



Arizona  
Department  
of Housing

# State of Arizona Annual Action Plan

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Amendment August 15, 2018

*Federal FY 2017*

*July 1, 2018 - June 30, 2019*

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## Executive Summary

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

#### Introduction

The State of Arizona 2018-2019 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 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); and the Emergency Solutions Grant Program (ESG) administered by the Arizona Department of Economic Security (ADES); and the Housing Trust Fund (HTF).

The Annual Action Plan covers the timeframe from July 1, 2018 to June 30, 2019, a one-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.

ADOH anticipates receiving the following funds: 1) CDBG: \$ 11,743,486; 2) HOME: \$6,141,681; 3) HOPWA: \$309,509; 4) ESG: \$1,747,908; and 5) HTF: \$3,997,777.

#### 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.

#### 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 amounts were expended from July 1, 2016 through June 30, 2017 are as follows: CDBG -\$7,825,252; CDBG Colonia - \$2,751,855; HOME - \$5,458,998; ESG - \$ 1,450,701; and HOPWA- \$195,687.

Approximately \$6.7 million in federal HOME and CDBG funding was committed to preservation and improvement in the form of owner-occupied housing rehabilitation. Approximately \$5.2 million in CDBG funds was committed to public infrastructure projects, as they are the primary focus of rural counties and communities participating in the State and small cities CDBG program through ADOH. Infrastructure improvements including streets, sidewalks, water, wastewater, curbs, gutters, and drainage improvements were funded addressing the Department's priority to promote sustainable and accessible communities. Additionally, approximately \$1.6 million in CDBG funds was committed to community facilities.

The Rental Division of ADOH led the efforts on the development of new rental units with a variety of resources. These include HOME, Low-Income Housing Tax Credits (LIHTC), NSP, and HTF. This will result in 2,114 multi-family rental units. Of those, 833 units were new construction and 804 units were preserved through rehabilitation.

HOPWA monies provided \$232,592 in funds for tenant-based rental assistance, leasing assistance, and supportive services for two (2) different agencies in three (3) contracts. ADOH contracted with three (3) organizations to administer the HOPWA programs which serve five (5) of the thirteen (13) non-entitlement counties.

McKinney-Vento monies provided \$ 4,863,700 to 983 households through twenty seven (27) contracts. Most of this money went for rental assistance while less than ten percent (10%) was directed toward supportive services. Five percent (5%) of the budget is for the Homeless Management Information System and \$126,491 is specifically for planning.

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

Summary from citizen participation section of plan.

ADOH held two public hearings at different stages of the Action planning process (August 2017 and April 2018). The public hearings addressed community development and housing needs, development and proposed activities and a review of program performance. 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: August 24, 2017 at 4:00 p.m., Scottsdale Princess Resort; 2) Phoenix, Arizona, April 5, 2018 at 10:00 a.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250.

Newspaper advertisements, email bulletins and website information were published at least fifteen (15) 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 23, 2018 and ending April 23, 2018. Among those receiving email 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.

Comments centered the availability of NHTF for the rural areas. ADOH provided assurances that NHTF used as gap financing in LIHTC projects would be available to the Balance of State due to the Balance of State Set-Asides and the ability for ADOH to issue a stand-alone RFP if necessary.

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

#### **Summary**

Two public meeting were held with a total of twenty-nine (29) persons in attendance.

## **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**

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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 all funding sources.

**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)).**

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

**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.**

In 2017, the Arizona Department of Housing hired a Continuum of Care Coordinator to take on the extra responsibilities within the Balance of State due to the 2009 HEARTH Act and subsequent HUD rule issued in July of 2012. This position is responsible for the coordination of the BOSCOG which requires collaborating with homeless and housing providers including local networks and coalitions whose purpose is to end homelessness, develop contracts with local coalitions to meet benchmarks and performance measures at regional level, schedule and chair quarterly meetings comprised of local representatives, chair the BOSCOG Governance Advisory Board quarterly meetings and provide technical assistance to the providers in the BOSCOG. The following statewide goals and objectives 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 years; 2) implemented statewide use of a common assessment tool to prioritize housing placement based on vulnerability; and 3) support, monitor, and assess through coordinated entry the prioritization of those who are chronically homeless as well as other vulnerable homeless persons in Permanent Supported Housing.



**PREVENT and END VETERAN HOMELESSNESS:** 1) Insure all mainstream and community resources identify veteran status and connect veterans to resources; and 2) target and prioritize use of HUD VASH vouchers for chronically homeless veterans. Both the Northern and Southern Arizona VA Health Care Systems Homeless programs were onboarded to HMIS and in are actively involved in many of the Local Coalitions to End Homeless (LCEH), working from a By-Name List which includes homeless veterans and is resulting in permanent housing placements.

**PREVENT AND END HOMELESSNESS FOR FAMILIES, YOUTH, CHILDREN:** 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 housing to the housing system each year for the next ten years.

**MEASUREMENT STANDARDS, DATA COLLECTION, ACCURATE REPORTING:** Each year all three Arizona continuums organize a comprehensive statewide street and shelter survey which is analyzed, and compared with previous years and also used to set goals for the future. The three continuums share this data at the Housing Forum and statewide homeless conference each year.; AZBOSCOG has increase data quality which is reviewed on a monthly basis and for COC funded programs is currently at an average of 99.70% and for the entire BOSCOG Continuum it is 96.85%. This level of accuracy increases confidence in the data shown in the Performance Measure Reports that are run on a quarterly basis.

**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 starting with a pilot project at one prison. A curriculum is being developed for those about to be released from prison on apartment renting; and 3) expand the number of individuals trained in SOAR in order to obtain social security benefits for eligible individuals.

**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**

**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>      | Arizona Coalition to End Homelessness   |
|   | <b>Agency/Group/Organization Type</b> | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Persons with HIV/AIDS<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment<br>Service-Fair Housing<br>Services - Victims<br>Health Agency<br>Other government - State<br>Other government - County<br>Other government - Local<br>Regional organization |

|   |   |
|---|---|
| <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Housing Need Assessment<br/>         Homeless Needs - Chronically homeless<br/>         Homeless Needs - Families with children<br/>         Homelessness Needs - Veterans<br/>         Homelessness Needs - Unaccompanied youth<br/>         Homelessness Strategy<br/>         HOPWA Strategy<br/>         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>ADOH and ADES are members of AZCEH and are sponsors of the AZCEH annual Statewide conference. Additionally ADES 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.</p> |

|   |  |  |
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| 2 | <b>Agency/Group/Organization</b>                               | Arizona Housing Alliance   |
|   | <b>Agency/Group/Organization Type</b>                          | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Employment<br>Service-Fair Housing<br>Services - Victims<br>Other government - State<br>Other government - County<br>Other government - Local<br>Regional organization<br>Business Leaders<br>Business and Civic Leaders |
|   | <b>What section of the Plan was addressed by Consultation?</b> | Housing Need Assessment<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Homelessness Strategy<br>Non-Homeless Special Needs<br>Market Analysis   |

|   |   |   |
|---|---|---|
|   | <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 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 | <p><b>Agency/Group/Organization</b></p>   | <p>NORTHERN ARIZONA COUNCIL OF GOVERNMENT</p>   |

|   |  |
|---|--|
| <p><b>Agency/Group/Organization Type</b></p>  | <p>Housing<br/>           Services - Housing<br/>           Services-Children<br/>           Services-Elderly Persons<br/>           Service-Fair Housing<br/>           Other government - County<br/>           Other government - Local<br/>           Regional organization</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>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 | <b>Agency/Group/Organization</b>   | Central Arizona Association of Governments   |
|   | <b>Agency/Group/Organization Type</b>  | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Education<br>Service-Fair Housing<br>Other government - County<br>Other government - Local<br>Regional organization<br>Planning organization  |
|   | <b>What section of the Plan was addressed by Consultation?</b>   | Housing Need Assessment<br>Market Analysis<br>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> | 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. |

|   |  |   |
|---|--|---|
| 5 | <b>Agency/Group/Organization</b>                               | WESTERN ARIZONA COUNCIL OF GOVERNMENTS  |
|   | <b>Agency/Group/Organization Type</b>                          | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-homeless<br>Other government - County<br>Other government - Local<br>Regional organization   |
|   | <b>What section of the Plan was addressed by Consultation?</b> | Housing Need Assessment<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Market Analysis<br>Economic Development |



|                 |   |  |
|-----------------|---|--|
|                 | <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>Western Arizona Council of Governments (WACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in LaPaz, 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.</p> |
| <p><b>6</b></p> | <p><b>Agency/Group/Organization</b></p> <p><b>Agency/Group/Organization Type</b></p> <p><b>What section of the Plan was addressed by Consultation?</b></p>                | <p>SouthEastern Arizona Governments Organization (SEAGO)</p> <p>Housing<br/>           Services - Housing<br/>           Services-Elderly Persons<br/>           Services-Persons with Disabilities<br/>           Services-homeless<br/>           Other government - County<br/>           Other government - Local<br/>           Regional organization<br/>           Planning organization</p> <p>Housing Need Assessment<br/>           Market Analysis<br/>           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>South Eastern 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> |
| 7 | <p><b>Agency/Group/Organization</b></p>   | <p>Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC)</p>  |
|   | <p><b>Agency/Group/Organization Type</b></p>  | <p>Housing<br/>Services-Persons with HIV/AIDS<br/>Grantee Department</p>   |
|   | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Housing Need Assessment</p>   |

|   |   |  |
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|   | <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>Arizona Department of Economic Security</p>   |
|   | <p><b>Agency/Group/Organization Type</b></p>  | <p>Services - Housing<br/>           Services-Children<br/>           Services-Elderly Persons<br/>           Services-homeless<br/>           Other government - State</p>  |
|   | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Homeless Needs - Chronically homeless<br/>           Homeless Needs - Families with children<br/>           Homelessness Needs - Veterans<br/>           Homelessness Needs - Unaccompanied youth<br/>           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 (ADES) is the State agency responsible for administering federal Emergency Solutions Grant funding. Data collected from ADES includes critical information on the number of persons in Arizona receiving emergency homeless services to prevent homelessness or to rapidly re-house individuals and families experiencing homelessness. ADOH consults with ADES on the ESG program several times annually to prepare either for the annual Action Plan or the CAPER.</p> |
| 9 | <p><b>Agency/Group/Organization</b></p>   | <p>ARIZONA DEPT OF HOUSING /ARIZONA HOUSING FINANCE AUTHORITY</p>   |
|   | <p><b>Agency/Group/Organization Type</b></p>  | <p>Housing</p>  |
|   | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Housing Need Assessment<br/>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 Finance Authority (AzFA) is the mortgage bond authority for the thirteen (13)rural counties of the State. ADOH consults with the AzFA continuously throughout the year through data sharing to understand the homebuyer market and needs in the rural parts of our State.</p>  |

|    |  |   |
|----|--|---|
| 10 | <b>Agency/Group/Organization</b>                               | Balance of State Continuum of Care (BoSCoC)   |
|    | <b>Agency/Group/Organization Type</b>                          | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Persons with HIV/AIDS<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment<br>Service-Fair Housing<br>Services - Victims<br>Regional organization |
|    | <b>What section of the Plan was addressed by Consultation?</b> | Housing Need Assessment<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Homelessness Strategy<br>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> | <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> |
| <p><b>11</b></p> | <p><b>Agency/Group/Organization</b></p>   | <p>Arizona Division of Behavioral Health Services (AzDBHS)</p>   |
|                  | <p><b>Agency/Group/Organization Type</b></p>  | <p>Housing<br/>Services-homeless<br/>Services-Health<br/>Health Agency<br/>Other government - State</p>  |
|                  | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Homeless Needs - Chronically homeless<br/>Homeless Needs - Families with children<br/>Homelessness Needs - Veterans<br/>Homelessness Needs - Unaccompanied youth<br/>Homelessness Strategy<br/>Non-Homeless Special Needs<br/>HOPWA 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 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> |
| 12 | <p><b>Agency/Group/Organization</b></p>   | <p>MARICOPA COUNTY</p>  |
|    | <p><b>Agency/Group/Organization Type</b></p>  | <p>Housing<br/>           Services - Housing<br/>           Services-Children<br/>           Services-Elderly Persons<br/>           Services-Persons with Disabilities<br/>           Services-homeless<br/>           Other government - County</p>   |
|    | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Housing Need Assessment<br/>           Homeless Needs - Chronically homeless<br/>           Homeless Needs - Families with children<br/>           Homelessness Needs - Veterans<br/>           Homelessness Needs - Unaccompanied youth<br/>           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><b>13</b></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<br/>           Services - Housing<br/>           Services-Children<br/>           Services-Elderly Persons<br/>           Services-Persons with Disabilities<br/>           Services-homeless<br/>           Other government - County</p>  |
|                  | <p><b>What section of the Plan was addressed by Consultation?</b></p>   | <p>Housing Need Assessment<br/>           Homeless Needs - Chronically homeless<br/>           Homeless Needs - Families with children<br/>           Homelessness Needs - Veterans<br/>           Homelessness Needs - Unaccompanied youth<br/>           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 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.</p> |
|---|---|

**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**

#### **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 Colonia 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 Hearing   | Minorities<br><br>Non-English Speaking - Specify other language: Spanish<br><br>Persons with disabilities<br><br>Non-targeted/broad community<br><br>Residents of Public and Assisted Housing | Meeting was held in Phoenix, Arizona: August 24, 2017 at 4:00 p.m., Princess Resort. There were 12 in attendance representing local government, private business, the development community and non-profits. | Comments pertained to the length of time to apply for NHTF and eligible activities with the Weatherization Program. | All comments were accepted.                  |                     |

| 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) |
|------------|------------------|--|--|---|--|---------------------|
| 2          | Public Hearing   | <p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> | <p>Meeting was held in Phoenix, Arizona, April 5, 2017 at 10:00 a.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250. There were 19 in attendance representing local government, private business, the development community and non-profits.</p> | <p>Comments pertained to the method of distribution for the NHTF. Other questions centered around the public participation process involved with the State Housing Trust.</p> |  |                     |

## Expected Resources

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

#### Introduction

ADOH anticipates receiving the following approximate amounts. Budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts: 1) CDBG: \$ 11,743,486; 2) HOME: \$6,141,681; 3) HOPWA: \$309,509; 4) ESG: \$1,747,908; and 5) HTF: \$3,997,777.

#### Anticipated Resources

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

| Program | Source of Funds  | Uses of Funds  | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description                                |
|---------|------------------|--|----------------------------------|-----------------------|-----------------------------|--------------|--|--|
|         |                  |  | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |  |
| 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> | 11,743,486                       | 0                     | 0                           | 11,743,486   | 20,975,548                                     | State of Arizona CDBG State and Small Cities Program |

| Program                 | Source of Funds  | Uses of Funds   | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description   |
|-------------------------|------------------|---|----------------------------------|-----------------------|-----------------------------|--------------|--|---|
|                         |                  |   | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |   |
| CDBG Colonias Set-aside | public - federal | <ul style="list-style-type: none"> <li>• Admin and Planning</li> <li>• Homeowner rehab</li> <li>• Multifamily rental rehab</li> <li>• Public Improvements</li> </ul>  | 1,174,349                        | 0                     | 0                           | 1,174,349    | 1,107,656                                      | CDBG Colonia funds will be distributed to Arizona designated Colonias on a competitive basis. |
| 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> | 6,141,681                        | 0                     | 0                           | 6,141,681    | 8,524,258                                      | State of Arizona HOME   |

| Program | Source of Funds  | Uses of Funds   | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description     |
|---------|------------------|---|----------------------------------|-----------------------|-----------------------------|--------------|--|---------------------------|
|         |                  |   | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |                           |
| 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> | 309,509                          | 0                     | 0                           | 309,509      | 719,358  | State of Arizona<br>HOPWA |

| Program | Source of Funds  | Uses of Funds  | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description |
|---------|------------------|--|----------------------------------|-----------------------|-----------------------------|--------------|--|-----------------------|
|         |                  |  | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |                       |
| ESG     | public - federal | <ul style="list-style-type: none"> <li>• Conversion and rehab for transitional housing</li> <li>• Financial Assistance</li> <li>• Overnight shelter</li> <li>• Rapid re-housing (rental assistance)</li> <li>• Rental Assistance Services</li> <li>• Transitional housing</li> </ul> | 1,747,908                        | 0                     | 0                           | 1,747,908    | 5,057,172                                      | State of Arizona ESG  |



| Program | Source of Funds  | Uses of Funds  | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description   |
|---------|------------------|--|----------------------------------|-----------------------|-----------------------------|--------------|--|---|
|         |                  |  | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |   |
| HTF     | Public - federal | <ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Admin and Planning</li> <li>• Homebuyer assistance</li> <li>• Multifamily rental new construction</li> <li>• Multifamily rental rehab</li> <li>• New construction for ownership</li> </ul> | 3,997,777                        | 0                     | 0                           | 3,997,777    | 3,997,777                                      | <p>ADOH will distribute HTF throughout Arizona on a competitive basis in accordance with Housing Trust Fund Interim Rule (24 CFR Parts 91 &amp; 93) 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 for individuals and families with extremely low income (30% of the HUD Area Median Income).</p> |

| Program | Source of Funds        | Uses of Funds   | Expected Amount Available Year 1 |                       |                             |              | Expected Amount Available Remainder of ConPlan | Narrative Description   |
|---------|------------------------|---|----------------------------------|-----------------------|-----------------------------|--------------|--|---|
|         |                        |   | Annual Allocation:<br>\$         | Program Income:<br>\$ | Prior Year Resources:<br>\$ | Total:<br>\$ |  |   |
| Other   | public<br>-<br>federal | <ul style="list-style-type: none"> <li>• Acquisition Admin and</li> <li>• Planning</li> <li>• Multifamily rental new construction</li> <li>• Multifamily rental rehab</li> <li>• Permanent housing placement</li> </ul> | 0                                | 0                     | 0                           | 0            | 0  | NA  |
| Other   | public<br>-<br>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>                                      | 3,127,107                        | 0                     | 0                           | 3,127,107    | 3,025,874                                      | ADOH will distribute NSP Program Income throughout Arizona on a competitive basis in accordance with the Unified NSP1 and NSP2 Notice - October 19, 2010. |

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**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 NSP 1 Program Income leverages mortgage financing as well as construction financing, local government contributions and private equity. The LIHTC/HOME Program leverages 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. HTF will leverage private financing and other soft financing.

**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**

## 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> | <p><b>CDBG:</b><br/>\$2,900,000</p> <p><b>HOME:</b><br/>\$3,500,000</p> <p><b>CDBG Colonias Set-aside:</b><br/>\$146,000</p> | <p>Rental units rehabilitated: six (6) Household Housing Unit</p> <p>Homeowner Housing Rehabilitated: 118 Household Housing Unit</p>  |
| 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>  | <p><b>HOME:</b><br/>\$2,000,000</p> <p><b>HTF:</b><br/>\$3,597,999</p> <p><b>NSP 1 Program Income:</b><br/>\$3,127,107</p>   | <p>Rental units constructed: 280 Household Housing Unit</p> <p>Rental units rehabilitated: forty-five (45) Household Housing Unit</p> |

| Sort Order | Goal Name                                      | Start Year | End Year | Category  | Geographic Area  | Needs Addressed  | Funding                     | Goal Outcome Indicator  |
|------------|--|------------|----------|---|------------------|--|-----------------------------|---|
| 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><br>\$198,000   | Buildings Demolished: two (2) Buildings<br><br>Housing Code Enforcement/Foreclosed Property Care: two (2) Household Housing Unit                              |
| 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><br>\$312,000   | Public service activities other than Low/Moderate Income Housing Benefit: 4800 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><br>\$4,000,000 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 18000 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>HOPWA:</b><br>\$236,060  | Public service activities for Low/Moderate Income Housing Benefit: ten (10) Households Assisted<br><br>HIV/AIDS Housing Operations: 10 Household Housing Unit |

| Sort Order | Goal Name                                       | Start Year | End Year | Category  | Geographic Area  | Needs Addressed  | Funding                    | Goal Outcome Indicator  |
|------------|---|------------|----------|---|------------------|--|----------------------------|---|
| 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 Rental Assistance Rental Housing Development and Rehabilitation</li> </ul> | <b>ESG:</b><br>\$1,545,994 | Public service activities for Low/Moderate Income Housing Benefit: 200 Households Assisted<br><br>Tenant-based rental assistance / Rapid Rehousing: 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> </ul>   | <b>NA:</b><br>\$153,000    | Other: 300 Other  |
| 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> </ul>   | <b>CDBG:</b><br>\$50,000   | Jobs created/retained: 20 Jobs Businesses assisted: 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>   |                            |   |

| Sort Order | Goal Name                              | Start Year | End Year | Category   | Geographic Area  | Needs Addressed  | Funding  | Goal Outcome Indicator   |
|------------|--|------------|----------|--|------------------|--|--|--|
| 12         | Housing for persons with special needs | 2015       | 2019     | <ul style="list-style-type: none"> <li>Affordable Housing</li> <li>Homeless</li> <li>Non-Homeless Special Needs</li> </ul> | State of Arizona | <ul style="list-style-type: none"> <li>Accessibility for Disabled Persons</li> <li>Emergency Services</li> <li>Rental Housing Development and Rehabilitation</li> </ul>  | <b>HOPWA:</b> \$100,000<br><b>HOME:</b> \$1,000,000<br><b>ESG:</b> \$700,000 | Public service activities for Low/Moderate Income Housing Benefit: fifty (50) Households Assisted<br><br>Tenant-based rental assistance / Rapid Rehousing: fifty (50) Households Assisted<br><br>Overnight/Emergency Shelter/Transitional Housing Beds added: 500 Beds<br><br>Homelessness Prevention: 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<br><b>HOME:</b> \$250,000                             | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted<br><br>Rental units rehabilitated: 10 Household Housing Unit<br>Homeowner Housing Rehabilitated: 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. HOME and HTF funding will be used for this purpose.   |
| 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 governments 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 Continua of Care, 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>        | Housing for persons with special needs   |
|    | <b>Goal Description</b> | <p>Increase the number of housing units that accommodate the following populations: homeless individuals and families, elderly (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.</p> <p>Arizona received an additional ESG allocation of \$270,326 bringing Arizona’s allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts.</p> |
| 12 | <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 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 (%) | Housing for persons with special needs (%) | Provide ADA improvements for housing (%) | Colonias Set-Aside (%) | Total (%) |
|----------------------------|--------------------------------------|---|---|-----------------------------|--|--|---|--|--------------------------------------|---------------------------|--|--|------------------------|-----------|
| CDBG                       | 21                                   | 1   | 2   | 3                           | 54   | 0  | 0   | 1  | 1                                    | 0                         | 5  | 1  | 10                     | 99        |
| CDBG Colonias Set-aside    | 7                                    | 0   | 0   | 0                           | 93   | 0  | 0   | 0  | 0                                    | 0                         | 0  | 0  | 0                      | 100       |
| HOME                       | 45                                   | 55  | 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                      | 100       |
| ESG                        | 0                                    | 0   | 0   | 0                           | 0  | 0  | 55  | 0  | 0                                    | 0                         | 45   | 0  | 0                      | 100       |
| HTF                        | 0                                    | 100   | 0   | 0                           | 0  | 0  | 0   | 0  | 0                                    | 0                         | 0  | 0  | 0                      | 100       |
| Other NA                   | 0                                    | 0   | 0   | 0                           | 0  | 0  | 0   | 0  | 0                                    | 0                         | 0  | 0  | 0                      | 0         |
| Other NSP 1 Program Income | 0                                    | 100   | 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.

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

## 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. ADOH anticipates receiving the following amounts: 1) CDBG: \$ 11,743,486; 2) HOME: \$6,141,681; 3) HOPWA: \$309,509; 4) ESG: \$1,747,908; and 5) HTF: \$3,997,777.

### Distribution Methods

Table 9 - Distribution Methods by State Program

|   |  |  |
|---|--|--|
|   |  |  |
| 1 | <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, water, sewer, community facilities) 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 this document that have received a priority ranking of high are eligible for funding under this Action Plan. |

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| <p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>   | <p>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> |
| <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>   |

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| <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%) 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 \$2,648,257; NACOG \$1,967,504; SEAGO \$1,210,779; and WACOG \$2,772,769. 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.</p> <p>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</p> |
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|  | <p>identified as eligible to receive funding in the current year MOD may submit an application.</p> <p>All applications for the Regional Account are due to ADOH by 4:00 P.M. on the following dates: NACOG, WACOG - July 1 annually; SEAGO - August 1 annually; and CAG - September 1 annually.</p> <p>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, 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 need, 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</p> |
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|  |  | achieved the minimum score of seventy (70) points will be awarded until SSP funding is exhausted. |
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| <p><b>Describe threshold factors and grant size limits.</b></p> | <p>ADOH applies performance criteria to all communities that submit CDBG funding applications. ADOH accepts one (1) application per community and three (3) applications per county for the RA and one (1) per applicant for the competitive State Special Project round. Applications 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 has no existing contracts in which project completion reports have not been submitted to ADOH within 60 days of the final draw; 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 that have reached their expiration must be one hundred percent (100%) complete with Scope of Work and CDBG funds must be one hundred percent (100%) expended or de-obligated; Recipients with contracts that are three-fourths of the way through their original term must be in compliance with the project schedule of completion and CDBG funds must be fifty percent (50%) expended; Recipients with contracts with contracts that are one-half of the way through their original term must be in compliance with the project schedule of completion and CDBG funds must be thirty percent (30%) expended; and recipients with new contracts that are one-fourth of the way through their original term must be in compliance with the project schedule of completion and must have submitted at least one (1) pay request for reimbursement of CDBG expenditures. However, ADOH reserves the right to limit the number of applications submitted by any one (1) community or county based on past performance.</p> |
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|   |  | 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 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.  |
|   | <b>What are the outcome measures expected as a result of the method of distribution?</b> | 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.   |
| 2 | <b>State Program Name:</b>   | CDBG Colonias Set Aside   |
|   | <b>Funding Sources:</b>  | CDBG Colonias Set-aside   |
|   | <b>Describe the state program addressed by the Method of Distribution.</b>               | 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. Colonia 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. |

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| <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 “Colonia” 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 Colonia; is determined to be a Colonia 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 is generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990.</p> <p>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 Colonia 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 funding notice will further outline the Colonia 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 Colonia Set Aside funds will not affect a jurisdiction’s</p> |
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|  | <p>eligibility for other CDBG funding. CDBG Colonia resources for will be combined and will be awarded through one (1) competitive funding round announced through a Notice of Funding Availability (NOFA). Water/sewer infrastructure (delivery and/or treatment systems) and substantial housing rehabilitation activities will be considered eligible Colonia Set Aside projects for areas certified as designated Colonia.</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 Colonia 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 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>Resources will be allocated based on relative needs based on needs assessment data provided in each application.</p>  |

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| <p><b>Describe threshold factors and grant size limits.</b></p>                                 | <p>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 available funds listed in the NOFA and is usually two (2) years' worth of CDBG Colonia 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.</p>   |
| <p><b>What are the outcome measures expected as a result of the method of distribution?</b></p> | <p>Colonia Set Aside funding will provide accessibility/affordability, promote sustainability and create suitable living environments. It is anticipated that Colonia Set Aside Funds will provide assistance to approximately 400 Colonia residents every two (2) years.</p>   |
| <p><b>3 State Program Name:</b></p>   | <p>ESG</p>  |
| <p><b>Funding Sources:</b></p>  | <p>ESG</p>  |
| <p><b>Describe the state program addressed by the Method of Distribution.</b></p>               | <p>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 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> |

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| <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 RFP selection process. 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, 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>   |

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| <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.</p> <p>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>Homeless Prevention is being expanded statewide because according to the HUD System Performance Measures from all Continua in the state, the number of First Time Homeless Persons has increased. Rapid Rehousing and Shelter Services are being expanded to counties which we currently do not serve based on the Point In Time count (PIT) for the Balance of State which indicated approximately 80 individuals were either unsheltered or sheltered. Increasing Rapid Rehousing and Shelter for existing Maricopa and Pima Counties contracts based on the Point In Time count (PIT), would alleviate the wait times individuals are experiencing for the Rapid Rehousing 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>   |



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| <p><b>Describe how resources will be allocated among funding categories.</b></p> | <p>ESG 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 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 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>  |

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| <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.</p> <p>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 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> |
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| <b>4</b> | <b>State Program Name:</b>  | HOME  |
|          | <b>Funding Sources:</b>   | HOME  |
|          | <b>Describe the state program addressed by the Method of Distribution.</b>  | 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.   |
|          | <b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>   | 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. |
|          | <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-profit organizations, including community and faith-based organizations. (ESG only)</b> | Not applicable to this program.   |

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| <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>ADOH will allocate new funding to the following activity in the approximate following amount: 1) Rental housing development, including CHDO set-aside (\$921,252): \$2,027,513; and 2) Owner-occupied housing rehabilitation (OOHR) : \$3,500,000</p> <p>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.</p> <p>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.</p> <p>Ten percent (10%) will be for ADOH administrative costs. Of the multi-family projects, an amount equal to fifteen percent (15%) of the total HOME allocation will be reserved for CHDO sponsored multi-family development.</p> |

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| <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 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 (24th) 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</p> |
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|          |   | <p>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.</p> <p>Grant sizes are determined in each NOFA but typically are \$500,000 per multi-family project and \$350,000 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 80%AMI with construction or new or rehabilitation of multi-family rental units.</p>   |
| <p>5</p> | <p><b>State Program Name:</b></p>   | <p>HOPWA</p>   |
|          | <p><b>Funding Sources:</b></p>  | <p>HOPWA</p>   |

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| <p><b>Describe the state program addressed by the Method of Distribution.</b></p>   | <p>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.</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>In the rural (Balance of State) areas of Arizona, there are only three service providers qualified to provide services eligible through the HOPWA Program to persons with HIV/AIDSs. These providers are Catholic Charities , Southern Arizona AIDs Foundation and Mohave County. It is these three entities that receive HOPWA funds through performance based contracts that stipulate the criteria through which they are selected to provide HOPWA prescribed services. The criteria are as follows: 1) capacity and experience sufficient to deliver eligible services; 2) a Scope of Work agreed upon by ADOH and the provider; and 3) a Schedule of Completion agreed upon by ADOH and the provider. The services provided are Tenant Based Rental Assistance, Short Term Rent, Mortgage and Utility Assistance.</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>   |

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| <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>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.</p>  |
| <p><b>Describe how resources will be allocated among funding categories.</b></p>   | <p>ADOH will allocate HOPWA Funds as follows: Three percent (3%) or will be retained by ADOH to cover administrative related expenses of the program; grantees will be allowed to utilize seven percent (7%) or 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.</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.</p>  |



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|   | <p><b>What are the outcome measures expected as a result of the method of distribution?</b></p> | <p>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.</p> <p>In the FY2015, approximately fifty (50) people are anticipated to be served using available HOPWA funds.</p> |
| 6 | <p><b>State Program Name:</b></p>   | <p>HTF</p>  |
|   | <p><b>Funding Sources:</b></p>  | <p>NA</p>   |
|   | <p><b>Describe the state program addressed by the Method of Distribution.</b></p>               | <p>The National Housing Trust Fund (HTF) is an affordable housing program to increase and preserve the supply affordable housing for extremely low-income (ELI). 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.</p>              |

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| <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 the 4% and 9% LIHTC and/or NOFA process; the parameters of which are outlined below. Applicants will be required to provide the following information through an application process, including, but not limited to:</p> <ol style="list-style-type: none"> <li>1. a description of the Eligible Activities;</li> <li>2. how the project responds to needs of chronically homeless households;</li> <li>3. how the project responds to the Priority Funding Objectives listed below;</li> <li>4. description of how HTF-assisted units will be integrated with units that have higher income targeting (if applicable);</li> <li>5. description of how the project affirmatively furthers fair housing;</li> <li>6. description of the plan and methods for achieving affordability;</li> <li>7. description of tenant recruitment and selection process;</li> <li>8. definition of a successful resident;</li> <li>9. description of services and subsidies that will be provided to maximize resident success;</li> <li>10. applicant's credentials to carry out project, including evidence of successful completion and operation of similar projects;</li> <li>11. applicant formation, licensing and business registration;</li> <li>12. description of development team;</li> <li>13. site control;</li> </ol> |
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|  | <p>14. planning and zoning verification;</p> <p>15. financial ability to proceed; and</p> <p>16. market demand.</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>“Eligible Activities” for HTF are 10% for ADOH administration and 90% for the construction and rehabilitation of affordable rental housing developments with units set aside for households with extremely low income (thirty percent (30%) of the HUD Area Median Income adjusted for family size with utility costs deducted).</p> |

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| <p><b>Describe threshold factors and grant size limits.</b></p>                                 | <p>Grant size limits are based upon the following Arizona Maximum per Unit Development Subsidies are based on the actual costs of constructing Permanent Supportive Housing (efficiencies and one (1) bedroom) in both urban and rural (outside of Maricopa and Pima Counties) Arizona. Balance of State: Efficiency (\$183,030), 1-bedroom (\$202,671), 2-bedroom (\$243,777), 3-bedroom (\$265,525). Maricopa and Pima Counties: Efficiency (\$201,233), 1-bedroom (\$222,938), 2-bedroom (\$268,155), 3-bedroom (\$292,078). Threshold factors are as follows: 1) Eligible Applicants must provide audited financial statements; 5) Units assisted by HTF may not have incomes that exceed thirty percent (30%) of the area median income adjusted by family size; 6) Applicant must provide evidence it has legal control of the property; 7) Evidence must be provided to demonstrate that appropriate utilities (water, sewer, electricity, natural gas) will be available to the project site; 8) The development team must demonstrate the ability to develop, own and operate the property in accordance with the requirements of this Allocation Plan.</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 HTF 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 thirty percent (30%) of area median income. It is expected that approximately forty (40) units of permanent supportive housing for chronically homeless individuals can be developed using two years of HTF allocations.</p>  |
| <p>7 <b>State Program Name:</b></p>   | <p>NSP 1 Program Income</p>  |
| <p><b>Funding Sources:</b></p>  | <p>NA</p>  |

|   |   |
|---|---|
| <p><b>Describe the state program addressed by the Method of Distribution.</b></p>   | <p>Program Income from investment of Neighborhood Stabilization Program 1 funds (NSP1) will be invested in redevelopment or rehabilitation of eligible multi-family housing projects.</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 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 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 that 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.</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 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.



## AP-35 Projects – (Optional)

### Introduction

Table 10 - Project Information

| # | Project Name |
|---|--------------|
|   |              |

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

Obstacles in addressing underserved needs relate to capacity and the fact that the need in Arizona is greater than the funding available to address it. ADOH works in cooperation with the Councils of Governments to ensure that CDBG funds are allocated to all eligible communities. 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.

HOME funds for rental development are distributed to competitive funding structures in which the need for the project and the capacity of the developer are considered. HOPWA is allocated to the agencies with the greatest need and capacity to serve this vulnerable population. 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.

HOPWA will be used for rental assistance and short-term payments to prevent homelessness for persons with HIV/AIDs.

## **AP-38 Project Summary**

### **Project Summary Information**

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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?**

### **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?**

Yes

**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 11 - 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                   | HOPWA                   |
| HTF                     | NA                      |
| NSP 1 Program Income    | NA                      |

### State Programs Addressed

This section left blank, IDIS will not allow it to be deleted. See funding sources below.

### Criteria and their importance

**CDBG only: Access of application manuals**

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

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

### Resource Allocation among Funding Categories

### Threshold Factors and Grant Size Limits

### Outcome Measures expected as results of Distribution Method

### Discussion

This method of distribution is designed to allow Colonia to receive sufficient funding to address infrastructure or housing issues to an extent that completely addresses the Colonia's particular issue of greatest need. Benefit will be long lasting and viability of the Colonia improved.

## **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 provides does not target specific geographic areas for allocating investments for the programs that it administers but allocates each funding sources based on criteria that serves the states priorities, including service to low and very low income populations. ADOH distributes funding to all areas of the state.

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 (one percent (1%)) funding, 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 funding is allocated statewide. 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 funds are allocated in accordance the following Priority Funding Objectives in a manner consistent with state and federal certifications to affirmatively further fair housing: 1) demand; 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 and amenities; 5) project readiness; 6) sustainable development; 7) the extent to which the eligible project has rental assistance; 8) the duration of the affordability period; 9) the inclusion of non-federal funding in the eligible project.

### Geographic Distribution

**Table 12 - 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 to all eligible communities. 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. HOME funds for rental development are distributed to competitive funding structures in which the need for the project and the capacity of the developer are considered. HOPWA is allocated to the agencies with the greatest need and capacity to serve this vulnerable population.

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.

Increasing Rapid Rehousing and Shelter for existing Maricopa and Pima Counties contracts based on the Point In Time count (PIT), would alleviate the wait times individuals are experiencing for the Rapid Rehousing Program.

## Discussion

CDBG funds are distributed to non-entitlement jurisdictions both on a non-competitive basis that ensures all eligible communities receive funding for community development projects in their respective jurisdictions as well as a competitive basis allowing all non-entitlement jurisdictions potential access to additional funding. 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.

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. The HOME goals include multi-family and single family activities.

**Table 13 – One (1) Year Goals for Affordable Housing by Support Requirement**

| <b>One Year Goals for the Number of Households to be Supported</b> |                   |
|--|-------------------|
| Homeless   | 780               |
| Non-Homeless   | 0                 |
| Special-Needs  | 0                 |
| <b><i>Total</i></b>  | <b><i>780</i></b> |

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

| <b>One Year Goals for the Number of Households Supported Through</b> |                     |
|--|---------------------|
| Rental Assistance  | 50                  |
| The Production of New Units  | 1,400               |
| Rehab of Existing Units  | 487                 |
| Acquisition of Existing Units  | 9                   |
| <b><i>Total</i></b>  | <b><i>1,946</i></b> |

#### Discussion

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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**

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

### **Discussion**

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

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

### **Introduction**

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

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

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 2018 Balance of State homeless street count, 2,187 individuals and members of families were identified as homeless. The unsheltered count went up by 50% from 2017, but is still 11% less than 2016 and there was a 30% increase in the number of volunteers in 2018, from 240 for the previous two years to 345. This allowed us to cover much more of the geography including small towns than ever before naturally resulting in an increased count. Seventy-four percent (74%) of those found living on the streets were single adults, down from 87% last year, and 529 persons identified as chronically homeless. This is an increase from last year of 36%. Data shows that more beds and services need to be allocated to single adults, chronically homeless, families without children; and youth. While 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, the tight rental market continues to challenge service providers as they assist households on their journey to self-sufficiency. 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 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. Though previous years have seen a decrease in the unsheltered homeless households, the last two years have seen an increase statewide, predominantly as would be expected in the two urban Continuums. However, ADOH continues to fund Rapid Rehousing in all three Continuums increasing permanent housing options for another 925 households. 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 works to effectively end unsheltered homelessness for those people who remain chronically homeless in Arizona within the next five years.

**END CHRONIC HOMELESSNESS:** 1) Arizona is on target at moving 300 chronically homeless individuals or families into permanent housing each year for the next five (5) years; 2) Arizona has adopted and implemented statewide the use of a common assessment tool to prioritize housing placement based on vulnerability; i.e. all VI-SPDAT tools for individuals, families and youth 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: 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, ADOH's hiring of a full-time Balance of State Continuum of Care Coordinator, and establishing local coalitions to end homelessness 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**

ADOH complies with all fair housing and equal opportunity requirements associated with the expenditure of all formula funds including HTF. In addition to the Fair Housing laws discussed in subsequent sections, ADOH complied with the following: 1) Section 3 of the Housing and Urban Development Act of 1968 requires, in the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3. Applicants should refer to 24 CFR Part 135; and 2) Housing assisted with HTF funds must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. "Covered multi-family dwellings", as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.

**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**

The State of Arizona will continue to fund education and outreach (E&O) throughout its 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 that 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 (e.g. 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' compliance 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 Department of Housing 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 “Colonia” 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 Colonia; 3) Is determined to be a Colonia 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 Colonia 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:

<http://www.azhousing.gov/azcms/uploads/CDBG/Arizona%20Designated%20Colonias.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 Colonia 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.

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

### **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 Colonia.

### **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 attendance in 2014) and registrants represent a diverse cross section through government, non-profit and for profit entities.

### **Discussion**

The State began offering Colonia Set Aside funding through this competitive process combining two (2) years of set aside funds in 2010. Since that time, four (4) 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. 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 need 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**

#### **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.

#### **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; 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.

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 (390 attendance in 2014) 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 County of Governments (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 Action Plan including CDBG, HOME, ESG and HTF.

#### 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  | 0        |
| 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>0</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. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

#### 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:

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 a rental property is converted from affordable to market rate through sale or other means, prior to the expiration of the applicable period of affordability, The unpaid balance, including interest shall be paid to ADOH.

4. Plans for using HOME funds to refinance existing debt secured by multifamily 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:

**Emergency Solutions Grant (ESG)  
Reference 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 fifteenth (15th) 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.

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.

3. 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.
4. 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.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

- Applications submitted by eligible recipients
- Sub-grantees that are State Agencies
- Sub-grantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to sub-grantees, describe the method for distributing HTF funds through grants to sub-grantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to sub-grantees, enter "N/A".

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

"Eligible Activities" for Arizona HTF are ten percent (10%) for ADOH Administration and ninety percent (90%) for construction and rehabilitation of affordable rental housing developments for Households with extremely low income (thirty percent (30%) of the HUD Area Median Income adjusted for family size with utility costs deducted). "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 as "gap" financing to projects that obtain an allocation of 4% or 9% Low Income Housing Tax Credits (LIHTCs) as outlined in the ADOH Qualified Allocation Plan. To be eligible for HTF funding applicants must demonstrate that a funding gap exists and the HTF funding is necessary for the project. The number of HTF Units within each Eligible Project is determined in accordance with Notice CPD 98-2 which provides the formula for designating

“State Assisted Units”. State Assisted Units set-aside in Eligible Projects must be affordable to de Extremely Low Income households (30% AMI).

- b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

HTF will be made available through one or more of the following methods: 1) A Notice of Funds Available for the construction of rental housing in which HTF may be used solely or in conjunction with HOME, State Housing Trust Fund, NSP, 4% LIHTC, 9% LIHTC or other funding source; or 2) Gap financing for rental development awarded 4% or 9% LIHTCs in accordance with the ADOH Qualified Allocation Plan (QAP). Pursuant to the QAP applicants must provide documentation demonstrating the following: 1) applicant is a legally formed entity; 2) development team has sufficient capacity; 3) site control and zoning entitlements; 4) adherence to environmental regulations; 5) financial ability to proceed; 6) market demand for prospective population; 7) adherence to design standards including energy efficiency; 8) adequacy of services to special needs populations (if applicable);

- c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The selection criteria for obtaining HTF funds is outlined in the QAP which incorporates the following Priority Funding Objectives: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families; 4) proximity of proposed project to transit, services and amenities; 5) project readiness; 6) sustainable development (energy efficiency); 7) the duration of the affordability period.

- d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

HTF is available to all areas of the state. The 2015-2019 Consolidated Plan (SP-10, Geographic Priorities), does not target specific geographic areas but directs funding in accordance with the following performance criteria in a manner consistent with state and federal certifications to affirmatively further fair housing: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and



families (HTF units must have project based rental assistance);4) proximity of proposed project to transit, services and amenities;5) project readiness; 6) sustainable development (energy efficiency);7) the duration of the affordability period.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant must demonstrate that the Development Team possesses the experience and financial capacity necessary to undertake and complete the Project, and that the Developer and/or Co-Developer, as applicable, have developed Projects of comparable size, financial complexity and whether or not the Development Team has experience with Affordable Housing programs. Only applicants that demonstrate adequate capacity and readiness to proceed will be funded with HTF. Applicants must demonstrate that the prospective site has the all zoning entitlements, is already owned through fee title or for which a conditional (contingent upon successful Environmental Review) purchase contract exists.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Only projects that have units set aside for Households with extremely low income (30% AMI adjusted for family size with utility costs deducted) will be funded.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HTF funds will be provided only to projects that demonstrate financial feasibility beyond the required 30 year period. Based on information submitted and other relevant information available, ADOH analyzes and adjusts the financial considerations in accordance with the QAP. ADOH will review development costs, permanent financing sources and amounts, public funding amounts, Developer Fees, projected rents, projected Operating Expenses, vacancy rates, and other financial considerations of a Project and reserves the right to contact lenders and syndicators directly to obtain additional information. Based on its review ADOH may make adjustments as necessary to ensure

that proposed sources and uses of funds and other financial considerations are reasonable.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The selection criteria for obtaining HTF funds is outlined in the QAP which incorporates the following Priority Funding Objectives: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families 4) proximity of proposed project to transit, services and amenities; 5) project readiness; 6) sustainable development (energy efficiency); 7) the duration of the affordability period.

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

A layering analysis shall be performed during the underwriting process that takes into account all public subsidies to prevent excessive use of Federal Subsidy. ADOH will coordinate with other public funding agencies that, by regulation or practice, undertake layering reviews of Projects proposed to be funded with Tax Credits.

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress,

consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.**

Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

| <b>Project Area in Arizona</b> | <b>Cost per unit for 0 bedroom</b> | <b>Cost per unit for 1 bedroom</b> | <b>Cost per unit for 2 bedroom</b> | <b>Cost per unit for 3 bedroom</b> |
|--------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Balance of State (rural)       | \$183,030                          | \$202,671                          | \$243,777                          | \$265,525                          |
| Urban Area                     | \$201,233                          | \$222,938                          | \$268,155                          | \$292,078                          |

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. HTF Rehabilitation Standards are on the ADOH website at <https://housing.az.gov/documents-links/publications>

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

The grantee will use the HUD issued affordable homeownership limits.

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

**11. Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A." Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

ADOH will limit beneficiaries to Households with extremely low income (thirty percent (30%) of the HUD Area Median Income adjusted for family size with utility costs deducted). Given the prevalence of homeless and disabled persons within the extremely low income category it is expected that homeless and disabled persons will be largely served by the HTF.

**12. Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level

of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

**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 AzDES 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 holding a public hearing to receive input on the *2018-2019 Annual Action Plan* and the *2018-2019 Weatherization Assistance Program State Plan* on April 5, 2018 at 10:00 a.m. at the Arizona Department of Housing, 1110 West Washington Street, Suite 250, Phoenix, Arizona 85007.

The 2018-2019 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 2018-2019 Weatherization Assistance Program (WAP) State Plan establishes goals, objectives, priorities, activities, outcomes, the method of distribution for approximately \$1.4 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, 2018 and ends June 30, 2019, 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 23, 2018 through April 23, 2018 at the ADOH offices at 1110 West Washington Street, Suite 280, 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 are 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 23, 2018. Direct questions and comments should be to the following:

Assistant Deputy Director, Programs  
Arizona Department of Housing  
1110 West Washington Street, Suite 280  
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.

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Arizona Department of Housing  
Annual Action Plan Hearing

April 5, 2018  
10:00 a.m.

1110 West Washington Street  
Suite 250  
Phoenix, Arizona 85007

Reporter's Transcript of Proceedings

Prepared by:

Kim Esquivel, RPR  
Certified Court Reporter  
Certificate No. 50666

*Perfecta Reporting*

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APPEARANCES

PRESENT:

- Andrew Rael, ADOH
- Kathy Blodgett, ADOH
- Melissa Swain, ADOH
- Carol Ditmore, ADOH
- Reginald Givens, ADOH
- David Bridge, ADOH
- Joshua Tucker, ADOH
- Jeanne Redondo, ADOH
- Karia Basta, ADOH
- Trisha Ekenberg, ADOH
- Samantha McDaniel, ADOH
- Paul Manley, ADOH
- Jesus Duran, Pima County
- Espie Torres, A New Leaf
- Scott Coleman, A New Leaf
- Andrea Hipps, Native American Connections
- Vincent Pedalino, FSL
- Jauron Leefers, City of Phoenix
- Brian Swanton, Gorman & Co., Inc.
- Bonnie Temme, SRP
- Chris Baker, APS
- Joan Serviss, Arizona Housing Coalition



1 Phoenix, Arizona  
2 April 5, 2018  
3 10:05 a.m.

4 P R O C E E D I N G S

5  
6 MR. RAEL: Good morning, everybody. Thank you  
7 very much for -- for being here. It's right at five  
8 minutes after, so we may get a few latecomers but -- but  
9 it's -- we start the meeting for those that come on time.

10:05:22 10 My name is Andrew Rael. I'm the Assistant Deputy  
11 Director of Programs for the Arizona Department of  
12 Housing. I'm going to be giving the presentation today,  
13 along with my coworker, Kathy Blodgett. Kathy's going to  
14 cover the Weatherization component, and I'm going to cover  
15 the rest.

16 We have a pretty good turnout. Everybody has had  
17 a chance to sign in so that we know who's here.

18 But we also have a lot of City staff here,  
19 starting with our director, Director Ditmore. And I'm not  
10:05:58 20 going to try to go through and name all the City staff,  
21 but maybe --

22 CAROL DITMORE: State. State.

23 MR. RAEL: Oh. How many times do I say --

24 (Unreportable cross-talk.)

25 MR. RAEL: City staff, would you -- would you

1 raise your hand so that --

2 JAURON LEEFERS: Me?

3 MR. RAEL: State staff, would you raise your  
4 hand?

5 How about the City staff raise their hand?

6 How about the non-profits? Where are the  
7 non-profits?

8 Anybody else? Any County?

9 AUDIENCE MEMBER: For-profit?

10:06:53 10 MR. RAEL: County?

11 BRIAN SWANTON: For-profit.

12 MS. BLODGETT: We've got a utility, some utility  
13 folks, yep.

14 MR. RAEL: All right. So what we're going to  
15 talk about today are all of the funding sources that are  
16 important to all of our missions and three plans,  
17 basically, that we draft every year and then put out for  
18 comment and -- and we look for you all, and the community  
19 at large, to comment. Those plans are the Weatherization  
10:07:31 20 State Plan; the Action Plan, which deals with our HOME,  
21 CDBG, ESG, HOPWA, and National Housing Trust Fund; and  
22 then the National Housing Trust Fund does have a separate  
23 plan -- it's called the Annual Allocation Plan -- and all  
24 those are out now and available for comment.

25 I will say that it's a great turnout today. So

1 if you have any questions at any point, just raise your  
2 hand, please identify yourself so that we can record your  
3 comment, and make your comment or ask a question. So it  
4 will be sort of relatively informal like that.

5           So the purpose of the plans is, number one, it's  
6 required by our major funding sources, HUD and the  
7 Department of Energy, but it also outlines our priorities,  
8 describes the resources and describes the method to  
9 distribute funding. And, really, for the State, that is  
10:08:34 10 the most important thing is the distribution of funds.

11           And we will talk activities, to some extent, but  
12 it's the distribution of funds that is the most important  
13 thing on a State level, as to how we'll do that, and so  
14 we're going to talk about that for every single funding  
15 source to give you a chance to know about any changes that  
16 we have.

17           So how do we determine funding priorities? We do  
18 it this way. We get everybody together and we talk about  
19 what -- what the priorities are, especially all of you  
10:09:07 20 folks who are out there in the field, in the trenches,  
21 doing the work. We need to know what the priorities are.  
22 And there's also lot of data that we use to determine also  
23 the best way to establish priorities and to distribute  
24 funding. So that's how we do it.

25           The process? Public process. So it kind of

1 started March 23rd, when we posted those three plans that  
2 I mentioned. We posted those on the website for review.  
3 We are going to be accepting written comments on all three  
4 of those through April 23rd. And then once we get  
5 everybody's comments, we'll finish drafting the plans,  
6 finalize them.

7 In the case of the Department of Energy,  
8 May 3rd -- May 1 is a mistake -- we have to submit that  
9 plan. And then we have to submit the Action Plan to HUD,  
10:10:13 10 middle of May, like May 15th. So that is the process.

11 And so at this point we're going to go through  
12 the individual funding sources. And, again, stop us if  
13 you've got a question or a comment, state your name, and  
14 we can kind of work it that way.

15 At this point I'll turn it over to Kathy  
16 Blodgett.

17 MS. BLODGETT: All right. Thank you.

18 So I'm going to officially call to order the  
19 public hearing for the Weatherization Assistance Program  
10:10:42 20 portion of today's public hearing.

21 For FY2018, which is State Fiscal Year 19, the  
22 Federal allocation at this point in time is approximately  
23 1.3 million. That's based on the entire state's  
24 allocation from 2016, and that is what the guidance from  
25 DOE has stated we should be determining method of

1 distribution for that amount of money.

2           However, with, as everyone knows, the budget that  
3 was passed by the President, there may be an increase to  
4 that amount. So we're not certain of what that will be at  
5 this point in time or how much that will affect us.

6           So that amount of money, however, covers the  
7 entire state, including all tribal lands within our state  
8 borders. So we now, as of October, the end of  
9 October 2017, handle the Navajo tribal lands in Arizona  
10:11:40 10 and the ITCA, which is the Inter Tribal Council of  
11 Arizona. So we do both of those.

12           So there's possibly a hundred-thousand in  
13 carryover. I'm currently working deals with all of you to  
14 try and see if we can get some of that money shifted and  
15 expended by June 30th. But largely because of that  
16 middle-of-the-year incorporation of the Navajo monies,  
17 which was over a hundred-thousand dollars, it's been kind  
18 of tough to get that program running because it had fully  
19 stopped up there and so it's a little tough to get it  
10:12:18 20 fully expended. But we're doing our best, and I  
21 appreciate your work on that.

22           As you know, the funding provides energy  
23 retrofits, which means homes that are already constructed  
24 and built. We go in and we make energy improvements for  
25 those persons at or below 200 percent of poverty, which is

1 an income level established by the DOE.

2 Per Federal regulation, I have to award this  
3 money to local government entities or non-profit community  
4 action agencies, and all of those that are currently  
5 working in the program are vetted through our policy  
6 advisory council for Weatherization.

7 We currently have 10 sub-grantees, and they're  
8 awarded through a distribution that considers the service  
9 area that they cover, as well as the population and  
10 poverty statistics of that service area.

11 And we also make our contracts performance-based.  
12 And what that means is we allocate the funding to each  
13 agency, then we determine how many units they should be  
14 able to deliver with that funding. And we require  
15 performance reports to come in, and we take a look,  
16 usually at the six-month mark, to see how they're doing  
17 and whether or not they're going to be able to accomplish  
18 what's in their performance requirements. And if not, we  
19 have the ability to move funds around to other agencies  
20 that are highly performing. That has worked very well for  
21 us for the last couple of years. We're getting more DOE,  
22 Southwest Gas, and LIHEAP units than we have in the past.

23 The maximum, this year, average investment per  
24 unit for the DOE funds is 7,262. So we anticipate serving  
25 approximately 150 households, and that's just with the DOE

1 funding. Priority households will continue to be elderly,  
2 handicapped, or households with children under the age of  
3 five.

4 There are also several other pieces to the State  
5 plan that we are required to work on. One is the Health  
6 and Safety Plan. Last summer, DOE came out with a huge  
7 guidance WPN, which is a Weatherization Program Notice --  
8 I have to say those things out when I'm used to saying the  
9 acronyms -- and they required a great deal of changes to  
10:15:03 10 the Health and Safety Plan.

11 So the Health and Safety Plan draft was also  
12 posted on March 23rd for comment. The format is  
13 completely different from what you've seen in the past,  
14 but I think it's more user-friendly so please take a look.  
15 It has been submitted to DOE for initial review. It was  
16 returned with some comments. We fixed those or -- or made  
17 some adjustments, resubmitted it, because I do have to  
18 have those incorporated into the actual plan as an  
19 addendum.

10:15:37 20 The Field Guide, which is our guide that  
21 basically is the specifications and how to perform the  
22 work, has also been submitted for review to DOE. We have  
23 not heard back from them on that yet. But that's quite a  
24 particular guidebook and so it takes quite a bit of time  
25 for them to -- to take a look at it.



1           So just to let you know, we are still working  
2 towards submittal of a Priority List for measures so that  
3 we don't have to do residential energy modeling on  
4 everything. We're very close, probably maybe 10 working  
5 days away from getting that submitted, and that will make  
6 a big difference in being able to address units faster.

7           Okay. So, again, written comments on the plan  
8 are accepted through April 23rd. The plan is actually due  
9 May 3rd to DOE.

10:16:28 10           And so at this point in time I would open it up  
11 for questions, comments, clarifications from anyone?

12           And, again, if you do have one, please state your  
13 name and the entity that you're with, and we can -- Jesus  
14 Duran.

15           JESUS DURAN: Yeah, Jesus Duran, with Pima  
16 County.

17           I just want to know if you have any idea of the  
18 priority list items, just in general, that are being  
19 submitted.

10:16:55 20           MS. BLODGETT: Some of the --

21           JESUS DURAN: Considered.

22           MS. BLODGETT: A lot of the same ones that have  
23 been on it in the past -- the sunscreens, duct sealing,  
24 air infiltration --

25           TRISHA EKENBERG: Air sealing, LED,



1 refrigerators, duct sealing.

2 MS. BLODGETT: Yeah. Those are the some of the  
3 ones off the top of our heads, but it's a lot of the same  
4 ones that have been on it in the past, so...

5 CHRIS BAKER: Yeah, what if I wanted to add  
6 something to the priority list for consideration?

7 MS. BLODGETT: Send Michael an e-mail?

8 Okay. So this is -- this is Chris Baker from  
9 APS.

10:17:32 10 CHRIS BAKER: Oh, sorry.

11 MS. BLODGETT: So send your recommendation to  
12 Michael Frary.

13 CHRIS BAKER: Okay.

14 MS. BLODGETT: And CC me --

15 CHRIS BAKER: All right.

16 MS. BLODGETT: -- please?

17 CHRIS BAKER: Mm-hmm.

18 MS. BLODGETT: And you have our e-mail addresses,  
19 right? Yes. Okay.

10:17:44 20 MR. RAEL: Are we going to post this list at some  
21 point?

22 MS. BLODGETT: Yes. Once the priority list is  
23 completed, we'll send out the draft format for y'all to  
24 look at. But ultimately it's going to be up to DOE when  
25 they approve it or not approve it, so -- But we hope in

1 about 10 days we'll have it in a state where we can  
2 actually send it to DOE for them to read. So we'll --  
3 we'll share it.

4 JESUS DURAN: Again, Jesus Duran. I just have  
5 one more --

6 MS. BLODGETT: No --

7 JESUS DURAN: -- comment on that.

8 MS. BLODGETT: -- that's okay.

9 JESUS DURAN: Are we going to have to do the  
10 priority list in a certain order? Or once the priority  
11 list is there, will we be able to do one item --

12 MS. BLODGETT: Pick and choose from the --

13 JESUS DURAN: -- even though we didn't --

14 MS. BLODGETT: No. Unfortunately, DOE's  
15 requirements have you prioritize in that order, so...

16 JESUS DURAN: Thank you.

17 MS. BLODGETT: Okay. Anybody else? For the good  
18 of the cause?

19 (No oral response.)

10:18:36 20 MS. BLODGETT: Awesome. Okay.

21 Well, then I will officially adjourn the  
22 Weatherization Assistance Program portion of the public  
23 hearing and we'll move on and Andrew will begin the  
24 National Housing Trust Fund.

25 (Off the record from 10:19 a.m. to 10:25 a.m.)

1 MR. RAEL: So, you know, it's like -- it's like  
2 HOME, GAP financing, in that it's got, you know, labor  
3 standards, environmental review and all kinds of things  
4 tied to it, but -- but it will be probably the National  
5 Housing Trust Fund is still going to gravitate to those  
6 projects that have low-income, very low-income skewing.  
7 It's definitely going to gravitate to permanent supportive  
8 housing for homeless, other special needs projects.

9 And the nice thing is that it will -- it should  
10:26:17 10 actually move along a little bit more powerfully in that  
11 it has the nine percent credit providing the bulk of the  
12 funds, and so that's -- that's the plan right now. And  
13 there will be further discussion as we get through the  
14 2019 Qualified Allocation Plan process starting in August.

15 All right. Any other questions on National  
16 Housing Trust Fund?

17 (No oral response.)

18 MR. RAEL: All right. So let's talk about the  
19 other funding sources available.

10:26:57 20 These are the amounts that were available last  
21 year, so if you're not all aware -- you're all aware  
22 because you're all very aware people -- the new Federal  
23 budget has increased, surprisingly enough, all of these  
24 funding sources and even increased others, like the tax  
25 credit, 12 percent increase in the -- in the credit

1 amount. So that's a good thing. Only we don't know by  
2 how much necessarily. We've been given, you know, some  
3 idea. So for the purposes of developing a compliant  
4 Annual Action Plan, we have to use words like  
5 "approximately" and little plus signs by our numbers.

6 So these are the numbers we had last year, and we  
7 do expect increases, which is -- which is great news. So  
8 I won't read the numbers off, but this is kind of  
9 basically what we're -- what we're working with.

10:28:01 10 So before I get individually into the funding  
11 sources, the consolidated plan has these priority housing  
12 objectives. And as you can see, they're written fairly  
13 broadly so that -- so that they cover the full range of  
14 eligible activities within each funding source.

15 So Housing has its own set of objectives.  
16 Increase -- improve the housing stocks, we have rehab of  
17 rental, persons with AIDS, furthering fair housing and  
18 permanent supportive housing, things that we do. We do  
19 all of these things.

10:28:32 20 More Housing objectives, kind of runs the gamut.  
21 Homeowners, special needs, ADA improvements, again, we  
22 do -- we do all of these, all of these things. Again,  
23 very generally written so that we can accommodate a wide  
24 range of activities within each funding source.

25 These are the Community Development objectives,

1 and these would apply primarily to the Community  
2 Development Block Grant program. Infrastructure,  
3 clearance, demolition, public services, building local  
4 capacity, and economic development, those are the  
5 objectives.

6 And so let's talk about Community Development  
7 Block Grant specifically. If you read the statute, the  
8 primary objective is to develop viable urban communities,  
9 provide decent housing and a suitable living environment  
10:29:46 10 for economic opportunities -- and economic opportunities  
11 for low-income persons.

12 So this is -- this is what we are required to do  
13 is to let everybody know how we plan to distribute the  
14 CDBG funds. This method of distribution has not changed  
15 for quite a while, and this year is no exception. We  
16 have -- we are allowed two percent, two percent of the  
17 allocation plus a hundred-thousand dollars for  
18 administration, one percent technical assistance, and we  
19 have to set aside 10 percent for colonias because we are  
10:30:28 20 Arizona. We are a border state.

21 So California, New Mexico, Texas, and Arizona are  
22 border states. So a colonia is a neighborhood that is  
23 hundred-fifty miles within -- in proximity to the border  
24 that's not a town of a million or more, so we have to set  
25 aside 10 percent of our money for colonias. And as a

1 matter of fact, there is a NOFA that's out right now.

2 Kathy, what is --

3 MS. BLODGETT: Yes.

4 MR. RAEL: When is that?

5 MS. BLODGETT: August 15th is when --

6 MR. RAEL: Okay.

7 MS. BLODGETT: -- the colonia apps are due.

8 MR. RAEL: So after the administration and the  
9 set-aside, it's very simple. Basically 85 percent gets  
10 distributed evenly and 15 percent is provided on a  
11 competitive basis.

12 So by "distributed evenly," what we do is that we  
13 work with each council of government to develop their own  
14 method of distribution for the individual counties within  
15 their jurisdiction. So for the most part, it's a shared  
16 distribution. Some communities skip a year and some  
17 communities fund every county every year.

18 Some communities skip a year between, you know,  
19 so it kind of spreads more evenly with larger amounts.  
20 It's kind of all over the map. It's all included in  
21 our -- in our administration handbook if you want further  
22 details. But this is not changing. And it's kind of a  
23 nice way to distribute funds because everybody gets a  
24 little bit of funding while at the same time allowing us  
25 to have a little pot of competitive funds for those

1 communities that tend to have a little bit more capacity  
2 to spend the money.

3           So in terms of the regional accounts and the  
4 councils of governments, these are approximately the  
5 amount of funds that will be going to these areas. And  
6 this is also, then, approximately the amount of money that  
7 will be provided through the State Special Projects.

8           So these are the CDBG Eligible Activities. We  
9 don't -- we don't restrict any Eligible Activities.

10:33:01 10 Everything that's allowed within the statute is allowed  
11 for anybody within our jurisdiction -- those are all the  
12 small cities in the state -- to apply for. It's all  
13 dependent on local need.

14           So some examples? Housing rehabilitation,  
15 property acquisition for all kinds of things, public and  
16 private infrastructure, public facilities, demolition of  
17 property, public services, historic preservation, and  
18 that's basically the CDBG program.

19           We'll move to the HOME program.

10:33:47 20           Any questions on CDBG? Comments?

21           (No oral response.)

22           All right. So the HOME program, primary purpose  
23 is to expand the supply of decent, safe, sanitary and  
24 affordable housing for low-income Americans.

25           And this is the method of distribution for the



1 HOME program. Ten percent that we use for administration.  
2 Fifteen percent is a CHDO set-aside. That's Community  
3 Housing Development Organization that has a certain board  
4 makeup and that has a mission to serve a particular local  
5 area within that jurisdiction.

6 After the set-asides, then we propose to  
7 distribute the funds in this way. And this has -- this  
8 has changed a little bit from previous years, so I'm sort  
9 of flagging the things that have changed and letting you  
10 know what hasn't.

11 So this -- the biggest change we have for the  
12 distribution of HOME money is that while we do expect an  
13 increase, we have had a greater demand -- I would say  
14 let's say "capacity." We've had a greater capacity to  
15 spend housing rehabilitation dollars than we've funded.  
16 And so whereas before two million dollars was about all  
17 that we were able to provide for housing rehabilitation,  
18 we've upped that by 1.5 million dollars.

19 JOAN SERVISS: I'm sorry, Andrew. Can you repeat  
20 that, what you just said?

21 MR. RAEL: Yes. Yes.

22 So prior to this year, last year, what has  
23 changed with regard to single-family owner-occupied  
24 housing rehabilitation was that last year we only  
25 allocated two million dollars for that activity. This



1 year, based on the expected increase in funds and our  
2 desire to fund more appropriate to the higher capacity --  
3 now, it's not demand. There's way more demand than money  
4 always. So what we tend to do with the State is that we  
5 fund according to capacity.

6 So we know, based on what has -- what our small  
7 cities have been able to spend historically and based on  
8 the capacity that they have, that we can up that amount  
9 1.5 million dollars and accomplish more single-family  
10 housing rehab.

10:36:21

11 JOAN SERVISS: Joan Serviss with the Arizona  
12 Housing Coalition.

13 Absolutely, rehabilitation for the balance of the  
14 state is great activity. I'm wondering, could it -- and  
15 this is -- My apologies if this is a naive question.

16 Could acquisition, you know, be also included as  
17 eligible activities for -- you know, for  
18 the not-single-family homeowners? I mean, basically the  
19 three and a half million dollars, could it be also focused  
20 on not just rehabilitation but acquisition?

10:36:35

21 MR. RAEL: And that would be for homeownership or  
22 for rental development?

23 JOAN SERVISS: For rental development.

24 MR. RAEL: Well, it -- it kind of -- that's  
25 actually the activity above it.

1 JOAN SERVISS: Right.

2 MR. RAEL: So --

3 JOAN SERVISS: I know tying HOME dollars and --  
4 and the Housing Trust Fund dollars to the LIHTC funding --  
5 you know, I mean, I appreciate that you're doing the rural  
6 set-asides for LIHTC. I just wonder about the balance of  
7 state.

8 I know that you -- I know you're trying to  
9 prioritize the balance of state through certain  
10 activities, but I know that some of our balance of state  
11 members are quite concerned about that.

12 MR. RAEL: I think I get you now. So let me try  
13 to be clearer --

14 JOAN SERVISS: Okay.

15 MR. RAEL: -- for everybody's benefit.

16 So, essentially, while we're getting an increase,  
17 we're still somewhere around six million dollars for the  
18 whole state, which isn't a lot.

19 JOAN SERVISS: Right.

20 MR. RAEL: So we haven't added any new  
21 activities. We sort of went over all of the HOME Eligible  
22 Activities. There's a lot of stuff you can do with HOME.  
23 Actually, we haven't, but -- but there's a lot of other  
24 things you can do with HOME. But we have them exclusive  
25 to two activities, which is rental development and

1 single-family owner-occupied rehab.

2           So I believe what you're asking is, could we add  
3 another activity here which would be independent of rental  
4 development with Low-Income Housing Tax Credit program  
5 that would be exclusively for the rural part of the state  
6 available for acquisition and rehab of rental housing?

7           JOAN SERVISS: Correct.

8           MR. RAEL: Well, we will take that under  
9 advisement.

10:38:54 10           JOAN SERVISS: Yeah.

11           MR. RAEL: Any other questions or comments on  
12 that?

13           Hopefully I cleared that up.

14           JOAN SERVISS: Thank you.

15           JEANNE REDONDO: Can I ask a question to  
16 understand better?

17           So are you looking for just like little, like,  
18 very small projects that would only be funded by that in a  
19 perm loan or are you looking -- I mean, because the  
10:39:19 20 Housing Tax Credit is competitive.

21           JOAN SERVISS: So I don't exactly know exactly  
22 what I'm looking for except to say that I know some of our  
23 balance of state members are concerned that they -- in  
24 terms of funding with HOME dollars, National Housing  
25 dollars, and the LIHTC program, there's -- you know, they

1 really just want to make sure that it's not just  
2 rehabilitation alone but there's actually opportunity for  
3 acquisition of new properties.

4 I mean, for example, Flagstaff. Flagstaff  
5 doesn't have -- They're too big for USDA dollars and  
6 too -- you know, I don't know if I'm saying this right.  
7 They're too big for USDA-dollar qualifications, but they  
8 may not -- you know, in some of the other balance of state  
9 communities, rehabilitation makes more sense. But  
10:40:08 10 Flagstaff, as we see, the housing costs and the lack of  
11 affordable housing there, they really need to have some  
12 ability to create new stock.

13 KARIA BASTA: And to answer your question,  
14 Jeanne, and we had this discussion, is yes. It is -- tax  
15 credits, as we all know, you have to build a lot of units.  
16 And in a lot of our communities that are in great need of  
17 housing, that isn't a feasible project, to do 60 or more,  
18 always. So in some cases, if there was another category  
19 or we worked it differently, we could maybe possibly do  
10:40:48 20 smaller projects that would still -- that are still of  
21 great need in some of the -- in some of the communities in  
22 balance of state. Okay?

23 CAROL DITMORE: I just want to say something  
24 about this category, as well.

25 So this Housing Trust Fund up here is -- is the

1 State Housing Trust Fund, and so the number may be much  
2 more than three million. It may be a lot more than three  
3 million. We don't know until June what we get, because we  
4 do get additional funding through the state IDA. So we've  
5 left that open so that -- Of course, we'd have to have  
6 some GAP financing for the tax credit program, but we've  
7 left it open. So, you know, hopefully we have money for  
8 an RFP also so that we can make the money available for  
9 rental development, which would include Acq rehab.

10:41:46 10 MS. BLODGETT: Carol Ditmore, Director, Arizona  
11 Department of Housing; Karia Basta, Arizona Department of  
12 Housing, and then the previous clarification, Jeanne  
13 Redondo, Arizona Department of Housing.

14 And "RFP" is for Request for Proposal.

15 KARIA BASTA: Thank you, Kathy.

16 MR. RAEL: Okay. So that "or" should have been  
17 an "and."

18 CAROL DITMORE: "And/or."

19 MR. RAEL: Or an "and/or." Does that --

10:42:29 20 JOAN SERVISS: Yes. I think I'm clear. I'm  
21 clear. I think you get what I'm trying to say and I get  
22 what you're trying to say.

23 MR. RAEL: We do, and -- and that's an excellent  
24 comment and I'm glad you brought that up.

25 So, essentially, it -- what you're recommending

1 can fall in the rental development Low-Income Housing Tax  
2 Credit and/or RFP. If you combine HOME and Trust Fund,  
3 we're talking about more than three million, and so we  
4 will make that clear in the Action -- in the Action Plan.

5 BRIAN SWANTON: I've just not a counter-argument  
6 but just maybe a supplemental component to what's being  
7 discussed here is that tax credit financing, I know it's  
8 not the end-all for every type of project, especially in  
9 the rural areas, but a lot of projects in the rural areas  
10 can't get done without tax credits either.

11 And we've done very small projects using the tax  
12 credit program. Our very first one in Arizona was 28  
13 units, you know. We've done projects down in Nogales.  
14 We're doing one now out in Yuma. You know, and without  
15 tax credits these rural projects wouldn't be possible.

16 It's very difficult to just take maybe a half a  
17 million or a million dollars in soft money and make a deal  
18 in rural Arizona work. Or urban Arizona, for that matter.  
19 So I want to make sure that we don't, sort of, take too  
20 much focus off of the need for GAP financing.

21 And one thing in the tax credit program, there  
22 is, as it says here, two rural set-asides in the tax  
23 credit program, and some of these rural projects can score  
24 really well under the current QAP, so I think we can --  
25 we'll see a lot of rural activity taking place, especially

1 with less focus on light rail. I think that really opens  
2 up quite a bit for rural areas.

3 One thing I would recommend. We're doing a  
4 project in Yuma right now. It's 58 units, heavily reliant  
5 upon the Low-Income Housing Tax Credit program. Without  
6 it, it would be impossible. It's ground-up new  
7 construction. City donated the land. It's a great  
8 location on a bus line and all these things.

9 The problem is some of the incomes are so low in  
10 some of these rural counties and the rent levels are so  
11 low in these rural counties that when you get down to 30  
12 percent and 40 percent AMI income targeting, you're  
13 talking about rents of like \$200 a month, and you can't  
14 support half of your operating costs with rents at that  
15 level.

16 So what we've had to do in the case of Yuma and  
17 other places -- Nogales, as well, which has even lower, I  
18 think, AMI levels -- is go to the Housing Authority and  
19 get allocations of rental assistance to really prop up the  
20 revenue side of the equation to make the deal work.

21 So one of the things that would help is for those  
22 types of projects to have more GAP financing. Right now  
23 there's a limit to --

24 JEANNE REDONDO: Five.

25 BRIAN SWANTON: -- yeah, \$500,000. Right. And



1 maybe we should consider -- maybe this is kind of a QAP  
2 comment, too, but it's maybe more appropriate here --  
3 consider raising the limit for rural activities, to give  
4 them maybe a million dollars or just a little more room,  
5 to get more GAP financing into these rural deals because  
6 the -- the AMI levels, if you compare them to Pima and  
7 Maricopa County, is just ridiculously low. That makes it  
8 very difficult to make the deals pencil.

9 So I would suggest that we not take the focus too  
10:45:31 10 much away from tax credit GAP financing, because a lot of  
11 activity in rural areas is getting done through that  
12 program, and instead maybe make GAP financing more  
13 available to the rural-type projects and encourage more  
14 rural activity in the tax credit program as well.

15 JOAN SERVISS: I second that consideration.

16 CAROL DITMORE: Just one more word about that,  
17 too, is that this thing's open that we can use these for  
18 bonds, four percent tax credit financing, which we really  
19 work very hard with the state IDA to promote that as a  
10:46:23 20 financing mechanism in rural Arizona.

21 MR. RAEL: And talking about the Low-Income  
22 Housing Tax Credit program in the context of the Action  
23 Plan is completely appropriate because they're -- you  
24 know, they're all completely related because you just --  
25 it's very hard to do rental development of any kind if you



1 don't leverage either a four percent or a nine percent.

2           So this is a good discussion, and it will help us  
3 to -- to come up with a proposed allocation of the HOME  
4 plus the Trust Fund, which is the State Housing Fund,  
5 collectively.

6           All right. Anything else on this?

7           (No oral response.)

8           MR. RAEL: By the way, I didn't mention that the  
9 single-family owner-occupied housing rehabilitation  
10:47:20 10 program does have 15 points extra for the balance of state  
11 and the reason for that, and that would be the rural  
12 communities. While, you know, the Avondales and the Yumas  
13 and the Flagstaffs of the world have a need for State  
14 money, they also have greater resources than the other  
15 smaller cities, and so that's why the 15 points.

16  
17           Okay. The eligible activities. We're proposing  
18 only two eligible activities, but in -- in greater times,  
19 if we had more money, these are the kind of things that  
10:48:01 20 we're actually doing now but you can also do -- there's  
21 other activities. What's not shown here are things like  
22 tenant-based rental assistance and that type of thing.

23           So let's move to the Emergency Solutions Grant.  
24 So the Emergency Solutions Grant is a funding source that  
25 is to assist individuals and families to quickly regain

1 stability in permanent housing after experiencing a  
2 housing crisis or homelessness. So this funding source  
3 actually goes to the Department of Economic Security. But  
4 we work very closely with the Department of Economic  
5 Security and we represent the Department of Economic  
6 Security in this forum for this public hearing and -- and  
7 so we'll talk about what they're doing with the money.

8           So 7.5 percent of it is for administration.  
9 There is -- So the Emergency Solutions Grant gets  
10:49:10 10 distributed throughout the state on a competitive basis.  
11 Right now, the balance of state, there's two sort of areas  
12 for the ESG. There's Maricopa and Pima County, and then  
13 there's the balance of state.

14           The balance of state went through a Request for  
15 Proposal process a year or two ago, and so the winners in  
16 that RFP process are now using ESG for these activities --  
17 Emergency Shelter, Street Outreach, the Homeless  
18 Management Information System, and Homeless Prevention.

19           Maricopa and Pima County actually have their RFP  
10:49:50 20 this year and so that process is underway.

21           Any questions on ESG?

22           (No oral response.)

23           All right. And then we have a funding source  
24 called the Housing Opportunities for Persons with AIDS,  
25 and it provides housing assistance and related supportive

1 services to persons with HIV/AIDS. We administer that  
2 here, three percent for administration. Seven percent  
3 goes to the agencies for administration.

4 And with this program, there is not a lot of  
5 money and there is really -- this is really based on  
6 capacity and where the organizations are that provide  
7 these kind of services. So there's not an RFP process.  
8 It's more of a where there's the need and the services  
9 available, that's -- we have been funding with the HOPWA  
10 monies.

11 And then, finally, the Housing Trust Fund. That  
12 is a local fund that comes from unclaimed property  
13 deposits within the state of Arizona. We -- we are  
14 allocated 2.5 million a year of that. And the great thing  
15 about the Housing Trust Fund is that it's local and  
16 doesn't have a lot of Federal requirements tied to it, so  
17 it's been a very fortunate funding source for the State of  
18 Arizona for many years.

19 One of the biggest benefits of the Trust Fund is  
20 that we have not had to ask communities who receive HOME  
21 money to provide the 25 percent match. We've been able to  
22 provide that. That's a real obstacle in other states.

23 It provides the administration for the HOME  
24 funded single-family housing rehab program, provides  
25 administration for the Continuum of Care projects, which

1 is -- Continuum of Care is another source like ESG, only  
2 it's competitive and used for essentially the same things  
3 for assisting homeless persons but -- but like a lot of  
4 Federal programs needs a little bit of local money to keep  
5 it going. In this case, administration.

6 Homeless facilities. So HOME money is not  
7 eligible to be used for shelters and that kind of thing,  
8 so Housing Trust Fund we can use for that all over the  
9 state. And then it provides funding for the Homeless  
10 Management Information System. So not a lot of money with  
11 the Housing Trust Fund but spreads -- we spread it pretty  
12 thin and -- and still put it to pretty good use.

13 Any questions on Housing Trust Fund?

14 (No oral response.)

15 MR. RAEL: All right. So that's it. That's it.  
16 So these are -- You heard from Kathy Blodgett, she's the  
17 CD&R Programs Administrator; Jeanne Redondo, Rental  
18 Programs Administrator; Karia. And then Karia. And Betsy  
19 Long couldn't be here today, but she's our Department of  
20 Economic Security Program Administrator.

21 So take any other questions or comments that you  
22 have?

23 JAURON LEEFERS: I have --

24 MR. RAEL: Yes.

25 JAURON LEEFERS: -- a question. Jauron Leefers

1 with the City of Phoenix.

2 So under your housing objectives, you  
3 mentioned -- it said ADA improvements.

4 MR. RAEL: Yes.

5 JAURON LEEFERS: Is that standalone or does it  
6 come out of the State Special Projects or how are you --  
7 how are you doing that?

8 I'm asking the question because I'm wondering if  
9 there's a way that the City might be able to work with the  
10 State and come together, because we have a lot of requests  
11 for ADA improvements and we do use some of our CDBG money  
12 to fund Ability 360. They do that. But it's small amount  
13 of money, and we certainly have more requests for that  
14 than we have the funds available.

15 So I'm just wondering, how do you -- is that  
16 something that's standalone or is it part of your  
17 owner-occupied or are you using CDBG for it?

18 MS. BLODGETT: It can be part of owner-occupied  
19 if the overall house is going to be hundred percent up to  
20 code. Cannot be standalone. And we do some of it with  
21 CDBG, but other than that -- And I can't cross  
22 jurisdiction with my CDBG.

23 JAURON LEEFERS: Can't do we put in a little, you  
24 put in a little? I mean...

25 MS. BLODGETT: Yeah, no.

1           But, yeah, we -- we don't have ever do it or have  
2 not done it as a standalone for a number of years. Long  
3 time ago, when we had more State Housing Trust Fund, then  
4 we were able to do that.

5           MR. RAEL: I would say that the most --

6           JAURON LEEFERS: But if you had more State  
7 Housing Trust Fund money, could the City come to you?

8           I mean, because that's not Federal funds, right?

9           MS. BLODGETT: Right.

10:55:07 10           JAURON LEEFERS: If you had more State Housing  
11 Trust Fund, is that something that you would entertain,  
12 that we could come to you and talk about something like  
13 that?

14           Just because I know for us, if that's all the  
15 household needs, that's not something we can do with our  
16 CDBG or HOME funds from a standalone standpoint under our  
17 program.

18           MR. RAEL: Yeah.

19           JAURON LEEFERS: But if there was an opportunity  
10:55:25 20 or our partner or even like Ability 360, could they apply  
21 for it to supplement their program?

22           MR. RAEL: Well, that -- and that's a good  
23 question. That's always part of a public process. We --  
24 we sort of start with the funding source, how much we  
25 think we're going to get and the eligible activities and

1 then we -- and then we kind of figure out the needs and  
2 get everybody together and talk about it and that's kind  
3 of how we come up with what we're going to do with that.

4 If there were a lot more Housing Trust Fund,  
5 absolutely, it would be -- it would be part of a public  
6 process.

7 Okay. Well, very much appreciate your attendance  
8 today. It means a lot to us, and we will take your  
9 comments and move -- We have a comment. Yes.

10:56:07 10 JOAN SERVISS: Question.

11 Thank you for giving us the plan online to  
12 review. Is this PowerPoint available for distribution?

13 MR. RAEL: We will -- absolutely, we'll put it --  
14 we will post it.

15 JOAN SERVISS: Okay. Great.

16 MR. RAEL: Anything else?

17 MS. BLODGETT: Can I just ask, did everybody  
18 remember to sign in on the sign-in sheets?

19 (No oral response.)

10:56:32 20 MS. BLODGETT: Okay.

21 MR. RAEL: All right. Thank you.

22 (The meeting concluded at 10:56 a.m.)

23 \* \* \* \* \*

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C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings had upon the foregoing hearing are contained in the shorthand record made by me thereof and that the foregoing 33 pages constitute a full, true, and correct transcript of said shorthand record as requested, all done to the best of my skill and ability.

DATED at Phoenix, Arizona this 16th day of April, 2018.

Kim Esquivel  
Kim Esquivel, RPR  
Certified Court Reporter  
Certification Number 50570



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

DOUGLAS A. DUCEY  
Governor



CAROL DITMORE  
Director

STATE OF ARIZONA  
DEPARTMENT OF HOUSING  
1110 WEST WASHINGTON, SUITE 280  
PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV  
FAX: (602) 771-1002

May 15, 2018

Ms. Noemi Ghirghi  
CPD Representative  
U.S. Department of Housing and Urban Development  
Community Planning and Development  
One North Central Avenue, Suite 600  
Phoenix, AZ 85004

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

Dear Noemi,

The Arizona Department of Housing has submitted its 2018-2019 Annual Action Plan and 2018-2019 National Housing Trust Fund Allocation Plan 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.

ADOH conducted its Citizen Participation Process prior to receiving actual funding amounts for CDBG, HOME, ESG, HOPWA and HTF using approximate amounts and stipulating that "the amounts were approximate and budgets would be proportionately increased or decreased from the estimated funding levels to match actual allocation amounts." ADOH has attached pages from sections AP-05, AP-15 and AP-30 of its draft 2018-2019 Action Plan which reflect these stipulations.

Please find the following executed original documents attached: 1) forms SF424 for CDBG, HOME, ESG, HTF and HOPWA; and 2) Certifications for CDBG, HOME, HOPWA, ESG, the State, and the Appendix to the Certifications.

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

Sincerely,


A handwritten signature in blue ink, appearing to read "Carol Ditmore".

Carol Ditmore  
Director

Enclosures

| Application for Federal Assistance SF-424  |  |  |                                    |
|--|--|--|------------------------------------|
| * 1. Type of Submission:<br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application |  | * 2. Type of Application:<br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision |                                    |
|  |  | * If Revision, select appropriate letter(s):<br><input type="text"/><br>* Other (Specify):<br><input type="text"/>                                 |                                    |
| * 3. Date Received:<br><input type="text"/>  |  | 4. Applicant Identifier:<br><input type="text"/>   |                                    |
| 5a. Federal Entity Identifier:<br><input type="text"/>   |  | 5b. Federal Award Identifier:<br><input type="text"/>  |                                    |
| <b>State Use Only:</b>   |  |  |                                    |
| 6. Date Received by State: <input type="text"/>  |  | 7. State Application Identifier: <input type="text"/>  |                                    |
| <b>B. APPLICANT INFORMATION:</b>   |  |  |                                    |
| * a. Legal Name: <input type="text" value="State of Arizona - Department of Housing"/>   |  |  |                                    |
| * b. Employer/Taxpayer Identification Number (EIN/TIN):<br><input type="text" value="86-6004791"/>   |  | * c. Organizational DUNS:<br><input type="text" value="0867044880000"/>  |                                    |
| <b>d. Address:</b>   |  |  |                                    |
| * Street1:   | <input type="text" value="1110 W. Washington"/>          |  |                                    |
| Street2:   | <input type="text" value="Suite 280"/>                   |  |                                    |
| * City:  | <input type="text" value="Phoenix"/>                     |  |                                    |
| County/Parish:   | <input type="text" value="Maricopa"/>                    |  |                                    |
| * State:   | <input type="text" value="AZ: Arizona"/>                 |  |                                    |
| Province:  | <input type="text"/>                                     |  |                                    |
| * Country:   | <input type="text" value="USA: UNITED STATES"/>          |  |                                    |
| * Zip / Postal Code:   | <input type="text" value="850070000"/>                   |  |                                    |
| <b>e. Organizational Unit:</b>   |  |  |                                    |
| Department Name:<br><input type="text" value="State of Arizona"/>  |  | Division Name:<br><input type="text" value="Department of Housing"/>   |                                    |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>  |  |  |                                    |
| Prefix:  | <input type="text" value="Ms."/>                         | * First Name:  | <input type="text" value="Carol"/> |
| Middle Name:   | <input type="text"/>                                     |  |                                    |
| * Last Name:   | <input type="text" value="Ditmore"/>                     |  |                                    |
| Suffix:  | <input type="text"/>                                     |  |                                    |
| Title:   | <input type="text" value="Director"/>                    |  |                                    |
| Organizational Affiliation:<br><input type="text"/>  |  |  |                                    |
| * Telephone Number:  | <input type="text" value="602-771-1000"/>                | Fax Number:  | <input type="text"/>               |
| * Email:   | <input type="text" value="carol.ditmore@azhousing.gov"/> |  |                                    |


|  |                    |                   |
|--|--------------------|-------------------|
| <b>Application for Federal Assistance SF-424</b>   |                    |                   |
| <b>* 9. Type of Applicant 1: Select Applicant Type:</b>  |                    |                   |
| A: State Government  |                    |                   |
| Type of Applicant 2: Select Applicant Type:  |                    |                   |
| Type of Applicant 3: Select Applicant Type:  |                    |                   |
| * Other (specify):   |                    |                   |
| <b>* 10. Name of Federal Agency:</b>   |                    |                   |
| U.S. Department of Housing and Urban Development   |                    |                   |
| <b>11. Catalog of Federal Domestic Assistance Number:</b>  |                    |                   |
| 14.228   |                    |                   |
| CFDA Title:  |                    |                   |
| Community Development Block Grant - State and Small Cities Program   |                    |                   |
| <b>* 12. Funding Opportunity Number:</b>   |                    |                   |
| Annual Action Plan   |                    |                   |
| * Title:   |                    |                   |
| FY2015-FY2019 5 year Consolidated Plan - Fourth Year Action Plan FY 2018   |                    |                   |
| <b>13. Competition Identification Number:</b>  |                    |                   |
| Title:   |                    |                   |
| <b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b>   |                    |                   |
| SP424 Attachment - Congressional Districts.  | Add Attachment     | Delete Attachment |
| View Attachment  |                    |                   |
| <b>* 15. Descriptive Title of Applicant's Project:</b>   |                    |                   |
| State and Small Cities Community Development Block Grant funding for non-entitlement cities and counties in the State of Arizona |                    |                   |
| Attach supporting documents as specified in agency instructions.   |                    |                   |
| Add Attachments  | Delete Attachments | View Attachments  |

|  |   |
|--|---|
| <b>Application for Federal Assistance SF-424</b>   |   |
| <b>16. Congressional Districts Of:</b>   |   |
| * a. Applicant: <input type="text" value="AZ-001"/>  | * b. Program/Project: <input type="text" value="CDBG"/> |
| 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="07/01/2018"/>   | * b. End Date: <input type="text" value="06/30/2019"/>  |
| <b>18. Estimated Funding (\$):</b>   |   |
| * a. Federal   | <input type="text" value="11,743,486.00"/>              |
| * 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="11,743,486.00"/>              |
| <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 <input type="text" value="08/16/2018"/> .<br><input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.<br><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<br>If "Yes", provide explanation and attach<br><input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>  |   |
| <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><br><input 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="Ms."/>   | * First Name: <input type="text" value="Carol"/>        |
| Middle Name: <input type="text"/>  |   |
| * Last Name: <input type="text" value="Ditmore"/>  |   |
| Suffix: <input type="text"/>   |   |
| * Title: <input type="text" value="Director"/>   |   |
| * Telephone Number: <input type="text" value="602-771-1000"/>  | Fax Number: <input type="text"/>                        |
| * Email: <input type="text" value="carol.ditmore@azhousing.gov"/>  |   |
| * Signature of Authorized Representative:    | * Date Signed: <input type="text" value="5/2/18"/>      |

| Application for Federal Assistance SF-424  |  |  |
|--|--|--|
| * 1. Type of Submission:<br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application | * 2. Type of Application:<br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision | * If Revision, select appropriate letter(s):<br><input type="text"/><br>* Other (Specify):<br><input type="text"/> |
| * 3. Date Received:<br><input type="text"/>  | 4. Applicant Identifier:<br><input type="text"/>   |  |
| 5a. Federal Entity Identifier:<br><input type="text"/>   | 5b. Federal Award Identifier:<br><input type="text"/>  |  |
| <b>State Use Only:</b>   |  |  |
| 6. Date Received by State: <input type="text"/>  | 7. State Application Identifier: <input type="text"/>  |  |
| <b>8. APPLICANT INFORMATION:</b>   |  |  |
| * a. Legal Name: <input type="text" value="State of Arizona - Department of Housing"/>   |  |  |
| * b. Employer/Taxpayer Identification Number (EIN/TIN):<br><input type="text" value="86-6004791"/>   | * c. Organizational DUNS:<br><input type="text" value="0867044880000"/>  |  |
| <b>d. Address:</b>   |  |  |
| * Street1:<br><input type="text" value="1110 W. Washington"/>  | Street2:<br><input type="text" value="Suite 280"/>   |  |
| * City:<br><input type="text" value="Phoenix"/>  | County/Parish:<br><input type="text" value="Maricopa"/>  |  |
| * State:<br><input type="text" value="AZ: Arizona"/>   | Province:<br><input type="text"/>  |  |
| * Country:<br><input type="text" value="USA: UNITED STATES"/>  | * Zip / Postal Code:<br><input type="text" value="850070000"/>   |  |
| <b>e. Organizational Unit:</b>   |  |  |
| Department Name:<br><input type="text" value="State of Arizona"/>  | Division Name:<br><input type="text" value="Department of Housing"/>   |  |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>  |  |  |
| Prefix: <input type="text" value="Ms."/>   | * First Name: <input type="text" value="Carol"/>   |  |
| Middle Name: <input type="text"/>  | * Last Name: <input type="text" value="Ditmore"/>  |  |
| Suffix: <input type="text"/>   | Title: <input type="text" value="Director"/>   |  |
| Organizational Affiliation:<br><input type="text"/>  |  |  |
| * Telephone Number: <input type="text" value="602-771-1000"/>  | Fax Number: <input type="text"/>   |  |
| * Email: <input type="text" value="carol.ditmore@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>PY2015-PY2019 5 year Consolidated Plan - Fourth Year Action Plan FY 2018</p>  |  |
| <p><b>13. Competition Identification Number:</b></p> <p>Title:</p>   |  |
| <p><b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b></p> <p>SF424 Attachment - Congressional Districts. <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="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><input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/></p>  |  |




| Application for Federal Assistance SF-424   |   |
|---|---|
| <b>16. Congressional Districts Of:</b>  |   |
| * a. Applicant: <input type="text" value="AZ-001"/>   | * b. Program/Project: <input type="text" value="HOME"/> |
| 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="07/01/2018"/>  | * b. End Date: <input type="text" value="06/30/2019"/>  |
| <b>18. Estimated Funding (\$):</b>  |   |
| * a. Federal  | <input type="text" value="6,141,681.00"/>               |
| * 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="6,141,681.00"/>               |
| <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 <input type="text" value="08/16/2018"/> .   |   |
| <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"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>  |   |
| <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  |   |
| <small>** 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.</small>  |   |
| <b>Authorized Representative:</b>   |   |
| Prefix: <input type="text" value="Ms."/>  | * First Name: <input type="text" value="Carol"/>        |
| Middle Name: <input type="text"/>   |   |
| * Last Name: <input type="text" value="Ditmore"/>   |   |
| Suffix: <input type="text"/>  |   |
| * Title: <input type="text" value="Director"/>  |   |
| * Telephone Number: <input type="text" value="602-771-1000"/>   | Fax Number: <input type="text"/>                        |
| * Email: <input type="text" value="carol.ditmore@azhousing.gov"/>   |   |
| * Signature of Authorized Representative:   | * Date Signed: <input type="text" value="5/2/18"/>      |

OMB Number: 4040-0004  
 Expiration Date: 10/31/2019

| Application for Federal Assistance SF-424  |  |  |
|--|--|--|
| * 1. Type of Submission:<br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application | * 2. Type of Application:<br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision | * If Revision, select appropriate letter(s):<br><input type="text"/><br>* Other (Specify):<br><input type="text"/> |
| * 3. Date Received:<br><input type="text"/>  | 4. Applicant Identifier:<br><input type="text"/>   |  |
| 5a. Federal Entity Identifier:<br><input type="text"/>   | 5b. Federal Award Identifier:<br>866004791   |  |
| State Use Only:  |  |  |
| 6. Date Received by State: <input type="text"/>  | 7. State Application Identifier: <input type="text"/>  |  |
| <b>B. APPLICANT INFORMATION:</b>   |  |  |
| * a. Legal Name: Arizona Department of Economic Security   |  |  |
| * b. Employer/Taxpayer Identification Number (EIN/TIN):<br>86-6004791  | * c. Organizational DUNS:<br>1367304340000   |  |
| d. Address:  |  |  |
| * Street1: 1789 W. Jefferson   | <input type="text"/>   |  |
| Street2:   | <input type="text"/>   |  |
| * City: Phoenix  | <input type="text"/>   |  |
| County/Parish: Maricopa  | <input type="text"/>   |  |
| * State:   | AZ: Arizona  |  |
| Province:  | <input type="text"/>   |  |
| * Country:   | USA: UNITED STATES   |  |
| * Zip / Postal Code: 850070000   | <input type="text"/>   |  |
| e. Organizational Unit:  |  |  |
| Department Name:<br>Dept. of Economic Security   | Division Name:<br>Div. of Aging and Adult Serv.  |  |
| f. Name and contact information of person to be contacted on matters involving this application:   |  |  |
| Prefix: Mr.  | * First Name: Michael  | <input type="text"/>   |
| Middle Name:   | <input type="text"/>   |  |
| * Last Name: Traylor   | <input type="text"/>   |  |
| Suffix:  | <input type="text"/>   |  |
| Title: Director  |  |  |
| Organizational Affiliation:  |  |  |
| <input type="text"/>   | <input type="text"/>   |  |
| * Telephone Number: 602-542-5757   | Fax Number: <input type="text"/>   |  |
| * Email: mtraylor@azdes.gov  |  |  |




|   |  |  |
|---|--|--|
| <b>Application for Federal Assistance SF-424</b>  |  |  |
| * 9. Type of Applicant 1: Select Applicant Type:<br><input type="text" value="A: State Government"/>  |  |  |
| Type of Applicant 2: Select Applicant Type:<br><input type="text"/>   |  |  |
| Type of Applicant 3: Select Applicant Type:<br><input type="text"/>   |  |  |
| * Other (specify):<br><input type="text"/>  |  |  |
| * 10. Name of Federal Agency:<br><input type="text" value="U.S. Department of Housing and Urban Development"/>  |  |  |
| 11. Catalog of Federal Domestic Assistance Number:<br><input type="text" value="14.231"/><br>CFDA Title:<br><input type="text" value="Emergency Solutions Grant"/>  |  |  |
| * 12. Funding Opportunity Number:<br><input type="text" value="Annual Action Plan"/><br>* Title:<br><input type="text" value="FY2015-FY2019 5 year Consolidated Plan - Fourth Year Action Plan FY 2018"/>   |  |  |
| 13. Competition Identification Number:<br><input type="text"/><br>Title:<br><input type="text"/>  |  |  |
| 14. Areas Affected by Project (Cities, Counties, States, etc.):<br><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"/> |  |  |
| * 15. Descriptive Title of Applicant's Project:<br><input type="text" value="State of Arizona - non-entitlement Emergency Solutions Grant"/>  |  |  |
| Attach supporting documents as specified in agency instructions.<br><input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/>  |  |  |

| Application for Federal Assistance SF-424  |  |
|--|--|
| 16. Congressional Districts Of:  |  |
| * a. Applicant: <input type="text" value="AZ-004"/>  | * b. Program/Project: <input type="text" value="BSG"/> |
| 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"/>  |  |
| 17. Proposed Project:  |  |
| * a. Start Date: <input type="text" value="07/01/2018"/>   | * b. End Date: <input type="text" value="06/30/2019"/> |
| 18. Estimated Funding (\$):  |  |
| * a. Federal   | <input type="text" value="1,747,908.00"/>              |
| * b. Applicant   | <input type="text" value=""/>                          |
| * c. State   | <input type="text" value=""/>                          |
| * d. Local   | <input type="text" value=""/>                          |
| * e. Other   | <input type="text" value=""/>                          |
| * f. Program Income  | <input type="text" value=""/>                          |
| * g. TOTAL   | <input type="text" value="1,747,908.00"/>              |
| * 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="08/16/2018"/>  |  |
| <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" value=""/> <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.  |  |
| Authorized Representative:   |  |
| Prefic: <input type="text" value="Mr."/>   | * First Name: <input type="text" value="Michael"/>     |
| Middle Name: <input type="text" value=""/>   |  |
| * Last Name: <input type="text" value="Traylor"/>  |  |
| Suffix: <input type="text" value=""/>  |  |
| * Title: <input type="text" value="Director"/>   |  |
| * Telephone Number: <input type="text" value="602-542-5757"/>  | Fax Number: <input type="text" value=""/>              |
| * Email: <input type="text" value="mtraylor@azdes.gov"/>   |  |
| * Signature of Authorized Representative:   | * Date Signed: <input type="text" value="5/4/18"/>     |

| Application for Federal Assistance SF-424  |  |  |
|--|--|--|
| * 1. Type of Submission:<br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application | * 2. Type of Application:<br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision | * If Revision, select appropriate letter(s):<br><input type="text"/><br>* Other (Specify):<br><input type="text"/> |
| * 3. Date Received:<br><input type="text"/>  | 4. Applicant Identifier:<br><input type="text"/>   |  |
| 5a. Federal Entity Identifier:<br><input type="text"/>   | 5b. Federal Award Identifier:<br><input type="text"/>  |  |
| <b>State Use Only:</b>   |  |  |
| 6. Date Received by State: <input type="text"/>  | 7. State Application Identifier: <input type="text"/>  |  |
| <b>8. APPLICANT INFORMATION:</b>   |  |  |
| * a. Legal Name: <input type="text" value="State of Arizona - Department of Housing"/>   |  |  |
| * b. Employer/Taxpayer Identification Number (EIN/TIN):<br><input type="text" value="86-6004791"/>   | * c. Organizational DUNS:<br><input type="text" value="0867044880000"/>  |  |
| <b>d. Address:</b>   |  |  |
| * Street1: <input type="text" value="1110 W. Washington"/>   | Street2: <input type="text" value="Suite 280"/>  |  |
| * City: <input type="text" value="Phoenix"/>   | County/Parish: <input type="text" value="Maricopa"/>   |  |
| * State: <input type="text" value="AZ: Arizona"/>  | Province: <input type="text"/>   |  |
| * Country: <input type="text" value="USA: UNITED STATES"/>   | * Zip / Postal Code: <input type="text" value="850070000"/>  |  |
| <b>e. Organizational Unit:</b>   |  |  |
| Department Name:<br><input type="text" value="State of Arizona"/>  | Division Name:<br><input type="text" value="Department of Housing"/>   |  |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>  |  |  |
| Prefix: <input type="text" value="Ms."/>   | * First Name: <input type="text" value="Carol"/>   |  |
| Middle Name: <input type="text"/>  | * Last Name: <input type="text" value="Ditmore"/>  |  |
| Suffix: <input type="text"/>   | Title: <input type="text" value="Director"/>   |  |
| Organizational Affiliation:<br><input type="text"/>  |  |  |
| * Telephone Number: <input type="text" value="602-771-1000"/>  | Fax Number: <input type="text"/>   |  |
| * Email: <input type="text" value="carol.ditmore@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>14.275</p> <p>CFDA Title:</p> <p>Housing Trust Fund</p>   |  |
| <p><b>* 12. Funding Opportunity Number:</b></p> <p>Annual Action Plan</p> <p>* Title:</p> <p>FY2015-FY2019 5 year Consolidated Plan - Fourth Year Action Plan FY2018</p>  |  |
| <p><b>13. Competition Identification Number:</b></p> <p>Title:</p>  |  |
| <p><b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b></p> <p>Add Attachment Delete Attachment View Attachment</p>   |  |
| <p><b>* 15. Descriptive Title of Applicant's Project:</b></p> <p>HTF funding for all areas within 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="A2-001"/>   | * b. Program/Project: <input type="text" value="HTF"/>  |
| 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="07/01/2018"/>  | * b. End Date: <input type="text" value="06/30/2019"/>  |
| <b>18. Estimated Funding (\$):</b>  |   |
| * a. Federal  | <input type="text" value="3,997,777.00"/>   |
| * 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="3,997,777.00"/>   |
| <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   | <input type="text" value="08/16/2018"/>   |
| <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"/>  | <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> |
| <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: <input type="text" value="Ms."/>  | * First Name: <input type="text" value="Carol"/>  |
| Middle Name: <input type="text"/>   |   |
| * Last Name: <input type="text" value="Ditmore"/>   |   |
| Suffix: <input type="text"/>  |   |
| * Title: <input type="text" value="Director"/>  |   |
| * Telephone Number: <input type="text" value="602-771-1000"/>   | Fax Number: <input type="text"/>  |
| * Email: <input type="text" value="carol.ditmore@azhousing.gov"/>   |   |
| * Signature of Authorized Representative:   | * Date Signed: <input type="text" value="5/2/18"/>  |

| Application for Federal Assistance SF-424  |  |  |
|--|--|--|
| * 1. Type of Submission:<br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application | * 2. Type of Application:<br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision | * If Revision, select appropriate letter(s):<br><input type="text"/><br>* Other (Specify):<br><input type="text"/> |
| * 3. Date Received: <input type="text"/>   | 4. Applicant Identifier: <input type="text"/>  |  |
| 5a. Federal Entity Identifier: <input type="text"/>  | 5b. Federal Award Identifier: <input type="text"/>   |  |
| <b>State Use Only:</b>   |  |  |
| 6. Date Received by State: <input type="text"/>  | 7. State Application Identifier: <input type="text"/>  |  |
| <b>8. APPLICANT INFORMATION:</b>   |  |  |
| * a. Legal Name: <input type="text" value="State of Arizona - Department of Housing"/>   |  |  |
| * b. Employer/Taxpayer Identification Number (EIN/TIN):<br><input type="text" value="86-6004791"/>   | * c. Organizational DUNS:<br><input type="text" value="0867044880000"/>  |  |
| <b>d. Address:</b>   |  |  |
| * Street1: <input type="text" value="1110 W. Washington"/>   | Street2: <input type="text" value="Suite 280"/>  |  |
| * City: <input type="text" value="Phoenix"/>   | County/Parish: <input type="text" value="Maricopa"/>   |  |
| * State: <input type="text" value="AZ: Arizona"/>  | Province: <input type="text"/>   |  |
| * Country: <input type="text" value="USA: UNITED STATES"/>   | * Zip / Postal Code: <input type="text" value="850070000"/>  |  |
| <b>e. Organizational Unit:</b>   |  |  |
| Department Name: <input type="text" value="State of Arizona"/>   | Division Name: <input type="text" value="Department of Housing"/>  |  |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>  |  |  |
| Prefix: <input type="text" value="Ms."/>   | * First Name: <input type="text" value="Carol"/>   |  |
| Middle Name: <input type="text"/>  | * Last Name: <input type="text" value="Ditmore"/>  |  |
| Suffix: <input type="text"/>   | Title: <input type="text" value="Director"/>   |  |
| Organizational Affiliation: <input type="text"/>   |  |  |
| * Telephone Number: <input type="text" value="602-771-1000"/>  | Fax Number: <input type="text"/>   |  |
| * Email: <input type="text" value="carol.ditmore@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>14.241</p> <p>CFDA Title:</p> <p>Housing Opportunities for Persons with Aids.</p>   |  |
| <p><b>* 12. Funding Opportunity Number:</b></p> <p>Annual Action Plan</p> <p>* Title:</p> <p>FY2015-FY2019 5 year Consolidated Plan - Fourth Year Action Plan FY 2018</p>   |  |
| <p><b>13. Competition Identification Number:</b></p> <p>Title:</p>  |  |
| <p><b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b></p> <p>SF424 Attachment - Congressional Districts.    <input type="button" value="Add Attachment"/>    <input type="button" value="Delete Attachment"/>    <input type="button" value="View Attachment"/></p> |  |
| <p><b>* 15. Descriptive Title of Applicant's Project:</b></p> <p>State of Arizona - non-entitlement Housing Opportunities for Persons with Aids.</p>  |  |
| <p>Attach supporting documents as specified in agency instructions.</p> <p><input type="button" value="Add Attachments"/>    <input type="button" value="Delete Attachments"/>    <input type="button" value="View Attachments"/></p>   |  |

| Application for Federal Assistance SF-424   |   |
|---|---|
| <b>16. Congressional Districts Of:</b>  |   |
| * a. Applicant: <input type="text" value="AZ-001"/>   | * b. Program/Project: <input type="text" value="BOPNA"/>  |
| 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="07/01/2018"/>  | * b. End Date: <input type="text" value="06/30/2019"/>  |
| <b>18. Estimated Funding (\$):</b>  |   |
| * a. Federal  | <input type="text" value="309,509.00"/>   |
| * 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="309,509.00"/>   |
| <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   | <input type="text" value="08/16/2018"/>   |
| <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"/>  | <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> |
| <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: <input type="text" value="Ms."/>  | * First Name: <input type="text" value="Carol"/>  |
| Middle Name: <input type="text"/>   |   |
| * Last Name: <input type="text" value="Ditmore"/>   |   |
| Suffix: <input type="text"/>  |   |
| * Title: <input type="text" value="Director"/>  |   |
| * Telephone Number: <input type="text" value="602-771-1000"/>   | Fax Number: <input type="text"/>  |
| * Email: <input type="text" value="carol.ditmore@azhousing.gov"/>   |   |
| * Signature of Authorized Representative:    | * Date Signed: <input type="text" value="5/2/18"/>  |



**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.

**Uniform Relocation Act and 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, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant 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-LLL, "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 Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the State's consolidated plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.

  
 \_\_\_\_\_  
 Signature of Authorized Official

  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Title

### Specific Community Development Block Grant Certifications

The State certifies that:

**Citizen Participation** -- It is 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 following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

#### Consultation with Local Governments --

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 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 objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 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 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 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. In the aggregate, not less than 70 percent of the CDBG funds, including Section 108 guaranteed loans, received by the State during the following fiscal year(s) 2018 - 2019 [a period designated by the State of one, two, or three specific consecutive fiscal year(s)] will be used for activities that benefit persons of low and moderate income.

3. Special Assessments. 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.

In addition, 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 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

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

  
Signature of Authorized Official

  
Date

  
Title

**Specific HOME Certifications**

The State certifies that:

**Tenant Based Rental Assistance** -- If it plans to use HOME funds for tenant-based rental assistance, 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.

**Subsidy Layering** -- 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 of Authorized Official

5/2/18  
\_\_\_\_\_  
Date

DIRECTOR  
\_\_\_\_\_  
Title



## 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-LLL, "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, ESG, 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 CFR Part 135.

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

5/4/18  
\_\_\_\_\_  
Date

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

### ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants 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(a)(2).

**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 10 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 10 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 3 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, so long 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 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

\_\_\_\_\_  
Date 5/4/18

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



**Housing Opportunities for Persons With AIDS 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 consolidated plan:

1. For a period of not less than 10 years, in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For a period of not less than 3 years, in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

  
\_\_\_\_\_  
Signature of Authorized Official

5/2/18  
\_\_\_\_\_  
Date

DIRECTOR  
\_\_\_\_\_  
Title

**APPENDIX TO CERTIFICATIONS**

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

**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.