



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: RENTAL

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit Program

INFORMATION BULLETIN No. 01-09

ISSUED: January 6, 2009

RE: Requests for Additional Credits for Full 9% Credit Amount

The Internal Revenue Service, in Notice 2008-106, provided further clarification to State Allocating Agencies, regarding requests for additional reservation of credits pursuant to Section 3002(a) of the HERA that amends the I.R.C. § 42(b)(2) to fix the applicable percentage of tax credits at 9%. Accordingly, ADOH will accept applications for an additional allocation of credits for projects that received a reservation in the 2007 and 2008 competitive allocation rounds that have not placed their projects in service as of July 30, 2008.

- a. Applications may be submitted to ADOH for an allocation of additional credits to reach the full 9% credit amount beginning on January 12, 2009. Applications may be submitted, to the Arizona Department of Housing, 1110 West Washington, Suite 310, Phoenix, Arizona 85007.
- b. Applications for 9% tax credits shall include a \$500.00 underwriting fee payable by bank draft to the order of the Arizona Department of Housing. Applications omitting the underwriting fee shall not be considered.
- c. Applications shall be supported by a cover letter supporting the claim for additional tax credits at the full 9% amount and a complete project budget.
- d. Applications for additional tax credits at the full 9-percent amount shall include an updated **Form 3 – Application** and a copy of the **Syndication Agreement** evidencing a firm commitment and outlining the pricing for the credit. Applicants requesting the full 9% tax credit amount must demonstrate sufficient eligible cost basis. ADOH shall evaluate requests for 9% tax credits as provided by QAP Sections 7.15 through 7.18. ADOH may reduce the amount of additional tax credits reserved pursuant to this paragraph to the extent that would displace ADOH gap financing.
- e. Projects that exercised the I.R.C. § 42(B)(2)(A)(ii) election to lock in a tax credit percentage as a part of the carryover agreement, as per IRS Notice 2008-106 and Section 3002(a) of HERA that amends the I.R.C. § 42(B)(2), are eligible for additional credits at the full 9-percent rate.

Questions with regard to this bulletin should be directed to Randy Archuleta, Rental Programs Administrator, (602) 771-1031 or randya@housingaz.com.



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: RENTAL COMPLIANCE

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit Program

INFORMATION BULLETIN No. 02-09

ISSUED: January 20, 2009

**RE: UTILITY ALLOWANCE REGULATIONS AMENDED FOR
LOW-INCOME HOUSING TAX CREDIT PROPERTIES**

On July 29, 2008, the IRS issued final regulations amending the current Utility Allowance regulations with regards to the Low-Income Housing Tax Credit (LIHTC) Program.

The final rule allows owners of LIHTC properties to choose from five potential options for estimating tenant utility costs: the public housing authority (PHA) utility allowance; the local utility company estimate; the state agency estimate; HUD's utility schedule model; or an energy consumption model. As in the past, these options are not available to buildings or tenants receiving assistance from Rural Development, Section 8 or any other HUD regulated program.

This bulletin represents a first draft of proposed changes to the Utility Allowance requirements for LIHTC properties in Arizona and provides details on how the Arizona Department of Housing (ADOH) intends to apply this new legislation.

Written comment on these draft changes is welcome. Comments should be sent to Renée Serino, Housing Compliance Administrator, at renees@housingaz.com or at the address or fax number below. Please provide comments by February 20, 2009.

PROPOSED CHANGES

The final rule allows owners of LIHTC properties to choose from five potential options when determining applicable utility allowances. However, ADOH has elected to incorporate only one of the new options provided in the final regulations in addition to the two options currently available – **The Energy Consumption Model**.

Beginning with the effective date of this new legislation, ADOH will allow the use of three potential methods for determining utility allowances for LIHTC buildings in Arizona: the public housing authority (PHA) utility allowance; the local utility company estimate; or an energy consumption model. ADOH-specific requirements regarding the first two models can be found in the ADOH LIHTC Compliance Manual. The third option is outlined below.

Again, these options are not available to buildings or tenants receiving assistance from Rural Development, Section 8 or any other HUD regulated program. Such properties are required to use the utility allowances specifically approved for those programs. These options are only available to the “other buildings” in the project, as defined in § 1.42–10(b)(4) that have completed the entire first year of the credit period.

OPTION 3: The Energy Consumption Model

This model may be used by a building owner to calculate utility allowance estimates based on an analysis of energy, water and sewage consumption. The energy consumption model must, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, building age, mechanical systems, appliances, and characteristics of the building location.

- In order to use this method, the building owner must have the calculations performed by a state agency approved qualified professional. ADOH will only approve raters who are **RESNET Certified Rater Members** in good standing for providing an analysis for LIHTC buildings in Arizona. RESNET standards are recognized in the mortgage industry for energy efficiency as well as by the Federal government for verification of building energy performance for energy tax-credit qualifications. All RESNET certified raters can be found on the RESNET website at www.resnet.us/directory/raters.aspx
- The RESNET Certified Rater Member must not be related to the building owner, property manager or any other entities owned or controlled by these parties within the meaning of section 267(b) or 707(b) of the Internal Revenue Code.
- Use of this model is limited to the building's consumption data for the twelve-month period ending no earlier than 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of § 1.42-10.

- Utility rates used for this model must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of § 1.42-10.
- The “90-day period” is now also the period of time prior to the implementation of the new utility allowances during which the building owner must submit copies of the utility rate estimates to ADOH. These estimates must also be made available to all tenants of the building during this time. Additionally, during this period, ADOH may also require additional data or information if deemed it to be necessary.
- In the case of newly constructed or renovated buildings with less than 12 months of consumption data, only the Public Housing Authority (PHA) utility allowances will be accepted. Buildings must have completed the entire first year of the credit period to utilize this option.
- A building owner must review at least once during each calendar year the basis on which utility allowances have been established and must update the applicable utility allowance in accordance with paragraph (c)(1) of § 1.42-10. The review must take into account any changes to the building such as any energy conservation measures that affect energy consumption and changes in utility rates.
- Once chosen, this option is irrevocable and must be used annually for the remainder of the credit/compliance period for the building.
- Record retention. The building owner must retain any utility consumption estimates and supporting data as part of the taxpayer's records for purposes of §1.6001-1(a).
- The building owner will bear all costs if this option is chosen.
- The applicable effective date for the implementation of these new rules is the building owner's taxable years beginning on or after July 29, 2008.
- Owners of qualified 100% LIHTC properties who wish to utilize this exception must submit a written request to ADOH indicating their intention.



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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: LIHTC

REGARDING FUNDING SOURCES: 2008 Resubmittal Round Allocation

INFORMATION BULLETIN No. 03-09

ISSUED: January 21, 2009

RE: 2008 LIHTC RESUBMITTAL ALLOCATION ROUND
RESERVATIONS GRANTED

The Arizona Department of Housing has awarded over \$6 million in low-income housing tax credits to help build more than 351 affordable apartment units. The list of those projects receiving a reservation of Low Income Housing Tax Credits is attached as the second page of this bulletin and is also posted on our website, www.azhousing.gov.

Notifications with details of the decision have been mailed to all applicants.



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WWW.AZHOUSING.GOV

ARIZONA DEPARTMENT OF HOUSING
LOW INCOME HOUSING TAX CREDIT PROGRAM
RESUBMITTAL ALLOCATION ROUND

ADOH PROJECT #	PROJECT NAME & ADDRESS	OWNER/DEVELOPER	COUNTY	TOTAL UNITS	LIHTC UNITS	MARKET UNITS	EMPLOYEE UNITS	# OF BLDGS	PROJECT TYPE	Set-Aside Category	PROFIT STATUS	FINANCING SOURCES	PROJECT COST	TAX CREDITS ALLOCATED	0	1	2	3	4
ReSubmittal Allocation Round - RESERVATIONS																			
TC-0429	Itom A'e L.P. Off Calle Cerritos Guadalupe AZ 85283	Englewood Development Company, Inc. 860 E. 86th Street, Ste. 5 Indianapolis, IN 46240 Gina Dillman-Hoskins (317) 848-5111 (317) 846-4552 ghoskins@edcusa.org	Maricopa	65	65	0	1	1	New Const Senior	Non-Profit	For Profit	Conventional Energy Credits	\$9,190,699	\$933,216	0	50	15	0	0
TC-0444	Ghost Ranch Lodge Apartments 801 West Miracle Mile Tucson, AZ 85705	MMGRL, Inc. 7689 E. Paradise Lane, Ste. 6 Scottsdale, AZ 85260 Mark D. Breen (480) 596-3350 (480) 596-3662 mbreen@atlanticdev.com	Pima	60	60	0	0	11	Acq/Rehab Elderly	Urban	For Profit	Conventional City of Tucson HOME City of Tucson CDBG Pima Co. GO Bond ADOH HOME	\$11,997,924	\$1,000,000	0	60	0	0	0
TC-0463	Glendale Enterprise Live-Work Lofts 6839 N. 63rd Avenue Glendale, AZ 85301	Gorman & Company Inc 200 N. Main Street Oregon, WI 53575 Brian Swanton (602) 708-4889 (608) 835-5568 bswanton@gormanusa.com	Maricopa	28	28	0	0	1	New Const Family	Urban	For Profit	Conventional ADOH HOME	\$7,265,038	\$705,868	0	0	0	28	0
TC-0455	Bradshaw Crossing Apartments 125, 127, 129 & 131 Bradshaw Dr. Prescott, AZ 86303	WESCAP Investments, Inc. 4745 N. 7th Street, Ste. 110 Phoenix, AZ 85014 William E. Spreitzer (602) 200-5660 (602) 277-8491 wes@wescap.com	Yavapai	52	52	0	0	4	New Const Family	Rural	For Profit	Conventional ADOH HOME	\$10,104,742	\$1,000,000	0	0	28	24	0
TC-0454	Oakwood Village III Apartments 3400 S. Kofa Drive Flagstaff, AZ 86001	WESCAP Investments, Inc. 4745 N. 7th Street, Ste. 110 Phoenix, AZ 85014 William E. Spreitzer (602) 200-5660 (602) 277-8491 wes@wescap.com	Coconino	56	56	0	1	5	New Const Family	Rural	For Profit	Conventional ADOH Home	\$10,279,530	\$1,000,000	0	16	16	24	0
TC-0449	Roosevelt 217 Apartments 217 E. Roosevelt Street Phoenix, AZ 85004	BJ Gunner Investments, LLC 27584 N. 68th Place Scottsdale, AZ 85266 Michael Letzt (480) 473-2744 (480) 471-8340 mletzt@cox.net	Maricopa	62	49	13	0	1	New Const Family	Urban	For Profit	Conventional City of Phoenix ADOH Home	\$14,706,471	\$1,000,000	0	12	30	20	0
TC-0442	Catalina Village Assisted Living 5424 E. 1st Street Tucson, AZ 85711	CopperSands, Inc. 3519 E. Shea Blvd., Ste. 133 Phoenix, AZ 85028 Mary G. Hill-Leach (602) 708-4979 (602) 368-8211 mhill@coppersandsinc.com	Pima	28	28	0	0	1	New Const Spec Needs	Special Needs	For Profit	Conventional ADOH Home	\$6,246,330	\$492,209	28	0	0	0	0
TOTALS				351	338	13	2	24					\$69,790,734	\$6,131,293	28	138	89	96	0



Arizona Department of Housing 2009 Information Bulletin

- PROGRAMS:** **Low Income Housing Tax Credit (LIHTC) Program**
- REGARDING:** **Low Income Housing Tax Credit Income and Rent Limits**
(Pre 1990 Developments) – Figures are effective as of 3-19-09.
- Low Income Housing Tax Credit Income and Rent Limits**
(Post 1989 Developments) – Figures are effective as of 3-19-09

INFORMATION BULLETIN No.04-09

ISSUED: **March 24, 2009**

RE: **Revised Income and Rent Limits for LIHTC Program**

Attached are the revised 2009 rent and income limits for the Low Income Housing Tax Credit (LIHTC) program. These limits are effective as of March 19, 2009. The tables are also available for download at our website, www.housingaz.com.

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ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - IMPUTED INCOMES/ALLOWABLE RENTS

3/19/2009

FOR RENTS BASED ON NUMBER OF PERSONS IN HOUSEHOLD (PRE 1990 Projects)

(All fractions are rounded down.)

(Figures derived from HUD Median Income Charts effective 03/19/09)

*Please note utility allowances must be subtracted from allowable rents.

MSA/County	%	(1 Person)	Rent	(2 Persons)	Rent	(3 Persons)	Rent	(4 Persons)	Rent	(5 Persons)	Rent	(6 Persons)	Rent	(7 Persons)	Rent	(8 Persons)	Rent
Phoenix	60	\$27,660	\$691	\$31,620	\$790	\$35,580	\$889	\$39,540	\$988	\$42,720	\$1,068	\$45,840	\$1,146	\$49,020	\$1,225	\$52,200	\$1,305
(Maricopa/Pinal)	50	\$23,050	\$576	\$26,350	\$658	\$29,650	\$741	\$32,950	\$823	\$35,600	\$890	\$38,200	\$955	\$40,850	\$1,021	\$43,500	\$1,087
	40	\$18,440	\$461	\$21,080	\$527	\$23,720	\$593	\$26,360	\$659	\$28,480	\$712	\$30,560	\$764	\$32,680	\$817	\$34,800	\$870
	30	\$13,850	\$346	\$15,800	\$395	\$17,800	\$445	\$19,750	\$493	\$21,350	\$533	\$22,900	\$572	\$24,500	\$612	\$26,050	\$651
	20	\$9,220	\$230	\$10,540	\$263	\$11,860	\$296	\$13,180	\$329	\$14,240	\$356	\$15,280	\$382	\$16,340	\$408	\$17,400	\$435
Tucson	60	\$24,180	\$604	\$27,600	\$690	\$31,080	\$777	\$34,500	\$862	\$37,260	\$931	\$40,020	\$1,000	\$42,780	\$1,069	\$45,540	\$1,138
(Pima)	50	\$20,150	\$503	\$23,000	\$575	\$25,900	\$647	\$28,750	\$718	\$31,050	\$776	\$33,350	\$833	\$35,650	\$891	\$37,950	\$948
	40	\$16,120	\$403	\$18,400	\$460	\$20,720	\$518	\$23,000	\$575	\$24,840	\$621	\$26,680	\$667	\$28,520	\$713	\$30,360	\$759
	30	\$12,100	\$302	\$13,800	\$345	\$15,550	\$388	\$17,250	\$431	\$18,650	\$466	\$20,000	\$500	\$21,400	\$535	\$22,750	\$568
	20	\$8,060	\$201	\$9,200	\$230	\$10,360	\$259	\$11,500	\$287	\$12,420	\$310	\$13,340	\$333	\$14,260	\$356	\$15,180	\$379
Yuma	60	\$18,780	\$469	\$21,480	\$537	\$24,120	\$603	\$26,820	\$670	\$28,980	\$724	\$31,140	\$778	\$33,240	\$831	\$35,400	\$885
(Yuma)	50	\$15,650	\$391	\$17,900	\$447	\$20,100	\$502	\$22,350	\$558	\$24,150	\$603	\$25,950	\$648	\$27,700	\$692	\$29,500	\$737
	40	\$12,520	\$313	\$14,320	\$358	\$16,080	\$402	\$17,880	\$447	\$19,320	\$483	\$20,760	\$519	\$22,160	\$554	\$23,600	\$590
	30	\$9,400	\$235	\$10,700	\$267	\$12,050	\$301	\$13,400	\$335	\$14,450	\$361	\$15,550	\$388	\$16,600	\$415	\$17,700	\$442
	20	\$6,260	\$156	\$7,160	\$179	\$8,040	\$201	\$8,940	\$223	\$9,660	\$241	\$10,380	\$259	\$11,080	\$277	\$11,800	\$295
Apache	60	\$18,360	\$459	\$21,000	\$525	\$23,580	\$589	\$26,220	\$655	\$28,320	\$708	\$30,420	\$760	\$32,520	\$813	\$34,620	\$865
	50	\$15,300	\$382	\$17,500	\$437	\$19,650	\$491	\$21,850	\$546	\$23,600	\$590	\$25,350	\$633	\$27,100	\$677	\$28,850	\$721
	40	\$12,240	\$306	\$14,000	\$350	\$15,720	\$393	\$17,480	\$437	\$18,880	\$472	\$20,280	\$507	\$21,680	\$542	\$23,080	\$577
	30	\$9,150	\$228	\$10,500	\$262	\$11,800	\$295	\$13,100	\$327	\$14,150	\$353	\$15,200	\$380	\$16,250	\$406	\$17,300	\$432
	20	\$6,120	\$153	\$7,000	\$175	\$7,860	\$196	\$8,740	\$218	\$9,440	\$236	\$10,140	\$253	\$10,840	\$271	\$11,540	\$288
Cochise	60	\$21,180	\$529	\$24,180	\$604	\$27,240	\$681	\$30,240	\$756	\$32,640	\$816	\$35,100	\$877	\$37,500	\$937	\$39,900	\$997
	50	\$17,650	\$441	\$20,150	\$503	\$22,700	\$567	\$25,200	\$630	\$27,200	\$680	\$29,250	\$731	\$31,250	\$781	\$33,250	\$831
	40	\$14,120	\$353	\$16,120	\$403	\$18,160	\$454	\$20,160	\$504	\$21,760	\$544	\$23,400	\$585	\$25,000	\$625	\$26,600	\$665
	30	\$10,550	\$263	\$12,100	\$302	\$13,600	\$340	\$15,100	\$377	\$16,300	\$407	\$17,500	\$437	\$18,700	\$467	\$19,950	\$498
	20	\$7,060	\$176	\$8,060	\$201	\$9,080	\$227	\$10,080	\$252	\$10,880	\$272	\$11,700	\$292	\$12,500	\$312	\$13,300	\$332
Coconino	60	\$25,560	\$639	\$29,220	\$730	\$32,880	\$822	\$36,540	\$913	\$39,480	\$987	\$42,360	\$1,059	\$45,300	\$1,132	\$48,240	\$1,206
	50	\$21,300	\$532	\$24,350	\$608	\$27,400	\$685	\$30,450	\$761	\$32,900	\$822	\$35,300	\$882	\$37,750	\$943	\$40,200	\$1,005
	40	\$17,040	\$426	\$19,480	\$487	\$21,920	\$548	\$24,360	\$609	\$26,320	\$658	\$28,240	\$706	\$30,200	\$755	\$32,160	\$804
	30	\$12,800	\$320	\$14,600	\$365	\$16,450	\$411	\$18,250	\$456	\$19,700	\$492	\$21,150	\$528	\$22,650	\$566	\$24,100	\$602
	20	\$8,520	\$213	\$9,740	\$243	\$10,960	\$274	\$12,180	\$304	\$13,160	\$329	\$14,120	\$353	\$15,100	\$377	\$16,080	\$402
Gila	60	\$19,800	\$495	\$22,680	\$567	\$25,500	\$637	\$28,320	\$708	\$30,600	\$765	\$32,880	\$822	\$35,100	\$877	\$37,380	\$934
	50	\$16,500	\$412	\$18,900	\$472	\$21,250	\$531	\$23,600	\$590	\$25,500	\$637	\$27,400	\$685	\$29,250	\$731	\$31,150	\$778
	40	\$13,200	\$330	\$15,120	\$378	\$17,000	\$425	\$18,880	\$472	\$20,400	\$510	\$21,920	\$548	\$23,400	\$585	\$24,920	\$623
	30	\$9,900	\$247	\$11,300	\$282	\$12,750	\$318	\$14,150	\$353	\$15,300	\$382	\$16,400	\$410	\$17,550	\$438	\$18,700	\$467
	20	\$6,600	\$165	\$7,560	\$189	\$8,500	\$212	\$9,440	\$236	\$10,200	\$255	\$10,960	\$274	\$11,700	\$292	\$12,460	\$311

MSA/County	%	(1 Person)	Rent	(2 Persons)	Rent	(3 Persons)	Rent	(4 Persons)	Rent	(5 Persons)	Rent	(6 Persons)	Rent	(7 Persons)	Rent	(8 Persons)	Rent
Graham	60	\$18,840	\$471	\$21,540	\$538	\$24,240	\$606	\$26,940	\$673	\$29,100	\$727	\$31,260	\$781	\$33,420	\$835	\$35,580	\$889
	50	\$15,700	\$392	\$17,950	\$448	\$20,200	\$505	\$22,450	\$561	\$24,250	\$606	\$26,050	\$651	\$27,850	\$696	\$29,650	\$741
	40	\$12,560	\$314	\$14,360	\$359	\$16,160	\$404	\$17,960	\$449	\$19,400	\$485	\$20,840	\$521	\$22,280	\$557	\$23,720	\$593
	30	\$9,400	\$235	\$10,750	\$268	\$12,100	\$302	\$13,450	\$336	\$14,550	\$363	\$15,600	\$390	\$16,700	\$417	\$17,750	\$443
	20	\$6,280	\$157	\$7,180	\$179	\$8,080	\$202	\$8,980	\$224	\$9,700	\$242	\$10,420	\$260	\$11,140	\$278	\$11,860	\$296
Greenlee	60	\$23,640	\$591	\$27,000	\$675	\$30,420	\$760	\$33,780	\$844	\$36,480	\$912	\$39,180	\$979	\$41,880	\$1,047	\$44,580	\$1,114
	50	\$19,700	\$492	\$22,500	\$562	\$25,350	\$633	\$28,150	\$703	\$30,400	\$760	\$32,650	\$816	\$34,900	\$872	\$37,150	\$928
	40	\$15,760	\$394	\$18,000	\$450	\$20,280	\$507	\$22,520	\$563	\$24,320	\$608	\$26,120	\$653	\$27,920	\$698	\$29,720	\$743
	30	\$11,850	\$296	\$13,500	\$337	\$15,200	\$380	\$16,900	\$422	\$18,250	\$456	\$19,600	\$490	\$20,950	\$523	\$22,300	\$557
	20	\$7,880	\$197	\$9,000	\$225	\$10,140	\$253	\$11,260	\$281	\$12,160	\$304	\$13,060	\$326	\$13,960	\$349	\$14,860	\$371
La Paz	60	\$18,360	\$459	\$21,000	\$525	\$23,580	\$589	\$26,220	\$655	\$28,320	\$708	\$30,420	\$760	\$32,520	\$813	\$34,620	\$865
	50	\$15,300	\$382	\$17,500	\$437	\$19,650	\$491	\$21,850	\$546	\$23,600	\$590	\$25,350	\$633	\$27,100	\$677	\$28,850	\$721
	40	\$12,240	\$306	\$14,000	\$350	\$15,720	\$393	\$17,480	\$437	\$18,880	\$472	\$20,280	\$507	\$21,680	\$542	\$23,080	\$577
	30	\$9,150	\$228	\$10,500	\$262	\$11,800	\$295	\$13,100	\$327	\$14,150	\$353	\$15,200	\$380	\$16,250	\$406	\$17,300	\$432
	20	\$6,120	\$153	\$7,000	\$175	\$7,860	\$196	\$8,740	\$218	\$9,440	\$236	\$10,140	\$253	\$10,840	\$271	\$11,540	\$288
Mohave	60	\$24,780	\$619	\$28,320	\$708	\$31,860	\$796	\$35,460	\$886	\$38,280	\$957	\$41,100	\$1,027	\$43,920	\$1,098	\$46,740	\$1,168
	50	\$20,650	\$516	\$23,600	\$590	\$26,550	\$663	\$29,550	\$738	\$31,900	\$797	\$34,250	\$856	\$36,600	\$915	\$38,950	\$973
	40	\$16,520	\$413	\$18,880	\$472	\$21,240	\$531	\$23,640	\$591	\$25,520	\$638	\$27,400	\$685	\$29,280	\$732	\$31,160	\$779
	30	\$12,450	\$311	\$14,200	\$355	\$16,000	\$400	\$17,750	\$443	\$19,150	\$478	\$20,600	\$515	\$22,000	\$550	\$23,450	\$586
	20	\$8,260	\$206	\$9,440	\$236	\$10,620	\$265	\$11,820	\$295	\$12,760	\$319	\$13,700	\$342	\$14,640	\$366	\$15,580	\$389
Navajo	60	\$18,360	\$459	\$21,000	\$525	\$23,580	\$589	\$26,220	\$655	\$28,320	\$708	\$30,420	\$760	\$32,520	\$813	\$34,620	\$865
	50	\$15,300	\$382	\$17,500	\$437	\$19,650	\$491	\$21,850	\$546	\$23,600	\$590	\$25,350	\$633	\$27,100	\$677	\$28,850	\$721
	40	\$12,240	\$306	\$14,000	\$350	\$15,720	\$393	\$17,480	\$437	\$18,880	\$472	\$20,280	\$507	\$21,680	\$542	\$23,080	\$577
	30	\$9,150	\$228	\$10,500	\$262	\$11,800	\$295	\$13,100	\$327	\$14,150	\$353	\$15,200	\$380	\$16,250	\$406	\$17,300	\$432
	20	\$6,120	\$153	\$7,000	\$175	\$7,860	\$196	\$8,740	\$218	\$9,440	\$236	\$10,140	\$253	\$10,840	\$271	\$11,540	\$288
Santa Cruz	60	\$18,480	\$462	\$21,120	\$528	\$23,760	\$594	\$26,400	\$660	\$28,500	\$712	\$30,600	\$765	\$32,760	\$819	\$34,860	\$871
	50	\$15,400	\$385	\$17,600	\$440	\$19,800	\$495	\$22,000	\$550	\$23,750	\$593	\$25,500	\$637	\$27,300	\$682	\$29,050	\$726
	40	\$12,320	\$308	\$14,080	\$352	\$15,840	\$396	\$17,600	\$440	\$19,000	\$475	\$20,400	\$510	\$21,840	\$546	\$23,240	\$581
	30	\$9,250	\$231	\$10,550	\$263	\$11,900	\$297	\$13,200	\$330	\$14,250	\$356	\$15,300	\$382	\$16,350	\$408	\$17,400	\$435
	20	\$6,160	\$154	\$7,040	\$176	\$7,920	\$198	\$8,800	\$220	\$9,500	\$237	\$10,200	\$255	\$10,920	\$273	\$11,620	\$290
Yavapai	60	\$22,620	\$565	\$25,800	\$645	\$29,040	\$726	\$32,280	\$807	\$34,860	\$871	\$37,440	\$936	\$40,020	\$1,000	\$42,600	\$1,065
	50	\$18,850	\$471	\$21,500	\$537	\$24,200	\$605	\$26,900	\$672	\$29,050	\$726	\$31,200	\$780	\$33,350	\$833	\$35,500	\$887
	40	\$15,080	\$377	\$17,200	\$430	\$19,360	\$484	\$21,520	\$538	\$23,240	\$581	\$24,960	\$624	\$26,680	\$667	\$28,400	\$710
	30	\$11,300	\$282	\$12,900	\$322	\$14,550	\$363	\$16,150	\$403	\$17,450	\$436	\$18,750	\$468	\$20,050	\$501	\$21,300	\$532
	20	\$7,540	\$188	\$8,600	\$215	\$9,680	\$242	\$10,760	\$269	\$11,620	\$290	\$12,480	\$312	\$13,340	\$333	\$14,200	\$355

ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - IMPUTED INCOMES/ALLOWABLE RENTS

3/19/09

FOR RENTS BASED ON UNIT SIZE (Number of bedrooms: Post 1989 Projects)

(All fractions are rounded down.)

(Figures derived from HUD Median Income Charts effective 3/19/09)

MSA/County	%	Imputed Income								Rent				
		(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Phoenix (Maricopa/Pinal)	60	\$27,660	\$31,620	\$35,580	\$39,540	\$42,720	\$45,840	\$49,020	\$52,200	\$691	\$741	\$889	\$1,028	\$1,146
	50	\$23,050	\$26,350	\$29,650	\$32,950	\$35,600	\$38,200	\$40,850	\$43,500	\$576	\$617	\$741	\$856	\$955
	40	\$18,440	\$21,080	\$23,720	\$26,360	\$28,480	\$30,560	\$32,680	\$34,800	\$461	\$494	\$593	\$685	\$764
	30	\$13,850	\$15,800	\$17,800	\$19,750	\$21,350	\$22,900	\$24,500	\$26,050	\$346	\$370	\$445	\$513	\$572
	20	\$9,220	\$10,540	\$11,860	\$13,180	\$14,240	\$15,280	\$16,340	\$17,400	\$230	\$247	\$296	\$342	\$382
Tucson (Pima)	60	\$24,180	\$27,600	\$31,080	\$34,500	\$37,260	\$40,020	\$42,780	\$45,540	\$604	\$647	\$777	\$897	\$1,000
	50	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950	\$503	\$539	\$647	\$747	\$833
	40	\$16,120	\$18,400	\$20,720	\$23,000	\$24,840	\$26,680	\$28,520	\$30,360	\$403	\$431	\$518	\$598	\$667
	30	\$12,100	\$13,800	\$15,550	\$17,250	\$18,650	\$20,000	\$21,400	\$22,750	\$302	\$323	\$388	\$448	\$500
	20	\$8,060	\$9,200	\$10,360	\$11,500	\$12,420	\$13,340	\$14,260	\$15,180	\$201	\$215	\$259	\$299	\$333
Yuma (Yuma)	60	\$18,780	\$21,480	\$24,120	\$26,820	\$28,980	\$31,140	\$33,240	\$35,400	\$469	\$503	\$603	\$697	\$778
	50	\$15,650	\$17,900	\$20,100	\$22,350	\$24,150	\$25,950	\$27,700	\$29,500	\$391	\$419	\$502	\$581	\$648
	40	\$12,520	\$14,320	\$16,080	\$17,880	\$19,320	\$20,760	\$22,160	\$23,600	\$313	\$335	\$402	\$465	\$519
	30	\$9,400	\$10,700	\$12,050	\$13,400	\$14,450	\$15,550	\$16,600	\$17,700	\$235	\$251	\$301	\$348	\$388
	20	\$6,260	\$7,160	\$8,040	\$8,940	\$9,660	\$10,380	\$11,080	\$11,800	\$156	\$167	\$201	\$232	\$259
Apache	60	\$18,360	\$21,000	\$23,580	\$26,220	\$28,320	\$30,420	\$32,520	\$34,620	\$459	\$492	\$589	\$681	\$760
	50	\$15,300	\$17,500	\$19,650	\$21,850	\$23,600	\$25,350	\$27,100	\$28,850	\$382	\$410	\$491	\$568	\$633
	40	\$12,240	\$14,000	\$15,720	\$17,480	\$18,880	\$20,280	\$21,680	\$23,080	\$306	\$328	\$393	\$454	\$507
	30	\$9,150	\$10,500	\$11,800	\$13,100	\$14,150	\$15,200	\$16,250	\$17,300	\$228	\$245	\$295	\$340	\$380
	20	\$6,120	\$7,000	\$7,860	\$8,740	\$9,440	\$10,140	\$10,840	\$11,540	\$153	\$164	\$196	\$227	\$253
Cochise	60	\$21,180	\$24,180	\$27,240	\$30,240	\$32,640	\$35,100	\$37,500	\$39,900	\$529	\$567	\$681	\$786	\$877
	50	\$17,650	\$20,150	\$22,700	\$25,200	\$27,200	\$29,250	\$31,250	\$33,250	\$441	\$472	\$567	\$655	\$731
	40	\$14,120	\$16,120	\$18,160	\$20,160	\$21,760	\$23,400	\$25,000	\$26,600	\$353	\$378	\$454	\$524	\$585
	30	\$10,550	\$12,100	\$13,600	\$15,100	\$16,300	\$17,500	\$18,700	\$19,950	\$263	\$283	\$340	\$392	\$437
	20	\$7,060	\$8,060	\$9,080	\$10,080	\$10,880	\$11,700	\$12,500	\$13,300	\$176	\$189	\$227	\$262	\$292
Coconino	60	\$25,560	\$29,220	\$32,880	\$36,540	\$39,480	\$42,360	\$45,300	\$48,240	\$639	\$684	\$822	\$950	\$1,059
	50	\$21,300	\$24,350	\$27,400	\$30,450	\$32,900	\$35,300	\$37,750	\$40,200	\$532	\$570	\$685	\$791	\$882
	40	\$17,040	\$19,480	\$21,920	\$24,360	\$26,320	\$28,240	\$30,200	\$32,160	\$426	\$456	\$548	\$633	\$706
	30	\$12,800	\$14,600	\$16,450	\$18,250	\$19,700	\$21,150	\$22,650	\$24,100	\$320	\$342	\$411	\$474	\$528
	20	\$8,520	\$9,740	\$10,960	\$12,180	\$13,160	\$14,120	\$15,100	\$16,080	\$213	\$228	\$274	\$316	\$353
Gila	60	\$19,800	\$22,680	\$25,500	\$28,320	\$30,600	\$32,880	\$35,100	\$37,380	\$495	\$531	\$637	\$736	\$822
	50	\$16,500	\$18,900	\$21,250	\$23,600	\$25,500	\$27,400	\$29,250	\$31,150	\$412	\$442	\$531	\$613	\$685
	40	\$13,200	\$15,120	\$17,000	\$18,880	\$20,400	\$21,920	\$23,400	\$24,920	\$330	\$354	\$425	\$491	\$548
	30	\$9,900	\$11,300	\$12,750	\$14,150	\$15,300	\$16,400	\$17,550	\$18,700	\$247	\$265	\$318	\$368	\$410
	20	\$6,600	\$7,560	\$8,500	\$9,440	\$10,200	\$10,960	\$11,700	\$12,460	\$165	\$177	\$212	\$245	\$274

MSA/County	%									0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
		(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)	Rent	Rent	Rent	Rent	Rent
Graham	60	\$18,840	\$21,540	\$24,240	\$26,940	\$29,100	\$31,260	\$33,420	\$35,580	\$471	\$504	\$606	\$700	\$781
	50	\$15,700	\$17,950	\$20,200	\$22,450	\$24,250	\$26,050	\$27,850	\$29,650	\$392	\$420	\$505	\$583	\$651
	40	\$12,560	\$14,360	\$16,160	\$17,960	\$19,400	\$20,840	\$22,280	\$23,720	\$314	\$336	\$404	\$467	\$521
	30	\$9,400	\$10,750	\$12,100	\$13,450	\$14,550	\$15,600	\$16,700	\$17,750	\$235	\$251	\$302	\$350	\$390
	20	\$6,280	\$7,180	\$8,080	\$8,980	\$9,700	\$10,420	\$11,140	\$11,860	\$157	\$168	\$202	\$233	\$260
Greenlee	60	\$23,640	\$27,000	\$30,420	\$33,780	\$36,480	\$39,180	\$41,880	\$44,580	\$591	\$633	\$760	\$878	\$979
	50	\$19,700	\$22,500	\$25,350	\$28,150	\$30,400	\$32,650	\$34,900	\$37,150	\$492	\$527	\$633	\$731	\$816
	40	\$15,760	\$18,000	\$20,280	\$22,520	\$24,320	\$26,120	\$27,920	\$29,720	\$394	\$422	\$507	\$585	\$653
	30	\$11,850	\$13,500	\$15,200	\$16,900	\$18,250	\$19,600	\$20,950	\$22,300	\$296	\$316	\$380	\$439	\$490
	20	\$7,880	\$9,000	\$10,140	\$11,260	\$12,160	\$13,060	\$13,960	\$14,860	\$197	\$211	\$253	\$292	\$326
La Paz	60	\$18,360	\$21,000	\$23,580	\$26,220	\$28,320	\$30,420	\$32,520	\$34,620	\$459	\$492	\$589	\$681	\$760
	50	\$15,300	\$17,500	\$19,650	\$21,850	\$23,600	\$25,350	\$27,100	\$28,850	\$382	\$410	\$491	\$568	\$633
	40	\$12,240	\$14,000	\$15,720	\$17,480	\$18,880	\$20,280	\$21,680	\$23,080	\$306	\$328	\$393	\$454	\$507
	30	\$9,150	\$10,500	\$11,800	\$13,100	\$14,150	\$15,200	\$16,250	\$17,300	\$228	\$245	\$295	\$340	\$380
	20	\$6,120	\$7,000	\$7,860	\$8,740	\$9,440	\$10,140	\$10,840	\$11,540	\$153	\$164	\$196	\$227	\$253
Mohave	60	\$24,780	\$28,320	\$31,860	\$35,460	\$38,280	\$41,100	\$43,920	\$46,740	\$619	\$663	\$796	\$921	\$1,027
	50	\$20,650	\$23,600	\$26,550	\$29,550	\$31,900	\$34,250	\$36,600	\$38,950	\$516	\$553	\$663	\$768	\$856
	40	\$16,520	\$18,880	\$21,240	\$23,640	\$25,520	\$27,400	\$29,280	\$31,160	\$413	\$442	\$531	\$614	\$685
	30	\$12,450	\$14,200	\$16,000	\$17,750	\$19,150	\$20,600	\$22,000	\$23,450	\$311	\$333	\$400	\$461	\$515
	20	\$8,260	\$9,440	\$10,620	\$11,820	\$12,760	\$13,700	\$14,640	\$15,580	\$206	\$221	\$265	\$307	\$342
Navajo	60	\$18,360	\$21,000	\$23,580	\$26,220	\$28,320	\$30,420	\$32,520	\$34,620	\$459	\$492	\$589	\$681	\$760
	50	\$15,300	\$17,500	\$19,650	\$21,850	\$23,600	\$25,350	\$27,100	\$28,850	\$382	\$410	\$491	\$568	\$633
	40	\$12,240	\$14,000	\$15,720	\$17,480	\$18,880	\$20,280	\$21,680	\$23,080	\$306	\$328	\$393	\$454	\$507
	30	\$9,150	\$10,500	\$11,800	\$13,100	\$14,150	\$15,200	\$16,250	\$17,300	\$228	\$245	\$295	\$340	\$380
	20	\$6,120	\$7,000	\$7,860	\$8,740	\$9,440	\$10,140	\$10,840	\$11,540	\$153	\$164	\$196	\$227	\$253
Santa Cruz	60	\$18,480	\$21,120	\$23,760	\$26,400	\$28,500	\$30,600	\$32,760	\$34,860	\$462	\$495	\$594	\$686	\$765
	50	\$15,400	\$17,600	\$19,800	\$22,000	\$23,750	\$25,500	\$27,300	\$29,050	\$385	\$412	\$495	\$571	\$637
	40	\$12,320	\$14,080	\$15,840	\$17,600	\$19,000	\$20,400	\$21,840	\$23,240	\$308	\$330	\$396	\$457	\$510
	30	\$9,250	\$10,550	\$11,900	\$13,200	\$14,250	\$15,300	\$16,350	\$17,400	\$231	\$247	\$297	\$343	\$382
	20	\$6,160	\$7,040	\$7,920	\$8,800	\$9,500	\$10,200	\$10,920	\$11,620	\$154	\$165	\$198	\$228	\$255
Yavapai	60	\$22,620	\$25,800	\$29,040	\$32,280	\$34,860	\$37,440	\$40,020	\$42,600	\$565	\$605	\$726	\$839	\$936
	50	\$18,850	\$21,500	\$24,200	\$26,900	\$29,050	\$31,200	\$33,350	\$35,500	\$471	\$504	\$605	\$699	\$780
	40	\$15,080	\$17,200	\$19,360	\$21,520	\$23,240	\$24,960	\$26,680	\$28,400	\$377	\$403	\$484	\$559	\$624
	30	\$11,300	\$12,900	\$14,450	\$16,150	\$17,450	\$18,750	\$20,050	\$21,300	\$282	\$302	\$361	\$420	\$468
	20	\$7,540	\$8,600	\$9,680	\$10,760	\$11,620	\$12,480	\$13,340	\$14,200	\$188	\$201	\$242	\$279	\$312



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: SHF (HTF); HOME, CDBG, LIHTC, HOPWA, ESG
REGARDING FUNDING SOURCES: HOME, CDBG, HOPWA, ESG

INFORMATION BULLETIN No. 05-09

ISSUED: March 27, 2009

RE: FIFTH ANNUAL ACTION PLAN NOW AVAILABLE FOR
PUBLIC COMMENT UNTIL APRIL 27, 2009

The Arizona Department of Housing is making available for public review and comment a draft of the agency's **Fifth Annual Action Plan** developed in compliance with the federal regulations (24 CFR, PART 91). The document describes the methods of distribution, and geographic funding objectives for the U.S. Department of Housing and Urban Development FY 2009 HOME, CDBG, HOPWA and ESG federal funds. The Draft will be available on the ADOH website beginning March 27, 2009. Changes to prior year strategies, objectives and processes are highlighted in the Draft.

To download the Draft, visit our website: www.azhousing.gov, click on *Publications, Research & Links*, then *Publications*.

Written comments on the Draft are encouraged and may be forwarded to: Programs, Arizona Department of Housing, 1110 W. Washington, Suite 310, Phoenix, AZ 85007; written comments may also be emailed to info@azhousing.gov. Written comments on the Draft will be accepted from March 27, 2009, ending at 5:00 p.m. on April 27, 2009.

PUBLIC HEARING SCHEDULED: To continue gathering public comment on the Draft, a public hearing will be held on **April 24, 2009 at 11:00 am. in the 2nd floor training room** at the offices of the **Arizona Department of Housing, 1110 W. Washington, Phoenix.**



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1110 W. Washington, Suite 310
Phoenix, AZ 85007

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www.housingaz.com



Arizona Department of Housing 2009 Information Bulletin

PROGRAMS: Rental Compliance
FUNDING SOURCES: Low Income Housing Tax Credit (LIHTC)

INFORMATION BULLETIN No.06-09

ISSUED: March 30, 2009

RE: Income and Rent Limits for LIHTC Developments and Properties

- 1) **National Non-Metropolitan Income & Rent Limits** (effective 3/19/09) **THESE RATES WERE REVISED IN IB 16-09**
- 2) **Income Limits for HUD Impacted Areas Under HERA** (effective 3/24/09) This chart is to be used to qualify tenants in 2009 only.

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ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - IMPUTED INCOMES/ALLOWABLE RENTS

6/10/09

FOR RENTS BASED ON UNIT SIZE (Number of bedrooms: Post 1989 Projects)

(All fractions are rounded down.)

(Figures derived from HUD Median Income Charts effective 2/13/08)

MSA/County	%	(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
										Rent	Rent	Rent	Rent	Rent
National	60	\$20,700	\$23,640	\$26,640	\$29,580	\$31,920	\$34,320	\$36,660	\$39,060	\$517	\$554	\$666	\$768	\$858
Non- Metro	50	\$17,250	\$19,700	\$22,200	\$24,650	\$26,600	\$28,600	\$30,550	\$32,550	\$431	\$461	\$555	\$640	\$715
(Rural)	40	\$13,800	\$15,760	\$17,760	\$19,720	\$21,280	\$22,880	\$24,440	\$26,040	\$345	\$369	\$444	\$512	\$572
	30	\$10,350	\$11,820	\$13,320	\$14,790	\$15,960	\$17,160	\$18,330	\$19,530	\$258	\$277	\$333	\$384	\$429
	20	\$6,900	\$7,880	\$8,880	\$9,860	\$10,640	\$11,440	\$12,220	\$13,020	\$172	\$184	\$222	\$256	\$286

ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - Income Limits to be used in HUD impacted areas under HERA

3/24/0

For projects that existed in 2007 - 2008 in a HUD impacted area prior to December 31, 2008

(All fractions are rounded down

(Figures derived from HUD Median Income Charts effective 3/24/09 for Multifamily Tax Subsidy Projects)

MSA/County	%	(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)
Yuma	60	\$18,840	\$21,540	\$24,240	\$26,940	\$29,100	\$31,260	\$33,420	\$35,580
(Yuma)	50	\$15,700	\$17,950	\$20,200	\$22,450	\$24,250	\$26,050	\$27,850	\$29,650
La Paz	60	\$18,540	\$21,240	\$23,880	\$26,520	\$28,620	\$30,780	\$32,880	\$34,980
	50	\$15,450	\$17,700	\$19,900	\$22,100	\$23,850	\$25,650	\$27,400	\$29,150
Mohave	60	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380	\$46,380	\$49,320
	50	\$21,800	\$24,900	\$28,050	\$31,150	\$33,650	\$36,150	\$38,650	\$41,100
Santa Cruz	60	\$19,260	\$21,960	\$24,720	\$27,480	\$29,700	\$31,860	\$34,080	\$36,300
	50	\$16,050	\$18,300	\$20,600	\$22,900	\$24,750	\$26,550	\$28,400	\$30,250

**Note: These income limits are only to be used for 2009 for
Projects placed in service as of December 31, 2008
in HUD impacted areas only.**



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Community Development & Revitalization

REGARDING FUNDING SOURCES: Community Development Block Grant
(CDBG)

INFORMATION BULLETIN No. 07-09

ISSUED: March 30, 2009

RE: Fair Housing Annual Survey

On March 31, 2006, the Arizona Department of Housing submitted an Analysis of Impediments to Fair Housing Choice to the U.S. Department of Housing and Urban Development. Contained in that document were nine identified impediments that the state must strive to diminish and/or eliminate. Two of the impediments directly relate to communities that receive Community Development Block Grants (CDBG) through the state's program. They are as follows.

1. "There is a need to improve the process for the fair housing complaint referral in many non-metro communities."
2. "Information gathering and monitoring fair housing performance needs to be improved."

The parameters of the referral procedure in item #1 have been distributed to all CDBG recipients via Information Bulletin #24-08, dated October 7, 2008. The completion of the Fair Housing Annual Survey, which must be completed by all CDBG recipients, is a step in monitoring item #1. The survey must be returned on or before April 30, 2009.

The survey may be downloaded from our website at www.azhousing.gov. The survey is in a fillable format which should be saved to your desktop, completed, and returned to ADOH. Questions regarding the survey should be directed to Joy Johnson at 602-771-1026 or by email at joy.johnson@azhousing.gov.



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Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Development

REGARDING FUNDING SOURCES: Low Income Housing Tax Credits (LIHTC)

INFORMATION BULLETIN No 08-09

Issued: April 3, 2009

**RE: 2009 LIHTC QUALIFIED ALLOCATION PLAN
Substantial Changes and Comment Period**

The Arizona Department of Housing must adopt a Qualified Allocation Plan (QAP) that sets forth the methods, criteria, preferences, and priorities that will be used to select projects that receive federal tax credits through the Low-Income Housing Tax Credit (LIHTC) Program. Any sub-allocation or set-asides of tax credits also are part of the allocation plan.

A draft has been posted to our website: www.azhousing.gov. A hard copy of the draft is also available for viewing at the Arizona Department of Housing offices at the address below.

COMMENT PERIOD

Beginning Friday, April 3, 2009 through Friday, April 24, 2009, initial public comments will be accepted on the [First Draft 2009 QAP](#). Only comments received by 5:00 p.m. on April 24 will be considered for incorporation into the Second Draft QAP which will be distributed prior to the Public Hearing. Public comments to the Second Draft QAP will be accepted through the date of a Public Hearing, the date and location of which will be announced in a later bulletin. All comments, except those made at a Public Hearing, must be made in writing.

Written comments should be submitted as follows:

E-mail	QAPcomments@azhousing.gov
Mail	Arizona Department of Housing 1110 W. Washington Avenue, Suite 310 Phoenix, AZ 85007

SUBSTANTIAL CHANGES

The proposed 2009 QAP is predominantly the same as the 2008 QAP as modified by the additional underwriting requirements described in the 2008 Resubmittal Allocation Round Notice. For your convenience, the new features of the 2009 QAP are listed below:

Section 2.2 establishes eligible basis rather than the \$1.0 million limit as the tax credit cap for a project.

2.7(B)(14)(b) requires the Builder/contractor to demonstrate financial capacity and performance history requirements.

2.7(B)(14)(c) strengthens staffing and compliance history requirements for property managers.

2.7(B)(15) imposes heightened scrutiny for management companies with an identity of interest with the developer or co-developer.

2.7(B)(16) makes compliance with local government land-use restrictions an eligibility requirement. Points are no longer available for zoning compliance.

2.7(B)(17) provides new considerations for syndicators with an identity of interest with the developer or co-developer.

2.7(B)(30) makes submittal of a Phase I Environmental Report an eligibility requirement.

2.7(B)(31) makes commitment to water conservation standards an eligibility requirement. Points are no longer available for water conservation.

2.8 Set-asides:

1) There will no longer be a Special Needs Set-aside, although points are still available for projects serving tenants with special housing needs.

2) Rural and urban set-asides shall be combined if less than \$11 million in annual tax credit ceiling is available for reservation.

2.8(C)(1) describes application requirements for those seeking hardship credits.

2.9(F)(2) raises the per-unit limit for rehabilitation projects to \$15,000 excluding acquisition and site preparation costs.

2.9(F)(4) reduces the points available for projects with a tenant lease-purchase option from 6 to 3 points.

2.9(F)(14) reduces the points available for project readiness from 20 to 10.

2.10 establishes 20% below market rent limits for areas for which 50% or more of the market demand is attributable to tenants exiting housing that is substandard, overcrowded, or that lacks complete plumbing.

4.7(B)(3)(f) clarifies that changes to financing terms including payment of deferred developer fees are material changes.

6.4(D) establishes late fees for submittal of carryover allocation or final allocation materials.

Section 7, Underwriting, has been substantially reorganized for clarity.

7.3(B)(2)(g)(v) raises the replacement reserve requirement to \$350 per unit per year for new construction and \$450 per unit per year for acquisition/rehabilitation projects from \$250 and \$350, respectively.

7.3(C)(2) raises per-unit operating cost assumption to \$5,000 for new construction and \$5,400 for acquisition/rehabilitation projects from \$4,200 and \$4,500, respectively.

7.3(C)(2)(b) raises the funding rate for project operating reserves to \$350 per unit per year for new construction and \$450 per unit per year for acquisition/rehabilitation projects from \$250 and \$350, respectively.

7.3(C)(3)(c) raises the assumed vacancy rate from 7% to 8%.

Arizona Department of Housing

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Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: STATE HOUSING FUND (SHF)

REGARDING FUNDING SOURCES: HOME and Housing Trust Fund

INFORMATION BULLETIN No. 09-09

ISSUED: April 8, 2009

**RE: STATE HOUSING FUND PROGRAM HOME AND HOUSING TRUST FUND RENT AND
INCOME LIMITS EFFECTIVE APRIL 27, 2009**

Attached are the 2009 rent and income limits for the State Housing Fund Program. These rates are effective April 27, 2009. The tables are also available for download at our website, www.azhousing.gov.



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PROGRAM RENT LIMITS

**ARIZONA COUNTIES
2009**

**State of Arizona -- State Housing Fund Program
HOME and Housing Trust Fund Program Rent Limits**

EFFICIENCY 1 BEDROOM 2 BEDROOM 3 BEDROOM 4 BEDROOM 5 BEDROOM 6 BEDROOM

Flagstaff, AZ Coconino County	LOW HOME RENT	532	570	685	791	882	974	1065
	HIGH HOME RENT	673	723	869	995	1091	1185	1280
For information only:	FMR	777	924	1044	1343	1693	1947	2201
	50 Rent Limit	532	570	685	791	882	974	1065
	65 Rent Limit	673	723	869	995	1091	1185	1280
: Mohave County	LOW HOME RENT	516	553	663	768	856	944	1034
	HIGH HOME RENT	582	640	746	965	1056	1147	1238
For information only:	FMR	582	640	746	1032	1151	1324	1496
	50 Rent Limit	516	553	663	768	856	944	1034
	65 Rent Limit	653	701	842	965	1056	1147	1238
Phoenix, AZ Maricopa/Pinal Counties	LOW HOME RENT	576	617	741	856	955	1054	1153
	HIGH HOME RENT	624	727	877	1080	1185	1289	1394
For information only:	FMR	624	727	877	1277	1495	1719	1944
	50 Rent Limit	576	617	741	856	955	1054	1153
	65 Rent Limit	730	784	942	1080	1185	1289	1394
Tucson, AZ Pima County	LOW HOME RENT	493	539	647	747	833	920	1006
	HIGH HOME RENT	493	579	743	939	1028	1115	1203
For information only:	FMR	493	579	743	1070	1131	1301	1470
	50 Rent Limit	503	539	647	747	833	920	1006
	65 Rent Limit	635	681	819	939	1028	1115	1203
Yuma, AZ Yuma County	LOW HOME RENT	391	419	502	581	648	715	782
	HIGH HOME RENT	489	525	632	721	785	847	911
For information only:	FMR	544	642	767	1088	1333	1533	1733
	50 Rent Limit	391	419	502	581	648	715	782
	65 Rent Limit	489	525	632	721	785	847	911
: Apache County	LOW HOME RENT	382	410	491	568	633	699	764
	HIGH HOME RENT	410	502	593	704	766	827	888
For information only:	FMR	410	502	593	822	1042	1198	1355
	50 Rent Limit	382	410	491	568	633	699	764
	65 Rent Limit	478	513	617	704	766	827	888

PROGRAM RENT LIMITS

**ARIZONA COUNTIES
2009**

**State of Arizona -- State Housing Fund Program
HOME and Housing Trust Fund Program Rent Limits**

		EFFICIENCY 1	BEDROOM 2	BEDROOM 3	BEDROOM 4	BEDROOM 5	BEDROOM 6	BEDROOM
: Cochise County								
	LOW HOME RENT	441	472	567	655	731	806	882
	HIGH HOME RENT	481	557	699	817	893	966	1040
For information only:	FMR	481	557	699	965	1186	1364	1542
	50 Rent Limit	441	472	567	655	731	806	882
	65 Rent Limit	554	594	716	817	893	966	1040
: Gila County								
	LOW HOME RENT	412	442	531	613	685	755	826
	HIGH HOME RENT	518	556	669	764	833	900	969
For information only:	FMR	525	615	809	1111	1144	1316	1487
	50 Rent Limit	412	442	531	613	685	755	826
	65 Rent Limit	518	556	669	764	833	900	969
: Graham County								
	LOW HOME RENT	392	420	505	583	651	718	785
	HIGH HOME RENT	491	528	636	725	789	852	916
For information only:	FMR	545	587	657	908	1045	1202	1359
	50 Rent Limit	392	420	505	583	651	718	785
	65 Rent Limit	491	528	636	725	789	852	916
: Greenlee County								
	LOW HOME RENT	492	527	633	731	816	900	985
	HIGH HOME RENT	498	554	695	918	1004	1089	1175
For information only:	FMR	498	554	695	955	1081	1243	1405
	50 Rent Limit	492	527	633	731	816	900	985
	65 Rent Limit	620	666	802	918	1004	1089	1175
: La Paz County								
	LOW HOME RENT	382	410	491	568	633	699	764
	HIGH HOME RENT	478	513	617	704	766	827	888
For information only:	FMR	559	560	672	951	979	1126	1273
	50 Rent Limit	382	410	491	568	633	699	764
	65 Rent Limit	478	513	617	704	766	827	888
: Navajo County								
	LOW HOME RENT	382	410	491	568	633	699	764
	HIGH HOME RENT	478	513	617	704	766	827	888
For information only:	FMR	489	522	689	928	1100	1265	1430
	50 Rent Limit	382	410	491	568	633	699	764
	65 Rent Limit	478	513	617	704	766	827	888

PROGRAM RENT LIMITS

**ARIZONA COUNTIES
2009**

**State of Arizona -- State Housing Fund Program
HOME and Housing Trust Fund Program Rent Limits**

		EFFICIENCY 1	BEDROOM 2	BEDROOM 3	BEDROOM 4	BEDROOM 5	BEDROOM 6	BEDROOM	
: Santa Cruz County		LOW HOME RENT	385	412	495	571	637	704	770
		HIGH HOME RENT	480	516	622	710	773	833	895
For information only:		FMR	574	575	729	1063	1094	1258	1422
		50 Rent Limit	385	412	495	571	637	704	770
		65 Rent Limit	480	516	622	710	773	833	895
Prescott, AZ Yavapai County		LOW HOME RENT	471	504	605	699	780	860	941
		HIGH HOME RENT	591	635	764	875	956	1037	1117
For information only:		FMR	647	668	844	1230	1267	1457	1647
		50 Rent Limit	471	504	605	699	780	860	941
		65 Rent Limit	591	635	764	875	956	1037	1117

ARIZONA INCOME LIMITS

**ARIZONA COUNTIES
2009**

**State of Arizona -- State Housing Fund Program
HOME and Housing Trust Fund Program Income Limits**

			1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON +
Flagstaff, AZ	Coconino County	30%	12800	14600	16450	18250	19700	21150	22650	24100
MEDIAN HOUSEHOLD		50% (Very Low-Income)	21300	24350	27400	30450	32900	35300	37750	40200
INCOME: 59,800		60%	25560	29220	32880	36540	39480	42360	45300	48240
		80% (Low-Income)	34100	38950	43850	48700	52600	56500	60400	64300

:	Mohave County	30%	12450	14200	16000	17750	19150	20600	22000	23450
MEDIAN HOUSEHOLD		50% (Very Low-Income)	20650	23600	26550	29550	31900	34250	36600	38950
INCOME: 47,400		60%	24780	28320	31860	35460	38280	41100	43920	46740
		80% (Low-Income)	33100	37850	42550	47300	51100	54850	58650	62450

Phoenix, AZ	Maricopa/Pinal Counties	30%	13850	15800	17800	19750	21350	22900	24500	26050
MEDIAN HOUSEHOLD		50% (Very Low-Income)	23050	26350	29650	32950	35600	38200	40850	43500
INCOME: 65,900		60%	27660	31620	35580	39540	42720	45840	49020	52200
		80% (Low-Income)	36900	42150	47450	52700	56900	61150	65350	69550

Tucson, AZ	Pima County	30%	12100	13800	15550	17250	18650	20000	21400	22750
MEDIAN HOUSEHOLD		50% (Very Low-Income)	20150	23000	25900	28750	31050	33350	35650	37950
INCOME: 57,500		60%	24180	27600	31080	34500	37260	40020	42780	45540
		80% (Low-Income)	32200	36800	41400	46000	49700	53350	57050	60700

Yuma, AZ	Yuma County	30%	9400	10700	12050	13400	14450	15550	16600	17700
MEDIAN HOUSEHOLD		50% (Very Low-Income)	15650	17900	20100	22350	24150	25950	27700	29500
INCOME: 44,100		60%	18780	21480	24120	26820	28980	31140	33240	35400
		80% (Low-Income)	25050	28600	32200	35750	38600	41450	44350	47200

:	Apache County	30%	9150	10500	11800	13100	14150	15200	16250	17300
MEDIAN HOUSEHOLD		50% (Very Low-Income)	15300	17500	19650	21850	23600	25350	27100	28850
INCOME: 34,400		60%	18360	21000	23580	26220	28320	30420	32520	34620
		80% (Low-Income)	24450	27950	31450	34950	37750	40550	43350	46150

:	Cochise County	30%	10550	12100	13600	15100	16300	17500	18700	19950
MEDIAN HOUSEHOLD		50% (Very Low-Income)	17650	20150	22700	25200	27200	29250	31250	33250
INCOME: 50,400		60%	21180	24180	27240	30240	32640	35100	37500	39900
		80% (Low-Income)	28200	32250	36250	40300	43500	46750	49950	53200

:	Gila County	30%	9900	11300	12750	14150	15300	16400	17550	18700
MEDIAN HOUSEHOLD		50% (Very Low-Income)	16500	18900	21250	23600	25500	27400	29250	31150
INCOME: 46,100		60%	19800	22680	25500	28320	30600	32880	35100	37380
		80% (Low-Income)	26450	30200	34000	37750	40750	43800	46800	49850

ARIZONA INCOME LIMITS

**ARIZONA COUNTIES
2009**

**State of Arizona -- State Housing Fund Program
HOME and Housing Trust Fund Program Income Limits**

		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON +	
: Graham County		30%	9400	10750	12100	13450	14550	15600	16700	17750
MEDIAN HOUSEHOLD	50% (Very Low-Income)	15700	17950	20200	22450	24250	26050	27850	29650	
INCOME: 44,900	60%	18840	21540	24240	26940	29100	31260	33420	35580	
	80% (Low-Income)	25150	28700	32300	35900	38750	41650	44500	47400	
: Greenlee County		30%	11850	13500	15200	16900	18250	19600	20950	22300
MEDIAN HOUSEHOLD	50% (Very Low-Income)	19700	22500	25350	28150	30400	32650	34900	37150	
INCOME: 56,300	60%	23640	27000	30420	33780	36480	39180	41880	44580	
	80% (Low-Income)	31550	36050	40550	45050	48650	52250	55850	59450	
: La Paz County		30%	9150	10500	11800	13100	14150	15200	16250	17300
MEDIAN HOUSEHOLD	50% (Very Low-Income)	15300	17500	19650	21850	23600	25350	27100	28850	
INCOME: 37,700	60%	18360	21000	23580	26220	28320	30420	32520	34620	
	80% (Low-Income)	24450	27950	31450	34950	37750	40550	43350	46150	
: Navajo County		30%	9150	10500	11800	13100	14150	15200	16250	17300
MEDIAN HOUSEHOLD	50% (Very Low-Income)	15300	17500	19650	21850	23600	25350	27100	28850	
INCOME: 43,100	60%	18360	21000	23580	26220	28320	30420	32520	34620	
	80% (Low-Income)	24450	27950	31450	34950	37750	40550	43350	46150	
: Santa Cruz County		30%	9250	10550	11900	13200	14250	15300	16350	17400
MEDIAN HOUSEHOLD	50% (Very Low-Income)	15400	17600	19800	22000	23750	25500	27300	29050	
INCOME: 41,400	60%	18480	21120	23760	26400	28500	30600	32760	34860	
	80% (Low-Income)	24650	28150	31700	35200	38000	40850	43650	46450	
Prescott, AZ: Yavapai County		30%	11300	12900	14550	16150	17450	18750	20050	21300
MEDIAN HOUSEHOLD	50% (Very Low-Income)	18850	21500	24200	26900	29050	31200	33350	35500	
INCOME: 53,800	60%	22620	25800	29040	32280	34860	37440	40020	42600	
	80% (Low-Income)	30150	34450	38750	43050	46500	49950	53400	56850	



Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Development

REGARDING FUNDING SOURCES: Low Income Housing Tax Credits (LIHTC)

INFORMATION BULLETIN No 10-09

Issued: April 13, 2009

RE: EXHIBIT L - Market Study Guide: Substantial Changes and Comment Period

The Arizona Department of Housing requires an independent, comprehensive, current, and professional Market Study for each proposed development submitted for the Low Income Housing Tax Credit Program. The objective of the Market Study is to determine the existence of sufficient demand for the proposed project in the market area and to ensure no undue economic hardship on the existing rental stock will occur in the market area because of the proposed project. For 2009, substantial changes have been made to the document and A draft has been posted to our website: www.azhousing.gov. A hard copy of the draft is also available for viewing at the Arizona Department of Housing offices at the address below.

COMMENT PERIOD

Beginning Monday, April 13, 2009 through Friday, April 24, 2009, initial public comments will be accepted on the Exhibit L - Market Study Guide. Only comments received by 5:00 p.m. on April 24 will be considered for incorporation into the Second Draft - Market Study Guide, which will be distributed prior to the Public Hearing. Public comments to the Second Draft - Market Study Guide will be accepted through the date of a Public Hearing, the date and location of which will be announced in a later bulletin. All comments, except those made at a Public Hearing, must be made in writing.

Written comments should be submitted as follows:

E-mail	QAPcomments@azhousing.gov
Mail	Arizona Department of Housing 1110 W. Washington Avenue, Suite 310 Phoenix, AZ 85007

Arizona Department of Housing
1110 W. Washington Avenue, Suite 310
Phoenix, AZ 85007
Telephone (602) 771-1000 Facsimile (602) 771-1002 TDY (602) 771-1001
www.azhousing.gov

Exhibit L

MARKET STUDY GUIDE

General Requirements for a Market Study:

Arizona Department of Housing (ADOH) requires an independent, comprehensive, current, and professional Market Study for each proposed development. The Market Study must be prepared no more than six months before the Application is submitted to ADOH. A Market Analyst, unaffiliated with the Applicant, Developer, Lender, and/or Syndicator and experienced in multi-family rental housing, must prepare the study. The Market Study must be prepared using the market study requirements in ADOH's Market Study Guide. Market studies that do not conform to the requirements will be submit to further review and possibly not accepted until a conforming study is submitted.

ADOH may reject an application if it determines, in its sole discretion, that the Market Study:

- (1) Is not in final form;
- (2) Has not been executed by the analyst;
- (3) Deviates from the requirements of this Guide; or,
- (4) Fails to include an analyst's certification that substantially complies with Addendum 1 to this Guide.

ADOH will consider all facts and circumstances in making this determination, including the possible disruption caused by unneeded units entering the market at low rents. As a protection against the saturation of low-income units and to ensure absorption of new units, ADOH will approve no more than one family, one elderly, and one special needs category project (one project for each special needs category) per Tax Credit round in a community with a population of 50,000 or less.

ADOH receives a large number of market studies as part of the application process for financing and requests for rental housing Tax Credits. By requiring specific information in all market studies, ADOH will be able to assess housing needs in competing communities through a comparison of similar characteristics. By requiring that all market studies be prepared in accordance with a specific outline, ADOH will be able to perform a more comprehensive and expeditious review. The objective of the Market Study must demonstrate the existence of sufficient demand for the proposed development in the market area. ADOH also wants to ensure the proposed development will not cause undue economic harm on the existing rental stock in the market area.

In its review of supply and demand, the Market Study must focus on the type of low-income housing development being proposed (i.e., elderly, large family, populations with special housing needs) as well as the income and rent levels proposed for the project. The Market Study must demonstrate strong demand for the type of low-income housing project proposed, as evidenced by growth of income qualified renter households in the market area, relatively low vacancy rates, comparable rent levels, and strong absorption rates at comparable properties in the market area. The Market Analyst is required to solicit the opinion of those knowledgeable of the housing submarket in the community where the proposed development is located. These experts include, but not limited to appropriate government officials (housing, planning, or economic development), local experts (i.e. brokers, developers, chambers of commerce), and colleges or universities. The opinions of these experts must be recorded in the Market Study. The Applicant must provide these officials a copy of the Market Study as soon as it is available. The table below provides contact information for housing departments for Arizona communities of population of 100,000 or more:

City of Phoenix	(602) 262-6291
City of Tucson	(520) 791-4171
City of Mesa	(480) 644-2168
City of Glendale	(623) 930-3671
City of Scottsdale	(480) 312-4304
City of Tempe	(480) 350-2912
City of Chandler	(480) 782-3200
Town of Gilbert	(480) 503-6893
Town of Peoria	(623) 773-7167

In addition, the local government entity must submit a letter commenting on the conclusions of the Market Study and issue any disagreements it may have with the Market Study. ADOH issues a letter to the appropriate government entity requesting their response to the Market Study. ADOH shall notify the Applicant of any such disagreement so that the Market Analyst can issue a response.

All assumptions and sources of data used within the Market Study must be clearly documented. All demographic tables must include both absolute numbers and corresponding percentages (% growth or % of total). All data and information that applies to a specific area such as a primary market area, competitive market area, difficult to develop area, or a particular qualified census tract, the data and information shall clearly identify the specific area to which it applies.

Following its review of the Market Study, ADOH, in its sole discretion, may request additional market information from the Applicant, the Applicant's Market Analyst, or another Market Analyst. Additional comment from the local government before reserving Tax Credits may be required.

The following Market Study Outline establishes the minimum requirements of ADOH. Market Analysts are expected to include any additional information that may be relevant and necessary to the analysis.

Market Study Outline:

The Market Study must be prepared based on the following outline. The order and names of each section detailed in this outline must be used.

Table of Contents

- I. Introduction
 - A. Objectives of the Market Study
 - B. Qualifications of the Analyst
 - C. Certification Letter

- II. Executive Summary

- III. Proposed Project Summary
 - A. Project Description
 - B. Proposed Unit and Project Amenities

- IV. Proposed Site Analysis
 - A. Site Description
 - B. Site Access and Visibility
 - C. Proximity to Community Services
 - D. Site Photographs

- V. Market Area Analysis
 - A. Market Area Description
 - B. Market Area Map

- VI. Demographic and Economic Analysis
 - A. Population and Households
 - B. Household Income
 - C. Employment
 - D. Housing
 - E. Requirements for Projects Proposing Nonaffordable Components
 - F. Crime Analysis and Maps

- VII. Supply Analysis
 - A. Rental Housing Overview
 - B. Comparable Properties

- VIII. Capture Rate Analysis

- IX. Conclusions

- Addendums

I. Introduction

A. Objectives of the Market Study

This section provides a brief overview of the project including, but not limited to, the following items:

1. Project Name
2. Location (address/intersection and City/Town, longitude, latitude)
3. Type of project (new construction or rehab)
4. Market segment served (family, elderly, special needs)
5. Income targeting (60%, 50%, 40%, 30% AMI; public housing; market rate)
6. Number of units

Also, the entity that commissioned the Market Study must be identified including entity name, contact name, address, and phone number. This section must also explain any assumptions and limiting conditions that the Market Study is subject to.

B. Qualifications of the Analyst

This section of the study must include a one to two page summary of the analyst’s qualifications and experience in conducting market studies for income-restricted rental housing properties.

C. Certification Letter

The Market Analyst must include the Certification Letter provided as ADDENDUM 1.

II. Executive Summary

The Executive Summary must outline the most pertinent findings of each section of the Market Study. The Executive Summary should not exceed five pages. It must provide brief summaries of the proposed development, site evaluation, market area, demographic and economic trends, rental housing market, comparable market rents, capture rate analysis, and conclusions. A table detailing the characteristics of the proposed development and conclusions of the market study must be provided. The following table includes the minimum information and format required. Other information may be added.

Quick Project Details			
Location		Description	
Project Name:		Project Type:	<i>New Construction or Rehab</i>
City/Town:		Total Units:	
County:		Low Income Units:	
Address/Intersection:		Market Rate Units:	
Census Tract:		Unit Types:	
		Income Set Asides:	
		Target Population:	<i>Family, elderly, or special needs</i>
Demand, Absorption, and Occupancy			
Target Vacancy Rate:			
Projected Absorption Rate:			
Projected Lease-Up Period:			
New Households Capture Rate (Project Total):			

III. Proposed Project Summary

A. Project Description

The Market Analyst must incorporate the Project Summary Table provided as ADDENDUM 2 to describe the proposed unit mix, unit size, gross rents, utility allowances, and collected rents. In addition, the analyst must specify utility responsibility and the anticipated date of opening. A description of the number of proposed buildings, their appearance (e.g., 40% brick/60% stucco with tiled roof), number of stories, and construction type (i.e., walk-up, townhouse, high-rise with elevator) must be provided as well.

For rehabilitation projects, current rents, current and historical vacancy rates, and waiting lists must be described. A current rent roll and waitlist is required. Also, an analysis of the number of existing units occupied by residents who are expected to be income-eligible for the proposed development is required.

If the property is mixed to include retail, office or other commercial uses, describe the expected synergies and potential conflicts between and among each use. The analyst must analyze and discuss possible conflicts arising from the separate uses including but no limited to the separate parking requirements for each.

B. Proposed Unit and Project Amenities

The Market Analyst must incorporate the Amenities Table provided as ADDENDUM 3 to describe the unit and project amenities being proposed. The number and type of parking spaces proposed must be described, as is the net (heated) square footage of the community building (if proposed). The proposed rent for any optional amenities must be described.

For rehabilitation projects, a detailed list of the proposed improvements must be included as well. (This can be provided by the developer and included as an Addendum to the study.)

IV. Proposed Site Analysis

A. Site Description

The Market Analyst must personally visit the proposed site. The site location must be described using the nearest roadways (streets and/or highways). The physical features of the proposed site must be described (i.e. flat, undeveloped, agricultural, rocky, etc). Other information to be documented includes the size of the proposed site (in acres) and the census tract the site is located. The census tract of the proposed site is available from the Census Bureau at the following link.

http://factfinder.census.gov/servlet/AGSGeoAddressServlet?_programYear=50&_treeId=420&_lang=en&_sse=on

The project location must be described in terms of characteristics of the neighborhood and sub-market with respect to schools, transportation, employment centers, shopping, community services, and public facilities, just to name a few. A discussion of the current land uses of property adjacent to the proposed development must be included. The condition of surrounding land uses must be described. The positive and negative

attributes of the proposed site and surrounding neighborhood must be discussed. Also, the impact of the site and neighborhood on project marketability must be examined.

Describe site selection process and explain why this site was selected.

Include a map showing the site and important neighborhood facilities and amenities. Be sure to include a distance scale on the map (i.e. 1" = 2 miles).

B. Site Access and Visibility

The roadway(s) providing access to the proposed development must be described and the latest available traffic counts must be described. Traffic count surveys are generally readily available from a community or county. To the extent that a traffic count survey is either unavailable or does not cover the roadways adjacent to the proposed site, a statement to that effect must be made. The Market Analyst must describe the proposed site's roadway frontage (in feet) and evaluate the proposed site in terms of its visibility from the adjacent roadways. If the site is located along a secondary roadway, its proximity to the nearest major roadway must be described. The analyst must discuss any difficulties with visibility and access including (but not limited to) highways, power lines, railroad tracks, or landfills. The impact that these difficulties and any other location consideration relevant to the market and marketability of the proposed site must be evaluated.

C. Proximity to Community Services

The Market Analyst must incorporate the Proximity to Community Services Table provided as ADDENDUM 4. Distance (in miles) must be described as travel distance (i.e., calculated along dedicated roadways), not as direct distance or "as the crow flies." However, direct distance must be described for the nearest site detractors (i.e., excessive noise generators and health hazards, etc.) where appropriate. Include a map detailing the locations of the community services in relation to the proposed site. Be sure to include a distance scale on the map (i.e. 1" = 2 miles).

D. Site Photographs

Color photographs of the subject site from various vantage points must be included. Also, color photographs of adjacent properties and streetscapes must be included as well. All photographs must be described (e.g., view of the site, looking northeast from Main Street / view from the site, looking west toward the adjacent single family home).

V. Market Area Analysis

A. Market Area Description

The Market Area is the geographic area in which the subject development will compete with similar properties for residents. It is the area in which properties of the same use are affected by the same economic, demographic, and supply and demand factors. It is also the smallest geographic area from which the subject development will draw most of its residents. Primary Market Area must be a contiguous functional region with similar uses and demographic trends.

The Market Area must be justified. The Analyst must provide a narrative describing the methodology and rationale used to determine the market area. The narrative must include the names and telephone numbers of the local officials, experts, or other persons with submarket knowledge interviewed and the summaries of the salient points of those interviews of local officials who assisted in the determination of the market area. Local officials and experts include but are not limited to city or county administrators, economic

- Population by Race – 2000 Census (SF1 – Table P4)
 - Population by Age – 2000 Census, Current Year, 5-year projection (SF1 – Table P12)
 - Households by Tenure (i.e. renters vs. owners) – 2000 Census (SF1 – Table H4)
 - Households by Age of Householder – 2000 Census, Current Year, 5-year projection (SF1 – Table P21)
-
- Renter Households by Age of Householder – 2000 Census (SF1 – Table H16)
 - Renter Households by Household Size – 2000 Census (SF1 – Table H15)
- The 2000 Census data can be found using the following link.

http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_lang=en&_ts=113323938939

Market studies addressing a proposed development serving persons with disabilities must include the 2000 distribution of Noninstitutionalized Population with Disabilities by Type of Disability. This data is available from the Census 2000 Summary File 3 (SF 3), Table P41.

In addition to reporting the requested data in table format, the Market Analyst is expected to provide a narrative analysis of the data provided and its potential impact on demand for the proposed development.

B. Household Income

Distributions of Household Income within the Market Area must be provided in table format for 2000 the current year, and 5-year projection. The 2000 current estimated median household income among all households, owner households, and renter households must be described.

Distributions of Income among Renter Households must be provided in table format for 2000 current year and the anticipated year of project opening. **The Market Analyst shall project the Distribution of Income among Renter Households to the anticipated year of project opening.**

Market studies addressing a proposed development serving an age-restricted population must include Distributions of Income among Owner Households by Age, as well as Distributions of Income among Renter Households by Age. Age cohorts of 10 years must be used, when applicable and where available. The distributions can be limited to those age cohorts applicable to the proposed development (i.e., age 55+ or age 62+).

For all tables, income cohorts of no more than \$5,000 must be used, when applicable and where available. Households with income over \$50,000 can be condensed into a single cohort.

All tables must include both the numbers and correlating percentages

C. Employment

The potential demand for the proposed development is a function of the local and regional economy. The Market Analysis is required to provide an analysis of current and forecasted economic conditions and how they relate to demand for additional new rental housing.

The economy of the market area and the region surrounding the market area must be addressed with a minimum of the following information.

- Employment by industry – current year and forecast period (5 year projection)
- Total employment growth – Current year through forecast period (5 year projection).
- Unemployment rate – Current year through forecast period (5 year projection).
- Major current employers and estimated employment within 20 minute drive time (urban projects) and 45 minute drive time (rural projects).
- Average annual wages by industry – Current year through forecast period (5 year projection).
- Anticipated expansions, closures, and any new employment planned within drive times described above
- Proposed transportation improvements and detrimental changes.

The Market Analyst must provide the above information for the relevant market area if available. Otherwise, metro area or countywide figures are suggested. In the case of employment by industry, total employment and percent of total employment must be reported. For total employment growth, total employment and percentage growth must be provided.

Employment and wage data can be found from a number of sources including the Arizona Department of Economic Security and the U.S. Bureau of Labor Statistics. Use the following links for further information.

<http://www.workforce.az.gov/> or <http://www.bls.gov/>

D. Housing

In order to characterize the existing housing stock in the market area, a number of data tables from the 2000 Census are required. At a minimum, the following data should be reported in table format using both absolute numbers and percent of total. No current year estimates or projections are required. The 2000 Census table numbers are also noted.

- Units in Structure (SF3 – Table H30)
- Vacancy Status (SF3 – Table H8)
- Tenure by Year Structure Built (SF3 – Table H34)
- Tenure by Rooms (SF3 – Table H26)
- Tenure by Plumbing Facilities by Occupants per Room (SF3 – Table H22)
- Gross Rent (SF3 – Table H62)
- Gross Rent as a Percentage of Household Income (SF3 – Table H69)
- Value of Owner-Occupied Housing Units (SF3 – Table H74)

The Market Analyst must address the affordability of home ownership alternatives available to the target population within the Market Area, and its impact on the proposed rental housing development. If applicable the analyst must address the chain of substitution principle and comment on the potential impact of homeownership on Class A properties, which in turn impacts Class B and LIHTC properties.

E. Requirements for Projects Proposing Non-affordable Components

Market Studies supporting projects that propose non-affordable components such as market-rate units or mixed-use (i.e. non-residential commercial or retail) components of a project shall comply with the following:

- (1) The Market Study must clearly identify and account for the demand for the non-affordable component of a project; and,
- (2) For projects with non-affordable income producing components, the market study must reasonably address the demand for each non-affordable component and the consequences of poor market performance of the non-affordable component on demand for the affordable rental units. At a minimum a market study for a project with a mixed-use component shall include the following elements:
 - (a) A justification of the construction of the project's competitive market/trade area ("CMA") as required by this Guide for the primary market area for residential rental properties.
 - (b) A gap analysis analyzing the current supply and demand conditions within the CMA for the proposed use.
 - (c) A 5-year forecast for supply and demand factors within the CMA.
 - (d) An explanation of the optimal tenant mix for commercial space(s) based on the CMA construction analysis described in paragraph 7(l)(ix)(2)(a).
 - (e) An analysis and explanation of achievable rents and any competitive advantage offered by the project.
 - (f) Estimated vacancy rates with best case, worst case, and expected scenarios.
 - (g) Estimated lease up time frames with best case, worst case, and expected scenarios.
 - (h) An explanation of the suitability of the proposed mixed use for the project as a whole, i.e., demonstration that the proposed use is complementary and synergistic with other uses or components of the project.
 - (i) An explanation and analysis of ingress/egress (both pedestrian and vehicular) and parking needs for the total project.
 - (j) An explanation of other functional constraints such as commercial delivery, trash disposal, odor control, ventilation, and other constraints reasonably contemplated by the proposed project.
 - (k) Evidence of any pre-leasing interest in the property.

F. Crime Analysis and Maps

In conjunction with crime information analysis and communications with knowledgeable local market participants (Section V Market Area Description), the analyst is expected to provide ADOH with a commentary and analysis on neighborhood crime trends and perceptions integrating all pertinent information.

Include a map of the Primary Market Area showing property and violent crime for the most recent period, as well as a map showing crime data for the prior 12 months. Describe if there are any special enforcement zones or concentration efforts on behalf of law enforcement within or adjacent to the PMA.

If the controlling jurisdiction does not provide mapping, the analyst can provide the most recent data and the prior year data for violent and property crime statistics in tabular form.

VII. Supply Analysis

A. Rental Housing Overview

The Market Analyst must conduct a large enough survey of the existing rental stock within the market area to provide an accurate overview of the entire rental housing market. In addition to market rate properties, this survey must include all Tax Credit (9%) and Bond (4%) developments.

The following information must be provided at a minimum. If certain information is not available, provide as much information as possible. In addition to tables, the Market Analyst must include a narrative summarizing the overall condition of the rental housing market with the market area.

Following is a breakdown of data and information required (to the extent it is available).

Historical and Current Rental Inventory

- Current rental inventory in the market area for market rate and Tax Credit/Bond units (separately) detailing number of units by unit type, average gross rents by unit type (adjusted for utilities), average unit sizes by unit type, and vacancy rates
- Historical & current vacancy rates and new units constructed for the entire rental market
- Historical & current vacancy rates and new units constructed for Tax Credit and Bond developments
- Historical & current vacancy rates for Government Subsidized developments (if applicable)
- Seasonality of market
- List of LIHTC and Bond developments including number of units, income set asides, current vacancy rates, and year built
- Provide a map showing the locations of the LIHTC and Bond developments in the market area

Current Rents & Concessions

- Current gross rents for comparable and competitive projects in the market area. This must include all Tax Credit and Bond projects as well as any market rate properties offering rents effectively equal to those proposed rents at the subject property.
- Discuss trends in rent increases/decreases during the most recent years – compare and contrast to vacancy trends.
- Discuss initial and renewal concession trends at competitive properties.
- Evaluate how and to what extent (if any) rents are overstated due to concessions or other factors
- Provide information on historical, current, and projected monthly rent concessions, if offered

Absorption and Waiting Lists

- Absorption experience of recently-completed market rate projects
- Absorption experience of recently-completed Tax Credit and Bond developments
- Waiting list of existing developments considered most comparable to the proposed development.
- Wait lists used as evidence of demand must be submitted and have been recently updated; waitlists not updated within the past 3 months shall be considered stale and unreliable.
- This can include income-appropriate waiting lists from local housing authorities.

Properties Under Construction or Planned

- Identify all Tax Credit and Bond properties in the market area that are either under construction or planned. If there are no developments in the planning stages or under construction, a statement to that effect must be provided.
- Identify any market rate developments either under construction or planned that have rents similar to those offered by the subject property
- Provide a map showing the locations of all LIHTC and Bond properties either under construction or planned
- For each project under construction or planned, provide information such as unit types offered, unit sizes, average rents, estimated completion date, and the extent of any lease-up activity (if available)

Lists of Tax Credit and Bond properties already completed and currently under development can be found at the following links.

http://azcms.housingaz.com/uploads/RENTAL%20APPLICATIONS/LIHTC/Tax_Credit_Projects_1987_Current.pdf

http://azcms.housingaz.com/azcms/uploads/RENTAL%20APPLICATIONSMF_Bond_Revenue_Applications_List.pdf

B. Comparable Properties

The Market Analyst is required to identify those properties that are considered comparable to and will compete directly with the proposed development. Comparable market information shall be drawn from properties that are located in and are, as much as reasonably possible, fairly evenly distributed throughout the primary market area. This requirement shall be strictly construed. Comparable properties are those developments with similar financing, developments serving the same target population, developments offering similar amenity packages, and/or developments offering similar rents. This analysis is intended to illustrate the projects competitive position with respect to other housing choices within the PMA. These include Tax Credit and Bond properties as well as market rate complexes (if applicable).

Proposed rents and unit sizes at the subject property must be compared to those offered at the comparable properties in the market area. The following information is required in table format.

1. Compare subject property to Tax Credit and Bond properties including a breakdown by unit type, unit size, current concessions, and current rent.
2. Compare subject property to comparable market rate properties including a breakdown by unit type, unit size, current concessions, and current rent.
3. If the proposed project includes any 3 bedroom or larger units the analyst must survey the PMA and identify all single family rental units available for rent during the survey period. The analyst must quantify the number of rentals found and describe the quality, asking rents and amenity levels of these properties. If asking rents for single family properties are within \$100 of any concession adjusted rent used as a rent comparable, the single family units must be included in the competitive supply analysis section of the market study. Properties with 80% or more subsidized units/tenants (project based rents, HUD, RD) are NOT to be used as comparables to LIHTC/Bond projects unless a waiver is submitted documenting why their inclusion is warranted.
4. For projects located in rural areas, the analyst must evaluate the potential for mobile homes to be considered competitive supply. Following is a sample table

that may be used for each unit type. The analyst can create a single consolidated table or create a separate table for market properties and subsidized properties.

Comparable Property	# of Units	Unit Size	Rent per month	Rent per sf	Concessions per month	Net Rent per month	Net Rent per sf
1 Bedroom							
Sample Property #1	50	650	\$715	\$1.10	\$50	\$665	\$1.02
Sample Property #2	75	850	\$723	\$0.85	\$100	\$623	\$0.73
Totals / Averages	125	770	\$720	\$0.93	\$80	\$640	\$0.83
Subject Property	35	625	\$521	\$0.83	\$0	\$521	\$0.83
% difference from Comparables		-18.8%	-27.6%	-10.8%		-18.5%	0.4%

The following information must be provided in a one-page summary sheet for each Comparable Property (if available).

1. Color photograph of a residential building representative of the entire development
2. Name, address, telephone number of the development
3. Contact person, date of contact, and mode of contact (i.e., in-person or by telephone)
4. Year of opening and year of significant renovation (if applicable)
5. Amenities (both unit- and project-related), including parking provisions
6. Source of heat, water heating, and cooking (i.e., electric, natural gas, propane, etc.)
7. Utility responsibility (i.e., tenant-paid or owner-paid)
8. Number of units distributed by structure type (e.g., townhouse, garden-style, etc.) and unit type (i.e., number of bedrooms and baths within the unit)
9. Net (heated) square footage of units
10. Collected rents and estimated gross rents. (Gross rent is derived by adding the estimated cost of tenant-paid utilities to the collected rent. The applicable Utility Allowance Worksheet must be the source of the utility cost estimates.)
11. Vacancy rates by unit type
12. Program participation (e.g., HUD Section 8, RD Section 515, Tax Credit, etc.), if applicable
13. Tenant profile (e.g., family, elderly, persons with special needs, etc.)
14. Waiting lists
15. Turnover rate
16. Absorption rate (if the property is less than 3 years of age)
17. Distance from the subject property. The distance from the subject property (in miles) must be described as travel distance (i.e., calculated along dedicated roadways), not as direct distance or "as the crow flies."

For comparable developments in the planning or construction stages, provide as much of the required information (described on the preceding page) as is available, and include the development's estimated date of market entry.

VIII. Capture Rate Analysis

The Market Analyst must describe the appropriate income range for each percent of Area Median Income (AMI) election at the proposed development.

For income-restricted Family Units, the minimum income must be based on the assumption that the household will apply up to 40% of their gross income towards their total housing expense. The maximum income must be based on the assumption that population per household will equal the number of bedrooms plus one (1). For example, the population of an efficiency unit is assumed to be 1 (i.e., zero bedrooms plus 1 equals 1), and the population of a three-bedroom unit is assumed to be 4 (i.e., 3 bedrooms plus 1 equals 4).

For income-restricted Senior Units, the minimum income must be based on the assumption that the household will apply up to 45% of their gross income towards their total housing expense. The maximum income must be based on the assumption that just one person will occupy all senior units, regardless of the number of bedrooms within the unit. The Senior Capture Rate Analysis must focus on the targeted age group (i.e., age 55+, or in the case of federally subsidized units - age 62+). Up to 10% of the age- and income-appropriate homeowners within the Market Area may be included in the Senior Capture Rate analysis. (Homeowners are not to be included in the Family Capture Rate Analysis.)

For market-rate units, the Market Analyst must make some reasonable determination of a maximum income level beyond which a household will not likely be a participant in the rental market. The Market Analyst must clearly explain the assumptions used in determining the appropriate income range for the proposed market rate units. For units with project-based rental assistance, the appropriate income range can extend down to \$0.

In summarizing the Capture Rate Analysis, the Market Analyst is required to use the appropriate table provided in ADDENDUM 5. There is one table for family projects and one table for senior projects. Each of these tables includes two sections: Gross Households Capture Rate and Net New Households Capture Rate. Completion of these two sections is required.

In addition to the components of demand identified on the capture rate tables, the Market Analyst is required to account for two other factors. The number of comparable low income and market rate units (if applicable) in the market area that must be absorbed to reduce the vacancy rate to normalized conditions must be determined. The Market Analyst is required to assume that normalized vacancy is no more than 8%. The second factor that must be considered is comparable low income and market rate units either under construction or planned in the market area. Also, for all Rehab projects, the estimated number of existing residents that will be income-eligible and will likely remain at the property must be subtracted from the analysis.

If the Market Analyst believes there are other sources of demand not included in the Capture Rate tables, they may be considered if the Market Analyst can justify the reason. Any additional sources of demand shall be calculated separately and be easily added or subtracted from the Capture Rate tables. If more than 50% of the project's total net new household demand is found to be contingent upon demand from: substandard, overcrowded or units lacking complete plumbing the maximum allowable rent shall be 20% below market rents.

Furthermore, if the proposed project's PMA includes 3 or more existing or approved and/or under construction LIHTC/Bond projects, and the 50% threshold above is triggered, ADOH may consider the PMA to be at an elevated risk of saturation and for cannibalism. Accordingly, ADOH may reject the capture rate outright or significantly adjust these figures. Therefore, in these circumstances the analyst has an additional burden of proof and must include relevant documentation showing recent cases in comparable market(s) where this demand actually materialized at or near the amounts forecasted without adversely affecting existing stock.

The Market Analyst must provide a narrative of what the capture rate means for the proposed development and market area. If the number of proposed units exceeds growth,

the Market Analyst must provide additional documentation of demand that does not include cannibalization of existing affordable projects.

IX. Conclusions

The Market Analyst must summarize the proposed development's strengths and weaknesses in terms of the market area's rental housing market and target population. The Market Analyst must state his/her professional opinion regarding the proposed development's feasibility from a market perspective and what effect the proposed development would have on the existing market. Also, the Market Analyst must indicate any other information believed to be important to overall rental demand in the market area including comments on the appropriateness of the unit mix and proposed rents.

The Market Analyst must project an absorption rate (units per month), lease-up period (in months), and stabilized vacancy rate for the proposed development. The Market Analyst is required to properly justify the projected absorption rate, lease-up period, and stabilized vacancy rate for the proposed development. If the anticipated absorption rate causes the proposed development's initial absorption period to extend beyond one year, "replacement absorption" (i.e., the need to re-rent vacated units due to tenant turnover) needs to be factored into the Market Analyst's projection. (The subject property's absorption period is considered to start as soon as its first unit is certified for occupancy.)

For acquisition/rehabilitation projects, the Market Analyst must estimate the anticipated number of existing (program-eligible) residents who will elect to remain at the property through its renovation. With respect to the anticipated absorption period of renovation projects, the Market Analyst must describe the projection in two ways: 1) using the anticipated retention level and 2) using the assumption that no residents remain at the property.

If an unusually slow absorption rate and/or unusually low stabilized occupancy rate is anticipated, the Market Analyst must indicate if it is due more so to market-related issues or product-related issues. The Market Analyst is encouraged to make recommendations as to how the proposed development could be better structured to succeed within the market.

The Market Analyst must evaluate the impact the proposed development on the occupancy rates of all income-restricted properties within the Market Area. This evaluation must result in a table noting each income-restricted rental housing property, its current vacancy rate, and anticipated vacancy rate at the subject property's projected date of stabilized occupancy.

A list of all ADOH-Tax Credit funded rental housing properties (existing and under development), are available for review at the following sites:

http://azcms.housingaz.com/uploads/RENTAL%20APPLICATIONS/LIHTC/Tax_Credit_Projects_1987_Current.pdf

ADDENDUM 1 – Certification Letter

Arizona Department of Housing Market Study Certification

The undersigned, a recognized firm of independent market analysts knowledgeable and experienced in the development of affordable rental properties, completed this Market Study of _____

(Development Name) in _____ (Community Name), Arizona for _____

(Developer/Applicant name).

To the best of our knowledge, all data contained in this report is correct to the extent that the local, State of Arizona, and federal recording agencies and demographic suppliers accurately record and publish this data. All projections were based on current professionally accepted methodology, and that we have primarily followed the ADOH Market Study Guidelines. If ADOH Market Study Guidelines have not been followed, then the analyst followed NCAHMA model.

The market analyst has no financial interest in the proposed project or in any other matters involving the Developer or Applicant, or their principals. The relationship of the market analyst is limited to that of an independent market analyst. The fee assessed for the study was not contingent on the proposed development or application being approved by the Arizona Department of Housing.

The market analyst made a physical inspection of the market area, reviewed all relevant data, conducted personal interviews with local apartment managers, government officials, local real estate professionals, and service providers, and independently established the conclusions for this report.

By: _____
(Market Analyst Company)

By: _____
(Authorized Representative)

Title: _____

Date: _____

NOTIFICATION OF CONFIDENTIALITY AND DECLARATION OF PROPRIETARY RIGHT TO MARKET DEMAND STUDY

The attached market demand study is submitted to the Arizona Department of Housing (“the Department”) in support of the application to the Department and undersigned hereby notifies the Department as follows:

- 1) That applicant provides the attached market demand study to the Department solely for the Department’s use in evaluating and considering the related application and for use in determining the relative market demand for affordable housing in Arizona.
- 2) That although the Department shall retain custody of the attached market demand study, the study remains the property of the applicant and/or the analyst and shall be considered confidential, proprietary information of the applicant and/or the analyst for a period of no more than two years after the date of its submittal to the Department.
- 3) The applicant and/or the analyst further notify the Department that either one or both of them intend to treat the market demand study as a confidential proprietary document and shall not release the market demand study to third parties without taking reasonable and necessary steps to protect and preserve the confidential and proprietary nature of the document.
- 4) In the event that either one or both of the undersigned determine, within the two-year confidentiality period, to abandon or waive the proprietary right to the market demand study, the Department shall be notified accordingly.
- 5) The applicant and the preparing analyst understand that a market demand study submitted without executing this notification shall be considered by the Department to be records subject to public disclosure pursuant to A.R.S. Title 39, Chapter 1, Article 2.
- 6) The undersigned has legal authority to bind its principal.

For the Applicant:

By: _____

Name: _____

Title: _____

For the Analyst:

By: _____

Name: _____

Title: _____

ADDENDUM 2 – Project Summary Table

UNIT TYPE	PERCENT OF AREA MEDIAN INCOME	NUMBER OF UNITS	NET SQUARE FEET	MAXIMUM ALLOWABLE GROSS RENT	RENTS AT OPENING*		
					GROSS	UTILITY ALLOWANCE	COLLECTED
EFFICIENCY/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
ONE-BEDROOM/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TWO-BEDROOM/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TWO-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
THREE-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
FOUR-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TOTAL							

* _____ 200_

MKT: Market Rate

N/A: Not Applicable

ADDENDUM 3 – Proposed Amenities

UNIT AMENITIES	PROJECT AMENITIES
RANGE	ON-SITE MANAGEMENT
REFRIGERATOR	COMMUNITY BUILDING/ROOM*
DISHWASHER	
DISPOSAL	LAUNDRY
WASHER & DRYER	RESIDENT BUSINESS CENTER
WASHER/DRYER HOOKUPS	DAY CARE CENTER
CARPETING	EXERCISE ROOM
WINDOW COVERINGS	SWIMMING POOL
PATIO/BALCONY	PLAYGROUND
BASEMENT	TENNIS COURT
CARPORT	BASKETBALL COURT
GARAGE	RAQUETBALL COURT
INTERCOM SYSTEM	WALKING TRAIL
SECURITY SYSTEM	LAKE
OTHER:	OTHER:

* The community building/room has _____ square feet of heated space.

ADDENDUM 4 – Community Services and Site Area Detractions

COMMUNITY SERVICES	NAME	TRAVEL DISTANCE* FROM SITE (IN MILES)
MAJOR HIGHWAY(S)		
PUBLIC BUS STOP		
MAJOR EMPLOYERS / EMPLOYMENT CENTERS		
CONVENIENCE STORE		
GROCERY		
DISCOUNT DEPARTMENT STORE		
SHOPPING CENTER / MALL		
SCHOOLS: ELEMENTARY MIDDLE / JUNIOR HIGH HIGH		
HOSPITAL		
POLICE		
FIRE		
POST OFFICE		
BANK		
SENIOR CENTER		
RECREATIONAL FACILITIES		
OTHER		

*CALCULATED ALONG DEDICATED ROADWAYS

SITE AREA DETRACTIONS	DIRECT DISTANCE° FROM SITE (IN MILES)
ACTIVE RAILROADS	
FREEWAYS	
NATURAL WASH AREAS	
HIGH TENSION POWER LINES	
LANDFILL / GARBAGE DUMP	
OIL / CHEMICAL REFINERY	
POWER PLANT	
OTHER	

°DIRECT DISTANCE IS "AS THE CROW FLIES"

ADDENDUM 5 – Capture Rate Analysis

FAMILY CAPTURE RATE ANALYSIS						
	30% AMI	40% AMI	50% AMI	60% AMI	MARKET RATE	TOTAL PROJECT
Appropriate Income Range	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__
<u>Gross Households Capture Rate</u>						
Number of Renter Households in Current Year (20XX)						
<i>Add:</i> Number of renter households expected to be added to the market by project opening (20XX)						
<i>Equals:</i> Number of renter households at project opening						
<i>Multiply:</i> Percentage of renter households who are income eligible						
<i>Equals:</i> Number of income eligible renter households at project opening						
<i>Equals:</i> Number of age and income eligible renter households at project opening						
<i>Divide:</i> Number of units being proposed at each income range						
<i>Equals:</i> Gross Household Capture Rate						
<u>Net (New) Household Capture Rate</u>						
Number of renter households expected to be added to the market area between the current year and project opening (20XX)						
<i>Multiply:</i> Percentage of renter households who are income eligible						
<i>Equals:</i> Number of income eligible renter households expected to be added to the market area between the current year and project opening						
<i>Subtract:</i> Number of currently excess vacant units at comparable properties in the market area						
<i>Subtract:</i> Number of competitive units that are either under construction or planned in the market area						
<i>Subtract:</i> Number of existing residents that are income eligible and will likely remain at the property (REHAB Only)						
<i>Equals:</i> Net new renter households expected to be added to the market area between the current year and project opening						
<i>Divide:</i> Number of units being proposed at each income range						
<i>Equals:</i> Net (New) Household Capture Rate						

SENIOR CAPTURE RATE ANALYSIS						
	30% AMI	40% AMI	50% AMI	60% AMI	MARKET RATE	TOTAL PROJECT
Appropriate Income Range	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__	\$__ to \$__
Gross Households Capture Rate						
Number of Renter Households Age __+ in Current Year (20XX)						
<i>Add:</i> Number of renter households Age __+ expected to be added to the market by project opening (20XX)						
<i>Equals:</i> Number of renter households age __+ at project opening						
<i>Multiply:</i> Percentage of renter households age __+ who are income eligible						
<i>Equals:</i> Number of income eligible renter households at project opening						
<i>Add:</i> 10% of the age and income eligible homeowners						
<i>Equals:</i> Number of age and income eligible renter households at project opening						
<i>Divide:</i> Number of units being proposed at each income range						
<i>Equals:</i> Gross Household Capture Rate						
Net (New) Household Capture Rate						
Number of renter households expected to be added to the market area between the current year and project opening (20XX)						
<i>Multiply:</i> Percentage of renter households who are income eligible						
<i>Equals:</i> Number of income eligible renter households expected to be added to the market area between the current year and project opening						
<i>Subtract:</i> Number of currently excess vacant units at comparable properties in the market area						
<i>Subtract:</i> Number of competitive units that are either under construction or planned in the market area						
<i>Subtract:</i> Number of existing residents that are income eligible and will likely remain at the property (REHAB Only)						
<i>Equals:</i> Net new renter households expected to be added to the market area between the current year and project opening						
<i>Divide:</i> Number of units being proposed at each income range						
<i>Equals:</i> Net (New) Household Capture Rate						



Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Special Needs

REGARDING FUNDING SOURCES: American Recovery and Reinvestment Act of 2009
(ARRA)

INFORMATION BULLETIN No 11-09

Issued: April 22, 2009

RE: SUBSTANTIAL AMENDMENT TO THE CONSOLIDATED PLAN 2008 ACTION PLAN
FOR THE HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM
(HPRP)

The Arizona Department of Housing is making available for public review and comment the agency's **Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)** developed in compliance with the federal regulations (24 CFR, PART 91). The document describes the methods of distribution, and geographic funding objectives for the HPRP program for which Arizona Department of Housing is grantee. The amended plan will be available on the ADOH website beginning April 22, 2009.

COMMENT PERIOD

Written comments on the amended plan will be accepted from April 22, 2009, ending at 5:00 p.m. on May 4, 2009.

Written comments on the plan are encouraged and may be emailed to:
mark.ludwig@azhousing.gov

Arizona Department of Housing
1110 W. Washington Avenue, Suite 310
Phoenix, AZ 85007
Telephone (602) 771-1000 Facsimile (602) 771-1002 TDY (602) 771-1001
www.azhousing.gov

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Grantees eligible to receive funds under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) are required to complete a substantial amendment to their Consolidated Plan 2008 Action Plan. This form sets forth the required format for this substantial amendment. A completed form is due to HUD within 60 days of the publication of the HUD HPRP notice.

To aid grantees in meeting this submission deadline, the HPRP Notice reduces the requirement for a 30-day public comment period to no less than 12 calendar days for this substantial amendment. With this exception, HPRP grantees are required to follow their Consolidated Plan's citizen participation process, including consultation with the Continuum of Care (CoC) in the appropriate jurisdiction(s). Grantees are also required to coordinate HPRP activities with the CoC's strategies for homeless prevention and ending homelessness. To maximize transparency, HUD strongly recommends that each grantee post its substantial amendment materials on the grantee's official website as the materials are developed.

A complete submission contains the following three documents:

- 1) A signed and dated SF-424,
- 2) A completed form HUD-40119 (this form), and
- 3) Signed and dated General Consolidated Plan and HPRP certifications.

For additional information regarding the HPRP program, visit the HUD Homelessness Resource Exchange (www.hudhre.info). This site will be regularly updated to include HPRP resources developed by HUD and its technical assistance providers.

The information collection requirements contained in this application have been submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Information is submitted in accordance with the regulatory authority contained in each program rule. The information will be used to rate applications, determine eligibility, and establish grant amounts.

Public reporting burden for this collection of information is estimated to be 16 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. To the extent that any information collected is of a confidential nature, there will be compliance with Privacy Act requirements. However, the substantial amendment to the Consolidated Plan 2008 Action Plan does not request the submission of such information.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

A. General Information

Grantee Name	
Name of Entity or Department Administering Funds	Arizona Department of Housing
HPRP Contact Person (person to answer questions about this amendment and HPRP)	Mark Ludwig
Title	Special Needs Programs Administrator
Address Line 1	1110 W. Washington Suite 310
Address Line 2	
City, State, Zip Code	Phoenix, Arizona, 85007
Telephone	(602) 771-1024
Fax	(602) 771-1002
Email Address	mark.ludwig@azhousing.gov
Authorized Official (if different from Contact Person)	Donald E. Cardon
Title	Director
Address Line 1	1110 W. Washington Suite 310
Address Line 2	
City, State, Zip Code	Phoenix, Arizona, 85007
Telephone	(602) 771-1007
Fax	(602) 771-1002
Email Address	Don.cardon@azhousing.gov
Web Address where this Form is Posted	www.azhousing.gov

Amount Grantee is Eligible to Receive*	\$ 7,033,520
Amount Grantee is Requesting	\$ 7,033,520

*Amounts are available at <http://www.hud.gov/recovery/homelesspreventrecov.xls>

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

B. Citizen Participation and Public Comment

1. Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment (limit 250 words).

Response:

A copy of the HPRP Substantial Draft Amendment will be posted on the Arizona Department of Housing (ADOH) website www.azhousing.gov on April 22nd 2009. The draft is available for public comment and review until May 4th.

A copy is available for review at Arizona Department of Housing. Please email comments to mark.ludwig@azhousing.gov

2. Provide the appropriate response regarding this substantial amendment by checking one of the following options: TBD

- Grantee did not receive public comments.
- Grantee received and accepted all public comments.
- Grantee received public comments and did not accept one or more of the comments.

3. Provide a summary of the public comments regarding this substantial amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

Response: TBD

C. Distribution and Administration of Funds

Reminder: The HPRP grant will be made by means of a grant agreement executed by HUD and the grantee. The three-year deadline to expend funds begins when HUD signs the grant agreement. Grantees should ensure that sufficient planning is in place to begin to expend funds shortly after grant agreement.

1. Check the process(es) that the grantee plans to use to select subgrantees. Note that a subgrantee is defined as the organization to which the grantee provides HPRP funds.

- Competitive Process
- Formula Allocation
- Other (Specify: _____)

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

2. Briefly describe the process(es) indicated in question 1 above (limit 250 words).

Response:

Utilizing a formula based allocation that breaks funding down by County for the non-entitlement parts of the State that is based on Population, Poverty, Unemployment and Homelessness numbers.

Maricopa and Pima Counties and the entitlement cities within those areas will have a separate plan published by the appropriate unit of government. **This plan is focused on the 13 rural non-entitlement counties.**

3. Briefly describe the process the grantee plans to use, once HUD signs the grant agreement, to allocate funds available to subgrantees by September 30, 2009, as required by the HPRP Notice (limit 250 words).

Response:

The Arizona Department of Housing has in place through a prior Request for Proposal a program called Eviction Prevention Emergency Homeless (EPEH). The EPEH program is allocated by County to Community Action Agencies (CAA's) or agencies that specialize in prevention services. We will collaborate with existing contractors utilizing new contracts to ensure timely availability of funds.

4. Describe the grantee's plan for ensuring the effective and timely use of HPRP grant funds on eligible activities, as outlined in the HPRP Notice. Include a description of how the grantee plans to oversee and monitor the administration and use of its own HPRP funds, as well as those used by its subgrantees (limit 500 words).

Response:

The HPRP program will utilize the existing infrastructure that already is in place allowing flexibility within the local rural continua to address the types of eligible activities that are most needed for that area.

ADOH as grantee will monitor monthly expenditures through desk review and approval of monthly expenditures on an ADOH payment request form. Reports will be generated monthly comparing assistance totals from HMIS to the monthly payment request form received from the subgrantees assuring all entries are accounted for in HMIS. Monthly review of subgrantees and overall HPRP expenditures will ensure funds are being used in a timely manner.

The grantee will also provide technical assistance to subgrantee as necessary. A minimum of one onsite-monitoring visit will occur once every two years. Monitoring visits include review of client files for proper documentation for all eligible services received as well as fiscal review.

Additional training as necessary for HMIS will be provided onsite with the sub-grantee.

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

D. Collaboration

1. Briefly describe how the grantee plans to collaborate with the local agencies that can serve similar target populations, which received funds under the American Recovery and Reinvestment Act of 2009 from other Federal agencies, including the U.S. Departments of Education, Health and Human Services, Homeland Security, and Labor (limit 250 words).

Response:

Subgrantees will provide updates about the HPRP funds at the local rural Continuum of Care meetings, updates will include numbers served and types of assistance provided. They will also discuss eligibility for services, application process, documentation needed, etc.. at the meetings. Subgrantees will also be required to work with local shelters and other service agencies as a referral source or potential case management provider. This is a very important program and subgrantees collaboration with homeless providers and other services providers will be watched closely.

2. Briefly describe how the grantee plans to collaborate with appropriate Continuum(s) of Care and mainstream resources regarding HPRP activities (limit 250 words).

Response:

ADOH is the chair of the Arizona Balance of State (rural) Continuum of Care; we attend the majority of the local meetings and have a very productive relationship with the providers. Use of HPRP fund will be a standing agenda item on each local continuum agenda.

The ADOH Director and the Department of Economic Security (DES) Director co-chair the Interagency Community Council on Homelessness, which has members from many State Agencies. DES is an important partner who provides many of the necessary mainstream services. We have and will continue to work with DES and other State partners to address barriers in accessing mainstream services.

3. Briefly describe how HPRP grant funds for financial assistance and housing relocation/stabilization services will be used in a manner that is consistent with the grantee's Consolidated Plan (limit 250 words).

Response:

HPRP funds will expand the amounts of financial assistance and stabilization services that are and have been part of the consolidated plan for years. Homeless Prevention through rental assistance and other housing costs as well as proper case management services is a focus of our current EPEH program identified in the Consolidated Plan. Prevention has been especially important in rural parts of the State where there are fewer shelter resources.

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

E. Estimated Budget Summary

HUD requires the grantee to complete the following table so that participants in the citizen participation process may see the grantee’s preliminary estimated amounts for various HPRP activities. Enter the estimated budget amounts for each activity in the appropriate column and row. The grantee will be required to report actual amounts in subsequent reporting.

HPRP Estimated Budget Summary			
	Homelessness Prevention	Rapid Re-housing	Total Amount Budgeted
Financial Assistance ¹	\$ 3,461,611	\$ 1,198,663	\$ 4,660,274
Housing Relocation and Stabilization Services ²	\$ 1,197,834	\$ 798,762	\$ 1,996,596
Subtotal (add previous two rows)	\$ 4,659,445	\$ 1,997,425	\$ 6,656,870

Data Collection and Evaluation ³	\$ 25,000
Administration (up to 5% of allocation)	\$351,650
Total HPRP Amount Budgeted⁴	\$7,033,520

¹Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

²Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

³Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

⁴This amount must match the amount entered in the cell on the table in Section A titled “Amount Grantee is Requesting.”

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

F. Authorized Signature

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)

Signature/Authorized Official

Date

Title

DRAFT



Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Development

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit (LIHTC), HOME

INFORMATION BULLETIN NO. 12-09

Issued: April 29, 2009

**RE: HOUSING DEPARTMENT SCHEDULES LOW INCOME HOUSING TAX
CREDIT PROGRAM QUALIFIED ALLOCATION PLAN PUBLIC HEARING**

The Arizona Department of Housing has announced the final Public Hearing regarding the 2009 Qualified Allocation Plan (QAP). The QAP is the document, which must be approved by the Governor, that sets forth the method, criteria, preferences and priorities that will be used by the Department of Housing to select the projects that receive tax credits in 2009 through the Low Income Housing Tax Credit Program, a program of the Internal Revenue Service that is administered by the State.

**Thursday, May 21, 2009
10:00 am – 12:00 pm**

Carnegie Center
Arizona State Library, Archives & Public Records
Library Development Division
1101 West Washington – Main Floor
Phoenix, AZ 85007

Parking at Carnegie Center is available along Jefferson and Washington Streets or in the Arizona Department of Environmental Quality parking garage on the northwest corner of 10th Avenue and Washington.

A draft of the QAP is available at the Arizona Department of Housing website, www.azhousing.gov. Persons needing special accommodations may contact Joy Johnson at (602) 771-1000.

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www.azhousing.gov



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Community Development & Revitalization

REGARDING FUNDING SOURCES: Community Development Block Grant
(CDBG) Program

INFORMATION BULLETIN No. 13-09

ISSUED: May 6, 2009

RE: CDBG Allocation by COG Region in Compliance with Fifth Program
Year Annual Action Plan FY 2008-2009

In compliance with the State of Arizona Consolidated Plan, FY 2005-2009, the state must include a description of its methods of distributing funds to local governments to carry out activities using funds expected to be received during the program year under the formula allocations. For the Federal Funding Year 2009, the COG allocation is as follows:

CDBG Allocation by COG Region	2009 Allocation Amount	2009 Allocation Share
NACOG	\$ 2,243,094	22.7183060%
WACOG	\$ 2,891,378	29.2842030%
CAAG	\$ 2,408,431	24.3928530%
SEAGO	\$ 2,330,606	23.6046380%
Total Allocation to Rural COGs	\$ 9,873,509	

CONTACT: Kathy Blodgett
Community Development and Revitalization Programs Administrator
(602) 771-1000
Kathy.Blodgett@azhousing.gov

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Arizona Department of Housing 2009 Information Bulletin

**REGARDING PROGRAMS: Community Development Block Grant (CDBG)
REGARDING FUNDING SOURCES: CDBG**

INFORMATION BULLETIN No. 14-09

ISSUED: June 4, 2009

RE: CDBG Administration Handbook Revisions

The Arizona Department of Housing (the Department) has revised the CDBG Administration Handbook issued in January 2009 to better align with the Department's Funding Agreement and provide consistency across programs.

- Page 49 of the CDBG Administration Handbook has been revised to state that requests for contract amendments must be submitted in writing at least 30 days prior to the Funding Agreement expiration date.
- Page 143 has been revised to state that the closeout report is due no later than 60 days after either the Funding Agreement expires or all funds have been expended.

Revised pages 49 and 143 are both attached to this e-bulletin. The complete CDBG Administration Handbook is also available at our website, www.azhousing.gov.



Arizona Department of Housing

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www.azhousing.gov



3. The introduction of new funds into a project, i.e., HOME, bank financing, etc. (Submit Form 1-R and a revised Budget and Scope of Work as applicable)

Typically introducing new funds in a project will allow the scope of work to be expanded which will require either a CLC or amendment depending upon the extent of the change.

4. Changes in project team. For example, if a City Engineer is replaced by a contracted engineer (Submit 1-R with and the details of new who and what is changing).

Examples of When a CLC is Required

- Community A decides to contract with a COG for grant administration instead of using grantee staff as initially proposed in the application.
- Community B determines that it is necessary to hire an architect/engineer instead of using in house staff as initially proposed in the application.
- Scope of work is reduced as a result of bids coming in higher than expected.

Amendment

A substantial change to an activity invokes public participation requirements and a request to ADOH for a contract amendment. **Requests for an amendment must be submitted in writing at least 30 days prior to the contract expiration date.** ADOH will respond within twenty (20) business days. ADOH will evaluate whether to allow contract amendments on a case-by-case basis. **Only two contract amendments will be allowed for each contract.** An amendment is required if any of the following types of substantial change occur:

1. The purpose of the activity changes.
2. The location of the activity changes.
3. An activity is added, deleted or altered by 50% or such that it becomes a different activity.
4. The beneficiary of an activity changes.
5. An extension to the Schedule of Completion is requested.
6. Funds moved from one activity to another changing either activity amount by more than 50% at one time or cumulatively (through several changes).

If an amendment is not approved by ADOH for the above circumstances the alternative result may be de-obligation of funds, recapture of funds or contract termination.

Local Government approval is required for all amendments except those that extend the term of the contract. The meeting of the local governing body during which the amendment is approved meets the public hearing requirement.

CHAPTER 7. CLOSEOUT REPORTS

Introduction to Closeout Reports

The CDBG Program's Closeout system establishes procedures to ensure that all applicable administrative actions and projects within each contract have been completed by the grantee and approved by CDBG, and that the National Objective for each activity has been met.

HUD requires that a Closeout system include procedures relating to: termination and suspension of a contract; submittal of reports; refunds; settlements and adjustments of funds; contract audits; and accounting for all property acquired with CDBG funds.

WHEN TO CLOSEOUT

The Closeout report is due no later than 60 days after either the contract terminates/expires or all CDBG and leverage funds have been expended. A grantee cannot submit a signed Closeout Report (CO) until all CDBG funds have been received and disbursed.

Zero Balance

A Closeout Due Memo will be sent to the grantee when ADOH approves the final RFP causing the project budget to result in a zero balance.

De-obligated Funds

With submittal of the final RFP, any remaining funds are to be de-obligated; the grantee must also submit a Form 1-R signed by the Chief Elected Official or other person authorized by the CD-1, indicating such. ADOH will then send a CO Due Memo.

Contract Termination/Expiration

If the contract has terminated, the grantee will receive a CO Due memo within 30 days of termination. The grantee must request any of the remaining funds, receive and disburse such funds, and complete the CO by the due date stated in the memo. Funds requested too close to the due date or not disbursed by the grantee within that time period may be disallowed.

Contract Termination for Cause or Convenience

If the contract is terminated by ADOH for either cause or convenience, it will send a CO Due Memo after appropriate notification to the grantee.



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: CDBG

REGARDING FUNDING SOURCES: American Recovery and Reinvestment Act of 2009 – CDBG-R Program

INFORMATION BULLETIN No. 15-09

ISSUED: June 5, 2009

RE: Substantial Amendment to the FY2008 Action Plan - DRAFT

The Arizona Department of Housing is making available for public review and comment a draft of the agency's **CDBG-R Substantial Amendment to the FY2008 Action Plan** developed in compliance with the federal regulations under Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-05) . The document describes the proposed uses for the CDBG Recovery grant program funds. Further Information regarding Title XII of Division A of the American Recovery and Reinvestment Act (Recovery Act) can be found at:

http://portal.hud.gov/pls/portal/docs/PAGE/RECOVERY/PROGRAMS/CDBG_FORMULA_RESOURCES/CDBG-R-0504.PDF

The Draft is attached to this Information Bulletin and will be available on the ADOH web site, www.azhousing.gov, beginning June 5, 2009.

The Recovery Act (Public Law 111-005) was approved on February 17, 2009 and appropriates \$1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. The grant program under Title XII is referred to as the CDBG Recovery Program or CDBG-R. All of the elements of ADOH's approved 2004-2009 Consolidated Plan and FY2008 Action Plan are incorporated into this Substantial Amendment. The purpose of the Recovery Act's is to "stimulate the economy thru measures that modernize our Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care." HUD is urging grantees to use their CDBG-R funding for the hard development costs involved with projects or activities that provide basic infrastructure services to residents or for rehabilitation or retrofitting projects or activities that improve energy efficiency in existing residences or buildings. In addition there are specific projects or activities which may not be funded with CDBG-R which are swimming pools, golf courses, zoos, aquariums, casinos

or other gambling establishments and other projects or activities generally prohibited under the regular CDBG Program regulations.

In order to expedite distribution of the CDBG-R formula allocations, HUD has waived the requirement that grantees follow their citizen participation plan and has shortened the public comment period to seven (7) calendar days. HUD has also waived the requirement at 42 U.S.C. 5306(d)(2)(C)(I)(iv) and 24 CFR 91.110 to the extent necessary to eliminate the requirement that State grantees must consult with units of local government in determining the expected use of CDBG-R funds. HUD has required that grantees publish the substantial amendment to the grantee's official website.

The Arizona Department of Housing will receive \$3,199,456 in CDBG-R funds that constitute a supplemental formula allocation of FY 2008 CDBG funding. ADOH must give priority to projects that will be obligated within 120 days of HUD approval of this plan. In determining how ADOH would proceed with CDBG-R funding, the Department reviewed previously submitted FY2008 CDBG SSP applications to find those eligible under the CDBG-R activities of infrastructure or rehabilitation. These previously submitted applications were not awarded thru SSP due to the lack of available funding. Therefore as these projects are ready to begin work immediately upon award, and as there is a HUD requirement that funds must be obligated within 120 days, ADOH determined that these applications would be presented to HUD as the proposed activities for the CDBG-R Substantial Amendment to the FY2008 Action Plan. The Draft further describes the proposed distribution by ADOH and use of these CDBG-R funds.

Written comments on the Draft are encouraged and may be forwarded to: CD&R Programs, Arizona Department of Housing, 1110 W. Washington, Suite 310, Phoenix, AZ 85007; written comments may also be emailed to cdbg-r@azhousing.gov.

Written comments on the Draft will be accepted from June 5, 2009, ending at 5:00 p.m. on June 11, 2009.

ADOH's Draft Amendment must be submitted to HUD no later than June 29, 2009.



Arizona Department of Housing

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www.housingaz.com

THE CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Arizona, Arizona Department of Housing	CDBG-R Contact Person: Katherine Blodgett, Community Development and Revitalization Programs Administrator Address: 1110 W. Washington, Suite 310 Phoenix, Arizona 85007 Telephone: (602) 771-1021 Fax: (602) 771-1029 Email: Kathy.Blodgett@azhousing.gov
Jurisdiction Web Address: <ul style="list-style-type: none">• www.azhousing.gov	

ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD’s recovery website at <http://www.hud.gov/recovery>.

Required spreadsheet is attached hereto as Attachment 1.

B-1. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program.

- (2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

Narrative:

1. Title XII, Division A and Sec. 1602:

The Arizona Department of Housing (ADOH) expects to award contracts totaling the amount of \$2,100,000 for the Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program within 120 calendar days from the date HUD makes the CDBG-R funds available. ADOH will achieve this by entering into contract with units of local government who previously submitted application for funding thru ADOH's FY2008 CDBG State Special Project competitive funding but due to limited funding availability did not receive an award. These applicants have completed their Environmental Review process and their applications have been reviewed by ADOH staff for accuracy, completeness and program eligibility. By following previously established application procedures ADOH is confident that the 120 days is more than sufficient to clear any funding conditions and execute contracts with these applicants.

2. CDBG-R and ARRA Intent:

CDBG-R funds designated for the Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program will be applied to the hard construction cost activities in the program. The activities of this program meet the intent of ARRA in the following areas:

- Preserves and/or creates construction and repair jobs in communities around the state;

- Assists low and low-moderate income households who are most impacted by the recession and therefore unable to afford the costs of utilities, repairs and overall property maintenance.
- Invests in improvements that will preserve and contribute to the long term viability of housing stock in communities around the state;
- Promotes energy efficiency and independence thru repairs and/or rehabilitation activities that incorporate green building elements in doors, windows, mechanical systems such as HVAC etc.

(3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

ADOH anticipates that the amount of CDBG-R funding dedicated to the Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program will engage in approximately 42 projects in 7 communities around the state. This equates to 6 projects per community at an average of \$50,000 per project. Each project is estimated to create or retain approximately 8 full time jobs (including 3 permanent jobs for community staff and 5 temporary jobs for project contractors) and approximately 4 part time temporary sub contractor jobs. Approximate total of FTE is 56 and approximate total of PTE is 28.

(4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

The Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program will benefit persons at or below 80% of Area Median Income and will promote energy efficiency, green building technologies and reduced emissions in the following ways:

- Require use of Low VOC paint when applicable;
- Use Energy Audits to determine where and how energy efficiency can be increased in homeowner's unit.
- Allow for replacement of water heaters to solar units.
- Allow for replacement of HVAC systems to higher efficiency Energy Star units.
- Allow for replacement of windows to dual or triple paned E-glass Energy Star windows.
- Allow for installation of additional building and/or roofing insulation.

(5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Each organization listed below will receive a contract for \$300,000 for implementation of the Owner Occupied Housing Rehabilitation and Energy Efficiency Retrofit Program.

Bullhead City Denise Filley, Grants Coordinator 2355 Trane Rd. Bullhead City, AZ 86442	City of Coolidge Jill Dusenberry, Asst. Town Manager 130 W. Central Ave. Coolidge, AZ 85228
Town of Eagar Rick Pinckard, Housing Manager P.O. Box 1300 Eagar, AZ 85925	City of Eloy Martin O’Haus, Grants Coordinator 628 N. Main Street Eloy, AZ 85231
Gila County Malissa Buzan, Housing Programs Mgr. P.O. Box 1254 Globe, AZ 85502	Mohave County Barbara Blythe, Grants Coordinator P.O. Box 7000 Kingman, AZ 86402
Yuma County Nancy Ngai, Development Services 2651 W. 16 th Street Yuma, AZ 85364	

B-2. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (6) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

San Luis Public Works Improvements

- (7) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

Narrative:

1. Title XII, Division A and Sec. 1602:

The Arizona Department of Housing (ADOH) expects to award the City of San Luis contract in the amount of \$779,511 for the San Luis Public Works Improvements project within 120 calendar days from the date HUD makes the CDBG-R funds available. ADOH will achieve this by entering into contract with the City of San Luis who previously submitted application for funding thru ADOH's FY2008 CDBG State Special Project competitive funding but due to limited funding availability did not receive an award. This applicant has completed their Environmental Review process and their application has been reviewed by ADOH staff for accuracy, completeness and program eligibility. In addition the applicant has submitted all outstanding funding conditions identified during the pre-award assessment process. By following previously established application procedures ADOH is confident that the 120 days is more than sufficient to approve the already submitted application funding conditions and execute a contract with this applicant. This project will benefit all residents of San Luis of which 70.2% are low-mod income.

2. CDBG-R and ARRA Intent:

CDBG-R funds designated for the San Luis Public Works Improvements project will be applied to the construction cost activities in project areas 3 and 4 in the City of San Luis. Improvements to be completed and project areas are defined as follows:

Area 3 : Installation of curbs, gutters and sidewalks for all streets in section three which extends from First Avenue to Fourth Avenue and from C Street to B Street.

Area 4: Paving of Alleyways between Fourth Avenue and Second Avenue and extending south from B Street. Installation of sidewalks, curbs, gutters and paving of Cesar Chavez Street. Installation of sidewalks, curbs, gutters and paving of B Street.

The activities of this program meet the intent of ARRA in the following areas:

- **Preserves and/or creates construction jobs for installation of curbs, gutters and sidewalks and paving of project area streets in San Luis, AZ;**
- **Invests in infrastructure improvements that will preserve and contribute to long term viability and economic benefit to the community;**
- **Assists those most impacted by the recession by investing in a low income community not able to raise sufficient funding from their tax base and not having access to other funding sources to be able to provide these vital improvements.**

- (8) **Jobs Created:** (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

ADOH anticipates that the amount of CDBG-R funding dedicated to the San Luis Public Works Improvements project will create or retain approximately 43 temporary full time construction jobs including the general contractor and other project contractors. Funding will also create or retain 4 permanent part time jobs for City of San Luis staff oversight of this project.

- (9) **Additional Activity Information:** (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

Although this project does not promote energy conservation or green building technologies it does address a serious need and safety issue within the City of San Luis. In addition, this project will contribute to the economic viability of the city thru improved access to businesses and residences. The streets being addressed are main streets in the central part of the city which experiences high pedestrian and vehicular traffic yet have never had curbs, gutters or sidewalks. Not only is the lack of sidewalks a serious safety hazard for residents but the lack of curbs and gutters creates additional street condition hazards during run off from occasional rains.

(10)Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Dr. Michael Trend, Community Development Director
City of San Luis
P.O. Box 1170
San Luis, AZ 85349-1170

DRAFT

B-3. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (11) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

CDBG-R Administration

- (12) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

Narrative:

ADOH has prioritized work plans and program oversight in order to comply with HUD Guidance, meet critical deadlines relative to CDBG-R funding and comply with the intent of the Recovery Act. Work includes development and public vetting of the Substantial Amendment to the PY2008 Action Plan and review of applications to be awarded CDBG-R funding to ensure expeditious implementation. Additionally, ADOH will be performing fiscal oversight and contract administration and monitoring of the awarded contracts to ensure compliance with federal regulations such as Davis Bacon, Section 3 and Fair Housing etc. All of the above activities and other related activities result in administrative costs. ADOH will dedicate 10% of its allocation or \$319,945.00 toward administrative activities.

- (13) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

ADOH anticipates that the amount of \$319,945 of the CDBG-R funding dedicated to Administration activities supports the equivalent of a quarter of 1 FTE job for ADOH staff providing continuing contract administrative and compliance oversight for CDBG-R activities. This amount equates to the 10% as allowed per section II.A.5.E of Docket No. FR-5309-N-01 Notice of Program Requirements for Community Development Block Grant Program Funding under the American Recovery and Reinvestment Act of 2009.

(14)Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

N/A

(15)Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Katherine E. Blodgett, CD&R Programs Administrator
Arizona Department of Housing
1110 W. Washington, Suite 310
Phoenix, AZ 85007

DRAFT

Attachment 1

ARIZONA DEPARTMENT OF HOUSING - STATE PROGRAM		CDBG-R Formula Grant Amount: 3,199,456		6/2/09			
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Owner Occupied Housing Rehabilitation and Energy Retrofit Program	Rehabilitation to owner occupied single family residences to also include installation of energy efficiency/green energy systems.	570.202	LMH - 570.208(a)	\$2,100,000	0	0	\$2,100,000
San Luis Public Works Improvements	Curbs, gutters, streets infrastructure improvements	570.201(c)	LMA - 570.208(a)(1)(i)	\$779,511	0	0	\$779,511
CDBG-R Administration	ADOH administration of the CDBG-R program funding.	570.206	N/A	\$319,945	0	0	\$319,945



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: RENTAL COMPLIANCE

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit Program

INFORMATION BULLETIN No. 16-09

ISSUED: June 11, 2009

**RE: CHANGE TO NATIONAL NON-METROPOLITAN
INCOME & RENT LIMITS POSTED ON MARCH 30, 2009
FOR LIHTC PROJECTS**

On March 30, 2009, ADOH issued **Information Bulletin No. 06-09** informing tax credit property owners of the release of the National Non-Metropolitan Income & Rent Limits for 2009. The purpose of this bulletin is to notify LIHTC property owners and management agents that those Income & Rent Limits have been **revised**.

Attached are the **revised 2009 Income & Rent Limits** for qualified Rural properties participating in the Low Income Housing Tax Credit (LIHTC) program. These limits are effective as of March 19, 2009.

Revised Rural Income & Rent tables have also been posted on the **Compliance & Monitoring** page of our website at www.azhousing.gov.



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ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - IMPUTED INCOMES/ALLOWABLE RENTS

6/10/09

FOR RENTS BASED ON UNIT SIZE (Number of bedrooms: Post 1989 Projects)

(All fractions are rounded down.)

(Figures derived from HUD Median Income Charts effective 3/19/09)

MSA/County	%	Imputed Income								Allowable Rents				
		(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)	0 Bdrm Rent	1 Bdrm Rent	2 Bdrm Rent	3 Bdrm Rent	4 Bdrm Rent
National	60	\$21,540	\$24,600	\$27,720	\$30,780	\$33,240	\$35,700	\$38,160	\$40,620	\$538	\$576	\$693	\$800	\$892
Non- Metro	50	\$17,950	\$20,500	\$23,100	\$25,650	\$27,700	\$29,750	\$31,800	\$33,850	\$448	\$480	\$577	\$666	\$743
(Rural)	40	\$14,360	\$16,400	\$18,480	\$20,520	\$22,160	\$23,800	\$25,440	\$27,080	\$359	\$384	\$462	\$533	\$595
	30	\$10,770	\$12,300	\$13,860	\$15,390	\$16,620	\$17,850	\$19,080	\$20,310	\$269	\$288	\$346	\$400	\$446
	20	\$7,180	\$8,200	\$9,240	\$10,260	\$11,080	\$11,900	\$12,720	\$13,540	\$179	\$192	\$231	\$266	\$297



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: RENTAL DEVELOPMENT

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit Program

INFORMATION BULLETIN No. 17-09

ISSUED: July 17, 2009

RE: 9% TAX CREDIT EXCHANGE PROGRAM NOTICE

The American Recovery and Reinvestment Act of 2009 (ARRA), allows the Arizona Department of Housing (“ADOH”, “the Department”) to elect to exchange 2007, 2008 and 40% of its 2009 per-cap credit for a cash grant from Treasury in lieu of awarding Low Income Housing Tax Credits (LIHTC).

Unlike the traditional 9% LIHTC program, ARRA imposes additional requirements on the Department which create liabilities and public expectations that do not exist within the standing program.

The award of funds under the 9% Tax Credit Exchange Program (“the Exchange Program”) will be at the Department’s discretion. The Department will underwrite these applications in a manner consistent with conventional bank underwriting. This review process varies from the traditional 9% review in several regards.

PROGRAM REQUIREMENTS

Development Team Capacity: Due to the short deadlines for expenditure of Exchange Funds, evaluation of development team financial and technical capacity is critical and will take into account all dealings with development team members. Applicants or development team members with recent or unresolved performance, compliance or financial issues, or questionable credit worthiness may not be eligible for funding. In determining the capacity of the development team, the Department may consider the financial status of commercial properties in which development team members hold and equity interest in Arizona and other states. Development team capacity includes any issues arising since the original award of tax

credits. The Department may restrict award of Exchange Program funds to project sponsors who can provide guarantees sufficient to cover the Owner's statutory recapture obligations to the Department of Treasury.

Underwriting: The Department will re-underwrite all projects requesting funding from the Exchange Program. Underwriting will be based on the capacity of the development team and the characteristics of the project. Underwriting will be more conservative because of the Department's increased participation in the direct funding of projects. Minimum debt service ratios, operating cost thresholds, project reserves, and other standards specified in the Qualified Allocation Plan (QAP), may be restricted for the purposes of qualifying a project for Exchange Program funding.

ADOH Project Involvement: As outlined in greater detail below, ongoing involvement from the Department has increased. This includes interaction during the development, construction, and lease-up periods as well as during the operational life of the project. Therefore, as a condition of award of Exchange Program funds the Department may require project sponsors to make the Department a party to any operating or management agreement for the project property with the regulatory power and authority that are usually accorded a tax credit investor for the purpose of protecting viability of the project. In addition, the Department may designate a third-party asset manager be admitted as a party to the operating agreement or designated as a special limited partner or member.

Projects that are not feasible and viable within the maximum exchange program award—calculated based on the LIHTC reservation being returned—will be rejected.

ELIGIBILITY REQUIREMENTS

Eligible Applicants: Only Applicants with a reservation of 9% Low Income Housing Tax Credits from 2007 or 2008 annual ceiling amounts are eligible to apply. Sponsors of projects that received an allocation of tax credits in the 2008 Resubmittal Allocation Round are not eligible to apply for Exchange Program funding because those projects were reserved tax credits from the 2009 tax credit ceiling amount. In order to apply for the Exchange Program, Applicant's are required to make an irrevocable offer to return and revoke their prior credit award by no later than August 7, 2009. Applications for Exchange funds must be submitted by no later than 4:00 p.m. Arizona time, August 21, 2009.

Failure to Syndicate: The Exchange Program is intended for otherwise viable projects that received a reservation of tax credits but are unable to secure an equity investor after making "good faith efforts to obtain investment commitments for such credits." The Department will require that applicants submit a narrative description of the efforts they have made to syndicate their credit awards, including documentation such as copies of correspondence, emails, and meeting notes. In general, the Department will require applicants to demonstrate that they have made commercially reasonable efforts to syndicate their credits. Applicants who, in the judgment of the Department, could sell or could have reasonably sold their credits and successfully completed the development are not eligible for Exchange Program funds. ADOH may verify efforts to secure an equity investor.

In exceptional cases and subject to funding availability, the Department may provide Exchange Program funds to projects that have an equity investor. In such cases the amount of the equity investment exceed the amount Exchange Program funding.

Eligible Recipients: Exchange Program applicants will be selected for funding based on the following eligibility criteria: a) financial and technical capacity of the development team to undertake and complete the project on time; b) satisfactory underwriting of the feasibility and viability of the project based on an updated market study, appraisal, construction schedule, and development costs; c) a determination by the Department of a project's readiness to proceed and ability to be completed within timeframes necessary for the Department to comply with federal commitment and/or expenditure deadlines.

The updated construction schedule must demonstrate that the project is "shovel ready" and capable of expending Exchange Program assistance by no later than November 30, 2010. The Department may revoke funding for Projects that do not commence construction within 90 days of notice of award of funds.

Total updated development costs should be equal to or less than the development costs submitted with the original application for tax credits. Updated development costs that are substantially greater than the costs reported in the original application for tax credits may disqualify the project from funding through the Exchange Program.

In order to receive funding under the Exchange Program, the funding recipient must be a project owner duly organized and authorized to conduct business in Arizona as provided by the applicable QAP.

Source of Funding: While the Department initially expects to fund the Exchange Program with funding from the federal Section 1602 Program, the Department specifically reserves the right to fund any application to the Exchange Program with any source of funding available. To the extent the Department determines that the project qualifies for another source of funding, such as the Neighborhood Stabilization Program or the federal Tax Credit Assistance Program, such funding may be offered to fund an application. Applicants will be required to submit additional documentation necessary to comply with the program requirements and regulations relevant to any other funding source the Department intends to use.

Maximum Funding: The Department does not intend to award funding to individual developments in excess of the cash value of credit awards returned from those projects. Although the Department of Treasury allows the Department to exchange tax credits for cash assistance at a value of \$0.85 per tax credit, cash assistance awards shall be further discounted or reduced as necessary to limit the amount of funding to an amount that is sufficient to make the project feasible based on underwriting and gap analysis. In such cases, the maximum award may be less than the cash value of the returned tax credits. In any event, Exchange Program funding cannot exceed an amount equal to 85% of the eligible basis of a qualified low-income housing project.

Ongoing Oversight and Asset Management: Projects receiving Exchange Program funds must meet all the requirements of I.R.C. § 42 and the QAP. It is important to note that ARRA specifically requires the Department to "perform asset management functions to ensure compliance with section 42 ... and the long-term viability of buildings funded by [the Section 1602 Program]." In making such a requirement, Congress established specific expectations that exceed all compliance functions previously expected of the Department as a LIHTC allocating agency.

To ensure compliance and long-term viability of a project, developments receiving assistance under the Exchange Program will be subject to a variety of oversight and asset management requirements by the Department. The Department may enforce these requirements through a third-party asset management

services provider. The requirements include, but may not be limited to: design review, construction and disbursement oversight construction and progress monitoring, and ongoing review by the Department. Oversight will be similar to those requirements imposed by private equity providers and will include submission of monthly income and expense reports, annual audits, annual budget reviews, and periodic capital needs assessments. The asset manager with the advice and consent of the Department shall have the authority to remove and replace the general partner or managing member of the project owner, the project manager and/or the developer and construction contractor in the event that the project fails to comply with program requirements or achieve performance measures.

Form of Assistance: The Department's preference is to award Exchange Program funds to a development in the form of a promissory note secured by a deed of trust, typically subordinate only to an amortizing permanent loan. Loans will be interest free and deferred during the initial 15 year compliance period. However, it is unclear at this time whether U.S. Treasury rules will permit an effective loan structure. The Department will award Exchange Program funds in a manner consistent with Federal requirements. The loan award and associated documents may include, but may not be limited to, a regulatory agreement, a deed of trust, and personal and/or corporate guarantees from the sponsor and/or underlying individual owners of the ownership entity.

In the event the Department elects to fund an application with other sources, funding will be provided in the form of a loan, and may be subject to different terms and conditions.

In consideration of an award of Exchange Program funds, the Department will require the project to waive its rights to a qualified contract.

Applicability of Affordability Requirements: Applicants for the Exchange Program will be subject to the eligibility and affordability requirements such as income targeting, extended affordability, and other factors leading to points of the Qualified Allocation Plan under which the original allocation of tax credits was made. Per unit cost ceilings and market study requirements shall also be governed by the QAP and QAP amendments applicable to the project. Developments will be required to meet or exceed the commitments made in their original applications for Low Income Housing Tax Credits under the applicable QAP. Otherwise, Applicants agree that the project must meet the additional underwriting requirements required by ADOH including but not limited to the underwriting requirements of Section 7 of the 2009 QAP.

Development Timing: In order to satisfy disbursement requirements imposed by Treasury, developments seeking funding under the Exchange Program must demonstrate to the Department's satisfaction that all E Program funds awarded to a project may be properly incurred and reimbursed by the Department prior to December 31, 2010. Any funds not disbursed by December 31, 2010, will be revoked. The Department reserves the right to impose earlier deadlines and will award funds only to projects that can demonstrate an ability to properly expend all Exchange Program funding by November 30, 2010.

Developer Fees: Developer fees will be recalculated based on revised project costs. Developer fees under the Exchange Program may not exceed the fee anticipated under the original LIHTC reservation. The Department will require that at least 40% of the developer fee be deferred and repaid through the duration of the compliance period.

Recapture: ARRA requires that an award of Exchange Program funds be recaptured in the event of noncompliance with LIHTC affordability and rent restrictions. The recapture obligation will be secured by a lien on the project, which ADOH expects will be subordinate to the project's mortgage financing. As the

U.S. Treasury provides more information about recapture obligations and requirements, ADOH will assure that these are reflected in program documents.

Recovery Act Transparency, Accountability, and Reporting Requirements: ARRA contains new and unprecedented levels of oversight, scrutiny, and reporting. Applicants should be aware that the Department is responsible for reporting on a variety of project features and outcomes including job creation and retention, development costs, projects awarded, and other reporting requirements of the ARRA. While we are working to incorporate these data features into standard reporting processes through the third-party asset manager, federal requirements are still being developed and may not be fully available when funds are initially committed to projects. As a result, Applicant's must comply with any ADOH reporting requirements established to comply with current or future, state or federal reporting requirements imposed as a result of the ARRA implementation.

Ongoing Implementation Flexibility: As with other aspects of implementing the ARRA provisions, the Department recognizes the difficult environment for affordable multifamily housing development. We will continue to be as proactive and transparent as possible in the implementation of the Exchange Program, but applicants should plan for continued changes, updates, and modifications to this and other ARRA related programs.

The Department reserves the right to make program changes and waivers as needed to ensure that the Exchange Program is quickly, efficiently, and effectively implemented and complies with all federal requirements. Developers with questions or concerns about the applicability of this program to their projects are encouraged to contact the Department to discuss the specific status of their projects.

The Department will publish updates, amendments, and/or questions and answers related to the Exchange Program in an effort to clarify remaining issues, respond to feedback, or otherwise communicate with the development community.

Fees: The Department shall require the project to cover the reasonable costs of asset management services.



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The Arizona Department of Housing 2009 Information Bulletin

INFORMATION BULLETIN No. 19-09

ISSUED: August 18, 2009

RE: ARIZONA COLLABORATIVE CLEARINGHOUSE ANNOUNCED

Arizona Department of Housing (ADOH) and Arizona State University's Stardust Center for Affordable Homes and the Family (ASU Stardust Center) are partnering to develop the *Arizona Collaborative Clearinghouse: Sustainable Homes & Communities in Arizona*. This web-based Clearinghouse will provide access to resources and documents on topics pertaining to housing affordability and sustainable communities, focusing on those relevant to Arizona communities and conditions. Our projected launch date is September 15, 2009 at the **Governor's Housing Forum** being held September 14-16th at The Buttes in Tempe. Look for us in the **Marketplace!**

We invite you to collaborate with us on this exciting project by contributing relevant documents and resources from your organization, agency or community. In addition to the material we gather from national databases, we want to include Arizona-specific material not captured in those databases, such as research reports, housing elements of general plans, local initiatives, statewide legislation, and the like. Relevant topics include:

Housing Development

- Tutorials on housing development and finance
- Single family, detached housing and subdivisions
- Multiunit (and attached) housing
- Mixed-Income or Mixed-Use Developments
- Rural & Small Town Housing
- Housing on Tribal Lands
- Public Housing and HOPE VI
- Manufactured Housing
- Employer-Assisted Housing
- Homeowner Education and Assistance
- Eviction & Foreclosure Prevention

Funding Mechanisms

- Shared equity mechanisms; Community land trusts
- Bonds
- Tax credits
- Foundations
- Industrial Development Authorities (IDAs)
- Housing trust funds
- Capital Grant Planning and Securitization
- Incentives, Fees
- Public Sources (i.e. Section 202, Section 811, Housing Choice Vouchers, FHA, S+C, SHP and others)

Housing Preservation

- Preserving Affordability & Expiring Use
- Gentrification and Rental Rehabilitation
- Homeownership Rehabilitation
- Property Management
- Historic Preservation and Adaptive Reuse

Land Use & Community Planning

- Environmental and Infrastructure Planning
- Land Development, Land Banking, Land Trusts
- Planning & Zoning
- Building Codes, Review Policies and Other Regulations
- Transportation & Parking
- Community Building & Revitalization
- Regional & Neighborhood Planning

Sustainable Development

- Smart Growth
- Energy Efficiency
- Green & Healthy Building Materials
- Water Conservation
- Transit-Oriented Design
- Green Design Elements
- Accessibility and Universal Design

Housing for Target Populations

- Housing Market Trends & Studies
- Senior Housing and Aging in Place
- Supportive Housing
- Fair Housing
- Housing for People with Disabilities, Special Needs

The material you submit should be from or about communities or conditions in Arizona, or outside the state but relevant to conditions, communities, and policies here.

We will make sure to give your organization proper credit and exposure whenever the content you contribute is displayed. The *Arizona Collaborative Clearinghouse* will have a clearly defined usage policy that recognizes your ownership rights. At this time, please send your contributions to Elif Tural (etural@asu.edu), research assistant at ASU Stardust Center.

If you have further questions or recommendations, contact Sherry Ahrentzen at the ASU Stardust Center (sherry.ahrentzen@asu.edu) or Karia Basta at ADOH (karia.basta@azhousing.gov). Once the web site is launched, there will be mechanisms to submit your material via the web site.

We are eager to make this Clearinghouse of benefit to your organization and the entire Arizona community. We are confident the Clearinghouse will provide greater and easier access to information that is vital to improving housing affordability and sustainable communities in Arizona.



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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: State Housing Fund Programs

REGARDING FUNDING SOURCES: Home Investment Partnerships Program (HOME)

INFORMATION BULLETIN No. 20-09

ISSUED: September 8, 2009

**RE: Notice of Funding Availability for State Housing Funds
Owner Occupied Housing Rehabilitation**

NOTICE OF FUNDING AVAILABILITY

The Arizona Department of Housing (the Department) is pleased to announce a Notice of Funding Availability (NOFA) for funding through the State Housing Fund (SHF), HOME Investment Partnerships Program (HOME). This NOFA is for housing rehabilitation programs for owner occupied single family dwellings. For FY2010, the Department expects to allocate approximately \$2,000,000.00 in SHF. The SHF will be allocated through one competitive funding round and the application submission deadline is January 15, 2010 at 4:00 p.m.

The Application process for SHF can be found in the SHF Program Summary and Application Guide. The guide can be downloaded from the ADOH website at: www.azhousing.gov.

GENERAL OVERVIEW

The mission of the Department is to “provide housing and community revitalization to benefit the people of Arizona”. The Owner Housing Objective for FY2010 is:

- To improve through owner-occupied housing rehabilitation programs, the quality of owner-occupied housing.

In support of this Objective, the Department will allocate HOME funds to activities that improve the condition of housing units to meet the following standards:

- State’s Rehabilitation Standards.
- Local codes, zoning and ordinances, or if no Local code exists, meet model building codes.
- Newly constructed (reconstructed) units must meet Model Energy Code and Energy Star standards.

The funding process can be found in the SHF Program Summary and Application Guide which includes information regarding:

1. Completeness review.
2. Threshold review.
3. Scoring.
4. Financial and Technical review.
5. Funding review - In some cases the Department will make a site inspection as part of the funding review.

Eligible Activities

Rehabilitation of owner-occupied housing units, including:

- Reconstruction

When the cost to rehabilitate the existing housing unit is in excess of the cost to replace the unit, then reconstruction is an eligible activity. Reconstruction is eligible to the extent that the replacement unit will be situated on the same property as the existing unit and the replacement unit is substantially the same as the existing unit, except when a larger or smaller unit is necessary to comply with property standards or local zoning, codes or ordinances. Reconstruction includes replacement of existing manufactured housing. Unit being replaced must be demolished and removed from the property receiving assistance.

- Refinancing

Refinancing existing debt that is secured by the existing housing unit is an eligible activity only if State funds loaned for rehabilitation and refinancing will result in a lower overall housing cost than would result from any other combination of loans.

For example:

A homeowner is seeking rehabilitation assistance. They have an outstanding principal balance on their first mortgage of \$30,000, at 10% interest, with a monthly payment of \$263. The cost of rehabilitation is \$15,000. The rehabilitation agency is offering a rehabilitation loan at 4% for a 20-year term, with a monthly cost to the homeowner of \$91. The monthly payments for both loans would total \$354, making participation in the rehabilitation program a financial burden for the homeowner. Using State funds to refinance the first mortgage and include the rehabilitation loan would result in a monthly payment of \$273, a lower overall housing cost.

Eligible Applicants

Eligible applicants are limited to:

- Units of local government, including cities, towns and counties.
- Tribal Governments, tribally designated housing entities, and housing authorities.
- Public Housing Authorities.
- Regional Councils of Government.
- Non-Profit Agencies, including Community Housing Development Organizations (CHDOs).

All applicants must be authorized to conduct business in Arizona.

Eligible Beneficiaries

All assisted homeowners must meet the following guidelines:

- Have an annual gross income that does not exceed 80 percent of the area median income adjusted by household size.
- The household must be income eligible at the time the rehabilitation commitment is made to the homeowner.
- Certify that they occupy the property as their principal and only residence.

Eligible Property Types

The following property types are eligible:

- Single-family (one-unit structures).
- Condominium units.
- Manufactured housing only if the unit upon completion will be:
 - located on a permanent foundation (requires certification) and is connected to permanent utility hook-ups;
 - is located on land that is held in fee-simple title, or long-term ground lease with a term of at least 99 years (50 years for tribal land);
 - meets the construction standards of 24 CFR 3280 if manufactured after June 15, 1976; or, meets applicable local and/or state codes if manufactured prior to June 15, 1976; and
 - meets all other requirements of Chapter 5 of the SHF Program Summary and Application Guide.

Maximum Applicant Funding

The maximum limit of SHF available per project is \$300,000. No single applicant will be awarded more than \$300,000 in any 12 month period from the SHF for Owner Occupied Housing Rehabilitation activities unless they can demonstrate full completion and expenditure of all projects previously awarded.

Maximum Investment Per Unit

The maximum investment per unit limit has decreased from previous years. This is largely due to the limited resources available to funds programs and an overall decrease in construction costs.

The new maximum investment for rehabilitation or refinance with rehabilitation is \$50,000 and the maximum investment per unit for full mobile home replacement is \$75,000.00.

Application and Threshold Review Criteria

The review criterion is set forth in Chapters 2 and 5 of the SHF Program Summary Application Guide available on the ADOH website at: www.azhousing.gov.

Competitive Funding Determinations

The SHF Application must meet the SHF eligibility, application review, and threshold criteria. Award of SHF is subject to the availability of the funds provided to the Department for the SHF

Program. Competitive funding criteria are utilized to make funding decisions. Only applications that meet thresholds are competitively scored. Competitive funding criteria can be found in Chapter 2 of the SHF Program Summary and Application Guide.

Funding Notification

The Department will make every effort to make its funding decisions within 90 days, depending on the number and complexity of the applications received.

Technical Assistance

The Department will not preview, comment on, or pre-judge any element of any application prior to its initial submittal. A limited amount of assistance is available regarding the interpretation of the Department's policies, the SHF Program in general, and how program requirements should be applied.

Application Submission

Submit one (1) original and one (1) copy of the completed application (total of two applications).

Applicants must complete their application packages as described under Application Format, completing all required sections and required supporting documentation, submitting one original and one copy (2 copies total). Incomplete applications, application packages missing documentation or application packages not filed in duplicate will not be accepted for review. This application package and any subsequent revisions or clarifications, if approved for funding, will become part of the agreement with the Department.

Application Format

Applications must be typewritten or computer generated. Applicants are not to revise the formatting of these forms in any way. A copy of this application is available by US Mail, on diskette, by e-mail, or at the Department's website: www.azhousing.gov.

Application material must be:

- **Bound in a 3 ring binder**
- **8 ½ x 11 format**
- **single-sided**
- **indexed and tabbed to correspond with the application checklist**

In instances where the documentation is not applicable to a project, the tab must still be included and a single sheet indicating "N/A" and a statement describing the reason(s) the item is not applicable should be included in this space. The tabulation format should not be altered in any way.

Application Deadline

Applications are due (must be in the possession of the Department) no later than 4:00 p.m. on January 15, 2010.

Applications delivered after 4:00 p.m. on the deadline date noted above will not be accepted.

Applications must be delivered to:

**Attn: State Housing Fund, CD&R Division
Arizona Department of Housing
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007**

Questions regarding Owner Occupied Housing Rehabilitation applications may be directed to Kathy Blodgett at (602) 771-1021 or Kathy.Blodgett@azhousing.gov.



Arizona Department of Housing

1110 W. Washington, Suite 310

Phoenix, AZ 85007

Telephone (602) 771-1000 Facsimile (602) 771-1002 TDY (602) 771-1001

www.housingaz.com



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: All

REGARDING FUNDING SOURCES: All

INFORMATION BULLETIN No. 21-09

ISSUED: September 11, 2009

**RE: DRAFT Federal FY2008 Consolidated Annual Performance Evaluation
Report (CAPER)**

The Arizona Department of Housing has made available on its web site a DRAFT of the Federal FY2008 Consolidated Annual Performance Evaluation Report (CAPER) for review until September 25, 2009.

The report has been posted on the Publications and Links page of the Department's web site, www.azhousing.gov.



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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Low Income Housing Tax Credit (LIHTC)

REGARDING FUNDING SOURCES: Tax Credit Assistance Program (TCAP)

INFORMATION BULLETIN No. 22-09

ISSUED: September 24, 2009

**RE: ELIGIBLE USES FOR TAX CREDIT ASSISTANCE PROGRAM (TCAP)
FUNDING**

As a follow-up to discussions between Department staff and tax credit developers at the Governor's Housing Forum last week, the Department would like to clarify that Tax Credit Assistance Program (TCAP) funds are eligible for: 1) reimbursement of project land acquisition costs; and 2) reimbursement of soft costs that are includable in eligible basis to the extent that those costs are included in the development budget.

As you contemplate closing on projects receiving TCAP funds, the Department will consider permitting payment of the 40% first-draw threshold as part of the closing process for TCAP projects that meet the criteria for and provide documentation necessary to support the first draw.

Questions should be forwarded to Randy Archuleta, Rental Programs Administrator at randy.archuleta@azhousing.gov or (602) 771-1000.



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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Community Development and Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 23-09

ISSUED: October 5, 2009

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

NOTICE OF FUNDING AVAILABILITY

For FY 2009, the Arizona Department of Housing (ADOH) expects to allocate approximately \$1.7 million in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2009 SSP funds will be distributed in one competitive funding round and the application submission deadline is February 15, 2010 at 4 p.m.

The Application Process for the SSP funding allocation is described in the CDBG Application Handbook (revised January 2009) with any additional requirements outlined in this Notice. The CDBG Application Handbook and SSP Rating Forms (the Rating Tool, Instructions for Using the Rating Tool, and the Completeness Review Form) can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>.

CHANGES FROM FY2008

There are significant changes from the FY2008 SSP application round and those changes are as follows:

- Owner Occupied Housing Rehabilitation programs will be required to demonstrate that they will incorporate energy efficiency retrofitting wherever possible. Examples of this might be:
 - Use of low VOC paint
 - Installation of additional roofing or exterior/interior wall insulation.
 - Replacement of water heater with solar unit.
 - Replacement of HVAC with high efficiency Energy Star unit.
 - Replacement of windows, with dual pane low e glass Energy Star windows.
 - Installation of Low Flow water fixtures.
 - Installation of Compact Fluorescent Light bulbs.
 - Mitigation of structural air leakage.

- The *requirement* of community participation in Smart Growth Scorecard for future SSP application rounds as highlighted in the FY2008 SSP NOFA has been rescinded. However,

communities are still encouraged to participate in the scorecard process and bonus points will be awarded to those communities who demonstrate they have completed their Smart Growth Scorecard.

- There were insufficient colonias eligible applications received during the FY 2009 regional application rounds in June and July to meet the HUD required 10% set aside. Therefore as stated in the State's FY2004-2009 Consolidated Plan and the Fifth Program Year Action Plan colonias eligible projects will receive priority funding consideration in the FY2009 SSP Application round.

STATE SPECIAL PROJECTS INFORMATION

Eligible Applicants

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

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

Eligible Activities

Any eligible CDBG activity (excluding equipment purchases) can be undertaken with State Special Projects (SSP) Account. Please see Section 6 of the CDBG Application Handbook, page 67. The Department has established through the Consolidated Planning and Annual Action Plan process priority activities which include housing rehabilitation, increased access to safe drinking water, proper disposal of household wastewater, access to community services in local facilities and economic development.

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

Eligible activities should be ready to begin implementation within 30 days of funding, and must anticipate completion within the self-determined and approved contract timeframe, generally not to exceed 24 months.

Threshold Issues and Application Requirements

To qualify for funding under this notice, applicants *must* submit the following items *in addition to all elements required by Section 6 of the CDBG Application Handbook (Rev. January 2009)*. Applications that are not complete and do not contain the following items will be rejected.

For all applications:

- Environmental Review Record: both new and re-evaluation requests must be reviewed and approved by ADOH prior to submittal of an SSP Application.
 - All applications must include the project specific E-13 Authority to Use Grant Funds issued by ADOH.
 - For Environmental Review Records subject to re-evaluation, ADOH will issue a written notification of approval. Applications must include a copy of this notification of approved re-evaluation as well as a copy of the original E-13.
 - *Please see the ADOH Environmental Review Handbook available on our website at <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>.*
- Applicant must submit detailed cost estimates for both administrative and project funding.
- Applicant must submit budgets that have been carefully considered to maximize the potential of CDBG funds.

- Applicant must provide data showing the poverty level in the community or target area by census tract.
- Applicant must submit extensive public participation information, *including* ads, postings, P2 and P4 affidavits, Council meeting minutes and a list of all projects discussed.
- Applicant must provide documentation that the application project meets a priority activity as established in the State's FY 2004-2009 Consolidated Plan and Fifth Year Annual Action Plan.

For new construction of housing:

- Applicant must provide proof that the proposed developer has developed at least one successful and similar project.
- Applicant must submit evidence that the applicant or the proposed developer currently has site control.
- Applicant must submit a description of the planning and design for the project, along with detailed architectural drawings and floor plans.
- Applicant must provide copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by either an Architect or Contractor.

For owner-occupied housing or rental rehabilitation:

- Applicant must provide a certified copy of wait list of *income qualified* homeowners/tenants to support need.
- Applicant must submit a letter certifying that initial inspections have been performed and work orders and specifications are being drafted for all houses/rental units to be rehabilitated.
- Applicant must submit a copy of the community's Housing Rehab Guidelines (HRGs) **AND** a copy of the ADOH document approving the HRGs.
- HRGs must incorporate energy efficiency retrofitting policies and procedures.
- Applicant must submit evidence that the community's HRGs have been adopted by its governing body via a resolution or meeting minutes.
- If Rental Rehab: applicant must include documented evidence the landlord has site control.
- If Rental Rehab: applicant must submit a copy of the agreement between the landlord and the local government to rent a certain percentage of units to L/M income households (rental rehabilitation only).

For homeownership assistance:

- Applicant must submit a list of income-qualified applicants to support need.
- Applicant must submit a copy of their homeownership assistance guidelines **AND** a copy of the ADOH document approving the guidelines.
- Applicant must submit evidence that their home ownership assistance guidelines have been adopted by their governing body via resolution or meeting minutes.

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

- Applicant must submit complete construction plans with detailed drawings of the final product.
- Applicant must submit documentation demonstrating that the applicant owns the land in question with no restrictive agreements attached to the land. If commercial rehab, a deed must be included to demonstrate that the assisted business owns the property.

- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by an Architect, Engineer or Contractor.

For public works:

- Applicant must submit complete construction plans and specifications approved by the local government.
- Applicant must submit a list of qualified bidders selected for solicitation and statement certifying that the local government will select vendors through a competitive procurement process compliant with CDBG guidelines.
- Applicant must submit final engineering design drawings, signed and certified.
- For Infrastructure projects: Applicant must submit evidence that the community has site control.
- Applicant must provide copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by an Architect, Engineer or Contractor.

For public services/planning activities:

- Applicant must submit a comprehensive scope of work.
- Applicant must include information qualifying the agency to conduct or provide the public service (or develop the plan), or if the service provision is to be bid out, a list of qualified consultants.
- Applicant must submit a copy of the ADOH letter of approval for submission of a public service or planning activity application.
- If public service: applicant must provide evidence that the assisted service is either new or will increase the current service provided by at least 25%.

Economic Development Assistance

- Applicant must submit a list of qualified business owners to be assisted.
- Applicant must provide letters from the assisted businesses agreeing to create or retain jobs and comply with CDBG requirements for economic development activities.
- Applicant must provide evidence that the activities proposed are financially feasible.
- If infrastructure/construction project: cost estimates have been certified by an Architect, Engineer or Contractor.

Public Participation

ADOH encourages each community to combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings. *All documented evidence of Public Participation process where the project for this SSP application was selected must be submitted.* Please refer to the CDBG Application Handbook at: <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are scored. Scored applications will be kept on file for one year and the next highest scoring applications will be funded if funding becomes available through recapture or de-obligated CDBG funds.

The goals of the rating system are as follows:

- Ensure fairness in competition for the grants;

- Increase the objectivity of the reviews; and
- Provide grantees with more information on how to write a competitive application.

The application rating system places additional emphasis on: targeting the most impoverished areas and low-moderate income communities; determining the need for the activity; past performance of the applicant and/or administrating agency; and cost effectiveness of the project.

The SSP Rating Tool along with instructions for using the rating tool and a completeness review form can be obtained from the ADOH website at:

<http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16> .

Please review the rating tool, completeness form, and the CDBG Grant Application Review Forms (pp. 183-210 of the CDBG Application Handbook) to ensure that your application has supplied all relevant information under each criterion and may obtain the maximum points available to your type of project.

Selection Notification

ADOH anticipates notifying all applicants within 90 days of application deadline as to whether they will be funded or not. Applicants approved for funding should be prepared to initiate projects within 30 days of notification.

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

Maximum Grant Amount

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

Contract Terms

Contract time frames will not be restricted. Contracts entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. In general projects should be complete within 24 months. The successful applicant must return contract documents with Mayor's/Board Chair's signature within 30 days of their receipt. Contracts not returned within the specified time period will be terminated and funds will be reassigned to the next community.

APPLICATION TIMELINE

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

Application Handbook release:	January, 2009
NOFA release:	October 5, 2009
Application Deadline:	February 15, 2010, 4:00 p.m.

APPLICATION SUBMITTAL

All communities/counties eligible to receive funding from the State CDBG program are eligible to apply for SSP funds. Each community/county is encouraged to submit an application for **one** project.

Applicants must submit one original and one copy of the application. The entire application (both original and copy) must be two-hole punched at the top and secured by a clasp. **DO NOT** submit applications in binders.

Applications must be received by ADOH no later than **Monday, February 15, 2010 by 4:00 p.m.** Applications will be considered received if one of the following indicates a date and time no later than the application due date:

- Fed Ex, UPS, etc. delivery documents; and
- Department staff documentation of receipt.

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

Arizona Department of Housing
Attn: CDBG Application SSP Account
1110 W. Washington, Suite 310
Phoenix, AZ 85007

Arizona Department of Housing
1110 W. Washington, Suite 310
Phoenix, AZ 85007
Telephone (602) 771-1000 Facsimile (602) 771-1002 TDY (602) 771-1001
www.azhousing.gov



The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Rehabilitation

REGARDING FUNDING SOURCES: Neighborhood Stabilization Program (NSP)

INFORMATION BULLETIN No. 24-09

ISSUED: October 7, 2009

**RE: Notice of Funding Availability (NOFA) for Redevelopment of
Multi-Family Rental Housing**

Arizona Department of Housing is announcing the availability of funding for redevelopment of foreclosed multi-family rental housing projects. Funding is from the Neighborhood Stabilization Program (NSP) authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008. The foreclosed developments must be vacant and/or blighted and serve persons at or below the 50% area median income.

Applications may be mailed or hand delivered and must be received by the Arizona Department of Housing no later than 4:00 pm on Tuesday, December 15, 2009. Applications received after 4:00 pm will not be accepted.

The NOFA and score sheet to be inserted in the application as Exhibit 3 are available for download on the ADOH web site, www.azhousing.gov/HousingPartners/RentalDevelopment. The actual application for the NSP multi-family NOFA will be posted to the website no later than Friday, October 23, 2009.

Questions should be forwarded to Randy Archuleta, Rental Programs Administrator, at randy.archuleta@azhousing.gov or (602) 771-1000.



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Phoenix, AZ 85007

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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Development

REGARDING FUNDING SOURCES: Low Income Housing Tax Credit Program

INFORMATION BULLETIN No. 25-09

ISSUED: October 16, 2009

**RE: SCHEDULED FOCUS GROUP AND PUBLIC HEARING DATES FOR 2010
QUALIFIED ALLOCATION PLAN**

As we begin to draft the **2010 Qualified Allocation Plan (QAP)**, the Arizona Department of Housing has scheduled these opportunities for you to provide suggestions, comments and feedback. The QAP is used to administer the federal Low-Income Housing Tax Credit Program in Arizona.

The first draft of the 2010 report is scheduled to be posted to the Department's web site, www.azhousing.gov, for public review on October 30. The first draft will include comments gathered by ADOH during the first part of October. ADOH will then hold two focus group sessions to discuss revisions to the QAP and solicit feedback on the changes.

>>SCHEDULE FOR THE UPCOMING FOCUS GROUP SESSIONS

Tuesday, November 10, 2009 | 1:00 – 3:00 pm
Carnegie Center, Main Floor
1101 W. Washington
Phoenix, AZ 85007

Friday, November 13, 2009 | 1:00 – 3:00 pm
Tucson Community Service Center
320 N. Commerce Park Loop
Sentinel Building - Sabino/Rillito Room
Tucson, AZ 85745

A revised draft, including comments gathered from the focus group sessions, will be posted to the web site by November 23. Public Hearing information is below.

>>PUBLIC HEARING

Wednesday, December 9, 2009 | 1:00 – 3:00 pm
Carnegie Center, Main Floor
1101 W. Washington
Phoenix, AZ 85007

INFORMATION: Marla Charlesworth (602) 771-1030 marla.charlesworth@azhousing.gov

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The Arizona Department of Housing 2009 Information Bulletin

REGARDING PROGRAMS: Rental Rehabilitation

REGARDING FUNDING SOURCES: Neighborhood Stabilization Program (NSP)

INFORMATION BULLETIN No. 26-09

ISSUED: October 26, 2009

RE: Application Now Available for Neighborhood Stabilization Program (NSP) Notice of Funding Availability (NOFA) for Redevelopment of Foreclosed Multi-Family Rental Housing Projects

In Information Bulletin No. 24-09, ADOH announced the availability of funding for redevelopment of foreclosed multi-family rental housing projects. Funding is from the Neighborhood Stabilization Program (NSP) authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008. The foreclosed developments must be vacant and/or blighted and serve persons at or below the 50% area median income.

The Application form is now posted on the ADOH web site at this [link](#). The NOFA is also available for download on the ADOH web site.

Applications are due no later than 4:00 pm on Tuesday, December 15, 2009. Applications received after 4:00 pm will not be accepted.

Questions should be forwarded to Randy Archuleta, Rental Programs Administrator, at randy.archuleta@azhousing.gov or (602) 771-1000.



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