by the availability of new HTF funding. There remains a number of significant obstacles to meeting underserved needs in Arizona: 1) rapid population growth; 2) inadequate funding to acquire and rehabilitate all existing housing units in need of repair; 3) lack of knowledge of social services and service providers in Arizona for low-income residents; 4) lack of funding to address the huge amount of unmet needs that exists for affordable housing, infrastructure and facility improvements, and social services; 5) absence of service providers: the geographically expansive service areas in rural Arizona make it nearly impossible for providers to maintain a consistent, physical presence in most communities; this is further complicated by the limited ability of many low-income residents to travel for services; 6) lack of capacity in existing agencies: many service providers experience higher than average attrition rates among their employees; recruitment and retention of staff continues to be a challenge; and 7) lack of consensus: stakeholders within a particular jurisdiction often do not agree on priority needs and this can lead to little action.

### **Actions planned to address obstacles to meeting underserved needs**

The State will use the new HTF to provide permanent supportive housing for chronically homeless individuals and families. The State will continue to provide technical assistance to increase capacity of agencies or local governments implementing programs funded by ADOH. Additionally, the State will continue to be the lead agency for the Balance of State COC to encourage and develop the capacity of service providers in the rural parts of the State. Finally, the State will encourage its funded agencies and units of local government to seek other private or public funding opportunities to leverage sufficient funds to complete projects or provide services to a greater number of eligible beneficiaries.

### **Actions planned to foster and maintain affordable housing**

ADOH will continue to foster and maintain affordable housing in Arizona through multiple programs designed to provide low- and moderate-income households with affordable and sustainable rental and ownership opportunities. HTF will be used to increase the number of housing units available to chronically homeless individuals and families.

### **Actions planned to reduce lead-based paint hazards**

ADOH requires grantees to comply with the HUD lead-based paint regulations implementing

Title X of the Housing and Community Development Act of 1992. These regulations cover the CDBG, HOME, ESG, and HOPWA programs, and identify the appropriate type of activity to control lead paint hazards in projects using federal funds.

ADOH has adopted long-term goals to promote affordable housing and community development. These goals, as applied to lead-based paint hazards, become ADOH's lead-based paint strategy. Arizona's strategy objectives are: 1) collaborate with local cities and counties to reduce housing-related lead-based paint hazards, especially for low-income families and children; 2) encourage risk assessment for lead-based paint being part of every home inspection; and 3) refer families with children to Arizona Department of Health Services, Office of Environmental Health for blood testing if lead-based paint is found in units proposed for rehabilitation. The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels, and conducts educational outreach activities.

In recent years, ADOH has undertaken a wide range of activities to address the problem of lead-based paint in the housing stock. The Arizona Lead Poisoning Screening Coalition and the Arizona Department of Health Services recommends screening children six (6) years of age and younger according to the Childhood Lead Poisoning Targeted Screening Plan. These steps will hopefully prove important in assuring the long-term health and stability of lower-income children who are living in substandard housing.

ADOH plans to fund lead-based paint hazard reduction primarily through housing rehabilitation programs for owners and renters.

The State of Arizona will encourage training, education, and other resources related to lead based paint hazards, and will require that grantees and sub-grantees utilize staff and contractors that have the appropriate training and certification. The Arizona Department of Housing is a member of the Arizona Partnership for Healthy Communities, a body organized which meets quarterly to review current issues related to LBP and other health issues related to housing.

### **Actions planned to reduce the number of poverty-level families**

ADOH has an anti-poverty strategy that is based on revitalizing the State of Arizona's existing housing stock to provide safe and decent places to live and supporting community organizations and local agencies that provide various services that promote income and housing stability. The State will use the new HTF to provide permanent supportive housing for chronically homeless individuals and families.

ADOH's approach for reducing the number of poverty level families includes: 1) addressing the needs caused by poverty; 2) increasing the supply and availability of decent, safe, and affordable housing necessary for low-income families; and 3) increasing the effectiveness of existing programs through better collaboration and increased efficiency of implementation. While ADOH

is focused on the provision of affordable housing and needed community development programs and projects, especially in rural areas of Arizona, ADOH works with and encourages job retention, training, and creation through the use of programs by other State agencies, local jurisdictions, and non-profit organizations.

Further, recognizing the collaborative relationship between affordable housing and human, social, and supportive services, ADOH has established, and continues to strengthen, partnerships with the DES, the Community Services Administration, the Family Assistance Administration, the Aging and Adult Administration, the Arizona Early Intervention Program, the Arizona Department of Health Services, the Arizona Health Care Cost Containment System, the Arizona Department of Veterans Services, the Arizona Commerce Authority, and the Governor's Office for Children, Youth, and Families.

### **Actions planned to develop institutional structure**

ADOH is a department of Arizona State government. ADOH is headed by a Governor-appointed director who oversees all activities of the agency, including the provisions of this plan. The activities prescribed in the plan are implemented primarily by partners, including local governmental entities (towns, cities, counties), public housing authorities, non-profit and for-profit entities, and tribal entities. Awards of State and federal grants and loans are based on the ability of an entity to demonstrate the capacity to undertake eligible activities through a written application process. ADOH works in conjunction with the four (4) COGs to develop a plan for the targeting and distribution of CDBG funds.

ADOH provides funding to non-profit agencies located in Arizona that serve low-income households. These non-profits provide assistance for affordable low-income housing to special needs and homeless populations. The private sector is an important collaborator in the services and programs associated with the federal grants for housing and community development. The private sector brings additional resources and expertise that can be used to supplement existing services or fill gaps in the system. Lenders, affordable housing developers, business and economic development organizations, and private service providers offer a variety of assistance to residents such as health care, small business assistance, home loan programs, and supportive housing, among others.

The State of Arizona has twenty-two (22) federally recognized tribes located within the conformed boundaries of the State. The tribes within Arizona are vastly different from one another and are recognized as self-governing entities that regulate laws under their respective tribal jurisdictions. Tribes in Arizona vary in size from the largest federally recognized tribe, Navajo Nation, which is located in four (4) states that include Arizona, Utah, New Mexico, and Colorado, and totals sixteen (16) million acres and 280,000 in population. The smallest tribe in Arizona is the Tonto Apache, located in Payson, with a current land base of seventy-five (75) acres and a population of 122. Within Arizona, sixteen (16) tribes currently receive a formula-driven

grant known as the Indian Housing Block Grant for development and maintenance of existing housing. The formula-driven grant was enacted in 1996 and is based on various factors that include population, poverty, current assisted stock, and overcrowding conditions. These funds are received on an annual basis by the tribe or tribal-designated housing entity and can be used for a number of activities.

ADOH operates the Arizona Public Housing Authority (PHA). Information derived from operating the PHA provides an accurate and recent view of public housing needs and trends for which planning efforts can be designed to address. The responsibilities entail administering a Housing Choice Voucher Program (HCVP) for Yavapai County. HCVP provides rental subsidy payments for approximately 159 very low-income households. Of the 159 vouchers, seventy (70) are restricted to assist homeless veterans through the VASH program. ADOH works closely with the Veterans Administration Medical Center to identify those in need. The PHA also administers approximately eighty-six (86) portable vouchers for Section 8 participants porting in from housing authorities throughout the country. The Arizona PHA also has a competitively-awarded contract to operate the Section 8 project-based program throughout the State, which entails administering approximately 114 HUD-subsidized rental properties, comprised of over 8,000 rental units. Through this program, participating properties are subsidized, allowing very low-income tenants to pay approximately thirty percent (30%) of their incomes toward rent.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

ADOH is committed to continuing its participation and coordination with federal, State, regional, and local agencies, as well as with the private and non-profit sector, to serve the needs of low-income individuals and families in the community. The Arizona Department of Housing hosts the Arizona Housing Forum. The Forum is a two (2) day professional housing conference that studies recent ideas and trends in affordable housing, while addressing more common issues in discussion-oriented sessions. The Forum is well attended and registrants represent a diverse cross section through government, non-profit, and for-profit entities.

### **Discussion**

Through the implementation of its programs, the State combats issues with underserved populations, reduces lead paint hazards, develops the capacity of service providers and subgrantees, addresses issues of poverty, and forms strong partnerships with private housing and social service agencies. ADOH is able to assess all of these needs through its planning efforts with the Balance of State Continuum of Care (BOSCO), the rural COGs, Consolidated Plan hearings, the Arizona Commission on Homelessness and Housing, the ADOH Housing Forum, and through daily interaction with providers and industry professionals. ADOH requires strict adherence to performance standards, which ensures these multiple objectives are accomplished.



## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction

The following is a description of the specific requirements for programs covered by this one (1) year consolidated Action Plan including CDBG, HOME, and ESG.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed.	1,194,700
2. The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements.	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities.	0
<b>Total Program Income:</b>	<b>1,194,700</b>

#### Other CDBG Requirements

1. The amount of urgent need activities.	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.	70.00%

Overall Benefit - A consecutive period of one (1), two (2) or three (3) years may be used to determine that a minimum overall benefit of seventy percent (70%) of CDBG funds is used to benefit persons of low and moderate income.

**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

ADOH will invest HOME only in accordance with 24 CFR part 92.205 funds in single-family housing rehabilitation in Arizona. A competitive advantage will exist in each NOFA for areas of the State that do not have access to other HOME funds CDBG funds. ADOH will invest HOME funds in rental development in all areas of the State.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

ADOH will not invest HOME funds in homebuyer activities.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

Assistance to eligible beneficiaries is subject to recapture. The recapture period is based on the amount of State funds invested in the unit, as follows: State investment per unit of less than \$15,000 is five (5) years; between \$15,000 and \$40,000 is ten (10) years; and over \$40,000 is fifteen (15) years. New construction, regardless of amount, has a twenty (20) year affordability requirement. Recapture provisions are as follows: in the event the assisted property is transferred prior to the expiration of the applicable period of affordability, net proceeds shall be distributed as follows: 1) the Net Resale Proceeds for the property shall be determined; 2) the amount of State funds plus the amount of interest due (if any) shall be determined; 3) the borrower's down payment, principal payments and the value of improvements as evidenced by receipts provided by the borrower shall be summed, and this shall be called Borrower's Equity. The Net Resale Proceeds shall be distributed as follows: if the Net Resale Proceeds are sufficient to cover the ADOH investment, including any interest due and the Borrower's Equity, the ADOH investment and any interest due shall be recaptured and the borrower shall be entitled to receive Borrower's Equity and any amount remaining from Net Resale Proceeds after payment of the ADOH investment and any interest due and Borrower's Equity. If the Net Resale Proceeds are not sufficient to repay the ADOH investment including any interest due and the Borrower's Equity, the borrower shall be entitled to receive the Borrower's Equity, and any amount remaining from Net Resale Proceeds, after payment of the Borrower's Equity, shall be recaptured. In the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA mortgage to HUD, recapture provisions shall terminate.

4. Plans for using HOME funds to refinance existing debt secured by multi-family housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

ADOH does not use investment of HOME funds to refinance multi-family housing debt.

### **Emergency Solutions Grant (ESG)**

#### **Reference 24 CFR 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

The DES Homeless Coordination Office requires all sub-contractors to adhere to program policies and procedures in accordance with the federal HEARTH Act. In addition, sub-contractors must adhere to the State of Arizona, DES written standards, and terms and conditions. Eligible activities include: 1) temporary emergency shelter; 2) rapid re-housing; 3) homeless prevention; and 4) street outreach.

The target populations: at least sixty percent (60%) of all rapid re-housing and/or homeless prevention participants shall represent at least one (1) of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being "released from an institution"; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth eighteen (18) to twenty-four (24) years of age; 9) veterans; or 10) sixty-two (62) years of age or older.

The sub-contractor shall provide all services in a culturally relevant manner for the population to be served; participate in the Coordinated Assessment System; maintain a case file for each participant with all required items as recommended by DES; maintain appropriate documentation of participant eligibility; ensure no income barriers are associated with initial eligibility for services and programs; provide Case Management services at least monthly and document progress toward independence; complete required Self Sufficiency Matrix in HMIS at program entry and exit; assist all participants to obtain mainstream services and benefits such as housing, health care, social services, employment, and education; attend at least seventy-five percent (75%) of Continuum of Care meetings annually.

Sub-contractors are required to adhere to standard performance measures and outcomes which consist of: 1) seventy-five percent (75%) of participants improve in overall required assessment tool score from participant entry to participant exit; 2) sixty percent (60%) of participants who exit the rapid re-housing program exit to permanent housing during the program year; 3) seventy-five percent (75%) of rapid re-housing participants who exit the rapid re-housing program score at least a four (4) on the Self Sufficiency Matrix, 4) sixty percent (60%) of rapid re-housing participants meet at least one (1) of the priority populations

criteria and 5) forty percent (40%) of temporary emergency shelter clients exit to positive permanent housing situations during the program year.

Sub-contractors are required to submit monthly, quarterly, and annual program and financial reports: *Monthly Reports*: 1) copies of the completed Rapid Re-housing Eligibility Determination form for each participant with initial billing; 2) copies of all receipts and/or copies of checks with detailed costs issued for housing relocation and rental financial assistance for each rapid re-housing participant served; 3) Rapid Re-Housing Tracking Sheet with invoices; 4) accurate and complete contractor's invoice and statement of expenditures; *Quarterly Reports*: 1) On the 15<sup>th</sup> of the beginning of each quarter, provide a completed Temporary Emergency Shelter, Rapid Re-housing Data and Homeless Prevention Report of demographic and exit data; *Annual Reports*: 1) Funding Expenditure Report for the prior year; and 2) completed ESG report as required by DES.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

In Arizona, the three (3) Continua of Care (Balance of the State, Phoenix/Mesa/Maricopa County and Tucson/Pima County) provide collaborative leadership and support in the design and implementation of a Coordinated Assessment System for individuals and families to access homeless assistance and services within their Continuum. These services consist of prevention and diversion, emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing. Each Continuum has established a resilient system and process in accordance with the goals and objectives identified in the HEARTH Act. Although, the regions have unique and distinctive community needs and characteristics, each Continuum's Coordinated Assessment System and design captures the core elements as recommended by HUD. These elements are comprised of centralized/multiple-entry access point(s); accurate and knowledgeable information about available services and programs; real-time awareness on program inventory, capacity, and availability; implementation of an effective referral and waitlist management process; a robust screening and assessment process using a universal assessment tool; and a comprehensive enrollment, admission, and decision criteria to identify appropriate intervention and practices.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funding is allocated based on the percent of homeless served and counted, as represented in the annual demographics report and the annual Point In Time count, submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through contracts with specific providers from each Continuum as long as there are enough providers who qualify for funding based

on the RFP selection process.

Contracts are awarded based on the needs of the service area and available service providers. The DES will award contracts through a competitive request for proposal (RFP) process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care, and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience and expertise, cost, and other factors deemed relevant.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The Homeless Coordination Office worked with Arizona State University to bring on board a formerly homeless intern to conduct focus groups with and compile a study of homeless and formerly homeless individuals in State funded emergency shelters, rapid re-housing, and SSVF programs. The intent of the study was to explore the experiences and needs of older adults experiencing homelessness in Arizona. The Arizona and the Aging Homeless Population was completed in April of 2015. Additionally, two (2) of the three (3) Continua of Care and the Arizona Coalition to End Homelessness have a formerly homeless person on their boards.

5. Describe performance standards for evaluating ESG.

All service providers and agencies contracting with DES submit ESG program reports monthly and quarterly attached to fiscal claims for reimbursement that are designed to capture client data, fiscal expenditures billed, and services provided. At least once each year, DES will conduct desk reviews of the programs and at least once every two (2) years, a comprehensive audit and site visit will be conducted of the program and facilities. Upon completion of the review and audits conducted, each ESG provider will receive a written report, prepared with findings and recommendations for corrective actions if necessary, with specific deliverable dates for completing corrective actions. Additionally, sub-contracts with the State Homeless Coordination Office to provide homeless services include the following performance outcomes:

- seventy-five percent (75%) of participants improve in overall required Self Sufficiency Matrix score from participant entry to participant exit;
- sixty percent (60%) of participants who exit the rapid re-housing program exit to permanent housing during the program year;
- seventy-five percent (75%) of rapid re-housing participants who exit the rapid re-housing program score at least a four (4) on the Self Sufficiency Matrix;

- sixty percent (60%) of rapid re-housing participants meet at least one (1) of the priority populations criteria; and
- forty percent (40%) of temporary emergency shelter clients exit to positive permanent housing situations during the program year.

### **Discussion**

All programs administered by the State have written performance policies, criteria, and standards available for applicants (non-profit, for-profit, units of local government, service providers) to review and/or download from the ADOH and DES websites. In addition, these policies are included in the State's five (5) year Consolidated Plan which is also available for review or download from the ADOH website. Staff are available to provide technical assistance on an as needed or as requested basis.

## Attachments

## Citizen Participation Comments

### NOTICE OF PUBLIC HEARING

ADOH is administering two new funding sources in 2016-2017, the National Housing Trust Fund (approx. \$3 million), which will be incorporated into the **2016-2017 Annual Action Plan** and the **2015-2019 Consolidated Plan (amendment)** and the Weatherization Program Fund (approx. \$1.3 million) which will have its own **2016-2017 Weatherization Assistance Program State Plan**.

The Arizona Department of Housing (ADOH) is holding the following two public hearings to receive input on these and other federal funds:

March 8, 2016 at 1:00 p.m. at the Arizona Department of Housing, 1110 W. Washington, Suite **280**, Phoenix, Arizona 85007.

April 13, 2016 at 10 a.m. at the Arizona Department of Housing, 1110 W. Washington, Suite **250**, Phoenix, Arizona 85007.

The 2016-2017 Annual Action Plan is the annual update for the State of Arizona 2015-2019 Consolidated Plan which establishes goals, objectives, priorities, activities, outcomes, and the method of distribution for the use of approximately \$20 million in the following federal funds from the U.S. Department of Housing and Urban Development (HUD): National Housing Trust Fund, Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities for Persons with AIDS, and Emergency Solutions Grant programs (administered by the Arizona Department of Economic Security).

The 2016-2017 Weatherization Assistance Program (WAP) State Plan establishes goals, objectives, priorities, activities, outcomes the method of distribution for approximately \$1.3 million in U.S. Department of Energy for the Weatherization Assistance Program.

All above cited funds will be available for the program year which begins July 1, 2016 and ends June 30, 2017 for activities benefitting low income and special needs populations primarily in the non-metropolitan areas of Arizona.

Both plans will be available in draft form for public review from March 22, 2016 through April 22, 2016 at the ADOH offices at 1110 West Washington Street, Suite 310, Phoenix, Arizona 85007 as well as at [www.housing.az.gov](http://www.housing.az.gov). Copies of both the Action Plan and the WAP State Plan will be made available upon request and are free of charge.

The Public Hearing provides the opportunity to review the draft plans, offer comments and recommended changes. ADOH is accepting written comments regarding the use of these funds through April 22, 2016. Questions and comments should be directed to the following:

Andrew Rael, Assistant Deputy Director, Programs  
Arizona Department of Housing  
1110 West Washington Street, Suite 310  
Phoenix, AZ 85007  
(602) 771-1010  
[publiccomment@azhousing.gov](mailto:publiccomment@azhousing.gov)

#### ADA and EQUAL OPPORTUNITY COMPLIANCE STATEMENT

If you need accommodations for physical mobility, sensory impairment or language needs in order to participate in this meeting, please contact the ADOH at (602) 771-1000. Notification 48 hours prior to the meeting will enable ADOH to make reasonable arrangements to ensure accessibility to this meeting.



**Public Hearing**  
**National Housing Trust Fund Allocation Plan**  
**2016 – 2017 Weatherization State Plan**  
**2016 – 2017 Action Plan**  
**2015-2019 Consolidated Plan Amendment**

March 8, 2016

**Attendees present:**

Andrew Rael, <i>ADOH</i>	Brad Bridwell, <i>Cantwell-Anderson</i>
Carol Ditmore, <i>ADOH</i>	Val Iverson, <i>Arizona Housing Alliance</i>
Michael Traylor, <i>ADOH</i>	Amy Schwabenlender, <i>VSUW</i>
Jeanne Redondo, <i>ADOH</i>	Andrew Shorfhaal, <i>GA Haan Development</i>
Karia Basta, <i>ADOH</i>	Darlene Newsom, <i>UMOM</i>
Kathy Blodgett, <i>ADOH</i>	Chela Schuster, <i>UMOM</i>
Michele Meyerkorth, <i>ADOH</i>	Shay Meinzer, <i>A New Leaf</i>
Krista Schwartz, <i>FSL</i>	Michael Hughes, <i>A New Leaf</i>
Tom Wilson, <i>CPLC</i>	Linda Elliott, <i>One-n-Ten</i>
Justin Francis, <i>GA Haan Development</i>	Nate Ruotin, <i>One-n-Ten</i>
Brian Swanton, <i>Gorman &amp; Company</i>	Amena Kruck, <i>Ability 360</i>
Pat McNamara, <i>LISC</i>	

Andrew welcomed everyone and introduced the staff. He reminded everyone to sign in as we are tracking attendance. Comments/suggestions/etc. for the National Housing Trust Fund Allocation Plan, the 2016 – 2017 Weatherization State Plan, the 2016 – 2017 Action Plan and the 2015-2019 Consolidated Plan Amendment will be accepted through April 22<sup>nd</sup>.

Drafts of the plans will be posted on the website on March 22<sup>nd</sup> for a thirty (30) day review period. We will have another meeting on April 13<sup>th</sup>. Comments/suggestions/etc. will be accepted through April 22<sup>nd</sup>. We plan to submit to HUD on May 15<sup>th</sup>.

ADOH is proposing to use the approximately \$3,000,000 in the following manner:

- ADOH funds the projects directly through an RFP process.
- Ninety percent (90%) of NHTF proposed as rental for extremely low income (thirty percent [30%] AMI for permanent supportive housing for the chronically homeless.
- Ten percent (10%) administration.

Chela Schuster: Is concerned about limiting to chronically homeless as this does not allow for families.

Brian Swanton: What are you using as the definition of chronically homeless?

Tom Wilson: If a non-profit owned several different multi-family housing projects, could a portion of each project be set aside to be rehabbed for ELI housing? *Director Traylor: We would like to use the funds to create as many new ELI units as possible.*

Michael Hughes: Is there any thought for those previously funded projects to use some of these funds for financing? *Director Traylor: This would be contrary to the goal of creating more ELI units.*

Tom Wilson: How does this work in rural areas (i.e. Santa Cruz County, Nogales)? *Kathy Blodgett: The units of local government in rural areas are covered under the Consolidated Plan.*

Amy Schwabenlender: Likes the idea of limiting to a focused definition of the target population. Would like RFP to include consideration for balance of state municipalities where there is no existing housing for ELI, and that applicants be required to identify the source of rental subsidy and funding for supportive services. Would like ADOH to consider giving more consideration to geographic areas where supportive services are available and to the rural areas to get PHA's involved.

Val Iverson: Likes the priority of creating new units of housing for ELI but is concerned that funds can't be used for operating expenses. How will we use the allocation plan as a baseline now and building upon it in the future? The advocacy potential is very low if ADOH chooses only one (1) project. Understands the projects must follow the allocation plan criteria but these points must be expanded upon. *Andrew Rael: The ADOH plan will read like a program rather than a regulation.*

Brad Bridwell: Is this a hard debt/soft debt/equity? *Andrew Rael: As this will contribute very little to no cash flow, this is a soft debt.* If this is administered under the HOME project guidelines, this would restrict the rent to the thirty percent (30%) AMI rent, rather than calculating the rent at the fifty percent (50%) AMI level to support the property at a rent level that is feasible for operations. *Andrew Rael: Will need to further research whether the restrictions on rental subsidy will follow the HOME program.* *Brian Swanton: If you have a Section 8 subsidy, these regs become the issue. Section 8 regs say if layered with HOME, that the rent is restricted to the HOME rent level.*

Val Iverson: Encourages ADOH to increase the length of affordability period and that rents won't be more than thirty percent (30%) of the tenant's income, rather than an imputed rent.

Darlene Newsom: Since you can't use for operating expenses, what can you use these funds for? *Andrew Rael: Hard costs – purchasing and renovating only.*

Brad Bridwell: What about not limiting to stand alone projects that are entirely affordable, but 80/20 communities where eighty percent (80%) of the units are at market rate and twenty percent (20%) are restricted? If these funds run under HOME regs, it limits the subsidy on rent and would need a third party subsidy for operating expenses.

Brian Swanton: Encouraged ADOH to avoid adding additional red tape and limit the number of restrictions to those required by HUD.

Brad Bridwell: What about PSH units in the QAP? *Andrew Rael: NHTF would allow it to be used as a gap source for a LIHTC project.*

Amena Kruck: Could they add units to another project?

**Public Hearing**  
**National Housing Trust Fund Allocation Plan**  
**2016 – 2017 Weatherization State Plan**  
**2016 – 2017 Action Plan**  
**2015-2019 Consolidated Plan Amendment**

April 13, 2016

**Attendees present:**

Andrew Rael, <i>ADOH</i>	Yvonne Seel, <i>Maricopa County CHSD</i>
Carol Ditmore, <i>ADOH</i>	Lauren Black, <i>City of Phoenix</i>
Michael Traylor, <i>ADOH</i>	Stephanie Knox, <i>DES</i>
Kathy Blodgett, <i>ADOH</i>	Katie Martin, <i>FSL</i>
Trisha Ekenberg, <i>ADOH</i>	Shaun Smiley Scott, <i>FSL</i>
Noël Schaus, <i>ADOH</i>	Barbara Riley, <i>Maricopa County</i>
Diane Olsen, <i>ADOH</i>	Alfred Edwards, <i>DES</i>
Michele Meyerkorth, <i>ADOH</i>	Jauron Leefers, <i>City of Phoenix</i>
Gloria Dunagan, <i>CAHRA</i>	Justin Francis, <i>Haan Development</i>
Lucy Rangel, <i>CAHRA</i>	Randy Archuleta, <i>Step Builder, LLC</i>
Jesus Duran, <i>Pima County</i>	Kelly Watson, <i>Rebuilding Together</i>
Stacey Zimmerman, <i>Ability 360</i>	Bill Spreitzer, <i>WESCAP Investments</i>
Joan Servis, <i>AZCEH</i>	Cindy Stotler, <i>City of Phoenix</i>
Val Iverson, <i>AZ Housing Alliance</i>	Amy Jacobson, <i>Maricopa County (WAP PAC)</i>
Daniel Boyle, <i>A New Leaf (Mesa CAN)</i>	Andrea Hipps, <i>Native American Connections</i>
Jerry Mendoza, <i>APS (WAP PAC)</i>	
Bonnie Temme, <i>SRP (WAP PAC)</i>	

Andrew welcomed everyone and introduced the staff. He reminded everyone to sign in as we are tracking attendance. Comments/suggestions/etc. for the National Housing Trust Fund Allocation Plan, the 2016 – 2017 Weatherization State Plan, the 2016 – 2017 Action Plan and the 2015-2019 Consolidated Plan Amendment will be accepted through April 22<sup>nd</sup>. Drafts of the plans will be posted on the website on March 22<sup>nd</sup> for a thirty (30) day review period.

**National Housing Trust Fund Allocation Plan**

ADOH is proposing to use the approximately \$3,000,000 in the following manner:

- ADOH funds the projects directly through an RFP process.
- Ninety percent (90%) of NHTF proposed as rental for extremely low income (thirty percent [30%] AMI for permanent supportive housing for the chronically homeless.
- Ten percent (10%) administration.

What is “rental development”? *Andrew Rael: It is the bricks and mortar: construction, acquisition, rehabilitation, relocation during a rehab; not operating costs.*

Are ADA requirements going to be taken into consideration? *Andrew Rael: Yes. As this this federal funding source, ADA regulations must be followed.*

Val Iverson: Would like the use of the funds to be as successful as possible. If there are not enough projects for PSH, would like to be assured those experiencing chronic homelessness are served first and then focus on the VLI families.

Val Iverson: According to the regulations for the NHTF, the money can be used for operating costs. Is ADOH not allowing for operating costs? *Andrew Rael: No; as there are a lot of costs in operating a project, it was felt it best to limit the funding to the most effective use possible.*

What is the timeline? *Andrew Rael: The funds are available July 1, 2016. We would like to spend the funds between July 1, 2016 and June 30, 2017.*

Bill Spreitzer: Will this money be in the form of a grant or a loan? *Andrew Rael: HTF will be in the form of a loan due to the thirty (30) year affordability period. The loan terms will most likely be zero (0) to little interest; probably deferred; probably forgiven.*

Will applications currently in the LIHTC round be able to utilize these funds? *Andrew Rael: If gap financing is requested, it could be used.*

Will there be a special allocation round? *Andrew Rael: Yes. There will possibly be a new application process with an RFP. This will depend on how much is needed for gap financing in the current LIHTC applications.*

Can PHA funding be used in conjunction to get the project funded? *Andrew Rael: Yes.*

Is there a minimum/maximum project size? *Andrew Rael: No.*

Val Iverson: The NHTF regulations state subsidies can be used. She would encourage us to do whatever we can to save the higher rent limits for these projects and not use other funds.

**2016 – 2017 Weatherization State Plan**

Kathy Blodgett, CD&R Program Administrator, went over the basics of the Weatherization program and highlights of the Annual Plan. The Plan has been posted to ADOH’s website since March 22, 2016. The following bullet points were shared:

- FY2016 (SFY2017) federal allocation to ADOH \$1,109,782. This covers entire state outside of tribal.

- Funding provides energy efficient retrofit improvements for persons at or below 200% of poverty.
- Per federal regulation – must be awarded to local government entities or non-profit community action agencies each publicly vetted through Weatherization Policy Advisory Committee.
- Currently ten (10) sub-grantee providers awarded by method of distribution that considers service area, population and poverty statistics.
- No change to sub-grantee providers for FY16. Potential to RFQ for FY17 providers in the coming months.
- Funding will be performance based with ability for ADOH to re-allocate from under-performing to highly performing programs.
- Maximum average investment per unit \$7,105.
- Anticipate assisting approximately 133 households.
- Written comments on the Plan will be accepted until April 22, 2016.
- Application (State Plan) due to DOE by April 29, 2016.

Kathy indicated that there might be a variation to the chart on Page 5 of the Plan with the estimated awards and production of units for the ten (10) sub-grantee providers based on any carryover amount the program might have and a truer average cost per unit.

**Weatherization comments and questions:**

Daniel Boyle, A New Leaf (MesaCAN): It was recommended to keep the average cost in line with the DOE average so we are able to assist more families. It was added to when calculating the average cost to keep the numbers small in the beginning of the year and then increase them towards the end of the year to be more accurate. *Kathy Blodgett: Wages, construction materials, etc. will be taken into consideration when calculating the average as will the fact that the smaller sub-grantees have higher average cost per unit than the large sub-grantees because they are able to do fewer units. All this information will be considered when determining the best cost per unit average to use in the final State Plan.*

Jerry Mendoza, APS (PAC Member): What is meant by a “steady pace” and not “seasonal”? *Kathy Blodgett: The DOE is not satisfied with the lack of expenditures and production of completed units in the first half of the year. Additionally, with current staffing at ADOH, is it not possible to provide the appropriate amount of monitoring oversight and technical assistance and training when no units are completed until the end of the program year. Staff winds up monitoring all the sub-grantees in the last two (2) – three (3) months of the year which really is physically next to impossible when considering the additional follow up and corrective action plans that come from the monitoring and*

*technical assistance. We need to move to a performance based contract so that the program can be more evenly administered.*

Yvonne Seel, Maricopa County Human Services Department: Can you expand on the Request for Proposal (RFP) for 2017? *Kathy Blodgett: Not really known at this time exactly what will be in the RFP. However, there is a section of the Weatherization Policies and Procedures (these are posted to the website) that speaks to sub-grantee responsibilities and these will be taken into consideration as part of the RFP. We will also be looking for appropriate auditing certifications (BPI, QCI etc.). The RFP would not be yearly but would cover all weatherization funds and a multi-year term.*

Jesus Duran, Pima County: Is there funding available to update the state database? *Kathy Blodgett: Not at this time but it does need to be looked at. The program's first priority since transferring to its permanent home here at ADOH was to get policies and procedures in place and get the program performing at a higher level so the database is on the back burner but we do understand we need to either improve the current or change to a different database down the road.*

**2016 – 2017 Action Plan**

How much is spent on HMIS? *Andrew Rael: Less than \$100,000.*

## Grantee SF-424's and Certification(s)

DOUGLAS A. DUCEY  
Governor



MICHAEL TRAILOR  
Director

STATE OF ARIZONA  
DEPARTMENT OF HOUSING  
1110 WEST WASHINGTON, SUITE 310  
PHOENIX, ARIZONA 85007  
(602) 771-1000 WWW.AZHOUSING.GOV  
FAX: 602-771-1002

May 15, 2016

Mr. David Uhler  
CPD Representative  
U.S. Department of Housing and Urban Development  
Community Planning and Development  
One North Central Avenue, Suite 600  
Phoenix, AZ 85004

**Re:** *Second Annual Action Plan. Consolidated Plan 2015-2019*  
*Grantee: The State of Arizona, Arizona Department of Housing*

Dear Mr. Uhler:

The Arizona Department of Housing has submitted its 2016-2017 Annual Action Plan and amended 2015-2019 Consolidated (to include the Housing Trust Fund) through the eCon Planning Suite in IDIS. Both comply with Title 24, Part 91, Subpart D, including the provisions added by the Interim Rule pertaining to the Housing Trust Fund.

Please find the following executed original documents attached: 1) forms SF424 for CDBG, HOME, ESG and HOPWA; and 2) Certifications for CDBG, HOME, HOPWA, ESG, the State and the Appendix to the Certifications. Also attached is the Arizona Housing Trust Fund Allocation Plan.

Should you have any questions, please call Andrew Rael, Assistant Deputy Director of Programs, at (602) 771-1010.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Trailor".

Michael Trailor  
Director


Enclosures



OMB Number: 4340-0004  
Expiration Date: 8/31/2018

Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
<b>* If Revision, select appropriate letter(s):</b> <input type="text"/> <b>* Other (Specify):</b> <input type="text"/>		
<b>* 3. Date Received:</b> <input type="text"/>		<b>4. Applicant Identifier:</b> <input type="text"/>
<b>5a. Federal Entity Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> State of Arizona - Department of Housing		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 86-6004781		<b>* c. Organizational DUNS:</b> 086704480000
<b>d. Address:</b>		
<b>* Street1:</b> 1110 W. Washington		
<b>Street2:</b> Suite 810		
<b>* City:</b> Phoenix		
<b>County/Parish:</b> Maricopa		
<b>* State:</b> AZ; Arizona		
<b>Province:</b>		
<b>* Country:</b> USA; UNITED STATES		
<b>* Zip / Postal Code:</b> 050070000		
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> State of Arizona		<b>Division Name:</b> Department of Housing
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> Mr.		<b>* First Name:</b> Michael
<b>Middle Name:</b>		
<b>* Last Name:</b> Trailer		
<b>Suffix:</b>		
<b>Title:</b> Director		
<b>Organizational Affiliation:</b>		
<b>* Telephone Number:</b> 502-771-1007		<b>Fax Number:</b> 602-771-1008
<b>* Email:</b> michael.trailer@azhousing.gov		

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <p>State Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>* Other (specify):</p>	
<p>* 10. Name of Federal Agency:</p> <p>U.S. Department of Housing and Urban Development</p>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <p>14.228</p> <p>CFDA Title:</p> <p>Community Development Block Grant - State and Small Cities Program</p>	
<p>* 12. Funding Opportunity Number:</p> <p>Annual Action Plan</p> <p>* Title:</p> <p>FY2015-FY2018 5 year Consolidated Plan - second year Action Plan FY2016</p>	
<p>13. Competition Identification Number:</p> <p>Title:</p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <p>Add Attachment Delete Attachment View Attachments</p>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <p>State and small cities Community Development Block Grant funding for non-entitlement cities and counties in the State of Arizona.</p>	
<p>Attach supporting documents as specified in agency instructions</p> <p>Add Attachments Delete Attachments View Attachments</p>	

Application for Federal Assistance SF-424	
<b>16. Congressional Districts Of:</b>	
* a. Applicant: <input type="text" value="86-001"/>	* b. Program/Project: <input type="text" value="0086"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text" value="SF424 Attachment - Congressional Districts"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
<b>17. Proposed Project:</b>	
* a. Start Date: <input type="text" value="01/01/2016"/>	* b. End Date: <input type="text" value="06/30/2017"/>
<b>18. Estimated Funding (\$):</b>	
* a. Federal	<input type="text" value="10,578,295.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="10,578,295.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input checked="" type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text" value="05/15/2016"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
<b>Authorized Representative:</b>	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Michael"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Breilor"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Director"/>	
* Telephone Number: <input type="text" value="602-771-1007"/>	Fax Number: <input type="text" value="602-771-1002"/>
* Email: <input type="text" value="michael.breilor@arhousing.gov"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="5/13/16"/>

OMB Number: 4040-0004  
Expiration Date: 8/31/2018

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
^ 3. Date Received: _____	4. Applicant Identifier: _____	
5a. Federal Entity Identifier: 049995	5b. Federal Award Identifier: _____	
State Use Only:		
6. Date Received by State: _____	7. State Application Identifier: _____	
8. APPLICANT INFORMATION:		
^ a. Legal Name: State of Arizona - Department of Housing		
^ b. Employer/Taxpayer Identification Number (EIN/TIN): 86-604791	^ c. Organizational DUNS: 086764480000	
d. Address:		
* Street1: 1110 W. Washington	Street2: Suite 310	
* City: Phoenix	County/Parish: Maricopa	
* State: AZ: Arizona	Province: _____	
* Country: USA: UNITED STATES	* Zip / Postal Code: 850070000	
e. Organizational Unit:		
Department Name: State of Arizona	Division Name: Department of Housing	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Mr.	* First Name: Michael	
Middle Name: _____	* Last Name: Trailor	
Suffix: _____	Title: Director	
Organizational Affiliation: _____		
^ Telephone Number: 602-771-1007	Fax Number: 602-771-1002	
^ Email: michael.trailor@azhousing.gov		

Application for Federal Assistance SF-424	
<p><b>* 9. Type of Applicant 1: Select Applicant Type:</b></p> <p>A: State Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>* Other (specify):</p>	
<p><b>* 10. Name of Federal Agency:</b></p> <p>U.S. Department of Housing and Urban Development</p>	
<p><b>11. Catalog of Federal Domestic Assistance Number:</b></p> <p>14.239</p> <p>CFDA Title:</p> <p>Home Investment Partnership Program 24 CFR Part 92</p>	
<p><b>* 12. Funding Opportunity Number:</b></p> <p>Annual Action Plan</p> <p>* Title:</p> <p>FY2016-FY2019 5 year Consolidated Plan - second year Action Plan FY2016.</p>	
<p><b>13. Competition Identification Number:</b></p> <p>Title:</p>	
<p><b>14. Area Affected by Project (Cities, Counties, States, etc.):</b></p> <p>Add Attachment Delete Attachments View Attachment</p>	
<p><b>* 15. Descriptive Title of Applicant's Project:</b></p> <p>State of Arizona - non-entitlement Home Investment Partnership Program (HOME)</p>	
<p>Attach supporting documents as specified in agency instructions.</p> <p>Add Attachments Delete Attachments View Attachments</p>	

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant:  \* b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:  \* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	4,811,335.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	4,811,335.00

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on:

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**21. "By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

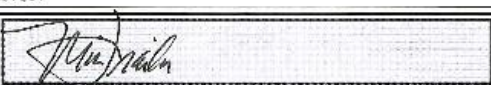
\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:


OMB Number: 4040-0004  
Expiration Date: 8/31/2016

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>		
* 3. Date Received:		4. Applicant Identifier:
<input type="text"/>		<input type="text"/>
5a. Federal Entity Identifier:		5b. Federal Award Identifier:
<input type="text"/>		<input type="text"/>
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
<input type="text"/>		<input type="text"/>
<b>B. APPLICANT INFORMATION:</b>		
* a. Legal Name: State of Arizona - Department of Housing		
* b. Employer/Taxpayer Identification Number (EIN/TIN):		* c. Organizational DUNS:
88-600479		3867544880000
* d. Address:		
* Street1: 1110 W. Washington		
Street2: Suite 810		
* City: Phoenix		
County/Parish: Maricopa		
* State: AZ: Arizona		
Province:		
* Country: USA: UNITED STATES		
* Zip / Postal Code: 85007000		
* e. Organizational Unit:		
Department Name:		Division Name:
State of Arizona		Department of Housing
* f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	Mr.	* First Name: Michael
Middle Name:		
* Last Name:	Traylor	
Suffix:		
Title:	Director	
Organizational Affiliation:		
<input type="text"/>		
* Telephone Number:	602-771-1007	Fax Number: 602-771-1002
* Email:	michael.traylor@arhousing.gov	

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <p>A: State Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>Other (specify):</p>	
<p>* 10. Name of Federal Agency:</p> <p>U.S. Department of Housing and Urban Development</p>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <p>14.241</p> <p>CFDA Title:</p> <p>Housing Opportunities for Persons With Aids</p>	
<p>* 12. Funding Opportunity Number:</p> <p>Annual Action Plan</p> <p>* Title:</p> <p>FY2015-FY2019 5 year Consolidated Plan - second year Action Plan FY2016.</p>	
<p>13. Competition Identification Number:</p> <p>Title:</p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <p>Add Attachment Delete Attachment View Attachments</p>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <p>State of Arizona - non-entitlement Housing Opportunities for Persons With Aids (HOPWA)</p>	
<p>Attach supporting documents as specified in agency instructions.</p> <p>Add Attachments Delete Attachments View Attachments</p>	

7



Application for Federal Assistance SF-424	
<b>16. Congressional Districts Of:</b>	
* a. Applicant: AZ-001	* b. Program/Project: HCLPWA
Attach an additional list of Program/Project Congressional Districts if needed.	
<a href="#">SF424 Attachment - Congressional Districts</a> <a href="#">Add Attachment</a> <a href="#">Delete Attachment</a> <a href="#">View Attachment</a>	
<b>17. Proposed Project:</b>	
* a. Start Date: 07/01/2015	* b. End Date: 06/30/2020
<b>18. Estimated Funding (\$):</b>	
* a. Federal	239,786.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	239,786.00
<b>* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b>	
<input checked="" type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on 05/15/2016 . <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input type="checkbox"/> c. Program is not covered by E.O. 12372.	
<b>* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)</b>	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <a href="#">Add Attachment</a> <a href="#">Delete Attachment</a> <a href="#">View Attachment</a>	
<b>21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)</b> <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
<b>Authorized Representative:</b>	
Prefix: Mr.	* First Name: Michael
Middle Name:	
* Last Name: Traylor	
Suffix:	
* Title: Director	
* Telephone Number: 602-771-1007	Fax Number: 602-771-1002
* Email: michael.traylor@azhousing.gov	
* Signature of Authorized Representative: 	* Date Signed: 5/13/16

OMB Number: 4040-0004  
Expiration Date: 8/31/2016

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision	* 1 Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: 03/18/2016	4. Applicant Identifier: <input type="text"/>	
5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: 8CG004791	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: Arizona Department of Economic Security		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 86 8004791	* c. Organizational DUNS: 1367304340000	
d. Address:		
* Street1: 1799 W Jefferson	<input type="text"/>	
Street2: <input type="text"/>	<input type="text"/>	
* City: Phoenix	<input type="text"/>	
County/Parish: Maricopa	<input type="text"/>	
* State: <input type="text"/>	AZ: Arizona	
Province: <input type="text"/>	<input type="text"/>	
* Country: <input type="text"/>	USA: UNITED STATES	
* Zip / Postal Code: 85007-3202	<input type="text"/>	
e. Organizational Unit:		
Department Name: Div. of Aging and Adult serv.	Division Name: Community Services	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text"/>	* First Name: Lynn	<input type="text"/>
Middle Name: <input type="text"/>	<input type="text"/>	
* Last Name: Larson	<input type="text"/>	
Suffix: <input type="text"/>	<input type="text"/>	
Title: Assistant Director, DMS		
Organizational Affiliation: <input type="text"/>		
* Telephone Number: (602) 542-6461	Fax Number: 602-542-6655	
* Email: llarson@azdes.gov		

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <p>A: State Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>* Other (specify):</p>	
<p>* 10. Name of Federal Agency:</p> <p>Arizona Department of Economic Security</p>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <p>14 231</p> <p>CFDA Title:</p> <p>Labor Management Cooperation Program</p>	
<p>* 12. Funding Opportunity Number:</p> <p>N/A</p> <p>* Title:</p> <p>N/A</p>	
<p>13. Competition Identification Number:</p> <p>Title:</p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <p>Add Attachment Delete Attachment View Attachment</p>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <p>Emergency Solutions Grant Funding to be contracted to direct service providers for to administer Homeless Prevention, Emergency Shelter and Rapid Rehousing survivors.</p>	
<p>Attach supporting documents as specified in agency instructions.</p> <p>Add Attachments Delete Attachments View Attachments</p>	

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant:  \* b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:  \* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,545,994.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,545,994.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:


\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**STATE CERTIFICATIONS**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing**-- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Anti-Lobbying** -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-L.L.L., "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts

under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State** -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken with CDBG, HOME, ESCI, and HOPWA funds are consistent with the strategic plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CTR Part 135.

  
\_\_\_\_\_  
Signature/Authorized Official  
Director  
\_\_\_\_\_  
Title

5/13/16  
\_\_\_\_\_  
Date

**Specific CDBG Certifications**

The State certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments** -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) ~~2016~~ and . (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

- 3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force** -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

- 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws** -- It will comply with applicable laws.

  
 \_\_\_\_\_  
 Signature/Authorized Official  
 Director  
 \_\_\_\_\_  
 Title

5/13/16  
 \_\_\_\_\_  
 Date



**Specific HOME Certifications**

The State certifies that:

**Tenant Based Rental Assistance** -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

**Eligible Activities and Costs** -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

**Appropriate Financial Assistance** -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

  
\_\_\_\_\_  
Signature/Authorized Official

5/13/16  
\_\_\_\_\_  
Date

Director  
\_\_\_\_\_  
Title

**HOPWA Certifications**

The State HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

  
\_\_\_\_\_  
Signature/Authorized Official

5/13/14  
Date

\_\_\_\_\_  
Director  
Title

### ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants (ESG) Program must provide the following certifications:

**Matching Funds** – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201.

**Discharge Policy** – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

**Confidentiality** – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

**Major Rehabilitation/Conversion** – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of ten years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of ten years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of three years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, as long as the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

**Homeless Persons Involvement** – To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG Program, and in providing services for occupants of facilities assisted under ESG.

**Consolidated Plan** – All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD-approved Consolidated Plan.

  
\_\_\_\_\_  
Signature/Authorized Official

4/21/16  
\_\_\_\_\_  
Date

Timothy Jeffries

Director, Arizona Department of Economic Security

**ESG Certifications**

I, Timothy Jeffries, Director of the Arizona Department of Economic Security (DES), recipient of the Emergency Solutions Grant (ESG) in accordance with the applicable statutes and regulations governing the Consolidated Plan regulations, certify that:

**Major Rehabilitation/Conversion** – It will maintain any building for which assistance is used under the ESG Program as a shelter for homeless individuals and families for at least ten years. If the jurisdiction plans to use funds for rehabilitation (other than major rehabilitation or conversion), the applicant will maintain any building for which assistance is used under the ESG Program as a shelter for homeless individuals and families for at least three years.

**Essential Services and Operating Costs** – Where assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, as long as the same general population is served.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal, State, local, and private assistance.

**Matching Funds** – It will obtain matching amounts required under 24 CFR 576.201.

**Confidentiality** – It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG Program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

**Homeless Persons Involvement** – To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

**Consolidated Plan** – It is following a current Housing and Urban Development (HUD) approved Consolidated Plan or Comprehensive Housing Affordability Strategy.

**Discharge Policy** – It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

**HMIS** – It will comply with HUD’s standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information.

 \_\_\_\_\_  
Signature

2/20/16  
Date

Timothy Jeffries  
Director, Arizona Department of Economic Security

**APPENDIX TO CERTIFICATIONS**

**INSTRUCTIONS CONCERNING LOBBYING REQUIREMENTS:**

**A. Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.