



Arizona
Department
of Housing

State of Arizona Recovery Housing Program (RHP)

Application Workshop
Thursday November 18, 2021

AGENDA



Arizona
Department
of Housing

- RHP Overview
- Definitions
- Application Thresholds & Requirements



Recovery Housing Program Overview

- \$1,494,271 in combined FY2020 and FY2021 funds
 - Grant for new construction, acquisition and/or rehabilitation
 - No operating funds
 - May be only source of development phase funding
 - Open to nonprofit projects in Arizona Balance of State (outside Maricopa & Pima counties) until April 25, 2022
 - First-come, first-served
- HUD Program authorized by the Support for Patients and Communities (SUPPORT) Act
 - Falls under umbrella of Community Development Block Grant (CDBG) program
 - Occupants must be primarily low-income (less than 50% AMI)
 - Poverty level, CDBG presumed benefit and AHCCCS eligible/enrolled presumed eligible
 - Cross-cutting regulations apply



Definitions

- Recovery Housing

- Voluntary
- Safe
- Substance-free
- Temporary
 - Up to 24 months
- Non-treatment setting
- Wrap-around services
 - On-site or through local services connections
- Not less than 4 beds
- May be non-congregate or individual units

- Substance Use Disorder

- Problematic pattern of substance use that leads to a significant impairment or distress over a period of time
- Symptoms include:
 - Tolerance, craving, inability to control use
 - Continued use despite
 - Adverse consequences
 - Interference with life obligations or social functioning



Definitions

- ▶ Individual/Person in Recovery:
 1. Is abstaining from use of alcohol, illicit drugs, and non-prescribed medications, and making informed healthy choices that support physical and emotional well-being.
 2. Has a stable and safe place to live (with RHP assistance).
 3. Is engaging in meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors.
 4. Is working towards independence, and securing the income and resources necessary to participate in society.
 5. Is engaging in relationships and social networks that provide support.



Accessing the Application Forms & Instructions

- ▶ Forms are found at <https://housing.az.gov/documents-links/forms/community-revitalization>
 - ▶ Forms are found on the CDBG page
- ▶ Scroll down to RECOVERY HOUSING PROGRAM (RHP)
- ▶ Instructions are included in the NOFA
- ▶ RHP Application is a Microsoft Excel workbook

RECOVERY HOUSING PROGRAM (RHP)

[FY2020 and FY2021 Recovery Housing Program NOFA](#) 



[RHP Application](#)




[RHP Applicant Certifications](#)

[RHP Disclosure Report](#)

Application Forms



	A	B	C	D	E	F	G	H	I	J
1	RECOVERY HOUSING PROGRAM APPLICATION		 Arizona Department of Housing							
2										
3	CHECKLIST									
4										
5	<i>Complete all green shaded cells.</i>									
6										
7		Applicant Name								
8										
9	<i>Upload the following documents to the application portal. <u>Do not mail</u> the originals to ADOH.</i>	Attached as page #								
	RHP Application Tabs 1 through 9, with all green-									

1 Checklist | 2 Cover page | 3 Timeline | 4 Project&Site | 5 Cross-Cutting Regulations | 6 Project Team&Capacity | 7 Project Program Description | 8 Development Budget | 9 Operating Budget



Application Thresholds

- ▶ Complete application with all attachments
- ▶ Applicant is nonprofit organization
 - ▶ Certificate of good standing – AZ Corporation Commission
 - ▶ 501c3 or 501c4 status
 - ▶ DUNS number and SAM registration
- ▶ Timeliness
 - ▶ Ready to begin within 30 days
 - ▶ Site control or site control within 180 days
 - ▶ Environmental review completed
 - ▶ RROF or FONSI/RROF ready for publication within 90 days
 - ▶ Expends RHP funds quickly
 - ▶ 30% by 9/30/2022
 - ▶ 100% by 12/31/2025



Site Requirements & Thresholds

- ▶ Deed or purchase contract/option
 - ▶ Generally subject only to environmental clearance and receipt of RHP funds
 - ▶ Purchase price based on independent appraisal
- ▶ Title report or commitment
 - ▶ No factors negatively impacting feasibility or viability
- ▶ Verification of zoning
 - ▶ Variance or use permit acceptable
- ▶ Written approval of tribal jurisdiction



Regulatory Requirements & Thresholds

- ▶ Meets cross-cutting regulatory requirements
 - ▶ Demonstrated in budget, timeline and attachments
 - ▶ Part 58 Environmental Review
 - ▶ Uniform Relocation & Real Property Acquisition Act (URA)
 - ▶ Federal Labor Standards, including Davis-Bacon & Related Acts
 - ▶ One-for-one replacement if demolition or change in use
 - ▶ 2 CFR 200
 - ▶ Costs are allowable, reasonable and allocable
 - ▶ Organization financial records, financial management system & audits
 - ▶ Section 3 employment and business opportunities



Capacity & Demand Thresholds

- ▶ Project team members with development and operating experience and capacity
 - ▶ Using federal funds for construction, acquisition and/or rehab
 - ▶ Providing appropriate services to individuals in recovery
 - ▶ Project organization chart
- ▶ Evidences demand for project



Project Demand Analysis

- ▶ Primary service area
 - ▶ Define size, location, and boundaries
 - ▶ Provide rationale for determining
- ▶ Depth and breadth of demand for recovery housing
 - ▶ Primary data – interviews, surveys, waiting lists, client lists, other information from or about potential occupants
- ▶ Existing supply of recovery housing in primary service area
 - ▶ Occupancy rates
 - ▶ Waiting lists
 - ▶ Program fees and/or rents
 - ▶ Services provided
 - ▶ Affordability to low-income persons
- ▶ Conclusions



Project Requirements & Thresholds

- ▶ Sufficient RHP and other funding to complete for occupancy
- ▶ Sufficient non-RHP resources for ongoing operating
 - ▶ At least 5 years from date of completion
 - ▶ Restricted occupancy
 - ▶ Individuals with a substance use disorder who are low-moderate income, CDBG presumed benefit, below poverty level, and/or AHCCCS eligible/enrolled
 - ▶ Participant/occupant fees and any limitations on participation are not cost prohibitive for low-income people
 - ▶ Cannot benefit moderate-income to exclusion of low income



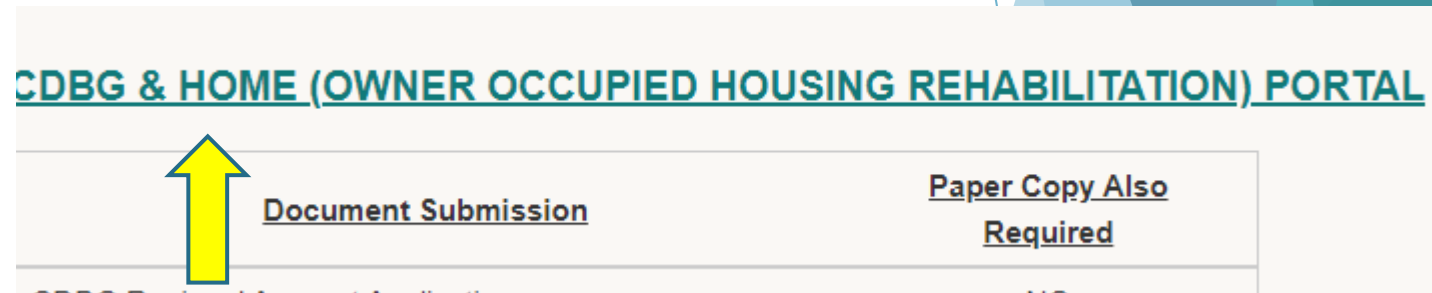
Project Feasibility and Viability Underwriting

- ▶ Feasibility – will be completed for occupancy
 - ▶ Gap analysis = RHP funds necessary to complete construction, acquisition and/or rehabilitation
 - ▶ May charge up to 10% of total development costs for developer fee
 - ▶ May capitalize six-month operating reserve
 - ▶ Participant fees less than:
 - ▶ Low-HOME rent for unit size if each unit includes both kitchen and bathroom facilities (non-congregate) OR
 - ▶ Low-HOME rent for efficiency unit if each unit does not include both kitchen and bathroom facilities (congregate)
 - ▶ 10% vacancy rate unless higher or lower supported by project size and location
 - ▶ Viability – will remain available for occupancy for not less than 5 years
 - ▶ Fees and funding support operating costs
 - ▶ Staffing levels and coverage hours are reasonable and appropriate for project size



Submitting the Application

- Go the ADOH Home Page <https://housing.az.gov/>
- Hover over the portals link and click on the ADOH Document Upload Portals
- Scroll down to and click on the CDBG & HOME (Owner Occupied Housing Rehabilitation) Portal (green text)



Have Questions or Need
Technical Assistance?



- Today's slides will be posted on ADOH website
- Contact:
 - Kathy Blodgett, CD&R Administrator
 - Kathy.Blodgett@azhousing.gov