

State of Arizona

2020-2024 Consolidated Plan



Arizona
Department
of Housing

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Executive Summary

ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

The Consolidated Plan is required every five years by the U.S. Department of Housing and Urban Development (HUD) for jurisdictions that receive a direct allocation of HUD formula funds from the HUD Office of Community Planning and Development (CPD). CPD formula funds received by the State of Arizona include the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and National Housing Trust Fund (NHTF) programs administered by the Arizona Department of Housing (ADOH), and the Emergency Solutions Grant (ESG) program administered by the Arizona Department of Economic Security (DES). The ADOH will also receive \$804,000 for the Recovery Housing Program. This program is a pilot program that provides resources to help people recovering from a substance use disorder to be stably housed.

The ADOH is the State agency responsible for developing the Consolidated Plan. This Consolidated Plan determines priorities, establishes strategic goals, and allocates resources for the HUD CPD programs administered by the ADOH and DES for the 5-year period beginning July 1, 2020 and ending June 30, 2024.

The primary purpose of HUD programs administered by the ADOH and DES is to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment and expanded economic opportunities for low-and-moderate income people, households and communities. The Consolidated Plan focuses resources on households at various income levels including: 1) extremely low-income households that have income at or below 30% of the area median income (AMI); 2) very low-income households that have income 31%-50% of AMI; and 3) low-and moderate-income households that have income 51-80% of AMI.

The ADOH vision is a state where individual lives are impacted by the department's commitment to providing the opportunity for people to live the life they love in their own home. The ADOH administers programs for housing partners who apply to the department for funding with the underlying premise that safe, decent, affordable housing and healthy communities are the cornerstone of a rich, vibrant and clean environment that stimulates economic growth and provides the stability necessary for Arizonans to pursue their dreams.

The ADES works with families, community organizations, advocates and state and federal partners to realize our collective vision that every child, adult, and family in Arizona will be safe and economically secure. The ADES Homeless Coordination Office supports statewide efforts to provide community-based services for individuals and families experiencing homelessness.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The objectives of the Consolidated Plan are based on a housing market analysis, needs assessment, and stakeholder and citizen input. To address infrastructure, facility, housing and services needs with HUD CPD resources, the State established goals and objectives to address needs in seven categories:

1. Community Facilities and Improvements.
2. Public Services.
3. Decent Affordable Housing.
4. Homelessness.
5. Housing and Services for People with HIV/AIDS.
6. Program Administration.

3. Evaluation of past performance

The State made significant progress towards and exceeded many of its goals to address the priority needs identified in its 2015-2019 Consolidated Plan. Specifically, ADOH exceeded its goals to 1) assist new homebuyers, 2) invest in community facilities and infrastructure, 3) clear and demolish substandard units, 4) construct or rehabilitate rental housing, 5) affirmatively further fair housing and address impediments to fair housing choice, 6) provide housing and services for people experiencing homeless, people with HIV/AIDS, and other special populations, 7) rehabilitate owner-occupied housing units, and 8) increase housing accessibility for people with disabilities. Limited capacity in some rural areas remains a barrier for economic development projects that create jobs or rehabilitate business buildings.

4. Summary of citizen participation process and consultation process

The State of Arizona conducted two public meetings to solicit input into Consolidated Plan needs and priorities from both stakeholders and residents. One meeting was held in conjunction with the ADOH annual Housing Forum and the second in conjunction with a State Continuum of Care meeting; 50 individuals attended the meetings.

An online survey was conducted to identify priorities and solicit input into needs and priorities. The surveys were marketed to the ADOH mailing list and mailing list contacts were asked to post the survey to their website and take other marketing efforts in their service areas. Flyers with a QR code were posted at the ADOH annual Housing Forum to further encourage participation. The survey was available in both English and Spanish from July 18, 2019 to September 19, 2019; 84 survey responses were received.

Twenty-five phone and in-person interviews were conducted. Interviewees included representation from 12 of the 13 counties in nonmetro Arizona and a cross-section of community members, stakeholders from the private housing industry, community organizations and government departments. Interviewees were asked about barriers to housing choice and opportunity, and the impact of those barriers on protected classes and low-and-moderate income people; the connection of housing problems with employment, education, transportation,

environmental hazards, crime, and health; and actions that the State could take to address barriers and increase housing choice.

A public hearing was conducted during the public comment period. The public hearing focused on five-year priorities and goals, annual goals, and the State's methods of distribution for Consolidated Plan resources. Public hearing slides were also made available on the ADOH website.

The draft 5-year Consolidated Plan and Annual Action Plan were made available to the public for a thirty-day public comment period beginning March 16, 2020 and ending April 16, 2020. Public hearing notices and a summary of the 5-year Consolidated Plan and Annual Action Plan were posted on the ADOH website and advertised in five newspapers 7 days prior to the meetings. Notices were also sent by email to the ADOH email list, and posted on the ADOH website.

5. Summary of public comments

A full spectrum of needs and priorities were discussed in the public meetings, interviews, and the public hearing, including: affordable housing, homelessness, special needs populations, infrastructure, community facilities, economic development, public services, technical assistance and capacity building, and program delivery.

Prevalent affordable housing comments included: the rising cost of housing, particularly the need for affordable rental housing for extremely-low income households, vulnerable populations, seniors and families; owner housing rehabilitation; disability-accessibility improvements; and first-time homebuyer assistance.

Prevalent homelessness comments included: the need for rural emergency shelter, site-based transitional housing, supportive services, homelessness prevention, and permanent supportive housing; the growing population of seniors experiencing homelessness and challenges housing them through the Coordinated Entry model; the limited supply of rental housing affordable to extremely-low income households; and challenges with documentation, and credit and income requirements necessary to secure rental housing.

Among special needs populations, the housing and services needs of youth, people with disabilities, seniors, people with health and mental health conditions, and low-income families with children were the most prevalent discussions.

The most prevalent comments regarding facilities and infrastructure included: dental, health and mental health services and facilities; water, sewer, and flood-control infrastructure; and community clean-up and revitalization.

Technical assistance and capacity building comments focused on: increasing the capacity of nonprofit organizations to utilize HUD CPD funds for services and projects in rural communities; increasing the capacity of local government organizations to work with affordable housing developers to address the needs of extremely low-income households and vulnerable populations; and working with landlords and property managers to house vulnerable populations.

Program delivery discussions focused on: getting HOME funds out to rural communities; allowing for multiple local jurisdiction CDBG activities when public services are involved; and consolidating annual Colonias resources to make a larger pool of funds available.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments relevant to the Consolidated Plan were included. One commenter expressed that National Housing Trust Fund resources should be used for refinancing of existing rental housing debt and another commenter expressed support at the request of the first commenter. The State has elected to not utilize National Housing Trust Fund resources for rental housing debt refinancing as new construction is essential to addressing the need for additional units affordable to extremely low-income renters.

7. Summary

Citizen and stakeholder input and the needs assessment and housing market analysis were collated to identify priorities, goals and objectives for the Consolidated Plan. Citizen and stakeholder input included public meetings, and online survey, interviews, a public hearing and public comment period.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

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

Agency Role	Name	Department/Agency
CDBG Administrator	ARIZONA	Kathy Blodgett, CD&R Programs Administrator
HOPWA Administrator	ARIZONA	Karia Basta, Special Needs Administrator
HOME Administrator	ARIZONA	Ruby Dhillon-Williams, Assistant Deputy Director
ESG Administrator	ARIZONA	Betsy Long, Arizona Dept of Economic Security
	ARIZONA	Ruby Dhillon-Williams, Assistant Deputy Director

Table 1 – Responsible Agencies

Narrative

The Arizona Department of Housing oversees the preparation and administration of the Consolidated Plan.

Consolidated Plan Public Contact Information

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)**1. Introduction**

ADOH is involved on a continual basis in planning efforts with other State agencies and departments; city, town and county governments; regional councils of government; housing and social service providers; businesses; and citizens. State and local planning bodies often share some component of ADOH's mission to address housing and community development needs for low-income and special needs populations throughout the state.

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

The ADOH and ADES participate in numerous efforts to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies, including:

The Arizona Management System (AMS) is designed to engage employees at all levels in data-driven decision-making and problem solving. AMS includes six key goals - ensuring world class education, driving economic opportunity, championing healthy communities, conserving natural resources, protecting life and property, and accelerating agency performance. Goal councils comprised of representatives from state agencies work towards attaining mission outcomes. The ADOH Director chairs the long-term housing solutions for homeless and recidivism housing subgroups, and is a member of the efficient government and economy goal councils.

The Arizona Housing Coalition is a 200+ member collaborative association that leads efforts to end homelessness and advocate for safe, affordable homes for all Arizonans. The Coalition is committed to championing funding priorities focused on increased development of affordable housing and aligning of resources that address homelessness and housing instability. The Coalition provides training, advocates for positive housing policy, and hosts an annual homelessness conference.

In collaboration with the Arizona Department of Economic Security Division of Developmental Disabilities, the HUD 811 Project Rental Assistance Program provides rental assistance for people with developmental disabilities through coordinated effort of public organizations, property owners and managers, and governmental and non-governmental health and service agencies. DDD clients are selected from those participating in the long-term care program, and each client has a support coordinator and individual service plan.

The 2014 Arizona Olmstead plan describes in detail how the community, including government and private funding, will come together to address housing needs of people with disabilities. While the majority of Arizonans who are aging and individuals with intellectual and/or physical disabilities are living in integrated settings, they may not be actively engaged and participating in their communities. The working draft of the Arizona Olmstead Plan outlines how the State can support these individuals to find resources and supports through individuals/agencies to provide services. Each state agency actively participates in quarterly meetings to inform

one another of progress made on the agency specific action plans, identify strategies to address any implementation barriers, and discuss strategies for collaboration. In addition to the Olmstead Policy Academy meetings, each state agency has developed, at a minimum, annual review processes to monitor and receive input on plan implementation from both internal and external stakeholders.

The Arizona Health Care Cost Containment System works with ADOH to create rental units for people with serious mental illness (SMI). AHCCCS contracts with Regional Behavioral Health Authorities (RHBA) to provide integrated health care, crisis and housing services for members who have a serious mental illness. Each RHBA has a Housing Coordinator who is engaged with the Continuum of Care (CoC) and the housing system. RHBA Housing Coordinators may also hold seats on the CoC Governance Advisory Board and Local Boards.

The Arizona SOAR (SSI/SSDI Outreach, Access and Recovery) steering committee meets regularly to increase access to disability income benefit programs administered by the Social Security Administration (SSA) for eligible adults who are homeless or at risk of homelessness, have a mental illness and/or a co-occurring substance use disorder, or have a serious physical illness that affects their ability to work at a substantial gainful level. Each COC has a local lead assisting with the execution of the SOAR action plan.

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

The Arizona Department of Housing is the lead agency for the Arizona Balance of State Continuum of Care (AZBOSCO) for the 13 non-metro counties in the state, serving as the collaborative applicant for CoC funds and the Homeless Management Information System (HMIS) lead agency. The State's CoC process brings together local government, community businesses, faith-based organizations, nonprofit organizations and people who are currently or formerly experienced homelessness to develop local solutions to end homelessness. The ADOH annually applies for funding to HUD for projects and programs to address the needs identified through the CoC process.

In 2017, the Arizona Action Plan to End Homelessness Among Veterans was updated to reflect the current needs of communities in each region and build on the success of prior plans. The updated plan incorporated a statewide needs assessment with respect to the homeless services system. Regional summits were conducted in Northern, Central and Southern Arizona, and provided a forum for community partners to express concerns about the landscape of veteran homelessness and shortcomings in services. The plan includes 3 key goals, 3 strategies, and 26 regional objectives.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The State Homeless Coordination Office works through the ESG Collaborators Group in Maricopa County and directly with all three CoCs in the State (Maricopa, Pima, and Balance of State) to coordinate funding for the

State Emergency Solutions Grant (ESG) program. The State ESG program funds objectives that local ESG recipients do not have resources or capacity to address. As a result, in the Maricopa and Pima County CoCs, State ESG funds will generally focus on rapid rehousing, allowing the local CoCs to focus on homelessness prevention. All four ESG activities (outreach, emergency shelter, rapid rehousing, and homeless prevention) are funded for the Balance of State. ESG contracts are issued for a period of three to five years. As part of the coordinated effort with the CoC, the State Homeless Coordination Office works closely with the HMIS system to develop reports and procedures that allow all funders to measure and monitor program recipients.

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

There are 64 Arizona designated Colonias in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma, and on the Cocopah, and Tohono O’odham Indian Reservations. The ADOH has developed a process to certify Arizona Colonias to ensure that they comply with federal legislation at Section 916 of the Cranston-Gonzalez Act of 1990 and HUD guidance. The ADOH sets aside 10% of its annual CDBG funds for projects in Colonias with high-priority needs. Colonias typically partner with local government to apply for CDBG Colonias funding, which is made available biennially to facilitate larger awards to address significant water, sewer and/or housing needs in their entirety.

Through a contract with ADOH, regional Councils of Government provide technical assistance to rural communities, including Colonias. The ADOH is also a partner in the Rural Water Infrastructure Committee (RWIC), a partnership of various federal and state agencies that provide loans, grants, and technical assistance to Arizona’s rural communities. The RWIC seeks to create a sustainable organization of funders and technical assistance providers who partner to meet the needs of small drinking water and wastewater systems throughout Arizona.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	NORTHERN ARIZONA COUNCIL OF GOVERNMENT
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Northern Arizona Council of Governments (NACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Apache, Coconino, Navajo and Yavapai counties as well as the communities within those counties. NACOG is frequently the project administrator for those counties and communities. NACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. NACOG is also the responsible agency for the Head Start and Area Agency on Aging programs in northern Arizona. Their input into housing needs assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.
2	Agency/Group/Organization	Central Arizona Association of Governments
	Agency/Group/Organization Type	Housing Services - Housing Services-Employment Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	<p>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Central Arizona Council of Governments (CAG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Gila and Pinal counties as well as the communities within those counties. CAG is frequently the project administrator for those counties and communities. CAG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. CAG is also the responsible agency of the region for Workforce Investment Act, Transportation Planning, GIS data and mapping and is a Federal Economic Development District. Their input into housing need assessment and community development needs is critical to the development of the consolidated plan and annual action plan.</p>
3	<p>Agency/Group/Organization</p>	<p>WESTERN ARIZONA COUNCIL OF GOVERNMENTS</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-Children Services-Elderly Persons Regional organization Planning organization</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Economic Development Market Analysis</p>
	<p>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Western Arizona Council of Governments (WACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in La Paz, Mohave and Yuma counties as well as the communities within those counties. WACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. WACOG is the responsible agency for the Head Start and Area Agency on Aging programs in western Arizona as well as the agency responsible in the region for social services block grant funds. WACOG also provides Housing Counseling services and is a member of the Regional Council on Aging. Their input into housing need assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.</p>

4	Agency/Group/Organization	SouthEastern Arizona Governments Organization (SEAGO)
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	South Eastern Arizona Governments Organization (SEAGO) is a partner with ADOH on the delivery of Community Development Block Grant funds in Cochise, Graham, Greenlee and Santa Cruz counties as well as the communities within those counties. SEAGO is frequently the project administrator for those counties and communities. SEAGO coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. SEAGO is also the responsible agency for the Area Agency on Aging and Social Services Block Grant programs in southeastern Arizona. SEAGO is also a member of the Transportation Advisory Committee for the region and is a Federal Economic Development District. Their input into housing need assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.

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

The ADOH offered an opportunity for consultation and consulted with all agency types to identify priorities and needs.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	AZ Dept of Housing	The goals of the Consolidated Plan strategic plan and Continuum of Care share the common goals of preventing and ending homelessness.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(l))

Implementation of the State of Arizona Consolidated Plan relies heavily on cooperation and coordination with local government, particularly those that do not receive a direct allocation of CDBG funds. The rural Councils of Government represent local government in the Arizona Balance of State in their various planning efforts and the CDBG Method of Distribution. CDBG resources are distributed to local government in the Arizona Balance of State through the method of distribution described in section SP-10 of this plan. Local government organizations may also access HOME resources to address local housing needs, and many participate in planning efforts to address the needs of people experiencing homelessness.

Narrative (optional):

The ADOH offered multiple opportunities for housing, social service agencies and other entities to participate in the Consolidated Planning process. These opportunities included public meetings, a survey, and interviews conducted to identify community needs. Agencies, groups and organizations participating in the process include: Arizona Industrial Development Authority, Arizona Division of Behavioral Health Services, Balance of State Continuum of Care, Arizona Department of Economic Security, local government, nonprofit housing and service providers, real estate agents, private developers, and councils of government. Not all participating agencies are identified in the above table. Sign-in sheets from public meetings and hearings are attached.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)**1. Summary of citizen participation process/Efforts made to broaden citizen participation****Summarize citizen participation process and how it impacted goal-setting**

The ADOH implemented its 2020-2024 Citizen Participation Plan to broaden citizen participation through public meetings, an online survey, a public hearing, and publication of the draft Consolidated Plan. The goals identified in the Consolidated Plan reflect the input regarding priority needs and investments received through the citizen participation process. All written information included Spanish language instructions on how to obtain additional Spanish language assistance.

Two public meetings were conducted in Fall 2019 to seek input into community needs. The public meetings provided participants an overview of Consolidated Plan resources and how those resources could be used and the historic use of resources. Participants were asked to identify priority needs and describe how Consolidated Plan resources could be used to address priority needs and create thriving communities for all people regardless of their income or status in a protected class.

The online survey was available from July 28, 2019 to September 19, 2019 and was announced on the ADOH website, at the ADOH Annual Housing Forum, and through the ADOH listserv of over 4,500 people, including rural and urban local government, service providers, associations, private citizens, regional councils of government, other state agencies, and for profit and nonprofit entities.

The draft Consolidated Plan was made available for a thirty-day public comment period from March 16, 2020 to April 16, 2020. A virtual public hearing was held to discuss the contents of the draft Consolidated Plan; the public hearing presentation and a citizen summary were made available online. In addition to public notices placed in newspapers, the ADOH announced the public comment period and availability of the draft Consolidated Plan and related materials through its listserv.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	29 individuals attended the first public meeting, including nonprofit, state and local government, private sector representatives.	A summary of the discussion is included in the executive summary.	All comments pertained to the Consolidated Plan and were accepted.	
2	Public Meeting	Non-targeted/broad community	27 individuals attended the second public meeting, including nonprofit, state and local government, private sector representatives.	A summary of the discussion is included in the executive summary.	All comments pertained to the Consolidated Plan and were accepted.	
3	Internet Outreach	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	84 survey responses were received.	The survey identified high priority needs including: public services, homelessness prevention, emergency shelter for families and unaccompanied youth, permanent supportive housing, rapid rehousing.	All comments pertaining to the Consolidated Plan were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Interviews	Minorities Persons with disabilities Non-targeted/broad community	Twenty-five phone and in-person interviews were conducted.	A summary of the interviews is included in the executive summary.	All comments pertaining to the Consolidated Plan were accepted.	
5	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	Advertisements were published in five newspapers of general circulation.	Advertising was conducted to announce the posting of the draft Consolidated Plan and the public hearing.	All comments pertaining to the Consolidated Plan were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	Sixteen individuals attended the public hearing, which was held virtually due to social distancing measures.	Three comments were received. One individual commended the State for its process. The second individual suggested the State modify the Plan to allow for refinancing of existing rental housing debt using National Housing Trust Funds. A third individual expressed support at the request of the second individual for utilizing NHTF for rental housing refinancing activities.	The State will not utilize NHTF resources for rental housing refinancing as new construction is critical to meeting the need for additional units affordable to extremely low-income renters.	

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

From 2009 to 2015, the State’s population grew 4% and households grew 7%, reflecting increased numbers of single-person and small households. Census Bureau data for 2017 reflect an additional increase between 2015 and 2017 of 168,018 people in 70,100 households or 2.5% population growth and 2.8% household growth. Sixteen percent (16%) of the State’s population, or 1,069,277 people live in nonmetro Arizona. And while median income remained relatively flat from 2009 to 2015, Census Bureau data reflects an increase of \$3,255 to \$53,510 or 6.1% from 2015 to 2017.

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)

Summary of Housing Needs

According to HUD 2015 CHAS data, there were 968,550 low-and-moderate income households in Arizona. Households that contain a person age 75 or older or with one or more children 6 years old or younger are more likely to be low- and moderate-income than are other household types. Small family households and households that contain at least one person age 62-74 are less likely to be low- and moderate-income. In 2017, there were 154,010 low-and-moderate income households in the Arizona Balance of State, and 61,600 have annual income less than \$15,000.

Extremely low-income (ELI) renters and owners are the most likely to experience housing problems – 59% of ELI renters and 41% of ELI owners are severely cost burdened or pay more than 50% of their income for housing. Among ELI renters and owners, large families and nonfamily households are the most likely to experience severe housing cost burden, with the highest rates of severe housing cost burden among large families (71%). In addition, 43% of ELI renters and 45% of ELI owners occupy substandard housing, and 38% of ELI renters and 25% of ELI owners live in severely overcrowded conditions with more than 1.5 people per room. Many of Arizona’s lowest income households with housing problems live on tribal lands.

Demographics	Base Year: 2009	Most Recent Year: 2015	% Change
Population	6,392,017	6,641,928	4%
Households	2,248,170	2,412,212	7%
Median Income	\$50,296.00	\$50,255.00	-0%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	293,220	269,590	405,740	244,135	1,199,525
Small Family Households	90,155	82,480	134,020	88,525	554,540
Large Family Households	31,130	30,765	44,115	25,225	104,990
Household contains at least one person 62-74 years of age	51,380	58,850	94,095	56,375	287,240
Household contains at least one person age 75 or older	30,645	49,020	65,810	32,330	109,550
Households with one or more children 6 years old or younger	59,815	52,690	71,410	38,555	142,990

Table 6 - Total Households Table

Data Source: 2011-2015 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	4,415	2,585	2,360	845	10,205	5,045	2,360	2,490	1,270	11,165
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	7,370	5,505	4,325	2,080	19,280	1,605	1,565	2,305	1,000	6,475
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	13,610	11,105	10,160	3,870	38,745	3,600	4,115	6,760	3,695	18,170
Housing cost burden greater than 50% of income (and none of the above problems)	105,750	54,285	17,065	1,840	178,940	54,665	38,755	31,735	8,870	134,025
Housing cost burden greater than 30% of income (and none of the above problems)	10,375	54,145	77,875	20,825	163,220	12,465	28,490	60,685	33,615	135,255
Zero/negative Income (and none of the above problems)	26,400	0	0	0	26,400	18,005	0	0	0	18,005

Table 7 – Housing Problems Table

 Data 2011-2015 CHAS
 Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	131,145	73,475	33,910	8,630	247,160	64,915	46,790	43,295	14,835	169,835
Having none of four housing problems	27,355	73,635	147,125	88,135	336,250	25,395	75,685	181,410	132,535	415,025
Household has negative income, but none of the other housing problems	26,400	0	0	0	26,400	18,005	0	0	0	18,005

Table 8 – Housing Problems 2

Data Source: 2011-2015 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	49,695	45,245	39,350	134,290	19,085	20,395	32,835	72,315
Large Related	16,880	14,465	8,685	40,030	7,480	8,100	9,775	25,355
Elderly	20,625	22,955	17,140	60,720	30,250	32,685	37,165	100,100
Other	48,400	39,765	34,885	123,050	15,535	9,740	15,260	40,535
Total need by income	135,600	122,430	100,060	358,090	72,350	70,920	95,035	238,305

Table 9 – Cost Burden > 30%

Data Source: 2011-2015 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	44,610	19,995	5,195	69,800	16,055	12,055	9,740	37,850
Large Related	14,105	5,055	680	19,840	6,090	3,660	2,065	11,815
Elderly	17,515	12,785	6,240	36,540	22,760	17,520	14,725	55,005
Other	44,670	20,540	5,675	70,885	13,625	6,955	5,620	26,200
Total need by income	120,900	58,375	17,790	197,065	58,530	40,190	32,150	130,870

Table 10 – Cost Burden > 50%

Data Source: 2011-2015 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	17,675	13,805	10,615	4,095	46,190	4,310	4,175	6,085	3,100	17,670
Multiple, unrelated family households	2,735	2,310	3,110	1,255	9,410	1,650	1,980	3,360	1,720	8,710
Other, non-family households	925	700	890	640	3,155	70	80	135	65	350
Total need by income	21,335	16,815	14,615	5,990	58,755	6,030	6,235	9,580	4,885	26,730

Table 11 – Crowding Information – 1/2

Data Source: 2011-2015 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

Table 12 – Crowding Information – 2/2

Data Source Comments:

Describe the number and type of single person households in need of housing assistance.

There were 86,477 low-and moderate-income single-person Arizona households in need of housing assistance in 2015, including 52,659 LMI renters and 33,818 LMI owners. Among LMI single-person renters in need of housing assistance, 36,307 (69%) were non-elderly households and 16,352 (31%) were elderly households. Among LMI single-person owners in need of housing assistance, 12,745 (38%) were non-elderly households and 21,073 (62%) were elderly households.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Based on HUD CHAS data (table 6), an estimated 230,000 households that include a person with a disability have one or more housing needs and are in need of housing assistance, including 117,000 renters and 113,000 owners. Nearly half (47%) of people with disabilities are elderly.

Based on the 2018 point-in-time homeless count and other data, an estimated 6,600 domestic violence, dating violence, sexual assault and stalking survivors are in need of housing assistance.

What are the most common housing problems?

As demonstrated in table 7, the most common housing problems are housing cost burden and severe housing cost burden. An estimated 298,475 households are housing cost burdened (pay more than 30% of household income for housing), including 163,220 renters and 135,255 owners. An estimated 312,965 households are severely cost burdened (pay more than 50% of housing income for housing), including 178,940 renters and 134,025 owners. Nearly all (99%) of severely cost burdened renters are low- and moderate-income; 93% of severely cost burdened owners are low- and moderate-income.

Are any populations/household types more affected than others by these problems?

Among renters, small and large family ELI households are more affected by severe housing cost burden; nonfamily ELI households and low-income elderly households are more affected by housing cost burden.

Among owners, elderly low-income and moderate-income households, and nonfamily ELI households are more affected by severe housing cost burden; small-related moderate-income, elderly low-income, and nonfamily ELI households are more affected by housing cost burden.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Low-income individuals and families with children at risk of homelessness typically experience housing cost burden, lack living wage employment or are employed in sectors with highly variable work schedules and corresponding challenges accessing affordable quality child care and transportation. Many have experienced a short-term financial setback, have mixed connectivity with services, and are frequently single-parent families. Some have high medical expenses, often associated with chronic illness. Any short-term financial setback places these individuals and families at risk of homelessness. Individuals and families at risk of homelessness need affordable quality child care, transportation, employment opportunities, educational supports for children, connection to public benefits and systems of care, and affordable housing opportunities.

The Arizona Department of Education (ADE) Homeless Education Office reported 26,338 children enrolled in public school grades pre-school through 12 during the 2016-17 school year – a 15.3% decrease from 2013. Nearly two-thirds (65%) were doubled up or temporarily living with another family, 25% were residing in shelters or transitional housing, 7% were living in hotels or motels, and 3% were unsheltered (living in cars, campgrounds, etc.). Among students reported as experiencing homelessness, 4,123 were reported children with disabilities, 4,091 had Limited English Proficiency, and 2,850 were unaccompanied homeless youth.

Families and individuals exiting rapid rehousing often do so with precarious stability. Due to the short-term nature of this intervention, families may be encouraged to move on once employed and able to assume financial self-sufficiency; however, small financial setbacks, reduced work hours, or loss of employment can easily plunge families back into homelessness. Formerly homeless families and individuals nearing the termination of rapid re-housing assistance are at risk of repeat homelessness due to increasing rents, and the limited number of affordable rental units. Individuals and families can benefit from the following at or after exit from rapid rehousing assistance: flexible homelessness prevention funds to prevent returns to homelessness; on-going public assistance; child care subsidies; strong connections to physical/behavioral healthcare resources; and assistance with savings to resolve potential financial setbacks.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The high cost of housing and the resulting housing cost burden combined with too few units to meet demand are the primary housing characteristics linked with instability and an increased risk of homelessness.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

According to HUD, a disproportionately greater need exists when members of a racial or ethnic group at a given income level experience housing problems at a rate 10 % or more than the income level as a whole. Tables 13 through 16 identify the number of households experiencing one or more of the four housing problems by householder race, ethnicity, and income level. The four housing problems are: (1) cost burden (paying more than 30% of income for housing costs); (2) overcrowding (more than 1 person per room); (3) lacking complete kitchen facilities; and (4) lacking complete plumbing facilities. Income levels vary by county and are calculated annually by HUD.

- Very-low income - 0-30% AMI
- Low income - 30-50% AMI
- Moderate income - 50-80% AMI
- Middle income - 80-100% AMI

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	218,738	29,829	44,489
White	107,465	15,172	24,541
Black / African American	14,086	1,183	2,893
Asian	4,984	691	2,444
American Indian, Alaska Native	12,333	3,599	2,322
Pacific Islander	365	29	30
Hispanic	76,063	8,600	11,335

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	202,728	66,687	0
White	107,354	42,513	0
Black / African American	11,868	1,876	0
Asian	3,975	1,031	0
American Indian, Alaska Native	6,749	4,016	0
Pacific Islander	342	74	0
Hispanic	69,608	16,319	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	215,730	189,847	0
White	129,050	122,265	0
Black / African American	10,890	6,049	0
Asian	4,185	3,156	0
American Indian, Alaska Native	6,013	6,653	0
Pacific Islander	411	149	0
Hispanic	62,097	49,307	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	77,910	166,062	0
White	50,868	109,054	0
Black / African American	3,487	6,387	0
Asian	1,787	3,795	0
American Indian, Alaska Native	2,032	4,823	0
Pacific Islander	153	250	0
Hispanic	18,296	39,548	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Discussion

Overall, CHAS housing problem data by income level, race, and ethnicity show that housing problems are more common at lower income levels – 75% of very low income and low-income households have one or more housing problems, compared to 53% of moderate-income households and 32% of middle-income households. Housing problems are disproportionately greater for:

- Very-low and moderate-income Pacific Islander households.
- Low- and moderate-income Black/African American households.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

According to HUD, a disproportionately greater need exists when members of a racial or ethnic group at a given income level experience housing problems at a rate 10 % or more than the income level as a whole. Tables 17 through 20 identify the number of households experiencing one or more of the four severe housing problems by householder race, ethnicity, and income level. The four severe housing problems are: (1) severe cost burden (paying more than 50% of income for housing costs); (2) severe overcrowding (more than 1.5 persons per room); (3) lacking complete kitchen facilities; and (4) lacking complete plumbing facilities.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	195,997	52,702	44,489
White	95,135	27,513	24,541
Black / African American	12,941	2,308	2,893
Asian	4,546	1,129	2,444
American Indian, Alaska Native	11,195	4,755	2,322
Pacific Islander	255	139	30
Hispanic	68,669	15,982	11,335

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	120,137	149,274	0
White	64,202	85,733	0
Black / African American	6,871	6,872	0
Asian	2,627	2,374	0
American Indian, Alaska Native	4,591	6,180	0
Pacific Islander	273	143	0
Hispanic	39,913	45,988	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	77,177	328,457	0
White	43,692	207,610	0
Black / African American	2,915	14,030	0
Asian	1,730	5,602	0
American Indian, Alaska Native	3,805	8,883	0
Pacific Islander	217	338	0
Hispanic	23,947	87,435	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	23,513	220,503	0
White	12,413	147,526	0
Black / African American	846	9,017	0
Asian	582	5,034	0
American Indian, Alaska Native	1,593	5,252	0
Pacific Islander	60	349	0
Hispanic	7,613	50,213	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

Discussion

Overall, CHAS severe housing problem data by income level, race, and ethnicity show that severe housing problems are more common at lower income levels – 67% of very low-income households have severe housing problems, compared to 45% of low-income households, 19% of moderate-income households and 10% of middle-income households. Severe housing problems are disproportionately greater for:

- Low- and moderate-income Pacific Islander households.
- Moderate and middle income Native American households.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

According to HUD, a disproportionately greater need exists when members of a racial or ethnic group at a given income level experience housing cost burden or severe housing cost burden at a rate 10% or more than the income level as a whole. Table 21 identifies the number of households experiencing cost burden (paying 30-50% of income for housing) or severe cost burden (paying more than 50% of income for housing).

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	1,600,466	409,500	351,571	49,606
White	1,125,115	254,748	208,485	25,694
Black / African American	49,522	20,186	20,801	3,067
Asian	44,244	8,419	8,164	2,618
American Indian, Alaska Native	50,305	8,285	8,517	3,612
Pacific Islander	1,628	603	486	30
Hispanic	309,020	111,259	99,484	13,640

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion

CHAS cost burden data by race and ethnicity show that housing cost burden is not experienced disproportionately by any racial or ethnic group. Cost burden is however most prevalent among Native American households (22%), Black/African American households (22%), and Hispanic households (21%).

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Tables 13 through 21 identified several instances of disproportionately greater need:

- Very low- and moderate-income Pacific Islander households had a disproportionately greater need based on housing problems. 86% of very-low income Pacific Islander households (365 households) had one or more housing problems. 73% of moderate-income Pacific Islander households (411 households) had one or more housing problems. Low income Pacific Islander households had a disproportionately greater need based on severe housing problems – 66% (273 households) experienced one or more severe housing problems.
- Low- and moderate-income Black/African American households had a disproportionately greater need based on housing problems – 86% (11,868 households) of low income and 64% (10,890 households) of moderate-income households experienced one or more housing problems.
- Moderate and middle income Native American households had a disproportionately greater need based on severe housing problems – 30% (3,805 households) of moderate income and 23% (1,593 households) of middle-income households experienced severe housing problems.

If they have needs not identified above, what are those needs?

No additional needs identified.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

The State of Arizona 2020 Analysis of Impediments to Fair Housing Choice identified areas of Hispanic and minority concentration in the Arizona Balance of State. There are 49 Balance of State Hispanic concentration census tracts where the Hispanic population exceeds the county Hispanic population by 10% or more. Ten (10) of the Hispanic concentration tracts are also poverty concentration tracts, including 3 of the 7 Hispanic concentration tracts in Yuma county. Graham, Greenlee, Santa Cruz and Yuma counties have Hispanic populations that exceed the Balance of State Hispanic percentage by 10% or more.

There are 48 Balance of State minority concentration census tracts where the percentage of minorities (people who are not White non-Hispanic) exceeds the county minority population by 10% or more. Ten (10) of the minority concentration tracts are also poverty concentration tracts, including 3 of 8 minority concentration tracts in Yuma county.

While there are concentrations throughout Arizona, it is important to note:

- Arizona's Balance of State census tracts cover an average area of 297 square miles, have an average population density of 925 people, and an average housing density of 437 units; 17 of the identified concentration tracts contain fewer than 100 people per square mile and 11 contain fewer than 20 people per square mile.
- 67% of Arizona's Pacific Islander population resides in Maricopa county and 11% resides in Pima county.
- 76% of Arizona's Black/African American population resides in Maricopa county and 12% resides in Pima county.
- 22 sovereign American Indian communities reside in Arizona and Arizona has the greatest percentage of its acreage designated as Indian tribal land in the United States. 4.6% of Arizona's population is Native American. Outside of Maricopa and Pima counties, 15.5% of the population is Native American. Nearly three-quarters of nonmetro Arizona's Native American population resides in Apache, Coconino and Navajo counties, which represent the three counties in the nation with the most land area that is tribal land.

NA-35 Public Housing – (Optional)

Introduction

Public Housing Programs, including Section 8 Housing Choice Vouchers, Veterans Affairs Supportive Housing Vouchers and Low-income Public Housing are essential to the stability of the most vulnerable and lowest-income households. The ADOH does not own or manage public housing. The Arizona Public Housing Authority manages a very small Housing Choice Voucher program in Yavapai County that requires contributions from the state to administer. Nearly half of the vouchers administered are port-in vouchers. The PHA also has monitoring and compliance oversight of approximately 114 federally-financed properties through a project-based contract administration award from HUD.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	0	186	0	152	34	0	0

Table 22 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	
# Homeless at admission	0	0	0	8	0	0	8	0	

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program
# of Elderly Program Participants (>62)	0	0	0	60	0	48	12	0
# of Disabled Families	0	0	0	88	0	76	12	0
# of Families requesting accessibility features	0	0	0	186	0	152	34	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	0	177	0	146	31	0	0
Black/African American	0	0	0	6	0	4	2	0	0
Asian	0	0	0	1	0	0	1	0	0
American Indian/Alaska Native	0	0	0	1	0	1	0	0	0
Pacific Islander	0	0	0	1	0	1	0	0	0
Other	0	0	0	0	0	0	0	0	0

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Ethnicity	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	0	12	0	12	0	0	0
Not Hispanic	0	0	0	174	0	140	34	0	0

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Not applicable.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?

There are an estimated 342,160 renter households in need of housing assistance in Arizona, including public housing residents and families on public housing and Section 8 waiting lists. There is no single repository of waiting list information for the 23 local public housing authorities in Arizona. Discussions with local PHAs reveal a need for quality affordable housing, quality child care and after-school programs, employment and job training opportunities, and assistance accessing public benefits.

How do these needs compare to the housing needs of the population at large?

The needs of families on the waiting list for public housing and tenant-based rental assistance share the need of low and moderate-income households for decent affordable housing that includes accessibility features for people with disabilities and for seniors.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction:

The 2019 Arizona Balance of State (AZBOS) point-in-time count revealed 2,021 people were experiencing homelessness on that given night in rural Arizona. Of people experiencing homelessness on that night, 1,038 (51%) were sheltered and 983 (49%) were unsheltered. Adults in households without children comprised 77% of people experiencing homelessness on that night; 45% were sheltered and 55% were unsheltered. Eight of ten sheltered people in households without children were in emergency shelter. Households with at least one adult and one child comprised 23% of people experiencing homelessness; 80% were sheltered and 20% were unsheltered. Seven of ten sheltered people in households with at least one adult and one child were in emergency shelter.

The AZBOS accounts for 24% of the State population and covers roughly 94,500 square miles. The large geography and dispersed population are major obstacles to providing coordinated services and shelter for people experiencing homelessness in rural Arizona. In many areas, services and shelter for people experiencing homelessness are addressed through charitable funding and faith organizations that focus assistance to domestic violence survivors and families with children. Rapid re-housing programs and services for Veterans have provided more access to housing and services for Veterans experiencing homelessness in rural Arizona during the past five years.

In October 2019, the ADOH launched a new Coordinated Entry Housing Crisis Hotline for Gila, Graham, Greenlee and Santa Cruz counties in partnership with Crisis Response Network. These counties represent approximately 12% of the physical geography of Arizona yet have a substantial lack of resources for people experiencing homelessness. The hotline provides screening and triage for eligible resources, diversion from the homeless system, resource referral, housing needs assessment and referral, and regular follow-up during the time of homelessness.

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	90	713	0	0	0	0
Persons in Households with Only Children	0	15	0	0	0	0
Persons in Households with Only Adults	1,254	7,050	0	0	0	0
Chronically Homeless Individuals	611	243	0	0	0	0
Chronically Homeless Families	43	11	0	0	0	0
Veterans	312	598	0	0	0	0
Unaccompanied Child	280	207	0	0	0	0
Persons with HIV	30	179	0	0	0	0

Table 26 - Homeless Needs Assessment

Data Source

Comments:

Rural Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	90	356	0	0	0	0
Persons in Households with Only Children	0	9	0	0	0	0
Persons in Households with Only Adults	893	673	0	0	0	0
Chronically Homeless Individuals	424	91	0	0	0	0
Chronically Homeless Families	43	0	0	0	0	0
Veterans	123	108	0	0	0	0
Unaccompanied Youth	44	52	0	0	0	0
Persons with HIV	2	26	0	0	0	0

Table 27 - Homeless Needs Assessment

Data Source
 Comments:

For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:

Based on the 2019 Annual Point In Time count, an estimated 2,021 people experienced homelessness on that given night in the rural areas of the State. The majority of the people experiencing homelessness in rural areas are adult only households who represented seventy-seven percent (77%) of the homeless population on the night of the count; households with children represented twenty-two percent (22%). Geography is a major obstacle to providing coordinated services and shelter to people experiencing homelessness in the rural areas of the Balance of State.

Forty-nine percent (49%) of people experiencing homelessness on the night of the Point In Time were unsheltered and ninety-one percent (91%) of those who were unsheltered were single adults. Historically, the smaller communities of the Balance of State have provided homeless services and shelters through charitable funding and churches that have focused their assistance on victims of domestic violence and families with children. Larger communities in the Balance of State have been able to attract funding and to support programs for families, individuals and veterans. Geography and transportation have made it difficult for some populations to locate services. Supportive Services for Veterans (SSVF) and Rapid Re-housing programs that have been focused on rural areas have provided more funding and greater access to housing and services for people experiencing homelessness in the Balance of State.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

HUD's Homeless Management Information System (HMIS) provides data on the number of people becoming and exiting homelessness each year. HMIS data for 2017 indicates that 66% of people becoming homeless in rural Arizona were experiencing homelessness for the first time. The same HMIS data indicates that the average number of days experiencing homelessness is 69 days in rural Arizona, and that 16% of people exiting homelessness from 2015 to 2017 experienced homelessness again within 24 months.

During the annual PIT count in 2018, there were 786 veterans identified as homeless statewide. Over the last three years, veteran homelessness has been on a steady decline. Arizona communities, through collaborative efforts, have demonstrated that ending veteran homelessness is possible. Ending veteran homelessness or reaching functional zero, does not mean that veterans will no longer experience homelessness. Reaching functional zero for veterans means that when a veteran has a housing crisis, communities have the systems and resources in place to immediately identify and support the veteran to end their homelessness.

Statewide, the number of chronically homeless individuals and families increased from 1,395 in 2016 to 1,776 in 2018 with 537 chronically homeless adults and children in the AZBOS, including 529 people in households with adults only.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Approximately 1,286 people living in households with at least one adult and one child were counted in homeless shelters and on the streets statewide during the 2019 point-in-time count (PIT), including 446 in the Arizona Balance of State (AZBOS). Families accounted for approximately 13% of the total population experiencing homelessness in Arizona, and 22% of the AZBOS population experiencing homelessness. Based on the 2019 PIT, there are 356 sheltered and 90 unsheltered families with children, including the families of veterans in need of housing assistance in the AZBOS.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The majority of people experiencing homelessness are White (66%), followed by Black/African American (19%) and Native American (8%). The majority (76%) of people experiencing homelessness in Arizona are not Hispanic.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Based on annually reported information from Arizona's 3 Continua of Care, approximately 23,146 adults and children experiencing homelessness in Arizona were served in Emergency Shelters, Transitional Housing and Permanent Housing programs during 2018. People in households without children constitute the largest group of people experiencing homelessness and are predominantly male. Chronic substance abuse and severe mental illness are common problems of sheltered people experiencing homelessness. Domestic violence is a prevalent cause of homelessness among households with children.

The majority of unsheltered people experiencing homelessness in 2018 were adults in households without children. During 2018, an estimated 4,066 people were unsheltered. Chronic substance abuse and severe mental illness are common problems of people experiencing unsheltered homelessness. Domestic violence is a prevalent cause of homelessness among households with children.

Discussion:

The number of people who meet the definition of experiencing chronic homelessness has increased over the years. In 2019, there were 1,870 meeting the definition of chronically homeless, including 558 in the AZBOS. People experiencing chronic homelessness 1) live in a place not meant for human habitation, Safe Haven, or Emergency Shelter, 2) has a disability, and 3) has been homeless continuously for one year OR four or more times homeless in the last three years, where the combined length of time homeless is at least 12 months. When a head of household meets this definition, all household members are counted as chronically homeless.

Affordable housing and employment opportunities remain at the heart of preventing and ending homelessness in Arizona. Statewide an estimated 92,648 affordable rental housing units renting for less than \$500/month are needed to house severely-cost burdened renters, including 11,483 in rural Arizona.

Recent increases in the Arizona minimum wage have assisted many individuals and families to increase their standard of living and move out of poverty. However, in Arizona’s counties with relatively low median income and few dedicated affordable housing units, the minimum wage increase can result in inability to income-qualify for affordable rental housing, placing working households at risk of homelessness and projects at risk of high vacancy.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction

Special needs populations are presumed low-income and the majority are in need of services that support basic needs (e.g. food and clothing), employment and job training to the extent that employment is an option, access to health and mental health care, and housing that is affordable. Many particularly vulnerable populations need assistance with daily living and navigating complex healthcare and housing systems, advocacy, transportation, and opportunities for socialization to avoid isolation. Needs are determined using US Census and CHAS data, through consultation with stakeholders and citizens, and review of research and public documents. The general and supportive housing needs and characteristics of particularly vulnerable populations are described in this and the following section.

HOPWA

Current HOPWA formula use:	
Cumulative cases of AIDS reported	1,488
Area incidence of AIDS	23
Rate per population	1
Number of new cases prior year (3 years of data)	230
Rate per population (3 years of data)	2
Current HIV surveillance data:	
Number of Persons living with HIV (PLWH)	1,341
Area Prevalence (PLWH per population)	137
Number of new HIV cases reported last year	260

Table 28 – HOPWA Data

Alternate Data Source Name:

HOPWA Data

Data Source Comments:

HIV Housing Need (HOPWA Grantees Only)

Type of HOPWA Assistance	Estimates of Unmet Need
Tenant based rental assistance	10
Short-term Rent, Mortgage, and Utility	10
Facility Based Housing (Permanent, short-term or transitional)	0

Table 29 – HIV Housing Need

Alternate Data Source Name:

HIV Housing Need 2020

Data Source Comments:

Describe the characteristics of special needs populations in your community:

People with special needs include people who are elderly and frail elderly; people with mental, physical and/or developmental disabilities; people with alcohol or other drug addictions; people with HIV/AIDS and their families; and domestic violence survivors. Many people with special needs have very low incomes. An array of supportive services coupled with appropriate housing opportunities are critical to their housing stability.

Elderly and Frail Elderly. In 2017, 16% of Arizona's population or just over 1.1 million people were age of 65 or older; over 460,000 people (7%) were age 75 or older. In rural Arizona, 21% of the population or nearly 228,000 people were age 65 or older and nearly 93,000 (9%) were age 75 or older. Due to an older population, the Arizona nonmetro population has a higher rate of disabilities than does the state as a whole. The vast majority of elderly and frail elderly Arizonans, particularly in rural Arizona are homeowners.

People with mental, physical and/or developmental disabilities. In 2017, 18% of the Arizona nonmetro population had a disability. Of the 254,176 people with disabilities, nearly half (47%) were age 65 and older. The poverty rate among people with disabilities in rural Arizona is 11.2%. The demand for accessible housing and other housing options is proportionately greater in nonmetro areas due to the larger proportion of elderly and frail elderly people. Yet transportation, attraction and retention of health services providers, and an older housing stock in many areas may make it more difficult to meet the demand for accessible housing and services.

Severe mental illness (SMI) includes the diagnoses of psychoses and major affective disorders such as bipolar and major depression. The condition must be chronic, meaning it has existed for at least one (1) year, to meet the HUD definition for a disability. According to the Arizona Department of Health Services, there were 41,876 people with SMI enrolled in the Arizona Health Care Cost Containment System in FY2015, including 7,915 in rural Arizona; 41.3% of people with SMI also had substance use disorders.

People with developmental disabilities have substantial functional limitations in three or more of the following life areas: self-care, receptive and expressive language, learning, mobility, self-direction, capacity of independent living, economic self-sufficiency. In 2017, the ADES Division of Developmental Disabilities served 39,160 people with developmental disabilities.

People with alcohol or other drug addictions. According to SAMSHA 2016-2017 National Surveys on Drug Use and Health data, in 2017 431,000 Arizonans reported a substance abuse disorder during the prior year, including the misuse of prescription psychotherapeutics or the use of marijuana, cocaine (including crack), heroin, hallucinogens, inhalants, or methamphetamine; 318,000 Arizonans reported an alcohol abuse disorder during the prior year. Arizonans reporting a substance abuse disorder comprised approximately 6.4% of Arizona's population, while those reporting an alcohol abuse disorder comprised approximately 4.7% of the population.

Victims of domestic violence, dating violence, sexual assault and stalking. The ADES 2018 Domestic Violence Services Fund Report revealed that 38,674 calls were made to the Domestic Violence Hot Line, 6,138 clients were served with emergency shelter, 308 with transitional housing, 151 with housing intervention (rapid re-housing), and 22,293 with case management and advocacy services. Crime data from the Federal Bureau of Investigation revealed over 3,600 reported sexual assaults in 2018. The Bureau of Justice Statistics reports that

during a 12-month period, an estimated 1.5% of people age 18 or older are victims of stalking, with a higher percentage for individuals who are divorced or separated.

What are the housing and supportive service needs of these populations and how are these needs determined?

People with special needs have the same need for decent, safe and affordable housing as do all people with low-and-moderate incomes. Persons with disabilities may need accessibility features to facilitate independent living or access to suitable services. Frail elderly persons may require modifications to their existing homes. Other people with disabilities may prefer group housing or assisted living situations. Among elderly and frail elderly households and people with physical disabilities, the need for accessibility improvements is critical to their need to live independently. Specialized health and supportive services are critical for all people with disabilities.

Elderly and frail elderly households need community-based supports and services to remain safely in their homes, engage with systems of care, and to reduce the isolation that may occur. Wellness programs, nutritional support, and general assistance with housing, finances and home safety are also needed, along with rental housing affordable for those on fixed incomes, service-enriched housing, home repair assistance, disability accessibility improvements, rental assistance, and quality affordable and accessible housing.

People with severe mental illness and people with substance and/or alcohol abuse disorders, as reported by SAMHSA, need assistance with major life activities such as basic daily living skills, instrumental living skills (maintaining a household, managing money, transportation, and taking prescribed medication), and functioning in social, family, and vocational/educational contexts.

People with developmental disabilities need services and supports designed to help them lead self-directed, healthy and meaningful lives. These services may include behavioral health, day support, employment, home health, home modifications, occupational/physical/speech therapy, transportation, and in-home support services or out of home placements (e.g. group home, assisted living).

Victims of domestic violence, dating violence, sexual assault and stalking need access to shelter as without shelter the consequences could be dire. Specific services needed include meals and basic toiletries, legal advocacy, case management, financial coaching, employment assistance, children's services, and life skills development.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

People diagnosed with HIV/AIDS represent a small portion of Arizona's rural population. In 2018, there were 2,829 people living with HIV/AIDS in rural Arizona, up from 1,523 in 2014. Many people living with HIV are low-income and most live in single or two-person households. HIV is most prevalent among males age 40 to 59, with the highest prevalence among those age 50 to 54. Low-income people living with HIV/AIDS require subsidies to maintain safe, affordable housing, and a continuum of supportive services to access health care and maintain housing stability.

The specific uses of HOPWA funds to assist people with HIV/AIDS and their families is driven largely by regionally-identified needs, yet there is consistent need for affordable, accessible housing for low-income families affected by HIV/AIDS. Short-term rent, mortgage, and utility payments and tenant-based rental assistance are the most needed services. Other services needed are permanent housing placement, and case management services.

HOPWA funds have been used to: 1) increase the number of accessible housing units and/or cooperative landlords; 2) increase the number of services offered; 3) promote regional resource development, and 4) housing information activities broadening the scope of available housing services.

Case management continues to be an integral part of the service delivery system for each Regional HOPWA Grantee. Each case manager is responsible for assessing clients and establishing individualized care plans. The quality of care is assured through a formal monitoring and evaluation system. Following a thorough assessment of needs, individual informal counseling is used to develop a housing plan and to link clients with financial, medical, behavioral health, and other referral and support services. Case management services are enhanced through other funding, including Ryan White resources.

Discussion:

The characteristics and needs of special populations are as diverse as the characteristics and needs of the population in general. Because the proportion of the special needs population that are also low-income is much higher than the population as a whole, there is significant need for appropriate housing and services to meet basic needs.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

Describe the jurisdiction's need for Public Facilities:

The need for public facilities in the Arizona Balance of State is as diverse as the communities that comprise it. Public facilities, including community centers, parks and recreation facilities, libraries, child care centers, health clinics, public safety facilities and equipment, and nonprofit facilities are needed. In many communities, these facilities are important gathering points and provide essential services that can serve a variety of community needs.

How were these needs determined?

Public facilities needs were determined through consultation with local government, regional councils of government, social service agencies, an online survey, public meetings and hearings, and by reviewing past uses of funds.

Describe the jurisdiction's need for Public Improvements:

The need for public improvements in the Arizona Balance of State is as diverse as the communities that comprise it. Water and sewer system improvements, streets, sidewalks and related improvements, removal of architectural barriers, broadband infrastructure, historic preservation, and flood drainage improvements are needed. Based on consultation, the highest priority needs are water and sewer, accessibility improvements, storm drains and flood drainage, streets, sidewalks and related improvements, and parks.

How were these needs determined?

Public improvement needs were determined through consultation with local government, regional councils of government, social service agencies, an online survey, public meetings and hearings, and by reviewing past uses of funds.

Describe the jurisdiction's need for Public Services:

The need for public services in the Arizona Balance of State is as diverse as the communities that comprise it. Public service needs include those for special needs populations, transportation, dental, health and mental health including substance use, employment training, community cleanups, food banks, and other general services. Based on consultation, the highest priority needs are health services, transportation, food and clothing, and child care.

How were these needs determined?

Public services needs were determined through consultation with local government, regional councils of government, social service agencies, an online survey, public meetings and hearings, and by reviewing past uses of funds.

Based on the needs analysis above, describe the State's needs in Colonias

Lack of access to public water and wastewater services are the primary barriers to Colonias community improvement. During the eligibility certification process, each Colonias community performs an assessment of their water and sewer infrastructure. In addition, each Colonias community performs a housing assessment using the housing assessment guide developed by ADOH in partnership with the University of Arizona. Colonias housing assessments indicate a significant need for housing rehabilitation or replacement. ADOH encourages Colonias communities to apply for water, wastewater improvements or housing rehabilitation funding that can significantly address infrastructure or housing rehabilitation needs.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

A variety of housing types are necessary to meet the diverse needs and desires of both owners and renters. The types of housing in a community are driven largely by demand. However, many other factors influence housing variety including public policy such as zoning and building requirements, the availability and cost of infrastructure, community character, and the cost of construction and availability of construction labor.

Housing markets in Arizona are extremely diverse and include both urban and rural areas. In many areas there have been cycles of rapid growth driven by demand resulting from in-migration and demand for seasonal and second homes. These cycles of rapid growth have historically been followed by periods of higher vacancy. During the Great Recession and economic recovery, the demand for rental housing increased significantly, yet homeownership remains an important part of the housing market.

The 2017 State of Arizona homeownership rate was 63%. In Maricopa and Pima counties, the homeownership rate was 62% and in nonmetro Arizona the rate was 72%. Tenure is heavily influenced by housing type - as the number of units in a structure increases, the likelihood of owner occupancy decreases; 95% of multi-family housing is renter occupied, while 78% of single-family housing is owner occupied.

MA-10 Number of Housing Units – 91.310(a)

Introduction

In 2017, 66% of Arizona's housing stock was single-family detached, 9% was manufactured, 13% was small multi-family and 7% was large multi-family. Proportionately, nonmetro Arizona has a lower percentage (62%) of single-family detached housing and large multi-family (1%) housing. At the same time the proportion of manufactured housing (27%), was more than double the statewide proportion. Manufactured housing was more than one-third of the housing stock in Arizona's western counties.

Single-family detached, small multi-family and manufactured housing are essential to the nonmetro Arizona rental housing supply. In 2017, nearly one-half (47%) of renters in nonmetro Arizona rented single-family detached housing, 25% rented units in small multi-family housing consisting of 2 to 19 units and 17% rented manufactured housing.

Six of ten (62%) housing units are 3-bedroom units and 76% of 3-bedroom units are owner-occupied. One quarter (26%) of housing units are 2-bedroom units; 2-bedroom units are equally likely to be occupied by renters as by owners. The majority of 1-bedroom (78%) and no-bedroom (82%) are renter-occupied.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	1,840,057	64%
1-unit, attached structure	139,719	5%
2-4 units	139,427	5%
5-19 units	268,489	9%
20 or more units	187,215	6%
Mobile Home, boat, RV, van, etc.	315,757	11%
Total	2,890,664	100%

Table 30 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	8,703	1%	39,416	4%
1 bedroom	55,733	4%	194,169	22%
2 bedrooms	309,265	20%	314,052	35%
3 or more bedrooms	1,140,160	75%	350,714	39%
Total	1,513,861	100%	898,351	100%

Table 31 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The State of Arizona administers several programs to assist both homeowners and renters in need of affordable housing. The majority of affordable rental units in Arizona have been developed utilizing the Low-income Housing Tax Credit (LIHTC) program. In an LIHTC project at least 20% of the units must be both rent restricted and occupied by households with income 50% or less of the area median gross income (AMGI), or at least 40% of the units must be both rent restricted and occupied by households with income 60% or less of the AMGI.

The ADOH maintains a data base of properties developed utilizing the HOME, Low-income Tax Credit (LIHTC), and state and national housing trust fund programs. As of spring 2019, there were 457 LIHTC properties, including 310 family projects and 32 senior projects funded since 1990. Together these projects contain 29,991 affordable rental units, including 777 tenant ownership units, 499 units set aside for people experiencing homelessness, 145 for people with serious mental illness, 106 for domestic violence survivors, and 721 for people with disabilities.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

While the number of units that may be lost from the inventory due to expiration of Section 8 contracts is unknown, it is estimated that 79 HOME and State Housing Trust Fund affordable rental units will be lost due to expiring periods of affordability. In addition, there are 82 LIHTC projects – 70 family and 12 senior - containing 5,836 affordable rental units that have expiring use periods from 2020 to 2025. Expiring units are located throughout Arizona:

- Apache County - 24 family units
- Cochise County - 211 units – 124 family and 87 elderly
- Coconino County - 339 units – 246 family and 93 elderly
- Gila County – 71 units – 32 family and 39 elderly
- Graham County – 40 family units
- Maricopa County – 2,504 units - 2,266 family and 238 elderly
- Mohave County – 672 family units
- Navajo County – 134 units – 102 family and 32 elderly
- Pima County – 1,297 units – 985 family and 312 elderly
- Pinal County – 160 family units
- Santa Cruz County – 40 family units
- Yavapai County – 221 units – 184 family and 37 elderly
- Yuma County – 123 family units

Does the availability of housing units meet the needs of the population?

Market demand and financial feasibility play significant roles in developers' choices of the types and sizes of housing that will be developed. The State depends on developers to submit proposals for housing types that may be developed on appropriately-zoned land with infrastructure to accommodate a range of housing types.

The high volume of owner-occupied single-family 3-bedroom units reflects demand for this type of housing. Older householders and married-couple families are the most likely to occupy this type of housing and to have the financial resources to purchase, yet many of these households consist of one or two people. Single-family housing may be more costly to rent and with multi-family housing generally consisting of fewer bedrooms, there are limited affordable rental opportunities for Arizona's larger families.

While there may otherwise be an adequate number of housing units to meet demand, seasonal units constrain supply in many areas. This constrained supply can result in unaffordable and/or substandard housing choices for the people who live and work in a community. This is especially apparent in Coconino, Gila, La Paz and Navajo counties, where seasonal vacancies comprise 70% or more of vacant units. In metro counties seasonal units comprise 38% of the vacant housing stock, 22% is for rent and 10% is for sale. In contrast, in nonmetro counties seasonal units comprise 61% of the vacant housing stock, 8% is for rent, and 7% is for sale.

Describe the need for specific types of housing:

The growing number of single-person households and the aging population point to a need for smaller units, including homeownership units for single-person and 2-person households who may wish to own. The most cost-effective method of delivering smaller homeownership units is in multi-family structures. While a need for smaller homeownership units is suggested, demand will vary greatly from market to market.

Multi-family units consisting of three or more bedrooms are needed to provide quality affordable rental housing opportunities for larger families. Additional multi-family units for households of all sizes is needed across the state.

Discussion

There are a limited number of homes affordable for purchase by low-and-moderate income households, and the choice of home type is also limited.

The number of rental units available to renters at different income levels is important to understanding potential demand for units at various rents and the amount of rental assistance needed to assist low-and-moderate income renters. Examining the number of renters experiencing severe cost burden and the number of units available at an affordable rent in 2017 reveals a need for approximately 49,694 rental units renting for less than \$250/month and an additional 42,954 renting for between \$250 and \$500/month.

MA-15 Cost of Housing – 91.310(a)

Introduction

Both owners and renters may choose to occupy housing that is disproportionately costly for any number of reasons – location, availability, public transportation and access to services, proximity to family, schools and employment, anticipated income increases, and housing quality are just some of the complex factors that impact housing choice. The value (cost) of housing drives whether households can afford to purchase and maintain ownership. Rents impact location choice, mobility, and the ability to save for home purchase.

Housing values directly impact the amount of funds that a buyer can borrow as well as the amount of taxes paid. Values are generally reflected in prices but during a time of high demand, prices can exceed values. In turn, higher prices drive up values as comparing prices is one method of determining value. Lenders provide financing up to a percentage of the value of a housing unit and this is one factor in determining whether a buyer is able to purchase a unit.

Home prices and rents have risen sharply in Arizona since 2015 as demand for housing increased with the economic recovery and in-migration.

While the median home value declined 13% from 2009 to 2015, median home values increased 30.4% from 2015 to 2017. The 2017 median home value of \$218,400 was approaching the pre-recession peak value. While ACS data is not available for 2018 or 2019, continued population growth and household formation have likely led to home values that exceed pre-recession value.

The median contract rent increased 7% from 2009 to 2015 and an additional 14% from 2015 to 2017. The median contract rent in 2017 was \$810.

From 2015 to 2017, the number of units renting for less than \$500/month declined by 64,534 to 12.9% of rental units or 112,496 units. These units are generally affordable to a household with annual income less than \$20,000. There were 241,423 renter households with annual income less than \$20,000 in 2017, including 56,490 in nonmetro Arizona.

From 2015 to 2017, the number of units renting for between for between \$500 and \$999 declined by 12,362 to 57.9% of rental units, while the number of units renting for \$1,000 or more increased by 47,813 to 29.1% of rental units, up from 22.9% in 2015.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	218,400	167,500	(23%)
Median Contract Rent	709	760	7%

Table 32 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	177,031	19.7%
\$500-999	515,790	57.4%
\$1,000-1,499	159,587	17.8%
\$1,500-1,999	28,971	3.2%
\$2,000 or more	16,972	1.9%
Total	898,351	100.0%

Table 33 - Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	35,205	No Data
50% HAMFI	157,820	122,995
80% HAMFI	501,170	331,360
100% HAMFI	No Data	494,065
Total	694,195	948,420

Table 34 – Housing Affordability

Data Source: 2011-2015 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	0	0	0	0	0
High HOME Rent	0	0	0	0	0
Low HOME Rent	0	0	0	0	0

Table 35 – Monthly Rent

Data Source Comments:

Is there sufficient housing for households at all income levels?

There are insufficient rental and homeownership units affordable to low-and-moderate income households. Rising home values and rents are also limiting the supply of housing affordable to middle-income households or those earning between 80% and 120% of AMI.

How is affordability of housing likely to change considering changes to home values and/or rents?

Rental and purchase affordability are expected to continue declining over the next several years as supply cannot keep pace with the demand generated by in-migration. As supply increases, housing values and rents may stabilize; however, affordability for low-and-moderate income households, particularly extremely low-income and low-income households is expected to be an ongoing problem.

Changes in housing affordability will vary by region, depending on in-migration, demand for second or seasonal homes, changes in employment and wages, and the volume of housing that may be developed given the availability of land, appropriate infrastructure, and construction labor and materials. Growing demand in urban areas coupled with a shortage of construction labor and project scale challenges in more rural areas will likely continue limiting development in less populated areas.

In 2017, median home values were highest in Coconino county at \$241,400, followed by Maricopa county at \$225,000 and Yavapai county at \$215,500. Median home values were lowest in Apache county at \$72,800 and La Paz county at \$77,400. Median monthly gross rents were highest in Coconino county at \$1,079, followed by Maricopa county at \$1,033 and Pinal county at \$1,014. The most affordable monthly rents were in Greenlee county at \$429/month and Apache county at \$487/month.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

In 2017, excluding Greenlee County where the housing stock is very limited, Low HOME rents/FMRs were lower than median gross rents in all Arizona counties. Compared to area median rents, High HOME rents/FMRs varied considerably by county and bedroom size.

When the High HOME rent/FMR is lower than the area median gross rent it can mean that market-rate rental housing is generally unaffordable, that FMRs do not accurately reflect current market conditions, that there may be a large supply of renter-occupied substandard units, or that there are few units of a given size. In 2017:

- High HOME rents/FMRs for all bedroom sizes were lower than median rents in Coconino and Maricopa counties.
- With the exception of 3-bedroom units, High HOME rents/FMRs were roughly equal to median gross rents in Cochise, Gila, La Paz, Mohave, Pima, Santa Cruz, and Yavapai counties; 3-bedroom High HOME rents/FMRs in these counties were lower than median gross rents.
- High HOME rents/FMRs for all bedroom sizes were higher than median rents in Apache, Navajo, and Pinal counties. Apache and Navajo counties include large Indian Reservations, limiting the supply of quality housing. Pinal county is included in the Phoenix Metropolitan Statistical Area (Maricopa county).

Investment in HOME units of all bedroom sizes, with emphasis on 3-bedroom units is needed to increase housing affordability for renters, yet will require significant subsidy to ensure both project feasibility and viability.

Both Low and High Home rents/FMRs are unaffordable to households with annual incomes less than \$20,000. As the need for units affordable to extremely-low income and low-income households continues to grow, significant subsidy will be necessary to ensure these households have access to affordable housing and remain stably housed. The State's strategy to produce or preserve rental units using HOME funds will continue to focus on producing units affordable to extremely-low income and low-income households.

When examining HOME and FMRs in comparison to area median rent it is important to understand the methodology used for each. Fair market rents (FMRs) are used as the basis for payment standards that determine the maximum level of assistance in the housing choice voucher program. FMRs are set at a level that should allow a program participant to afford to rent a unit for approximately 40% of an area's standard quality stock. When median area rents are roughly equal to or exceed FMRs, renters receiving tenant-based rental assistance may be challenged to find units in standard condition that are within program payment standards.

FMRs are also used by the HOME program to determine the maximum rent when the FMR is lower than the Low or High HOME rent. HOME rents are calculated based on a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 50% of the median income for the area (Low HOME units) or 30% of a family whose annual income equals 65% of the median income for the area (High HOME units). The HOME rents adjust for number of bedrooms and include average occupancy per unit. Unlike FMRs, HOME rents do not consider whether units are in standard condition.

HUD has proposed to update the methodology for calculating FMRs to better reflect the rent inflation that occurs between the time American Community Survey data is collected and the fiscal year for which the FMRs are produced. A revised FMR calculation methodology may bring FMRs closer to market rents, reducing the necessity of providing significant subsidies and increasing the number of units produced.

Discussion

Housing affordability continues to decline as Arizona's population increases and supply cannot keep pace with demand. The low supply of housing for renters and owners is resulting in increased rents and home prices and both low-and-moderate and middle-income households are challenged to find decent, safe and affordable housing. As the supply of decent affordable units available for rent or purchase dwindles, extremely low-income and very low-income households are the most challenged.

MA-20 Condition of Housing – 91.310(a)

Introduction:

Housing quality encompasses a range of issues that are central to quality of life, including housing safety, design and appearance, accessibility for persons with disabilities, maintenance and energy efficiency, and community safety and livability. The quality of the existing housing stock reflects economic prosperity and community investment.

The age of the housing stock is one indicator of housing quality. Older housing units may be less energy efficient, resulting in higher utility costs for occupants, and some materials such as lead paint (in units built prior to 1978) and asbestos may represent health hazards to occupants. In some areas, local building codes were not adopted until 1970 or after and inspections were not conducted. While many units built prior to 1980 have been well-maintained, housing units that are 40 years old or older are more likely to be in need of rehabilitation.

HUD also provides CHAS data that identifies housing units that have one or more selected conditions. Selected conditions include (1) lacks complete plumbing facilities, (2) lacks complete kitchen facilities, (3) more than one person per room, and (4) cost burden greater than 30%.

Definitions

The State of Arizona defines substandard housing and substandard housing suitable for rehabilitation to determine the eligibility of a housing unit for rehabilitation, except for emergency/minor repairs using CDBG funds:

- **Substandard:** A residential property that does not meet local building or housing code.
- **Substandard Condition but Suitable for Rehabilitation.** A dwelling that does not meet local building or housing code, where 1) improvements are economically and physically feasible and after rehabilitation the unit will meet local building or housing code, 2) the cost of rehabilitation will not exceed 100% of the replacement cost of the dwelling, and 3) the property value after rehabilitation will not exceed the value limit established by HUD.
- *For the CDBG program only,* emergency/minor repairs may be made without the unit meeting local building or housing code as long as the repairs meet local code. Emergency/minor repairs include but are not limited to disability accessibility improvements, lead-based paint remediation, repair of one major system (e.g. foundation, wall, electrical, roof), and window/door or energy efficiency improvements.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	383,174	25%	396,728	44%
With two selected Conditions	16,388	1%	40,481	5%
With three selected Conditions	2,417	0%	1,407	0%
With four selected Conditions	138	0%	41	0%
No selected Conditions	1,111,744	73%	459,694	51%
Total	1,513,861	99%	898,351	100%

Table 36 - Condition of Units

Data Source: 2011-2015 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	441,412	29%	213,400	24%
1980-1999	580,954	38%	351,422	39%
1950-1979	448,230	30%	296,799	33%
Before 1950	43,265	3%	36,730	4%
Total	1,513,861	100%	898,351	100%

Table 37 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	491,495	32%	333,529	37%
Housing Units build before 1980 with children present	265,490	18%	140,140	16%

Table 38 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 39 - Vacant Units

Data Source: 2005-2009 CHAS

Need for Owner and Rental Rehabilitation

Both owner and rental rehabilitation are necessary to address substandard housing conditions. The condition of the housing stock is highly variable throughout Arizona with the newer housing stock generally in good condition and portions of the older housing stock in need of repair or replacement.

Over 825,000 Arizona housing units were built prior to 1980, including 170,000 outside of Maricopa and Pima counties. Not all pre-1980 housing units are in need of rehabilitation, yet these units are more likely to be in need of improvements. Sixty percent (60%) of pre-1980 housing units are occupied by owners and 40% by renters, indicating a need for both owner and rental housing rehabilitation.

Estimated Number of Housing Units Occupied by Low- or Moderate-Income Families with LBP Hazards

There are 405,630 Arizona households with children under the age of 6 years living in pre-1980 housing units, including 265,490 owner households and 140,140 renter households. An estimated 162,200 low-to-moderate income households with children under the age of 6 years occupy pre-1980 housing.

MA-25 Public and Assisted Housing – (Optional)

Introduction:

The Arizona Public Housing Authority (AzPHA) administers the Section 8 Housing Choice Voucher program in Yavapai county, including approximately 89 regular vouchers, 70 VASH vouchers, and approximately 75 incoming portable vouchers. The AzPHA is also the Section 8 Project Based Contract Administrator, providing monitoring oversight and passing through housing assistance payments to over 8,000 project-based units in 114 projects throughout Arizona. The AzPHA does not own or operate any public housing units.

Areas served by local housing authorities include: The Cities of Chandler, Douglas, Eloy, Flagstaff, Glendale, Mesa, Nogales, Phoenix, Scottsdale, South Tucson, Tempe, Tucson, Williams, Winslow, and Yuma; and Cochise, Gila, Maricopa, Mohave, Pima, Pinal and Yuma counties. The State has no jurisdiction over local public housing authorities and all report directly to HUD.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
						Veterans Affairs Supportive Housing	Family Unification Program	Disabled *	
# of units vouchers available				128			274	0	0
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 40 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

According to HUD’s 2018 Picture of Subsidized Households, there are 5,357 public housing units located throughout the State of Arizona. The State does not maintain information on the physical conditions of public housing units operated by local housing authorities.

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

The State of Arizona does not own public housing units and does not maintain information regarding the revitalization needs of the public housing units in Arizona. Much of the Arizona public housing stock is aging and local housing authorities express that physical maintenance and capital improvements budgets are insufficient to meet the capital needs of the units.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The State of Arizona does not operate a public housing program. Local housing authorities have utilized the State's Low-Income Housing Tax Credit program in concert with the Rental Assistance Demonstration program to redevelop and revitalize public housing projects. Since 2013, 1,622 units have been converted or are planned for conversion through HUD's Rental Assistance Demonstration program. The State of Arizona will continue to support RAD and other efforts by local housing authorities to improve the living environment of families residing in public housing.

Discussion:

The State of Arizona does not anticipate the receipt of additional public housing resources during the next five years. The State of Arizona will continue to support RAD and other efforts by local housing authorities to improve the living environment of families residing in public housing.

MA-30 Homeless Facilities – 91.310(b)

Introduction

There are three Continua of Care (CoC) in Arizona, including the Arizona Balance of State (AZBOSCO), the Maricopa County CoC and the Tucson/Pima County CoC.

Based on the 2018 Housing Inventory Count for the Arizona Balance of State Continuum of Care, the AZBOSCO provided 2,945 beds including: 924 emergency shelter beds with 318 (34%) serving families and 606 (66%) serving adults only; 302 transitional housing beds with 169 (56%) serving families and 133 (44%) serving adults only; and 1,696 permanent supportive housing beds with 945 (56%) serving families and 751 (44%) serving adults only. There are no seasonal or overflow beds. The Housing Inventory Count does not include rapid rehousing. In 2018, rapid rehousing provided 562 beds, including 375 beds (67%) for families and 187 for adults only (33%) in the AZBOSCO.

Based on the 2018 Housing Inventory Count for the entire State of Arizona, the three CoCs provided 19,546 beds including: 4,010 emergency shelter beds with 1,551 (39%) serving families and 2,459 (61%) serving adults only; 2,585 transitional housing beds with 1,546 (60%) serving families and 1,039 (40%) serving adults only; and 9,165 permanent supportive housing beds with 2,599 (28%) serving families and 6,566 (72%) serving adults only. There were 192 seasonal or overflow beds. The Housing Inventory Count does not include rapid rehousing. In 2018, rapid rehousing provided 2,522 beds, including 1,744 (69%) for families and 778 for adults only (31%) statewide.

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	318	0	169	945	0
Households with Only Adults	606	0	133	751	0
Chronically Homeless Households	0	0	0	564	0
Veterans	12	0	63	565	0
Unaccompanied Youth	23	0	12	0	0

Table 41 - Facilities Targeted to Homeless Persons

Data Source: AZBOSCO facilities
Comments:

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Arizona has a broad spectrum of supports and services that are used to complement services targeted to people experiencing homelessness. The State Homeless Coordination Office has established a robust system of communication between the Departments of Economic Security, Housing, Health Services, Veteran Services and Corrections as well as city and county governments and the Continua of Care. As a result of these collaborative partnerships, the State Homeless Coordination Office has been able to coordinate scopes of work with contracted providers to improve service delivery and develop common performance measures and better outcomes.

Supports and services are delivered using a universal assessment tool to measure vulnerability and prioritize housing and support services. Teams throughout the State outreach to those experiencing homelessness and work to engage them in case management, mental health and substance abuse services through local provider networks. The COCs, in collaboration with the State Homeless Coordination Office, continue efforts to work with mainstream programs that offer rental assistance and support services to develop holistic plans to move individuals and families out of homelessness.

The three Continua also work with public housing authorities and other subsidized housing programs to gain priority in those programs for people experiencing homelessness, with landlords, property managers and other housing providers to facilitate housing people with multiple barriers, and with developers and local governments to develop additional affordable housing units.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The State of Arizona, through contracts and agreements with nonprofit and faith-based service providers, provides emergency shelter services, transitional housing, rapid rehousing and permanent supportive housing options for people experiencing homelessness. The Department of Veteran Affairs provides similar services for eligible veterans. Coordinated assessment is used in all three Continua of Care to prioritize vulnerable persons and to determine the most appropriate housing interventions and support services.

Emergency and transitional housing shelters and permanent supportive housing facilities provide support services for the individuals and families that they assist. The approach to services provided in permanent supportive housing varies considerably and includes on-site or coordinated services for mental health, substance and alcohol use, health, independent living skills, employment, peer support, and community involvement and engagement.

Current data indicates that both additional beds and additional services are necessary to meet the full spectrum of housing and services needs of individuals and families experiencing homelessness, especially given increasing rents and the need for rental units affordable to extremely-low income households.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

There are a broad range of services and facilities that assist persons who are not homeless yet have unique needs and require housing and other services. Housing and services are provided by nonprofit, for-profit, local government, and faith-based organizations throughout Arizona.

HOPWA Assistance Baseline Table

Type of HOWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	22
PH in facilities	0
STRMU	30
ST or TH facilities	0
PH placement	0

Table 42 – HOPWA Assistance Baseline

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The ADOH makes available resources to assist with disability accessibility improvements and to increase the likelihood that vulnerable people may live independently. Specialized health providers, nonprofit, and faith-based organizations throughout Arizona provide related services. In partnership with the Arizona Department of Economic Security, Arizona Department of Health Services, and the Arizona Health Care Cost Containment System, the ADOH also makes available Section 811 rental assistance for people with developmental disabilities and their families. Eligible participants live in rental units developed through the LIHTC program or other ADOH financing. In addition, the HOPWA Tenant-based Rental Assistance Program provides monthly rental assistance for people with HIV/AIDS and their families.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

To the maximum extent possible, individuals discharged from State-funded institutions or systems of care have housing options available in order to prevent discharge into homelessness. Discharge planning begins as soon as an individual is admitted to a facility and includes referrals and possible interventions to meet the individual's needs. Each Regional Behavioral Health Authority (RBHA) has dedicated housing staff with knowledge, expertise and experience to participate in and administer affordable housing programs. For individuals who are able to live independently, the RBHA makes available programs such as rent subsidies, owner-occupied home repairs,

move-in assistance, and transitional and supportive housing programs coupled with needed supportive services. The RBHAs also make available supervisory care homes or unlicensed board and care homes for those in need of additional assistance while advocating for independent living. In some areas of the state, there is also active discharge planning/medical respite occurring between local shelters and physical health institutions.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

Aside from adaptations to their units to allow them to live independently and specialized health and other services, people who have special needs have the same needs as all low-and-moderate income people. The primary need is for housing that is decent, safe and sanitary and near the necessary amenities and services. To address this need, the ADOH will support and administer the following activities:

- Section 811 Project Rental Assistance.
- CDBG and HOME for owner-occupied and renter-occupied housing rehabilitation, including disability accessibility improvements, and CDBG improvements to public facilities, infrastructure, and public services.
- National Housing Trust Fund for rental housing affordable to extremely-low income and low-income households that include a person with special needs.
- HOPWA for tenant-based rental assistance, short-term rent, mortgage and utility assistance and related services for people with HIV/AIDS and their families.

In addition, the State of Arizona may fund rental housing that limits eligibility or gives a preference to a particular segment of the population. Except for rental housing that also receives funding from a federal program that limits eligibility to a specific population, when limiting eligibility or giving a preference, the limitation or preference must be limited to 1) households with disabilities that significantly interfere with their ability to obtain and maintain housing; 2) households that would not be able to obtain or maintain themselves in housing without appropriate supportive services; and 3) the supportive services cannot be provided in a nonsegregated setting. The households must not be required to accept the services offered at the project and the project owner must advertise the project as offering services for a particular type of disability. The project must be open to all otherwise eligible persons with disabilities who may benefit from the supportive services provided.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Not applicable.

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

As a state settled during western expansion, Arizona has always had a strongly individualistic disposition. It was founded during the heart of the progressive movement, and its 1912 constitution reflects the desire of reformers to prohibit special legislation and ensure the rights of localities to exercise exclusive jurisdiction over purely local matters. It granted municipalities with 3,500 people or more the right to create their own city charters. That local autonomy is an established, deeply engrained and cherished practice in Arizona. Planning, zoning and building codes are governed by Arizona Revised Statutes Title 11, Chapter 6 for counties and ARS Title 9, Chapter 4 for cities and towns, which allows for local selection of building codes.

Other State legislation restricts the ability of localities to utilize land use and zoning requirements to encourage affordable housing development. The Private Property Rights Act of 2006 requires local governments to compensate a private property owner if the value of a person's property is reduced by the enactment of a land use law. Under this Act, downzoning or changing zoning to permit less intensive development is difficult to accomplish in Arizona. Property owners must either waive their entitlements voluntarily or be compensated for the reduction in value of their property. Passed in 2015, Senate Bill 1072 amended municipal and county land use and zoning requirements. The bill prohibited requiring affordable housing in a zoning code (inclusionary zoning) but does not limit the use of an incentive, density bonus or other voluntary provision or condition designed to increase the supply of moderate or lower cost housing. In addition, Arizona's constitution includes a gift clause that prohibits state and local governments from giving financial gifts to private entities, which effectively restricts the use of public lands from being utilized for the development of affordable housing under most circumstances.

The ADOH also completed HUD's Regulatory Barriers Questionnaire and identified the following potential barriers that are not restricted by the Arizona Constitution or enabling legislation:

- Local jurisdiction plans are not required to estimate current and estimated housing needs for families at various income levels.
- There is no agency or office whose mission is to determine whether local policies raise costs or discourage affordable housing or to assist local jurisdictions to identify regulatory barriers and recommend strategies for their removal.
- State financial assistance for housing, community development and/or transportation does not prioritize or link funding to barriers removal activities.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

Economic development is a major contributor to Arizona’s standard of living and quality of life. Standard of living is typically measured by a series of indicators that include, but are not limited to, educational achievement, housing and neighborhood conditions, general health and safety, household income, employment opportunities, and wages. Arizona’s ability to retain and attract businesses that employ the workforce and raise the standard of living is essential to successful economic development.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	17,728	18,648	6	10	4
Arts, Entertainment, Accommodations	57,640	38,875	18	21	3
Construction	23,066	13,814	7	7	0
Education and Health Care Services	59,624	32,563	19	17	-2
Finance, Insurance, and Real Estate	18,688	6,125	6	3	-3
Information	5,812	3,544	2	2	0
Manufacturing	22,625	11,097	7	6	-1
Other Services	10,859	6,930	3	4	1
Professional, Scientific, Management Services	17,607	6,995	6	4	-2
Public Administration	0	0	0	0	0
Retail Trade	58,218	33,480	18	18	0
Transportation and Warehousing	11,980	6,901	4	4	0
Wholesale Trade	13,421	7,232	4	4	0
Total	317,268	186,204	--	--	--

Table 43 - Business Activity

Data 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)
Source:

Labor Force

Total Population in the Civilian Labor Force	531,798
Civilian Employed Population 16 years and over	468,471
Unemployment Rate	11.95
Unemployment Rate for Ages 16-24	25.08
Unemployment Rate for Ages 25-65	6.63

Table 44 - Labor Force

Data Source: 2011-2015 ACS

Occupations by Sector	Number of People
Management, business and financial	89,406
Farming, fisheries and forestry occupations	19,604
Service	58,033
Sales and office	112,910
Construction, extraction, maintenance and repair	56,581
Production, transportation and material moving	30,235

Table 45 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	285,789	66%
30-59 Minutes	109,949	25%
60 or More Minutes	37,503	9%
Total	433,241	100%

Table 46 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	44,593	10,299	52,794
High school graduate (includes equivalency)	103,209	14,990	75,072
Some college or Associate's degree	151,218	14,075	78,146
Bachelor's degree or higher	83,681	4,434	26,846

Table 47 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	3,346	6,898	8,722	22,342	24,561
9th to 12th grade, no diploma	25,248	19,615	16,268	33,780	22,943
High school graduate, GED, or alternative	38,569	46,593	42,273	104,432	79,641
Some college, no degree	35,575	44,452	41,444	97,267	69,603
Associate's degree	4,061	14,384	14,190	32,058	17,819
Bachelor's degree	2,758	15,596	19,720	41,508	30,321
Graduate or professional degree	58	5,324	8,475	24,508	24,534

Table 48 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	\$21,058
High school graduate (includes equivalency)	\$28,372
Some college or Associate's degree	\$35,089
Bachelor's degree	\$50,483
Graduate or professional degree	\$62,262

Table 49 – Median Earnings in the Past 12 Months

Alternate Data Source Name:

Earnings

Data Source Comments:

Based on the Business Activity table above, what are the major employment sectors within the state?

The major employment sectors in the Arizona Balance of State are 1) Education and Health Care Services, 2) Retail Trade, and 3) Arts, Entertainment, Accommodations.

Describe the workforce and infrastructure needs of business in the state.

Arizona's Unified Workforce Development Plan for 2020-2024 identified seven in-demand industries – 1) construction, 2) health care and social assistance, 3) professional, scientific, and technical services, 4) finance and insurance, 5) manufacturing, 6) transportation and warehousing, and 7) information technology. These industries were identified as in-demand based on strong employment and wage growth. Occupations requiring low-levels of education represent a large portion of Arizona jobs. While occupations requiring low levels of education are among the largest categories, they are projected to grow at a slower rate than occupations requiring higher levels of education.

As economic conditions improve, the need for middle and high-skilled workers continues. While workforce needs vary by industry, the most common need is for workers with reading comprehension, active listening, and critical thinking skills, and knowledge of customer and personal service, English language, mathematics, and computers and electronics.

Infrastructure needs of businesses include quality transportation systems (road, bridges, rail spurs), water and sewer systems, and broadband and other utility connections.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

Continued in-migration and economic growth will impact in-demand industries, requiring additional skilled and educated workers for the – 1) construction, 2) health care and social assistance, 3) professional, scientific, and technical services, 4) finance and insurance, 5) manufacturing, 6) transportation and warehousing, and 7) information technology industries. During the economic recession, the state lost many skilled construction workers and as a result, developers are seeing increased labor costs and shortages that impact project schedules. Community colleges and technical schools can provide the necessary training.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

Occupations requiring low-levels of education represent a large portion of Arizona jobs. Among occupations in high demand occupations, 52% require a High School Diploma or less, 20% require a Bachelor's Degree, 18% require an Associate's Degree, postsecondary non-degree award or some college, and 11% require a Master's or Doctoral/professional Degree. Among Arizona's balance of state workforce (people age 18 to 64), 43% have a

High School Diploma or less, 9.4% have a Bachelor's Degree, 33% have an Associate's Degree, postsecondary non-degree award or some college, and 14% have a Master's or Doctoral/professional Degree. Arizona's educated nonmetro workforce is often underemployed as they are not matched with corresponding employment opportunities in in-demand occupations.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

Arizona's workforce training initiatives are job-driven. Initial and on-going meetings with employers help to determine what jobs are in demand in a local area, the types of training and credentials that individuals need to be qualified for these positions, development of career pathways, and identification of sector strategies.

ARIZONA@WORK business services teams from across the state work collaboratively and strategically as workforce system partners to support statewide and local strategies and goals. Business services teams provide a wide array of supportive services to employers. Services are provided for adults, dislocated workers, and youth; individuals with disabilities; English language learners and adult education students; Veterans; and other priority and special populations, including justice-involved youth and adults. Services may include support obtaining work-based learning (on-the-job training, apprenticeships, incumbent worker training, customized training, etc.); work experience (e.g. internships, pre-apprenticeships); training to obtain employment with industry recognized credentials; adult education and literacy courses; Career and Technical Education (CTE); and integrated education and training programs.

State level coordination across programs is implemented by the Arizona Departments of Education and Economic Security, who together administer ten education and employment programs. Additionally, the State coordinates with programs outside the Plan, such as DES' i) Child Support Services, where processes are implemented to assist and connect child support participants to employment and training resources, ii) Division of Developmental Disabilities, to coordinate employment services for individuals co-enrolled in rehabilitation services, and iii) Child Care Administration, which connects parents receiving childcare subsidies to employment opportunities through a referral process. Arizona's reentry initiative provides supports and services to justice-involved youth and adults.

Workforce training initiatives support the Consolidated Plan by addressing employment and pre-employment needs of Arizona's low-income, poverty-level, and special needs populations.

Describe any other state efforts to support economic growth.

The Arizona Commerce Authority (ACA) is the state's leading economic development organization with a mission to grow and strengthen Arizona's economy. The ACA uses a three-pronged approach to advance the overall economy: 1) *recruit* out-of-state companies to expand their operations in Arizona; 2) work with existing companies to *grow* their business in Arizona and beyond; and 3) partner with entrepreneurs and companies large and small to *create* new jobs and businesses in targeted industries.

The ACA's action plan is focused on capitalizing on existing strengths and opportunities, executing strategies that grow Arizona's economy, targeting high-growth industries in key markets and identifying emerging growth sectors. The ACA has strategically chosen to focus on developing six established industries – aerospace and defense, bioscience and health care, business and financial services, film and digital media, manufacturing, and technology and innovation. These industries create high-wage jobs, generate exports and encourage capital in-flows, have strong supply chains and multiplier effects, and generate tax revenues that support public services.

To grow and strengthen Arizona's economy and facilitate the creation of quality jobs, the ACA employs ten strategies: 1) monitoring and strengthening competitiveness, 2) increasing awareness, 3) leading economic development efforts, 4) targeting high-value industries, 5) accelerating advanced manufacturing, 6) cultivating entrepreneurial ecosystem, 7) expanding international trade, 8) creating a workforce of the future, 9) encouraging infrastructure, and 10) enhancing rural economic growth.

Discussion

State universities, community colleges and technical schools play a key role in Arizona's economic development strategy, particularly in the crucial areas of research, continuing education, and trades. Along with Arizona's K-12 public education system, Arizona's three State universities, nineteen community colleges, two tribal colleges and numerous private colleges and trade schools provide an education infrastructure to meet the needs of the workforce.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

An area of concentration is one in which the percentage of a given population exceeds the state percentage by at least 10%. Poverty is a primary indicator of multiple housing problems and there are 27 off-reservation balance of state Arizona Census Tracts that have a poverty rate of 28% or more. Of these census tracts, two are in Cochise County, one is in La Paz County, six are in Mohave County, six are in Pinal County, three are in Santa Cruz County, two are in Yavapai County, and five are in Yuma County.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Minority concentrations are defined as Census Tracts where the proportion of people who are not White alone exceeds the county proportion (less Indian Reservations) by 10% or more. The State's 2020 Analysis of Impediments to Fair Housing Choice revealed concentrations of racial and ethnic minorities combined, and concentrations of Hispanics. Native American concentrations are found in census tracts adjacent to tribal lands.

What are the characteristics of the market in these areas/neighborhoods?

Arizona covers 113,594 square miles and has a population density of sixty-four people per square mile, including more densely populated urban areas. Concentrations are widely dispersed and seventeen of the minority concentration areas contain fewer than one hundred people per square mile, with eleven of the areas containing fewer than twenty people per square mile.

Are there any community assets in these areas/neighborhoods?

These areas are widely dispersed across Arizona's 113,954 square mile area and have low population density.

Are there other strategic opportunities in any of these areas?

These areas are widely dispersed across Arizona's 113,954 square mile area and have low population density.

Based on the needs analysis above, describe the State's needs in Colonias

Lack of access to public water and wastewater services are the primary barriers to Colonias community improvement. During the eligibility certification process, each Colonias community performs a housing assessment using the housing assessment guide developed by ADOH in partnership with the University of Arizona. These housing assessments indicated a significant need for housing rehabilitation or replacement. ADOH encourages Colonias communities to apply for water, wastewater improvements or housing rehabilitation funding that can significantly address infrastructure or housing rehabilitation needs.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

The 2017 US Census American Community Survey reported 119,830 Balance of State households with no broadband internet subscription. An estimated 60,000 Balance of State LMI households do not have broadband access, mostly in tribal communities and the lowest-density and most remote rural areas. According to the February 2018 Arizona Department of Administration Arizona Statewide Broadband Strategic Plan, a statewide infrastructure plan will be developed to identify existing infrastructure, opportunities for expansion, and areas with greatest need/highest priority. The infrastructure plan will emphasize rural middle-mile infrastructure and improve coordination between broadband providers and public entities.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

There are numerous broadband Internet service providers serving Arizona's vast geography. While some areas have only one Internet service provider, these areas generally have extremely low density.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)**Describe the jurisdiction's increased natural hazard risks associated with climate change.**

The Arizona Department of Emergency and Military Affairs 2018 State of Arizona Hazard Mitigation Plan identified the likely effects of climate change as increased heat, drought, and insect outbreaks that result in more wildfires, declining water supplies, reduced agricultural yields, health impacts in cities due to heat, and flooding and erosion. The plan was prepared in compliance with US Department of Homeland Security Federal Insurance and Mitigation Administration Requirements.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

An estimated 437,080 LMI households are vulnerable to extreme heat, 92,430 to flooding, and 173,000 to wildfire. Arizona has an extremely diverse climate and geography. Northern Arizona is characterized by sweeping plains, river-carved valleys, and forested mountain peaks. Southern Arizona is characterized by desert basins broken up by mountains with rocky peaks. The highest point in Arizona lies at 12,655 while the lowest point approaches sea level.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The State of Arizona's 5-year Strategic Plan for the use of HUD CPD resources is based on consultation with residents and stakeholders and analysis of the housing market and community needs. HUD Consolidated Plan resources include the Community Development Block Grant Program (CDBG), the HOME Investment Partnerships Program (HOME), the Housing Opportunities for Persons with AIDS Program (HOPWA), the Emergency Solutions Grant Program (ESG), and National Housing Trust Fund (NHTF). The CDBG, HOME, HOPWA, and NHTF programs are administered by the Arizona Department of Housing, and the ESG program is administered by the Arizona Department of Economic Security. Eligible activities are implemented through collaboration with units of local government, nonprofit and for-profit organizations, and the State's three Continua of Care.

The 5-year Strategic Plan describes the methods of distribution for each HUD CPD program and the 5-year goals and objectives to address priority needs. The State's 5-year Strategic Plan includes six priority needs and related goals and activities to address priority needs:

1. Community Facilities and Improvements.
2. Public Services.
3. Decent Affordable Housing.
4. Homelessness.
5. Housing and Services for People with HIV/AIDS.
6. Program Administration.

Improvements to facilities and housing generally include energy-efficiency and disability accessibility improvements. Priority is given in many projects and programs to special needs populations.

HUD requires the State to assign a priority level of low or high to each priority need. The assigned priority level does not indicate a lack of need, it simply indicates relative preference among the needs. High priority activities are those that are most likely to be funded using limited Consolidated Plan resources. Low priority activities are those that may be funded as appropriate opportunities arise or that are particularly challenging to implement using Consolidated Plan resources. Not all activities will be implemented annually.

SP-10 Geographic Priorities – 91.315(a)(1)

Consolidated Plan resources are distributed throughout Arizona based on the State service area for each program. Consolidated Plan investments are allocated based on methods of distribution for each program.

General Allocation Priorities

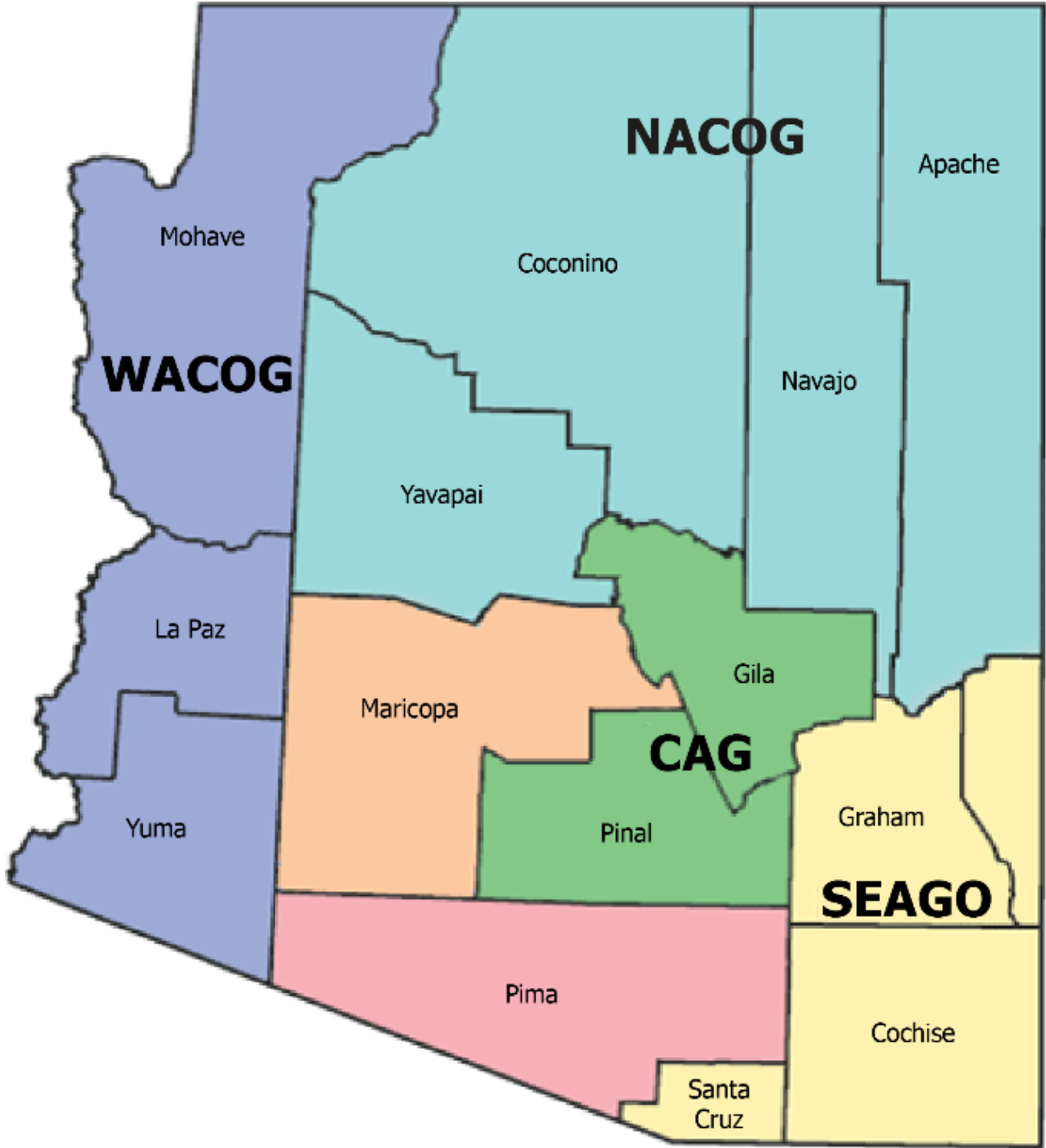
CDBG funds are allocated to all non-entitlement Units of General Local Government outside of Pima and Maricopa Counties. Ten percent (10%) of CDBG funds are set-aside for Colonias projects, two percent (2%) plus \$100,000 are set aside for program administration, and one percent (1%) are set aside for technical assistance. Of the remaining funds, eighty-five percent (85%) is distributed on a non-competitive basis through the Regional Account for each Council of Government (COG) region using a method of distribution developed by each COG and approved by the State, and fifteen percent (15%) are distributed on a competitive basis through the State Special Projects Account. The type of projects that can be undertaken with the Regional Account are largely unrestricted from those allowed by the CDBG regulation. Each non-entitlement unit of local government determines their individual priority needs through a public participation process. A map of the COG regions is provided on the following page.

HOME funds are primarily targeted to rental development and owner-occupied housing rehabilitation programs and allocated on a competitive basis. Through a competitive point structure, special needs populations and service-enriched locations are prioritized, as is owner-occupied housing rehabilitation outside of CDBG entitlement jurisdictions.

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

ESG funds are allocated to providers participating in one of the three Continua through a competitive Request for Proposals process that may include service methodology, experience and expertise, cost, capacity and other relevant factors. The three Continua annually submit to DES the annual demographics report and the annual point-in-time count. The cumulative percent is set as a target for the percent of total available funding to be awarded to providers participating in a Continuum of Care. Funds are awarded through contracts with providers as long as there are enough providers who qualify for funding based on a competitive Request for Proposals (RFP) process. Proposals are reviewed by a panel comprised of internal staff, participants in the Continua of Care and community partners. Proposals are assessed using a rating system published in each RFP.

NHTF funds are targeted to the construction of rental housing for extremely low-income households and allocated on a competitive basis. Through a competitive point structure, people experiencing homelessness, special needs populations and service-enriched and transit-oriented locations are prioritized.



SP-25 Priority Needs – 91.315(a)(2)
Priority Needs
Table 50 – Priority Needs Summary

1	Priority Need Name	Community Facilities and Improvements
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Non-housing Community Development
	Geographic Areas Affected	State Service Area
	Associated Goals	Community Facilities and Improvements
	Description	CDBG funds in the Arizona Balance of State for: development of/ improvements to facilities and infrastructure; clearance and demolition or movement of buildings to other sites; acquisition of real property to be developed for a public purpose; cleanup of contaminated sites. Includes disability accessibility and energy efficiency improvements.
	Basis for Relative Priority	Prior use of CDBG funds and public and stakeholder input demonstrate significant need for community facilities and improvements.
2	Priority Need Name	Public Services
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Non-housing Community Development
	Geographic Areas Affected	State Service Area

	Associated Goals	Public Services
	Description	Services to LMI individuals, including persons experiencing homelessness and non-homeless special needs populations. Funding sources include CDBG, HOPWA and ESG.
	Basis for Relative Priority	Prior uses of CDBG, ESG and HOPWA funds and public and stakeholder outreach point to a significant need for public services.
3	Priority Need Name	Decent Affordable Housing
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	State Service Area
	Associated Goals	Decent Affordable Housing
	Description	Acquisition, rehabilitation and construction of affordable rental housing and rehabilitation of owner-occupied housing using CDBG, HOME, and National Housing Trust Fund resources.

	Basis for Relative Priority	LMI individuals and families are challenged to secure and maintain affordable housing leading to significant numbers of households experiencing severe cost burden, increasing rates of chronic homelessness, and inability of homeowners to afford maintenance and repairs.
4	Priority Need Name	Homelessness
	Priority Level	High
	Population	Extremely Low Low Moderate Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	Geographic Areas Affected	State Service Area
	Associated Goals	Homelessness
	Description	Rent, mortgage, and utility assistance, emergency and transitional shelter, additional beds and essential services to secure and maintain housing stability and prevent homelessness. Primarily funded with ESG resources.
	Basis for Relative Priority	The needs assessment and public and stakeholder outreach identified homelessness as a high priority need.
	5	Priority Need Name
Priority Level		High
Population		Extremely Low Low Moderate Persons with HIV/AIDS Persons with HIV/AIDS and their Families
Geographic Areas Affected		State Service Area

	Associated Goals	HIV/AIDS Housing and Services
	Description	Essential services, monthly rental assistance and/or security/utility deposits, permanent housing placement, and assistance with rent, mortgage and utilities to prevent homelessness and maintain housing stability for LMI persons with HIV/AIDS.
	Basis for Relative Priority	The needs assessment pointed to increasing incidence of HIV and continued demand for housing and services for people with HIV/AIDS and their families.
6	Priority Need Name	Program Administration
	Priority Level	High
	Population	Other
	Geographic Areas Affected	State Service Area
	Associated Goals	Program Administration
	Description	Administration of Consolidated Plan resources, including indirect costs, CDBG technical assistance, and fair housing activities.
	Basis for Relative Priority	Administration of Consolidated Plan programs, the provision of technical assistance, and fair housing activities are essential to addressing identified needs.

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	<ul style="list-style-type: none"> • Increasing rents. • Maintaining housing stability is less costly than stabilizing individuals or families experiencing homelessness. • Growing incidence of homelessness. • 178,950 Arizona renters pay more than 50% of income for housing, and 163,220 pay more than 30% of income for housing.
TBRA for Non-Homeless Special Needs	<ul style="list-style-type: none"> • Maintaining housing stability is less costly than stabilizing individuals or families experiencing homelessness. • Growing incidence of homelessness among special populations. • 178,950 Arizona renters pay more than 50% of income for housing, and 163,220 pay more than 30% of income for housing.
New Unit Production	<ul style="list-style-type: none"> • Need for approximately 49,694 rental units renting for less than \$250/month and an additional 42,954 renting for between \$250 and \$500/month to house severely cost burdened renters. • Increasing rents and home prices. • Maintaining housing stability is less costly than stabilizing individuals or families experiencing homelessness. • 178,950 Arizona renters pay more than 50% of income for housing, and 163,220 pay more than 30% of income for housing. • 134,025 Arizona owners pay more than 50% of income for housing, and 135,255 pay more than 30% of income for housing.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Rehabilitation	<ul style="list-style-type: none"> • Need for approximately 49,694 rental units renting for less than \$250/month and an additional 42,954 renting for between \$250 and \$500/month to house severely cost burdened renters. • Increasing rents and home prices. • Maintaining housing stability is less costly than stabilizing individuals or families experiencing homelessness. • 178,950 Arizona renters pay more than 50% of income for housing, and 163,220 pay more than 30% of income for housing. • 134,025 Arizona owners pay more than 50% of income for housing, and 135,255 pay more than 30% of income for housing. • Over 825,000 Arizona housing units were built prior to 1980, including 170,000 outside of Maricopa and Pima counties. Sixty percent (60%) of pre-1980 housing units are occupied by owners and 40% by renters, indicating a need for both owner and rental housing rehabilitation. • An estimated 162,200 LMI households with young children at risk of lead poisoning.
Acquisition, including preservation	<ul style="list-style-type: none"> • Need for approximately 49,694 rental units renting for less than \$250/month and an additional 42,954 renting for between \$250 and \$500/month to house severely cost burdened renters. • Increasing rents and home prices. • Maintaining housing stability is less costly than stabilizing individuals or families experiencing homelessness. • 178,950 Arizona renters pay more than 50% of income for housing, and 163,220 pay more than 30% of income for housing. • 134,025 Arizona owners pay more than 50% of income for housing, and 135,255 pay more than 30% of income for housing.

Table 51 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)
Introduction

The State of Arizona anticipates receiving CDBG, HOME, ESG, HOPWA, and NHTF Consolidated Plan resources from the US Department of Housing and Urban Development over the next 5 years. Annual allocations vary considerably based on congressional appropriations. The NHTF allocation for 2020 has not yet been announced and the following table reflects the 2019 allocation.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	9,776,490	0	0	9,776,490	39,105,960	Community Development Block Grant (CDBG) funds may be used for a variety of activities that meet the needs of LMI residents and communities. Eligible activities include public services, and capital improvements such as infrastructure, facilities, and housing. Each activity must meet a CDBG national objective.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	5,460,334	0	0	5,460,334	21,841,336	HOME Investment Partnership Program (HOME) funds may be used to assist LMI owners and renters through new construction of housing, acquisition and/or rehabilitation of housing, tenant-based rental assistance, and homeownership assistance. 15% of HOME funds are set aside for development activities carried out by specially-formed nonprofit organizations called Community Housing Development Organizations.
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	392,848	0	0	382,848	1,571,392	The Housing Opportunities for Persons with AIDS (HOPWA) program funds housing assistance and support services for low-income persons with HIV/AIDS and their families.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	1,725,666	0	0	1,725,666	6,902,664	The Emergency Solutions Grant (ESG) program provides funding to: 1) engage homeless individuals and families living on the street; 2) improve the number and quality of emergency shelters; 3) help operate shelters; 4) provide essential services to shelter residents; 5) rapidly re-house individuals and families experiencing homelessness; and 6) prevent families and individuals from becoming homeless.
NHTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,070,454	0	0	5,070,454	20,281,816	The National Housing Trust Fund is targeted to building, rehabilitating, preserving, and operating rental housing for extremely low-income people.

Table 52 - Anticipated Resources

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

HUD Consolidated Plan resources are leveraged with numerous federal, state, local and private resources to address the needs identified in this plan.

Federal leverage resources from the US Department of Housing and Urban Development include:

1. Continuum of Care funding for emergency and transitional housing, permanent housing placement, essential services, rapid rehousing (rental assistance), and permanent housing in facilities.
2. Veterans Affairs Supportive Housing vouchers for rent subsidies to Veterans experiencing homelessness.
3. Shelter Plus Care funds in Cochise and Santa Cruz counties for permanent supportive housing for individuals and families with disabilities experiencing homelessness, including individuals and families with serious mental illness, physical disabilities, and/or chronic substance use problems.
4. Section 811 Project Rental Assistance for housing people with developmental disabilities.

State leverage resources include:

1. Low-income Housing Tax Credit financing for developers of affordable rental housing serving low-income households.
2. The Arizona Industrial Development Authority HOME PLUS mortgage program.
3. The Arizona Housing Trust Fund for the 25% HOME match requirement.
4. The Arizona Housing Trust Fund and leveraged resources from units of local government for the CDBG match requirement.
5. The Arizona Lottery and General funds to support activities to address homelessness.

Local and private leverage resources include:

1. Federal Home Loan Bank resources that support savings for homeownership and provide financing for affordable housing development and preservation.
2. ESG matching funds from allowable costs incurred by sub-grantees, cash donations, and the value of third-party in-kind contributions.
3. Private equity and financing for the acquisition, rehabilitation and production of rental and owner housing.

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

The State of Arizona does not have land or property that may be used to address the needs identified in this plan.

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Arizona Department of Housing	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Public Housing Rental neighborhood improvements public facilities public services	State
Arizona Department of Economic Security	Government	Homelessness Planning	State
Central Arizona Association of Governments	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Region
Northern Arizona Council of Governments	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
SouthEastern Arizona Governments Organization (SEAGO)	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Region
Western Arizona Council of Governments	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Region
Arizona Commerce Authority	Government	Ownership	State

Table 53 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Consolidated Plan activities are carried out through contracts with local government, and nonprofit and for-profit organizations. The effectiveness of implementing activities by contracting with outside organizations is dependent upon the capacity of the implementing organizations and the expertise of State staff administering programs and contracts. Each contract is assigned a Program Specialist to oversee progress and distribute funding.

Gaps in delivery exist most often at the implementation level. ADOH staff works collaboratively with local contracting organizations to address gaps and facilitate successful completion of contracted activities.

Assess the strengths and gaps in the institutional delivery system working within the Colonias

There are 64 Arizona designated Colonias in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma, and on the Cocopah, and Tohono O’odham Indian Reservations. The ADOH has developed a process to certify Arizona Colonias to ensure that they comply with federal legislation at Section 916 of the Cranston-Gonzalez Act of 1990 and HUD guidance. The ADOH sets aside 10% of its annual CDBG funds

for projects in Colonias with high-priority needs. Colonias typically partner with local government to apply for CDBG Colonias funding, which is made available biennially to facilitate larger awards to address significant water, sewer and/or housing needs in their entirety.

Colonias typically do not have sufficient capacity to administer CDBG activities and rely on the communities or counties where they are located for leadership and administration of set-aside funds. Additionally, through a contract with ADOH, regional Councils of Government provide both technical and administrative assistance to Colonias.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X	X	X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	X
Mobile Clinics	X		
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
	X		

Table 54 - Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction

Arizona covers 113,594 square miles, and contains 15 counties, 91 cities and towns, and 22 sovereign American Indian communities. This vast geographic area results in large gaps in the availability of services for people experiencing homelessness or at risk of homelessness. This is especially true in rural areas where a single organization may serve numerous counties, cities and towns.

The Arizona Balance of State Continuum of Care (AZBOSCO) utilizes a coordinated entry system to prioritize assistance based on highest acuity and length of homelessness. This system ensures that people who are the most vulnerable receive housing. Outreach workers are trained to conduct VI-SPDAT screening in the field and use progressive engagement strategies with unsheltered individuals to encourage engagement with shelter, supportive housing, and other available housing subsidies.

The State's HOPWA program provides short term rent, utilities, and mortgage assistance in four counties, and tenant-based rental assistance in seven counties. Supportive services are available to clients in need of services. HOPWA subrecipients provide targeted outreach activities to clients with HIV/AIDS. Integration with Ryan White services provides clients with access to core and support services including medical care, mental health counseling, substance abuse counseling, health insurance assistance, HIV/AIDS medication and medical transportation.

The Statewide SOAR Steering Committee assists people with applying for and receiving social security and other benefits for which they are eligible. Mainstream services such as health, mental health and employment services are available to persons residing in emergency shelter or who have been housed through rapid rehousing.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The strengths of the service delivery system include: the coordinated entry system, coordination between Medicaid, HUD and privately-funded housing resources; direct engagement of workforce, healthcare, behavioral healthcare, and substance abuse providers and resources with housing providers and resources; and the diversity of housing resources and pathways to assistance.

The gaps in the service delivery system include Arizona's vast geography, few resources in rural areas, and limited capacity of many agencies to provide services and the case management necessary to effectively stabilize households or help households maintain their stability. In addition, an insufficient number of affordable rental units, emergency shelter and transitional and permanent supportive housing units are gaps in the service delivery system for people at risk of or experiencing homelessness or with special needs.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The State's strategy for overcoming gaps in the institutional structure and service delivery system is focused on collaboration, training and leveraging resources to address priority needs. Collaborative efforts, training and leveraging of resources are integrated into each of the program methods of distribution.

In the CDBG program, the State collaborates with units of local government and regional Councils of government to distribute funds and provide technical and administration assistance to carry out eligible activities. Eligible activities often leverage federal, state, and local human and financial resources making it possible to address the community improvement, economic development, housing and public services needs of low-and-moderate income households in the balance of the state. Handbooks provide important guidance to

units of local government to ensure activities meet regulatory requirements, and the State's annual Housing Forum includes a track dedicated to community development and revitalization.

In the HOME program, the State collaborates with local government and nonprofit and for-profit organizations to carry out activities that address the needs of low-and-moderate income owners and renters through rehabilitation and development of housing units. A program summary provides important guidance to program partners to ensure activities meet regulatory requirements. HOME funds are significantly leveraged with other resources, including the Low-income Housing Tax Credit program, the Arizona Housing Trust Fund and private financing.

In the HOPWA program, the State collaborates with public housing authorities and nonprofit organizations to address the housing and services needs of low-and-moderate income persons with HIV/AIDS and their families. HOPWA resources leverage Ryan White resources and local health and social services programs.

In the ESG program, the State Homeless Coordination Office works with the state's three Continua to ensure that ESG funds target gaps and needs. The Continua also host meetings focused on raising awareness of homelessness and providing education about the Continuum of Care process.

In the NHTF program, the State works with public housing agencies, and nonprofit and for-profit organizations to preserve and produce rental housing affordable to extremely low-income renters, primarily to address the permanent supportive housing needs of individuals and families experiencing chronic homelessness. NHTF funds are leveraged with supportive services resources, and may be leveraged with other resources, including the Low-income Housing Tax Credit program, the Arizona Housing Trust Fund, and private financing.

The ADOH hosts an annual Housing Forum that provides its partners with opportunities to develop new collaborations, explore innovative solutions to address priority needs, and to advocate for policies that address priority needs.

SP-45 Goals Summary – 91.315(a)(4)
Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Community Facilities and Improvements	2020	2024	Non-Housing Community Development	State of Arizona FY2020-2024	Community Facilities and Improvements	CDBG: \$34,215,977	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted Buildings Demolished: 2 Buildings
2	Public Services	2020	2024	Non-Housing Community Development	State of Arizona FY2020-2024	Public Services	CDBG: \$500,000	Public service activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted
3	Decent Affordable Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Arizona FY2020-2024	Decent Affordable Housing	CDBG: \$12,200,000 HOME: \$24,751,503 NHTF: \$22,817,043	Rental units constructed: 130 Household Housing Unit Rental units rehabilitated: 55 Household Housing Unit Homeowner Housing Rehabilitated: 425 Household Housing Unit
4	HIV/AIDS Housing and Services	2020	2024	Non-Homeless Special Needs	State of Arizona FY2020-2024	Housing and Services for People with HIV/AIDS	HOPWA: \$1,905,313	Public service activities other than Low/Moderate Income Housing Benefit: 250 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted Homelessness Prevention: 225 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Homelessness	2020	2024	Homeless	State of Arizona FY2020-2024	Homelessness	ESG: \$8,628,330	Public service activities other than Low/Moderate Income Housing Benefit: 1000 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 500 Households Assisted Homeless Person Overnight Shelter: 1000 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 25 Beds Homelessness Prevention: 500 Persons Assisted
6	Program Administration	2020	2024	Program Administration	State of Arizona FY2020-2024	Program Administration	CDBG: \$1,966,474 HOPWA: \$58,927 HOME: \$2,730,167 NHTF: \$2,535,227	Other: 5 Other

Table 55 – Goals Summary

Goal Descriptions

1	Goal Name	Community Facilities and Improvements
	Goal Description	Development of/ improvements to facilities for seniors, youth, persons with disabilities, abused and neglected children, neighborhood facilities, parks/ recreation facilities, child care centers, fire stations/ equipment, health facilities, bus shelters. Development of/ improvements to flood drainage, water/sewer systems, streets, sidewalks, including for housing development. Includes water lines, sanitary/storm sewers, fire hydrants, traffic lights/signs. Development of/ improvements to group homes, emergency shelter/transitional housing facilities (that add beds). Clearance and demolition or movement of buildings to other sites.
2	Goal Name	Public Services
	Goal Description	Services to LMI individuals, including persons experiencing homelessness, seniors, persons with disabilities, youth, domestic violence survivors, people with serious mental illness, people with alcohol/substance use disorders, abused/neglected children, domestic violence survivors.
3	Goal Name	Decent Affordable Housing
	Goal Description	Acquisition and/or rehabilitation of affordable rental housing, including energy-efficiency, disability accessibility improvements, temporary or permanent relocation, permanent supportive housing, HOME-funded transitional housing, HOME CHDO set-aside. Construction of affordable rental housing, including permanent supportive housing, HOME transitional housing, HOME CHDO set-aside. Rehabilitation of housing occupied by LMI owners, including energy-efficiency and disability accessibility improvements.
4	Goal Name	HIV/AIDS Housing and Services
	Goal Description	Essential services, monthly rental assistance and/or security/utility deposits, permanent housing placement, and assistance with rent, mortgage and utilities to prevent homelessness among LMI persons with HIV/AIDS and their families.

5	Goal Name	Homelessness
	Goal Description	Rent, mortgage, utility and related assistance to maintain housing stability and prevent homelessness. Essential services including street outreach. Operating support for emergency/transitional shelter. Monthly rental assistance for households experiencing homelessness. Improvements to emergency/transitional shelter (no beds added). Development of or conversion to emergency/transitional shelter (incl improvements with added beds). Program administration.
6	Goal Name	Program Administration
	Goal Description	Program Administration, including indirect costs, 1% CDBG technical assistance, and fair housing activities.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The State of Arizona estimates it will provide affordable housing to 270 extremely low-income, 215 low-income and 125 moderate-income renters and owners using CDBG, NHTF and HOME funds.

SP-50 Public Housing Accessibility and Involvement – 91.315(c)**Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

Not applicable.

Activities to Increase Resident Involvements

The State of Arizona will provide Public Housing Agencies with technical assistance, if needed and requested by the agency, to ensure the agencies promote resident involvement and address the needs of public housing in their respective jurisdictions.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the ‘troubled’ designation

Not applicable.

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

As a state settled during western expansion, Arizona has always had a strongly individualistic disposition. It was founded during the heart of the progressive movement, and its 1912 constitution reflects the desire of reformers to prohibit special legislation and ensure the rights of localities to exercise exclusive jurisdiction over purely local matters. It granted municipalities with 3,500 people or more the right to create their own city charters. That local autonomy is an established, deeply engrained and cherished practice in Arizona. Planning, zoning and building codes are governed by Arizona Revised Statutes Title 11, Chapter 6 for counties and ARS Title 9, Chapter 4 for cities and towns, which allows for local selection of building codes.

Other State legislation restricts the ability of localities to utilize land use and zoning requirements to encourage affordable housing development. The Private Property Rights Act of 2006 requires local governments to compensate a private property owner if the value of a person's property is reduced by the enactment of a land use law. Under this Act, downzoning or changing zoning to permit less intensive development is difficult to accomplish in Arizona. Property owners must either waive their entitlements voluntarily or be compensated for the reduction in value of their property. Passed in 2015, Senate Bill 1072 amended municipal and county land use and zoning requirements. The bill prohibited requiring affordable housing in a zoning code (inclusionary zoning) but does not limit the use of an incentive, density bonus or other voluntary provision or condition designed to increase the supply of moderate or lower cost housing. In addition, Arizona's constitution includes a gift clause that prohibits state and local governments from giving financial gifts to private entities, which effectively restricts the use of public lands from being utilized for the development of affordable housing under most circumstances.

The ADOH also completed HUD's Regulatory Barriers Questionnaire and identified the following potential barriers that are not restricted by the Arizona Constitution or enabling legislation:

- Local jurisdiction plans are not required to estimate current and estimated housing needs for families at various income levels.
- There is no agency or office whose mission is to determine whether local policies raise costs or discourage affordable housing or to assist local jurisdictions to identify regulatory barriers and recommend strategies for their removal.
- State financial assistance for housing, community development and/or transportation does not prioritize or link funding to barriers removal activities.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

As Arizona's post-recession housing costs have increased due to supply and demand shortfalls caused by high net in-migration over the past half-decade, the private sector has taken notice and become engaged in promoting more structured, private sector involvement in funding affordable and workforce housing. Two of those efforts include the establishment of private funding pools for investment in affordable housing. The first

source is the Arizona Housing Fund, administered by the nonprofit Arizona Community Foundation (ACF), and a second, yet-to-be named housing fund, that is being established through the efforts of United Healthcare in partnership with Local Initiatives Support Corporation (LISC).

The Arizona Housing Fund's revenue source is a \$25 voluntary donation that may be made during a residential real estate transaction (\$100 for commercial). Donations may also be made independent of real estate transactions. Donations are collected by ACF and distributed in the form of grants to nonprofit agencies that build and operate permanent supportive and income-restricted housing.

The second fund is being established by United Healthcare and will be managed by LISC. This fund will initially consist of donations from a portion of the fee income required for reinvestment by the State's managed care partners contracting with Arizona's Medicaid program. Other private sector partners are being sought. This fund will be used for grants or loans for affordable and workforce housing and has an initial goal of reaching \$30 million by the spring of 2020, with a larger goal of reaching \$100 million by 2022.

The Arizona Department of Housing will continue to invest in housing development, rehabilitation and assistance to first-time homebuyers to remove or ameliorate barriers to affordable housing. The ADOH will also continue to publish materials that may assist in breaking down stereotypical misconceptions about affordable and multi-family housing.

SP-60 Homelessness Strategy – 91.315(d)**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Arizona’s three Continua of Care conduct coordinated outreach activities through partnerships with local government, nonprofit and faith-based organizations, and behavioral health entities. These efforts have proven effective in reaching out to unsheltered people and will be continued. Outreach workers are trained to conduct VI-SPDAT screening in the field and use progressive engagement strategies with unsheltered individuals to encourage engagement with shelter, supportive housing, and other available housing subsidies. The ADOH sponsored the development of a statewide shared database of permanent supportive housing, affordable housing, and LIHTC projects with supported housing options.

Addressing the emergency and transitional housing needs of homeless persons

The State of Arizona has adopted an aggressive rapid rehousing approach to assist individuals and families experiencing homelessness quickly attain housing stability. The goal of this approach is to move individuals and families out of emergency shelter into permanent housing and free up beds for those who are predominantly unsheltered. Rapid rehousing emphasizes subpopulations of people experiencing homelessness, including those experiencing chronic homelessness, veterans, youth between eighteen and twenty-four years of age, domestic violence survivors, and persons exiting an institutional setting or a substance abuse program.

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

The State’s aggressive rapid rehousing approach, combined with efforts to develop permanent supportive housing and rental housing through the LIHTC, HOME and NHTF programs are designed to shorten the period of time that individuals and families experience homelessness and help them make the transition to permanent housing and independent living. Permanent supportive housing emphasizes people experiencing homelessness including those experiencing persistent housing instability because of chronic disabilities, physical or mental health conditions, histories of domestic violence, and the presence of a child or youth with a disability.

The Arizona Landlord Incentive Program provides financial assistance to incentivize landlords to lease and maintain safe, affordable rental housing capacity for homeless individuals and families in permanent housing subsidy programs. The program provides reimbursement for unpaid rent and/or physical damages to rental units upon lease termination, eviction, rescission or abandonment by the tenant. Eligible providers are those participating in homeless permanent housing subsidy programs including HUD Continuum of Care funded permanent supportive housing, Veterans Affairs Supportive Housing, rapid re-housing leasing programs, or any

permanent housing and rapid rehousing programs that: a) provide rental subsidies on behalf of homeless individuals and families; b) are active participants in the Regional Continuum of Care or local Continuum Board (LCEH) process; c) participate and enter data in the regional Homeless Management Information System (HMIS); and d) accept referrals of eligible homeless participants through the Continuum of Care coordinated entry process.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

The Departments of Child Safety, Corrections and Health Services are the agencies that oversee health care facilities, mental health facilities, prisons, foster care, and other youth facilities. Each agency's discharge policies prohibit an individual from being discharged into homelessness. Through collaborations among the Department of Housing, Department of Economic Security, Department of Child Safety, Department of Corrections, Department of Veterans Services, and the Department of Health Services, and community stakeholders, the State of Arizona has launched several projects to address the need for additional affordable housing and to provide a myriad of services from assistance with basic needs and services for developmentally disabled individuals to vocational rehabilitation and employment training and job placement services.

One example is the rapid rehousing and rental assistance pilot program that avails funding and support services for formerly-incarcerated men to place them in housing after release from prison. Second Chance Centers launched by the Arizona Departments of Corrections and Economic Security in March of 2017 to prepare and equip inmates with the career and life skills they need to succeed after release. The program has workforce specialists and corrections officers providing comprehensive workforce readiness services over an eight-week period to inmates who are within 60 days of release. Inmates receive hard and soft skills workforce training, resume and job search assistance, job interview preparation, participation in on-site job fairs, enrollment in healthcare, and connections to clothing and transportation.

SP-65 Lead based paint Hazards – 91.315(i)**Actions to address LBP hazards and increase access to housing without LBP hazards**

The Arizona Department of Housing's long-term goals to address lead-based paint hazards include: collaborating with units of local governments to reduce housing-related lead-based paint hazards, especially for low-income families and children; encouraging risk assessment for lead-based paint as part of every home inspection; and referring families with children to the Arizona Department of Health Services, Office of Environmental Health for blood testing if lead-based paint is found in units proposed for rehabilitation. The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels and conducts educational outreach activities. The Arizona Lead Poisoning Screening Coalition and the Arizona Department of Health Services recommend screening children six (6) years of age and younger according to the Childhood Lead Poisoning Targeted Screening Plan. These steps are critical to the long-term health and stability of lower-income children who may be exposed to lead-based paint.

The State of Arizona will encourage training, education and other resources related to lead based paint hazards, and will require that grantees and sub grantees utilize staff and contractors that have the appropriate training and certification.

How are the actions listed above integrated into housing policies and procedures?

All State of Arizona contracts include provisions to ensure that grantees comply with the HUD lead-based paint regulations implementing Title X of the Housing and Community Development Act of 1992. Any structure built before 1978 that is proposed for rehabilitation under federal programs is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors by program grantees.

SP-70 Anti-Poverty Strategy – 91.315(j)**Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

While the focus of an anti-poverty strategy is to reduce the incidence of poverty, the State recognizes that stabilization of people in crisis is a forerunner to their movement out of poverty. Consequently, the State's anti-poverty strategy focuses on creating stable and sustainable family and community environments. A stable and sustainable family environment is created through programs that provide access to decent, safe housing. Housing stability in turn provides opportunities for low-income households to maintain employment, integrate into a variety of community settings, and maintain the stable education environment for children that is necessary to reduce generational poverty. A stable and sustainable community environment is created through public services identified as most important in a local area, such as food and clothing programs, job training and employment services, transportation, and activities for youth and special populations that encourage their participation in the community and expose them to models of economic success.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

Anti-poverty strategies complement multiple housing activities. Anti-poverty strategies provide services to individuals and families receiving rental assistance, residing in shelters or permanent supportive housing, and receiving assistance with home repairs and accessibility improvements. Improvements to LMI housing units reduce maintenance costs, improve energy efficiency and reduce the likelihood of costly physical and mental illnesses. Improvements to facilities and infrastructure in LMI communities increase public safety, provide access to critical community services and education and employment opportunities, and encourage economic integration to provide models of success for poverty-level families.

SP-75 Colonias Strategy – 91.315**Describe the State's homeless strategy within Colonias.**

The Arizona Balance of State Continuum of Care includes most areas of the State where Colonias are common. Families who are doubled up or otherwise at risk of homelessness are provided information about services in areas closest to the Colonia. Outreach workers are trained to conduct VI-SPDAT screening in the field and use progressive engagement strategies with unsheltered individuals to encourage engagement with shelter, supportive housing, and other available housing subsidies.

Describe the barriers to affordable housing in Colonias.

Most Arizona Colonias were built on a legal loophole that allows a property owner to subdivide property up to five times before triggering subdivision regulations that require roads, utilities, and other amenities. This form of subdivision in Arizona is known as 'wildcat', and has been heavily criticized for passing to the public costs for roads, utilities, and other amenities that would otherwise be borne by the developer and purchaser. Barriers to affordable housing in Arizona Colonias are a lack of water and sewer infrastructure to support housing development, high unemployment, and low wages and lack of creditworthiness that hinder qualification for low-cost, traditional lending products. In some cases, lack of clear title and unrecorded purchase contracts are barriers to using CDBG or HOME funds for housing rehabilitation. Local government and nonprofits that address housing issues in Colonias may lack the capacity to apply for and manage competitive funding opportunities, and generally lack the capacity to assist families with legal issues around clear title and unrecorded purchase contracts.

Describe the State's strategy for addressing barriers to affordable housing (including substandard housing) in Colonias.

In order to give priority to Colonias having the greatest need for such assistance, the State of Arizona utilizes a competitive funding process that scores applications based on water, sewer, and housing need. The State sets aside ten percent of CDBG funds annually for Colonia areas and issues a Notice of Funding Availability every two years (with two years of set-aside funding) to solicit projects located in eligible, designated Colonias. All cities, towns, counties and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities designated as Colonias are eligible to apply for these funds. Each Notice of Funding Availability outlines the Colonia set aside maximum project funding, application requirements, and the scoring criteria that will be used to award projects to Colonias demonstrating the greatest need due to severe water, sewer and housing issues. Other scoring criteria may include poverty level, leveraged funds, project need, project priority, project readiness, past performance, and organizational capacity. HOME funds for owner occupied housing rehabilitation will also be distributed to Colonias through a similar competitive process.

Describe the State's goals/programs/policies for reducing the number of poverty level families in Colonias.

Arizona's Colonia set-aside primarily funds water and wastewater treatment as these have been identified as the highest priority issues affecting Arizona Colonias. Colonias funding is awarded through a competitive process once every two years that provides the potential for sufficient funding to complete very large projects. Scoring criteria emphasizes demonstrated need, poverty statistics and whether the project will completely eliminate issues relating to water, wastewater and housing within the Colonia. Addressing these issues improves sustainability and quality of life issues for residents who could not afford to pay increases in water or sewer service fees that would be required if the community were funding improvements through other sources.

Describe how the State's goals/programs/policies for producing and preserving affordable housing in the Colonias will be coordinated with other programs and services.

Arizona's CDBG Colonia set-aside primarily funds water infrastructure projects. Water infrastructure projects are often leveraged with State Water Infrastructure Finance Authority (WIFA) funding. WIFA is part of the Arizona Finance Authority, a one-stop shop for financing that supports expanding and relocating businesses, community infrastructure, and first-time homebuyer assistance. WIFA is authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest rates on loans.

As a "bond bank," WIFA is able to issue water quality bonds on behalf of communities for basic water infrastructure. Through active portfolio and financial management, WIFA provides significant savings due to lower interest rates and no closing costs. WIFA is able to lower a borrower's interest costs to between seventy percent and ninety-five percent of WIFA's tax-exempt cost of borrowing. WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund for publicly-held wastewater treatment projects and the Drinking Water Revolving Fund for both publicly and privately held drinking water systems.

WIFA also manages a Planning and Design Technical Assistance Program. This program offers planning and design funding to eligible wastewater and drinking water systems. The purpose of the program is to help prepare water and wastewater facilities for future project construction.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Arizona has developed a monitoring plan to ensure activities are carried out in accordance with all applicable laws, regulations, and policies.

For **CDBG, HOME and NHTF** ADOH conducts desk monitoring of projects including detailed review of: application; environmental review; procurement; labor standards; Section 3; progress reports; pay requests; closeout reports; audits; and uniform relocation. Recipients are notified in writing regarding results of desk monitoring. Staff generally schedules one site visit per recipient annually and a site visit is conducted as part of contract close-out or project completion. Site visits are conducted over one or two days and include review of records, inspection of progress, and meetings with project staff. Staff provides written monitoring comments that include the monitoring results, a statement of the basis for each conclusion, instructions on how to address non-compliance, and a response deadline. In extreme non-compliance cases, staff determine if additional site monitoring is necessary. In all cases of non-compliance, staff works with recipients to reach a satisfactory resolution.

For **HOME and NHTF Rental Housing**, ADOH performs on-site inspections to ensure compliance with property standards and to verify the income of tenants during the period of affordability. Monitoring occurs not less than every three years.

ESG: ADES reviews contracts and validates for environmental clearance prior to providing approval, expenditure and reimbursement of ESG funds. For new ESG agencies, an on-site visit is conducted after the contract is awarded. ESG resources and program reports are monitored quarterly. Fiscal back-up documentation and participant tracking reports are attached to claims for reimbursement. DES contracts require agencies to submit quarterly reports designed to capture client data, average number of bed nights, activities, fiscal expenditures billed, and types/sources of match. A formal desk review is completed annually and a written report prepared with any findings and recommendations for corrective actions, if necessary. At least every three years, each ESG provider receives a monitoring site visit and a written follow-up report that discusses any findings and recommended corrective actions, including a specific timeline for completion of corrective actions. Completion of corrective actions are verified by DES.

HOPWA: ADOH monitors for performance and compliance with HOPWA requirements. On-site visits are conducted and program reports are required on an annual basis. Annually each HOPWA grantee receives a monitoring site visit and a written follow-up report that discusses any findings and recommended corrective actions, including a specific timeline for completion of corrective actions. Completion of corrective actions are verified by ADOH. Program reports are designed to capture client data and activities, while fiscal expenditures are billed and monitored monthly.

Expected Resources

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

Introduction

The State of Arizona anticipates receiving CDBG, HOME, ESG, HOPWA, and NHTF Consolidated Plan resources from the US Department of Housing and Urban Development over the next 5 years. Annual allocations vary considerably based on congressional appropriations.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	9,776,490	0	0	9,776,490	39,105,960	Community Development Block Grant (CDBG) funds may be used for a variety of activities that meet the needs of LMI residents and communities. Eligible activities include public services, and capital improvements such as infrastructure, facilities, and housing. Each activity must meet a CDBG national objective.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	5,460,334	0	0	5,460,334	21,841,336	HOME Investment Partnership Program (HOME) funds may be used to assist LMI owners and renters through new construction of housing, acquisition and/or rehabilitation of housing, tenant-based rental assistance, and homeownership assistance. 15% of HOME funds are set aside for development activities carried out by specially-formed nonprofit organizations called Community Housing Development Organizations.
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	392,848	0	0	382,848	1,571,392	The Housing Opportunities for Persons with AIDS (HOPWA) program funds housing assistance and support services for low-income persons with HIV/AIDS and their families.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	1,725,666	0	0	1,725,666	6,902,664	The Emergency Solutions Grant (ESG) program provides funding to: 1) engage homeless individuals and families living on the street; 2) improve the number and quality of emergency shelters; 3) help operate shelters; 4) provide essential services to shelter residents; 5) rapidly re-house individuals and families experiencing homelessness; and 6) prevent families and individuals from becoming homeless.
NHTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,070,454	0	0	5,070,454	20,281,816	The National Housing Trust Fund is targeted to building, rehabilitating, preserving, and operating rental housing for extremely low-income people.

Table 56 - Expected Resources – Priority Table

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

HUD Consolidated Plan resources are leveraged with numerous federal, state, local and private resources to address the needs identified in this plan.

Federal leverage resources from the US Department of Housing and Urban Development include:

1. Continuum of Care funding for emergency and transitional housing, permanent housing placement, essential services, rapid rehousing (rental assistance), and permanent housing in facilities.
2. Veterans Affairs Supportive Housing vouchers for rent subsidies to Veterans experiencing homelessness.
3. Shelter Plus Care funds in Cochise and Santa Cruz counties for permanent supportive housing for individuals and families with disabilities experiencing homelessness, including individuals and families with serious mental illness, physical disabilities, and/or chronic substance use problems.
4. Section 811 Project Rental Assistance for housing people with developmental disabilities.

State leverage resources include:

1. Low-income Housing Tax Credit financing for developers of affordable rental housing serving low-income households.
2. The Arizona Industrial Development Authority HOME PLUS mortgage program.
3. The Arizona Housing Trust Fund for the 25% HOME match requirement.
4. The Arizona Housing Trust Fund and leveraged resources from units of local government for the CDBG match requirement.
5. The Arizona Lottery and General funds to support activities to address homelessness.

Local and private leverage resources include:

1. Federal Home Loan Bank resources that support savings for homeownership and provide financing for affordable housing development and preservation.
2. ESG matching funds from allowable costs incurred by sub-grantees, cash donations, and the value of third-party in-kind contributions.
3. Private equity and financing for the acquisition, rehabilitation and production of rental and owner housing.

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

The State of Arizona does not have land or property that may be used to address the needs identified in this plan.

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Community Facilities and Improvements	2020	2024	Non-Housing Community Development	State of Arizona FY2020-2024	Community Facilities and Improvements	CDBG: \$6,205,546	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 20 Households Assisted Buildings Demolished: 1
2	Public Services	2020	2024	Non-Housing Community Development	State of Arizona FY2020-2024	Public Services	CDBG: \$100,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1250 Persons Assisted
3	Decent Affordable Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Arizona FY2020-2024	Decent Affordable Housing	CDBG: \$2,440,000 HOME: \$4,914,301 NHTF: \$4,563,409	Rental units constructed: 26 Household Housing Unit Rental units rehabilitated: 11 Household Housing Unit Homeowner Housing Rehabilitated: 85 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	HIV/AIDS Housing and Services	2020	2024	Non-Homeless Special Needs	State of Arizona FY2020-2024	Housing and Services for People with HIV/AIDS	HOPWA: \$381,063	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homelessness Prevention: 50 Persons Assisted
5	Homelessness	2020	2024	Homeless	State of Arizona FY2020-2024	Homelessness	ESG: \$1,725,666	Public service activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted Homeless Person Overnight Shelter: 200 Persons Assisted Homelessness Prevention: 100 Persons Assisted Overnight/emergency/transitional housing beds added: 5 beds
6	Program Administration	2020	2024	Program Administration	State of Arizona FY2020-2024	Program Administration	CDBG: \$393,295 HOPWA: \$11,785 HOME: \$546,033 NHTF: \$507,045	Other: 1 Other

Table 57 – Goals Summary

Goal Descriptions

1	Goal Name	Community Facilities and Improvements
	Goal Description	Development of/ improvements to facilities for seniors, youth, persons with disabilities, abused and neglected children, neighborhood facilities, parks/ recreation facilities, child care centers, fire stations/ equipment, health facilities, bus shelters. Development of/ improvements to flood drainage, water/sewer systems, streets, sidewalks, including for housing development. Includes water lines, sanitary/storm sewers, fire hydrants, traffic lights/signs. Development of/ improvements to group homes, emergency shelter/transitional housing facilities (that add beds). Clearance and demolition or movement of buildings to other sites.
2	Goal Name	Public Services
	Goal Description	Services to LMI individuals, including persons experiencing homelessness, seniors, persons with disabilities, youth, domestic violence survivors, people with serious mental illness, people with alcohol/substance use disorders, abused/neglected children, domestic violence survivors.
3	Goal Name	Decent Affordable Housing
	Goal Description	Acquisition and/or rehabilitation of affordable rental housing, including energy-efficiency, disability accessibility improvements, temporary or permanent relocation, permanent supportive housing, HOME-funded transitional housing, HOME CHDO set-aside. Construction of affordable rental housing, including permanent supportive housing, HOME transitional housing, HOME CHDO set-aside. Rehabilitation of housing occupied by LMI owners, including energy-efficiency and disability accessibility improvements.
4	Goal Name	HIV/AIDS Housing and Services
	Goal Description	Essential services, monthly rental assistance and/or security/utility deposits, permanent housing placement, and assistance with rent, mortgage and utilities to prevent homelessness among LMI persons with HIV/AIDS and their families.

5	Goal Name	Homelessness
	Goal Description	Rent, mortgage, utility and related assistance to maintain housing stability and prevent homelessness. Essential services including street outreach. Operating support for emergency/transitional shelter. Monthly rental assistance for households experiencing homelessness. Improvements to emergency/transitional shelter (no beds added). Development of or conversion to emergency/transitional shelter. (incl improvements with added beds).
6	Goal Name	Program Administration
	Goal Description	Program Administration, including indirect costs, 1% CDBG technical assistance, and fair housing activities.

AP-25 Allocation Priorities – 91.320(d)
Introduction:

Funding allocation priorities for FY2020 are shown in the table below

Funding Allocation Priorities

	Community Facilities and Improvements (%)	Public Services (%)	Decent Affordable Housing (%)	HIV/AIDS Housing and Services (%)	Homelessness (%)	Program Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	60	1	25	0	0	4	10	100
HOME	0	0	90	0	0	10	0	100
HOPWA	0	0	0	97	0	3	0	100
ESG	0	0	0	0	93	7	0	100
NHTF	0	0	90	0	0	10	0	100

Table 58 – Funding Allocation Priorities

Reason for Allocation Priorities

The State determines allocation priorities through analysis of needs and demand, historical funding data, and through consultation with public and private partners, units of local government, service providers, and nonprofit for-profit organizations. All allocations are based on program methods of distribution.

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

The proposed funds distribution was determined based on allocation priorities using historical data as reported in the State’s Consolidated Annual Performance Report and any planned changes to the uses of funds to address priority needs and specific objectives. Priority needs have not changed significantly since the last 5-year Consolidated Plan, therefore historical data provides a sound basis for estimating distribution.

AP-30 Methods of Distribution – 91.320(d)&(k)**Introduction:**

The State’s methods of distribution describe how funds are distributed to subrecipients who administer projects and programs using Consolidated Plan resources. These methods of distribution are intended to reach all areas of the State, including both rural and urban areas, where appropriate.

The ADOH will also receive \$804,000 in FY2020 for the Recovery Housing Program. This pilot program will provide resources to help people recovering from a substance use disorder to be stably housed. HUD will provide additional guidance on how this resource may be used and distributed in the coming months.

Distribution Methods

Table 59 - Distribution Methods by State Program

State Program Name:	CDBG
Funding Sources:	CDBG
Describe the state program addressed by the Method of Distribution.	CDBG Eligible activities are found in 24 CFR Part 570.482, as amended and typically involve construction and rehabilitation of public facilities (parks, streets, sewers) and public services such as job training. ADOH plans to utilize no less than seventy percent of CDBG funds for activities that directly benefit persons of low- and moderate-income and no more than thirty percent for addressing community blight or urgent needs. All activities identified as priorities in section SP-25 are eligible for funding under this Action Plan.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants must propose projects that are necessary, feasible, financially viable, ready to start, conform to compliance standards, meet a national objective, and result in benefit. Projects must adhere to contracted progress and expenditure timeliness parameters, and address a high priority need. Benefit to low-income persons, preventing or eliminating slum or blight or meeting other urgent community needs must be measurable by the end of the approved contract timeframe.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	All application materials are available on the ADOH website. Additionally, the following handbooks are available: CDBG Application Handbook; CDBG Administration Handbook; Environmental Review Handbook and CDBG Procurement Handbook.

<p>Describe how resources will be allocated among funding categories.</p>	<p>The ADOH will retain 2% plus \$100,000 for State administration and 1% for technical assistance. ADOH will provide the 2% required match in non-federal matching funds. Ten percent (10%) of the CDBG project allocation will be set-aside for activities in designated Colonias. Eighty-five percent (85%) of the remaining amount of CDBG funds (after administration, technical assistance and the Colonia set-aside) will be distributed into the Regional Account (RA). The RA is divided into four (4) sub-accounts, one for each of the non-metropolitan Council of Governments (COG) regions. To determine the amount of CDBG funding allocated to each COG's sub account, the State uses a formula based on population and persons in poverty. Regional Account allocations for 2020 will be announced after HUD releases allocation amounts*. Each COG region must adopt a Method of Distribution (MOD) and submit it to ADOH for approval. The MOD contains a multi-year schedule indicating how regional CDBG allocations are to be distributed so that all eligible communities within each respective COG region will receive funding. This will allow each community to plan its CDBG projects in advance.</p> <p>After the regional MOD is adopted and approved by the ADOH, local governments identified as eligible to receive funding in the current year must complete applications for funding and route them through the COG to ADOH. The COG reviews each application for completeness, priority project selection, and assists the applicant with rectifying any application deficiencies; the COGs have no discretion to approve or reject applications and must forward all applications to the State.</p> <p>All Regional Account applications are due to ADOH by 4:00 P.M. according to the following schedule: NACOG - June 1 annually; WACOG - July 1 annually; SEAGO - August 1 annually; and CAG - September 1 annually.</p> <p>ADOH will accept the submission of one (1) project application per individual community and no more than three (3) per County for the Regional Account during their funding cycle. ADOH may grant a waiver to Cities and Towns if, through the public participation process, the need for a planning or public service activity in addition to another eligible CDBG activity is identified. In this case, ADOH may allow the City or Town UGLG to submit two (2) applications to the Regional Account funding round. A written Waiver Request and support documentation must be submitted to ADOH at least 45 days</p>
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	<p>prior to the Regional Account application deadline. ADOH will not consider waiver requests for any activity types other than a public service or planning grant. If a waiver for a Planning Grant is approved, the UGLG must commit to implementation of the activity in the planning grant with their next awarded CDBG Regional or SSP Application.</p>
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Describe threshold factors and grant size limits.

Applications/projects will be funded only if the following threshold criteria are met on the date the application is received by the ADOH: all reporting required by the ADOH is up to date; all monitoring findings have been cleared; recipient is compliant with all current contracts, including all original contract schedules or has obtained ADOH approvals for revisions or amendments to their schedule; recipient has no contracts over the previous three (3) years that have been extended more than once; for all previously-funded projects, environmental clearances have been obtained and scope of work has begun; and recipient has no current contract in which funds have not been drawn for six (6) months. In addition, recipients:

- With contracts in their twenty-fourth (24th) or greater month must be one hundred percent (100%) complete with the scope of work and CDBG funds must be one hundred percent (100%) expended or de-obligated;
- With contracts in their eighteenth (18th) to twenty-third (23rd) month must be seventy-five percent (75%) complete with the scope of work and CDBG funds must be seventy-five percent (75%) expended;
- With contracts in their twelfth (12th) to seventeenth (17th) month must be fifty percent (50%) complete with the scope of work and CDBG funds must be fifty percent (50%) expended; and
- With contracts in their seventh (7th) to eleventh (11th) month must be twenty-five percent (25%) complete with the scope of work and CDBG funds must be twenty-five percent (25%) expended.

The grant size for Regional Account projects are determined by the formulas used for each COG's approved method of distribution. Grant size for Colonia set aside projects is determined by 2 years of pooled ten percent (10%) set asides and then through project application budgets and sources and uses. SSP grant size is a maximum \$500,000 per project.

Fifteen percent (15%) of the remaining amount of CDBG funds (after administration, technical assistance and the Colonia set-aside) will be distributed into the competitive State Special Projects Account (SSP). All communities eligible to receive funding from the State CDBG program are eligible to apply for SSP funding. Eligible goal categories

	<p>are: 1) public facilities and improvements, including emergency/transitional shelter facilities that add beds and infrastructure in support of affordable housing development or economic development; 2) rental housing acquisition/rehabilitation or construction; and 3) homeowner housing rehabilitation. Applications must demonstrate that the eligible activity is ready to begin implementation immediately with environmental review requirements completed, Release of Funds issued, land control secured, planning, design and permitting complete and all other related upfront issues resolved. A NOFA will be released and will include the application form and applicable deadlines. The NOFA will indicate any variances in project eligibility, documentation requirements, etc. Projects will be selected for SSP funding through a competitive process in which applications are scored by a rating and ranking system that includes project priority, project need, percentage of low/mod income persons served, project readiness, leveraged funds, and organizational capacity.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Investment of CDBG funds will create suitable living environments, promote sustainability and make housing affordable and accessible. Over the year covered by this plan, ADOH anticipates assisting 25 households and 20,000 persons through investment of CDBG funds.</p>

State Program Name:	CDBG Colonias Set Aside
Funding Sources:	CDBG
Describe the state program addressed by the Method of Distribution.	According to Section 916 of the Cranston-Gonzalez Act of 1990, a “Colonia” is any identifiable community that: is located within 150 miles of the US-Mexico border, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; is designated by the State or county in which it is located as a Colonia; is determined to be a Colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems and lack of decent, safe and sanitary housing; and is generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in areas designated as Colonias. Colonia funding will be distributed through a competitive application process. The ADOH will issue a funding notice once every two (2) years to solicit projects located in eligible, designated Colonias. Eligible projects include water or sewer infrastructure and substantial housing rehabilitation.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	All Colonia Set Aside application requirements and materials will be available on the ADOH website; in the NOFA; and in the CDBG Application Handbook. Additionally, the following handbooks are available: CDBG Administration, Environmental Review, and Procurement.

<p>Describe how resources will be allocated among funding categories.</p>	<p>Water/sewer infrastructure (delivery and/or treatment systems) and substantial housing rehabilitation activities will be considered eligible Colonia set-aside activities.</p> <p>Resources will be allocated based on relative needs using needs assessment data provided in each application.</p> <p>Cities, towns, counties and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities certified as designated as Colonias are eligible to apply for and receive CDBG Colonia Set Aside funding. Maricopa and Pinal Counties, as well as the communities and tribal reservations located within those counties, are excluded from eligibility for Colonias funding. Under this funding, the ADOH is able to serve eligible designated Colonia in Pima County, although Pima County is not eligible to receive other CDBG funds from ADOH. Should the Pima County population exceed 1 million people, Pima County Colonias will not be eligible.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The Colonias funding notice will further outline the Colonia Set Aside maximum project funding, application requirements, and the scoring categories that will be used to award projects for Colonias demonstrating the greatest need due to severe water, sewer and housing issues. Other scoring categories will include, but are not limited to, poverty level, leveraged funds, project need, project priority, project readiness, past performance and organizational capacity. An application for Colonia Set Aside funds will not affect a jurisdiction’s eligibility for other CDBG funding. CDBG Colonia resources for Federal FY2019 and FY2020 will be combined and will be awarded through one (1) competitive funding round announced through a Notice of Funding Availability (NOFA) in State Fiscal Year 2020.</p> <p>Thresholds are outlined in the NOFA when released as well as in the CDBG Application Handbook. Grant size is limited to the total amount of available funds listed in the NOFA, which is usually equal to two (2) years of CDBG Colonia Set Aside funds at ten percent (10%) per year. This will allow sufficient funding for applicants to address water, sewer or housing related issues in their entirety.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Colonia Set Aside funding will provide accessibility/affordability, promote sustainability and create suitable living environments. It is anticipated that Colonia Set Aside Funds will provide assistance to approximately 2,000 Colonia residents every two (2) years.</p>
<p>State Program Name:</p>	<p>ESG</p>

<p>Funding Sources:</p>	<p>ESG</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Emergency Solutions Grant (ESG) funds support: Street Outreach Services to people experiencing homelessness; basic shelter and supportive services for people experiencing homelessness in the form of operation costs and direct services for persons living in Temporary Emergency Shelters; Homelessness Prevention services to assist individuals and families at risk of losing housing and becoming homeless; and Rapid Re-Housing support for individuals and families who are experiencing homelessness and need assistance to return to housing and independent living. ESG funds also support HMIS data collection, information management and reporting systems and administrative services necessary to coordinate grant activities. ESG funding for Outreach Essential Services and Temporary Emergency Shelter will not exceed sixty percent (60%) of the FY2020 grant amount.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The ADES awards ESG funds through a competitive Request for Proposals (RFP) process. Each RFP describes in detail the criteria that will be used to select applications. The criteria may include service methodology, experience and expertise, cost, capacity, and other relevant factors. Contracts are awarded based on the needs of the service area and available service providers.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>The ADES awards ESG funds through a competitive Request for Proposals (RFP) process. Each RFP describes in detail the criteria that will be used to select applications. The criteria may include service methodology, experience and expertise, cost, capacity, and other relevant factors. Contracts are awarded based on the needs of the service area and available service providers.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>ESG funds are administered through the Arizona Department of Economic Security (DES). The DES retains seven and one-half percent (7.5%) of the grant award for administrative costs. The remaining ninety-two and one-half percent (92.5%) of funds will be allocated as follows: approximately ten percent (2%) for Street Outreach; approximately fifty percent (54%) for Temporary Emergency Shelter; approximately five percent (4%) for Homelessness Prevention; and approximately thirty-five percent (40%) for Rapid Re-Housing.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Contracts are awarded based on the needs of the service area and available service providers. There are no grant size limits other than the budget proposals included in the RFP response. One aspect of the review process is assessing the number of people that each provider commits to serve and the projected cost per person served as reflected in the proposed budget.</p> <p>The DES Homeless Coordination Office requires all sub-contractors to adhere to program goals and objectives including serving target populations. Contracts require that at least forty percent (40%) of all rapid re-housing and/or homeless prevention participants represent at least one of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being released from an institution; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth 18 to 24 years of age; 9) veterans; or 10) sixty-two (62) years of age or older.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>ESG funding increases the availability and accessibility of suitable living environments and housing options by providing a wide range of supportive and housing services to persons experiencing homelessness or at risk of homelessness including Street Outreach Services, Temporary Emergency Shelter, and Rapid Re-Housing and Homeless Prevention Services. Approximately 500 people and 200 households will benefit from the investment of ESG resources during the coming year.</p>

State Program Name:	HOME
Funding Sources:	HOME
Describe the state program addressed by the Method of Distribution.	The Home Investment Partnership (HOME) program provides funding for local programs that support the construction or rehabilitation of rental housing and the rehabilitation of owner-occupied housing.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Competitive application rounds for the HOME program are announced through a Notice of Funds Availability (NOFA) and applications are selected through a competitive process. Competitive criteria may include readiness, project team capacity, priority populations served and percentage of leverage funds. Competitive point scoring of homeowner housing rehabilitation favors non-entitlement areas outside of Maricopa and Pima Counties.
Describe how resources will be allocated among funding categories.	The ADOH will allocate HOME funding as follows: 10% of the annual allocation for ADOH administrative costs; 15% of the annual allocation for CHDO-eligible development activities; not less than \$2.5 million to owner-occupied housing rehabilitation; and the remaining funds for rental housing development, including the CHDO set-aside and supportive housing. If CHDO funds remain available, a NOFA strictly for CHDO projects may be released. Additional NOFAs will be released for owner-occupied housing rehabilitation and rental housing development, if necessary.

<p>Describe threshold factors and grant size limits.</p>	<p>To be eligible to apply for HOME funds (for any project type) the applicant and all of its team members, with the exception of the applicant’s consultant (“Applicant Team”) must meet the following performance criteria on all HOME, CDBG and NHTF contracts on the date the application is received by ADOH: all reporting required by the ADOH is current; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts, including with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing HOME, CDBG or NHTF contracts in which project completion reports and data have not been submitted and accepted, including occupancy data, by ADOH within sixty (60) days of a final draw; Applicant Team has no current CDBG, HOME or NHTF contract in which funds have not been drawn for six (6) months or twelve (12) months depending on the activity; Applicant Team with contracts in their twenty-fourth (24th) or greater month must be one hundred percent (100%) complete with Scope of Work, Contract Close-out Report received and approved, and HOME Funds one hundred percent (100%) expended or de-obligated; Applicant Team has no outstanding or unresolved contractual, property, or beneficiary-related compliance issues; the applicant is an eligible party to apply for funding through ADOH; the activity, project and property type is eligible; funds are budgeted for eligible uses; the proposed beneficiaries are eligible; the amount of funds invested per unit does not exceed the program limits and is at least \$1,000/unit; applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances; the applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: www.sam.gov; the Environmental Review requirements pursuant to 24 CFR Part 58, (up to Part III HUD Appendix A for Single Family Owner-Occupied Rehabilitation) are complete and an Authority to use Grant Funds from HUD or ADOH is provided; and all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application and the project must be scheduled to start within ninety (90) days of executing a Funding Agreement with the ADOH.</p> <p>Investment/grant sizes are specified in each NOFA and are typically not less than \$250,000.</p>
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What are the outcome measures expected as a result of the method of distribution?	The State will use its HOME allocation to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households. ADOH anticipates assisting approximately fifty (50) homeowner households through housing rehabilitation and fifteen (15) renter households through rental housing acquisition/rehabilitation and new construction.
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State Program Name:	HOPWA
Funding Sources:	HOPWA
Describe the state program addressed by the Method of Distribution.	Housing Opportunities for Persons with AIDS (HOPWA) funds provide housing and supportive services for persons with HIV/AIDS and their families. HOPWA funds may be used for acquisition, rehabilitation or new construction of short-term or permanent housing units and may also fund rental assistance, facility operations, housing placement, homelessness prevention, medical and mental health services, chemical dependency treatment, nutritional services, case management and other supportive services.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Project sponsors are selected by ADOH after extensive outreach efforts to local government entities, nonprofits and grassroots organizations. Contracts will be reviewed annually, with additional proposals solicited as necessary.
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	Project sponsors are selected by ADOH after extensive outreach efforts to local government entities, nonprofits and grassroots organizations. Contracts will be reviewed annually, with additional proposals solicited as necessary.
Describe how resources will be allocated among funding categories.	Three percent (3%) of the annual HOPWA allocation will be retained by ADOH for administration. Grantees will be allowed to utilize seven percent (7%) of the annual allocation for grantee administration costs. The remaining ninety percent (90%) of the annual allocation will be used for rental assistance, homelessness prevention, housing placement, and direct service provision. ADOH will contract with housing providers to administer the HOPWA program within the thirteen (13) non-entitlement counties. Two-thirds (2/3) of the funding will be spent for housing assistance and one-third (1/3) will be used for supportive services.
Describe threshold factors and grant size limits.	Contracts are awarded based on the needs in the service area and available service providers. There are no grant size limits.

What are the outcome measures expected as a result of the method of distribution?	ADOH will utilize HOPWA funds to increase the availability/accessibility and affordability of suitable living environments and decent housing through organizations that provide planning for housing needs, education, and access to essential community resources. Approximately fifty (50) people are anticipated to be served using available HOPWA funds.
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State Program Name:	National Housing Trust Fund
Funding Sources:	NHTF
Describe the state program addressed by the Method of Distribution.	The National Housing Trust Fund (NHTF) program provides funding for local programs that support the construction or rehabilitation of rental housing affordable to extremely low-income households.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Competitive application rounds for the NHTF program are announced through a Notice of Funds Availability (NOFA) and applications are selected through a competitive process. Competitive criteria may include: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families; 4) extent to which NHTF units have project based rental assistance; 5) service-enriched location; 6) project readiness; 7) sustainable development (energy efficiency); 8) the duration of the affordability period; and 9) the extent to which the project leverages non-federal funding sources.
Describe how resources will be allocated among funding categories.	The ADOH will allocate NHTF funding as follows: 10% of the annual allocation for ADOH administrative costs and 90% of the annual allocation for the construction or rehabilitation of rental housing affordable to extremely low-income households.

<p>Describe threshold factors and grant size limits.</p>	<p>To be eligible to apply for NHTF funds (for any project type) the applicant and all of its team members, with the exception of the applicant’s consultant (“Applicant Team”) must meet the following performance criteria on all HOME, CDBG and NHTF contracts on the date the application is received by ADOH: all reporting required by the ADOH is current; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts, including with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing CDBG, HOME or NHTF contracts in which project completion reports and data have not been submitted and accepted by ADOH within sixty (60) days of a final draw; Applicant Team has no current CDBG, HOME, of NHTF contract in which funds have not been drawn for six (6) months or twelve (12) months depending on the activity; Applicant Team with contracts in their twenty-fourth (24th) or greater month must be one hundred percent (100%) complete with Scope of Work, Contract Close-out Report received and approved, and NHTF Funds one hundred percent (100%) expended or de-obligated; Applicant Team has no outstanding or unresolved contractual, property, or beneficiary-related compliance issues; the applicant is an eligible party to apply for funding through ADOH; the activity, project and property type is eligible; funds are budgeted for eligible uses; the proposed beneficiaries are eligible; the amount of funds invested per unit does not exceed the program limits and is at least \$1,000/unit; applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances; the applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: www.sam.gov; the Environmental Review requirements pursuant to 24 CFR Part 50 are complete; and all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application and the project must be scheduled to start within ninety (90) days of executing a Funding Agreement with the ADOH.</p> <p>Maximum NHTF investments are specified in each NOFA.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The State will use its NHTF allocation to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households. ADOH anticipates assisting approximately twenty (20) households at or below thirty percent (30%) AMI with rental construction or rehabilitation.</p>

Discussion:

These methods of distribution allow the State to address housing, community development and homelessness needs throughout Arizona. CDBG funds are distributed to non-entitlement jurisdictions on a non-competitive basis to ensure all eligible communities can receive funding for the most important CDBG-eligible activities in their communities. HOME funds are distributed statewide on a competitive basis for Rental Development and Housing Rehabilitation. Scoring for owner-occupied housing rehabilitation slightly favors CDBG and HOME non-entitlement areas. ESG funds are distributed on a competitive basis targeted to areas with a higher percentage of homeless populations. HOPWA project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits and grassroots organizations, and contracts reviewed annually. NHTF funds are distributed statewide on a competitive basis through a Notice of Funding Availability process.

AP-35 Projects – (Optional)**Introduction:**

Project-level detail is not required for a State grantee’s Annual Action Plan. Once the State of Arizona has allocated funding via its Method of Distribution, it will add projects for the program year.

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

The State determines allocation priorities through analysis of needs and demand, historical funding data, and through consultation with public and private partners, units of local government, service providers, and nonprofit and for-profit organizations.

Rapid population growth combined with inadequate funding to address the huge existing unmet need for affordable housing, housing rehabilitation, public facilities and improvements, and public services, and a scarcity of capacity in many rural areas are the primary obstacles to meeting underserved needs.

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

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

No

Available Grant Amounts

Not applicable.

Acceptance process of applications

Not applicable.

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

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

Yes.

State's Process and Criteria for approving local government revitalization strategies

The ADOH will allow units of general local government to carry out community revitalization strategies. The ADOH provides detailed community revitalization strategy criteria and forms in its CDBG Application Handbook, which is available on the ADOH website. The ADOH will approve a community revitalization strategy to the degree it addresses the following HUD regulatory criteria: 1) consultation; 2) boundaries; 3) rationale; 4) demographic criteria; 5) program linkages; 6) economic conditions; 7) strategy assessment; 8) timeline; and 9) proposed performance measures.

AP-50 Geographic Distribution – 91.320(f)

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

The State of Arizona does not provide specific geographic target priorities for allocating investments for the programs that it administers. Consolidated Plan resources are distributed following the methods of distribution described in section AP-30 of this plan.

CDBG funds are allocated to all non-entitlement Units of General Local Government outside of Pima and Maricopa County and the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista and Yuma, Pima County and communities participating in the Pinal County CDBG Urban County. HOME, ESG and NHTF funds are allocated statewide. HOPWA funds are allocated to the Arizona Balance of State.

Geographic Distribution

Target Area	Percentage of Funds
State of Arizona FY2020-2024	100

Table 60 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The State of Arizona does not provide specific geographic target priorities for allocating investments for the programs that it administers. Consolidated Plan resources are distributed following the methods of distribution described in section AP-30 of this plan.

By regulation, CDBG funds are allocated to all non-entitlement Units of General Local Government outside of Pima and Maricopa County and the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista and Yuma, Pima County and communities participating in the Pinal County CDBG Urban County.

Discussion

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

Affordable Housing

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

Introduction:

Annual Affordable Housing goals are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including production of new units, rehabilitation of existing units or acquisition of existing units. Goals include ESG Homeless Prevention and Rapid Re-housing, and HOME and NHTF activities.

One Year Goals for the Number of Households to be Supported	
Homeless	100
Non-Homeless	97
Special-Needs	75
Total	272

Table 61 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	150
The Production of New Units	26
Rehab of Existing Units	96
Acquisition of Existing Units	0
Total	272

Table 62 - One Year Goals for Affordable Housing by Support Type

Discussion:

The State annually distributes approximately \$16 million in HUD Formula grant funds to address the needs of households for rental assistance, affordable rental housing, and decent owner housing.

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

The ADOH and its PHA Division do not own or manage any public housing. The PHA manages an extremely small Housing Choice Voucher program confined to Yavapai County and one that requires in-kind contributions from the State to administer. The PHA also has monitoring and compliance oversight of approximately 114 federally-financed properties (through the competitively awarded HUD Project-Based Contract Administration award).

The State of Arizona has no authority over local public housing agencies, their programs, service areas or outcomes.

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

The State may provide planning support and technical assistance to public housing authorities upon request.

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

The State of Arizona may provide planning support and technical assistance to public housing authorities upon request. Public housing residents may avail themselves of the State's HOME PLUS mortgage resources when they are prepared to enter into homeownership.

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

Not applicable.

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

Introduction

This section describes how the state conducts outreach and assesses the individual needs of people experiencing homelessness, addresses their emergency and transitional housing needs, and helps them to transition to and sustain stable housing.

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

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

Arizona's three Continua of Care conduct coordinated outreach activities through partnerships with community partners. In each region, the Continuum and service delivery systems utilize outreach teams, first responders and crisis and medical agencies to reach people who are unsheltered. Outreach workers are trained to conduct VI-SPDAT screening in the field and use progressive engagement strategies with unsheltered individuals to encourage engagement with shelter, supportive housing, other available housing resources, and support services. Special initiatives have been adopted through these community partners to respond to current priorities, which include ending veteran homelessness and ending chronic homelessness.

The Arizona StandDown Coalition has been formed to share and spread resources to smaller communities for StandDown events to reach homeless veterans throughout the State. Larger initiatives are being led by counties and cities in the metropolitan areas of Phoenix, Mesa and Tucson to focus on ending chronic homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

There was a 30% increase in the number of volunteers assisting with the point-in-time count in 2019, from 240 in the previous two years to 345 in 2019. The increase in volunteers allowed the Balance of State Continuum to cover a larger geography, including small towns that were not previously covered.

The 2019 Balance of State point-in-time homeless street count identified 2,021 people experiencing homelessness, including 1,038 in emergency shelter or transitional housing and 983 who were unsheltered. Among people who were sheltered, 65% were single adults, 34% were people in families with children, and 1% were youth. Among people who were unsheltered, 91% were single adults and 9% were people in families with children. While the point-in-time count indicates a decline in homelessness from 2018 to 2019, people experiencing chronic homelessness increased, indicating that the length of time people are experiencing homelessness is increasing. There was a significant increase in chronic homelessness among families. Data shows that more beds and services are needed in the Balance of State for families and for people experiencing chronic homelessness, and more beds and services are needed throughout Arizona for single adults, families, youth and people experiencing chronic homelessness.

While the State of Arizona has adopted an aggressive rapid re-housing approach to move individuals and families out of emergency shelters and into permanent housing, the tight rental market continues to challenge

service providers as they assist households on their journey to self-sufficiency. State contracts for rapid re-housing emphasize priority targets including chronically homeless, veterans, youth between the ages of eighteen (18) and twenty-four (24), domestic violence survivors, and persons exiting an institutional setting or substance abuse program. All three (3) Continua are focusing performance measures on improving length of stay to encourage rapid re-housing and improve bed availability in those programs that provide immediate assistance to unsheltered people. A collaborative body of State, county and city governments, and service providers is exploring alternative "Low Demand" shelter alternatives in Maricopa County, and the Pima Tucson Collaboration to End Homelessness is working towards increasing low-barrier shelters.

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

The State of Arizona follows *Home, Together: The Federal Strategic Plan to Prevent and End Homelessness*, released in 2018. ADOH continues to fund Rapid Rehousing in all three Continuums, increasing permanent housing options for another 925 households. The entire State (all three Continuums) has adopted a statewide common assessment tool and developed a statewide shared database of permanent supportive housing, affordable housing, and tax credit supported housing options. Through commitment to improve outreach and assessment tools, the DES State Homeless Coordination office works to effectively end unsheltered homelessness for people who are experiencing chronic homelessness.

Arizona's efforts to end homelessness are driven by the following goals and objectives:

END CHRONIC HOMELESSNESS AMONG PEOPLE WITH DISABILITIES: 1) Arizona is moving 150 chronically homeless individuals or families into permanent housing each year; 2) Arizona's three Continua have adopted and implemented a common assessment tool, the VI-SPDAT for individuals, families, and youth, to prioritize housing placement based on vulnerability; 3) support, monitor, and assess all pilots for centralized intake to prioritize chronically homeless individuals for placement and to evaluate outcomes; and 4) develop a statewide shared database of permanent supportive housing, affordable housing and tax credit supported housing options.

END HOMELESSNESS AMONG VETERANS: 1) Insure all mainstream and community resources identify veteran status and connect veterans to additional veteran resources; 2) target and prioritize use of Housing and Urban Development (HUD) VASH housing vouchers towards chronically homeless veterans; 3) continue the collaborative efforts with all three VA Health Care Services within the state to provide better care and quicker access to permanent housing; and 4) continue technical assistance to VA Health Care Services to input data on VASH Households into the HMIS.

CONTINUE WORK TO PREVENT AND END HOMELESSNESS FOR FAMILIES WITH CHILDREN, UNACCOMPANIED YOUTH, AND ALL OTHER INDIVIDUALS: 1) Develop common reporting standards for family units versus beds to determine housing needs; 2) adopt a common definition of homeless youth; and 3) add 100 units of permanent supportive housing to the housing system each year for the next ten (10) years.

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

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

The DES Homeless Coordination Office requires all sub-contractors to adhere to program goals and objectives including serving target populations. Contracts require that at least forty percent (40%) of all rapid re-housing and/or homeless prevention participants represent at least one of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being released from an institution; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth 18 to 24 years of age; 9) veterans; or 10) sixty-two (62) years of age or older.

Sub-contractors are also required to adhere to standard performance measures and outcomes designed to assure positive exit destinations and help low-income individuals and families avoid becoming homeless:

General Performance Measures

- At least 98% percent of households that exit the program have data entered with exit destinations in the Case Management file and in HMIS within five (5) days of program exit.
- Increase HMIS Data Completeness and Data Quality by 5% annually.
- Enter all data in HMIS within five (5) days.

Rapid Rehousing Performance Measures

- At least 60% of Rapid Rehousing households that exit the program have Positive Exit Destinations; information is entered into HMIS within five days of program exit.
- At least 75% percent of households served through Rapid Rehousing remain in housing for six (6)

months after rental subsidy ends.

- At least 75% percent of households served through Rapid Rehousing will increase or maintain their income through employment or receipt of benefits.

Temporary Emergency Shelter Performance Measures

- Increase known exit destinations for individuals in HMIS by 5% annually until known destinations reach 60%.
- At least 60% of Temporary Emergency Shelter households exit to Positive Exit Destinations.

Homeless Prevention Performance Measures

- At least 50% of Homeless Prevention households that exit the program have Positive Exit Destinations entered into HMIS.
- At least 50% of Homeless Prevention households maintained their Positive Exit Destinations for two (2) months after rental subsidy ends.

Discussion

The statewide adoption of the VI-SPDAT tool, ADOH's hiring of a full-time Balance of State Continuum of Care Coordinator, and working to build strong Local Coalitions to End Homelessness have greatly improved Arizona's progress towards addressing its goals and improving data collection and reporting standards. The Arizona Departments of Housing and Economic Security are working together to plan, improve, and address services and housing for persons experiencing homelessness and chronic homelessness.

AP-70 HOPWA Goals – 91.320(k)(4)

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

AP-75 Barriers to affordable housing – 91.320(i)**Introduction:**

As a state settled during western expansion, Arizona has always had a strongly individualistic disposition. It was founded during the heart of the progressive movement, and its 1912 constitution reflects the desire of reformers to prohibit special legislation and ensure the rights of localities to exercise exclusive jurisdiction over purely local matters. It granted municipalities with 3,500 people or more the right to create their own city charters. That local autonomy is an established, deeply engrained and cherished practice in Arizona. Planning, zoning and building codes are governed by Arizona Revised Statutes Title 11, Chapter 6 for counties and ARS Title 9, Chapter 4 for cities and towns, which allows for local selection of building codes.

Other State legislation restricts the ability of localities to utilize land use and zoning requirements to encourage affordable housing development. The Private Property Rights Act of 2006 requires local governments to compensate a private property owner if the value of a person's property is reduced by the enactment of a land use law. Under this Act, downzoning or changing zoning to permit less intensive development is difficult to accomplish in Arizona. Property owners must either waive their entitlements voluntarily or be compensated for the reduction in value of their property. Passed in 2015, Senate Bill 1072 amended municipal and county land use and zoning requirements. The bill prohibited requiring affordable housing in a zoning code (inclusionary zoning) but does not limit the use of an incentive, density bonus or other voluntary provision or condition designed to increase the supply of moderate or lower cost housing. In addition, Arizona's constitution includes a gift clause that prohibits state and local governments from giving financial gifts to private entities, which effectively restricts the use of public lands from being utilized for the development of affordable housing under most circumstances.

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

As Arizona's post-recession housing costs have increased due to supply and demand shortfalls caused by high net in-migration numbers over the past half-decade, the private sector has taken notice and has become engaged in promoting more structured, private sector involvement in funding affordable and workforce housing. Two of those efforts include the establishment of private funding pools for investment in affordable housing. The first source is the Arizona Housing Fund, administered by the nonprofit Arizona Community Foundation (ACF), and a second, yet-to-be named housing fund, that is being established through the efforts of United Healthcare in partnership with Local Initiatives Support Corporation (LISC).

The Arizona Housing Fund's revenue source is a \$25 voluntary donation that may be made during a residential real estate transaction (\$100 for commercial). Donations may also be made independent of real estate transactions. Donations are collected by ACF and distributed in the form of grants to nonprofit agencies that build and operate permanent supportive and income-restricted housing.

The second fund is being established by United Healthcare and will be managed by LISC. This fund will initially consist of donations from a portion of the fee income required for reinvestment by the State's managed care partners contracting with Arizona's Medicaid program. Other private sector partners are being sought. This fund will be used for grants or loans for affordable and workforce housing and has an initial goal of reaching \$30 million by the spring of 2020, with a larger goal of reaching \$100 million by 2022.

The ADOH will continue to invest in housing development, rehabilitation and assistance to first-time homebuyers. The ADOH will also continue to publicize information to assist in breaking down stereotypical misconceptions about affordable and multi-family housing.

AP-80 Colonias Actions – 91.320(j)**Introduction:**

There are 64 Arizona designated Colonias in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma, and on the Cocopah, and Tohono O’odham Indian Reservations. The ADOH has developed a process to certify Arizona Colonias to ensure that they comply with federal legislation at Section 916 of the Cranston-Gonzalez Act of 1990 and HUD guidance. The ADOH sets aside 10% of its annual CDBG funds for projects in Colonias with high-priority needs. Colonias typically partner with local government to apply for CDBG Colonias funding, which is made available biennially to facilitate larger awards to address significant water, sewer and/or housing needs in their entirety.

Most Arizona Colonias were built on a legal loophole that allows a property owner to subdivide property up to five times before triggering subdivision regulations that require roads, utilities, and other amenities. This form of subdivision in Arizona is known as 'wildcat', and has been heavily criticized for passing to the public costs for roads, utilities, and other amenities that would otherwise be borne by the developer and purchaser.

Actions planned to address obstacles to meeting underserved needs

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

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

Arizona’s Colonia set-aside primarily funds water and wastewater treatment as these have been identified as the highest priority issues affecting Arizona Colonias. Colonias funding is awarded through a competitive process once every two years and allows potential for sufficient funding to complete very large projects. Scoring criteria emphasizes demonstrated need, poverty statistics and whether the project will completely eliminate issues relating to water, wastewater and housing within the Colonia. Addressing these issues improves sustainability and quality of life issues for residents who could not afford to pay increases in water or sewer service fees that would be required if the community were trying to fund improvements using other resources.

Actions the state plans to take to develop the institutional structure

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

otherwise possibly at risk of homelessness are provided information about available services in the areas closest to the Colonia.

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

The Arizona Department of Housing hosts an Arizona Housing Forum. The Forum is a two (2) day professional housing conference that studies recent trends and ideas in affordable housing, addresses more common issues in discussion-oriented sessions, and provides opportunities for housing and social service agencies to form relationships and potential partnerships.

Discussion:

The State began offering Colonia Set Aside funding through a competitive process combining two years of Colonia set-aside funds in 2010. By combining two years of funding, large-scale projects can be implemented to positively impact the lives of thousands of Colonias residents. The State has found this to be a successful method of distributing funds to Colonias and will continue this method in the future.

AP-85 Other Actions – 91.320(j)**Introduction:**

This section discusses the State's efforts to address underserved needs, expand and preserve affordable housing, reduce lead-based paint hazards, develop institutional structure for delivering housing and community development activities, and addressing impediments to fair housing choice.

Actions planned to address obstacles to meeting underserved needs

Rapid population growth combined with inadequate funding to address the huge existing unmet need for affordable housing, housing rehabilitation, public facilities and improvements, and public services, and a scarcity of capacity in many rural areas are the primary obstacles to meeting underserved needs. The state will continue to encourage agencies and units of government to seek private and public funding opportunities to leverage Consolidated Plan resources, complete projects and serve a larger number of beneficiaries.

Actions planned to foster and maintain affordable housing

The ADOH will continue to invest in affordable and sustainable rental and homeownership programs to foster and maintain affordable housing.

Actions planned to reduce lead-based paint hazards

The Arizona Department of Housing's long-term goals to address lead-based paint hazards include: collaborating with units of local governments to reduce housing-related lead-based paint hazards, especially for low-income families with children; encouraging risk assessment for lead-based paint as part of every home inspection; and referring families with children to the Arizona Department of Health Services, Office of Environmental Health for blood testing if lead-based paint is found in units proposed for rehabilitation. The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels and conducts educational outreach activities. The Arizona Lead Poisoning Screening Coalition and the Arizona Department of Health Services recommend screening children six (6) years of age and younger according to the Childhood Lead Poisoning Targeted Screening Plan. These steps will hopefully prove important in assuring the long-term health and stability of lower-income children who may be exposed to lead-based paint.

The State of Arizona will encourage training, education and other resources related to lead based paint hazards, and will require that grantees and sub grantees utilize staff and contractors that have the appropriate training and certification.

Actions planned to reduce the number of poverty-level families

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

implementation. The ADOH will focus on the provision of affordable housing and needed community development programs and projects, especially in rural areas of Arizona. The ADOH will also work to strengthen its partnerships with the DES, the Community Services Administration, the Family Assistance Administration, the Aging and Adult Administration, the Arizona Early Intervention Program, the Arizona Department of Health Services, the Arizona Health Care Cost Containment System, the Arizona Department of Veterans Services, and the Arizona Commerce Authority. These agencies and organizations encourage stabilization of people in crisis, services for special needs populations, quality early education, and job retention, training and creation to help lift people out of poverty and reduce generational poverty.

Actions planned to develop institutional structure

The ADOH is a department of Arizona State government. ADOH is headed by a Governor-appointed director who oversees all activities of the agency, including the provisions of this plan. The ADOH meets its mission and addresses the needs identified in the Consolidated Plan through collaboration with other State agencies, and activities implemented by its program partners, including units of local government, public housing agencies, and nonprofit, for-profit and tribal organizations.

The implementation of activities using Consolidated Plan and leverage resources requires capacity among ADOH program partners across Arizona's vast geographic area and in its many small rural communities. It is challenging for nonprofit providers in rural Arizona to maintain a consistent, physical presence in many communities, and providers often experience higher than average rates of employee attrition leading to capacity problems. The shortage of providers is compounded by the inability of many lower-income households to travel for services. The ADOH will continue its efforts to network with organizations that serve low-income and vulnerable populations through the Continuum of Care.

Independently and with the assistance of the rural COGS, units of local government utilize CDBG funds to address important community needs, although consensus regarding the most important needs is not always agreed upon and therefore action is sometimes limited. The ADOH will continue to work with rural COGS to provide technical and administrative assistance to units of government and to facilitate the targeting and distribution of CDBG funds.

The private sector is an important collaborator in the services and programs that address priority needs. The private sector brings additional resources and expertise that can be used to supplement existing services or fill gaps in the system. Lenders, affordable housing developers, business and economic development organizations and private service providers offer a variety of assistance to residents such as health care, small business assistance, home loan programs and supportive housing, among others.

There are 22 federally-recognized tribes in the State of Arizona. The tribes within Arizona are vastly different from one another and are recognized as self-governing entities that regulate laws under their respective tribal jurisdictions. Some tribes regularly work with the ADOH to access resources to address housing needs. In addition, sixteen tribes currently receive the Indian Housing Block Grant for development and maintenance of existing housing. The formula-driven grant was enacted in 1996 and is based on various factors that include

population, poverty, current assisted stock and overcrowding conditions. The ADOH will continue to work with tribes who submit successful applications for ADOH funding.

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

The ADOH is committed to continuing its participation and coordination with federal, State, regional and local agencies, and with the private and nonprofit sectors to serve the needs of low-income Arizonans. The Arizona Department of Housing hosts the Arizona Housing Forum. The Forum is a two-day professional housing conference that studies recent ideas and trends in affordable housing, addresses common issues in discussion-oriented sessions, and provides opportunities for public and private organizations to build relationships and potential partnerships.

Discussion:

The ADOH 2020 Analysis of Impediments to Fair Housing Choice identified five (5) impediments to fair housing choice in the Arizona Balance of State:

1. Housing Discrimination;
2. Education and Awareness;
3. Geographic Concentrations;
4. Lending Discrimination; and
5. Availability of Quality Affordable Housing.

To address identified impediments, during FY2020, the ADOH will:

1. Track fair housing complaint and inquiry information and actions taken to address impediments and incorporate these into its Consolidated Annual Performance Report.
2. Continue fair housing education and outreach efforts through ADOH-contracted agencies.
3. Continue to participate in and sponsor activities of the Arizona Fair Housing Partnership.
4. Continue to fund organizations that provide disability accessibility improvements for homeowners.
5. Examine methods to fund disability accessibility improvements for renters in existing units.
6. Continue to require affirmative marketing plans for HUD CPD-assisted developments to ensure they are marketed to those least likely to apply.
7. Request the Governor adopt a proclamation declaring April to be observed as Fair Housing Month.
8. Maintain a Fair Housing page on the ADOH website.
9. Publish materials that may assist in breaking down stereotypical misconceptions about affordable and multi-family housing.
10. Utilize social media to expand awareness of fair housing and housing discrimination.
11. Expand access to the affordable housing rental stock and accessible affordable rental stock through owner-occupied housing rehabilitation, rental housing rehabilitation, and rapid rehousing.

12. Examine the prioritization of CDBG State Special Projects funding to activities that develop or rehabilitate affordable housing and shelters for people experiencing homelessness.
13. Explore expanding CDBG housing rehabilitation activities to include the rehabilitation of smaller properties owned and operated by nonprofit organizations for the benefit of special needs populations.
14. Work with local and state institutions to continue re-entry and housing access programs for persons exiting incarceration.
15. Continue to produce the annual “Housing-at-a-Glance” publication.
16. Continue to require projects funded with LIHTC, HOME, and NHTF to establish Affirmative Fair Marketing Plans (AFHMP) that reduce barriers to housing choice.
17. Encourage partnerships between experienced developers and nonprofit and faith-based organizations to increase affordable housing production in the Balance of State.

Program Specific Requirements

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

Introduction:

The following identifies program income that will be available to carry out CDBG projects, certain HOME program policies, information regarding ESG, and certain National Housing Trust Fund policies.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

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

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

Other CDBG Requirements

- | | |
|---|--------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

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

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

No other forms of investment are planned.

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

ADOH will not invest HOME funds in homebuyer activities in the Action Plan year.

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

Assistance to eligible beneficiaries is subject to recapture. The recapture period is based on the amount of HOME and State Housing Trust Fund resources (State funds) invested in the unit. When the per unit investment is less than \$15,000, the recapture period (period of affordability) is five (5) years; between \$15,000 and \$40,000 is ten (10) years; and over \$40,000 is fifteen (15) years. New construction, regardless of amount invested, has a twenty (20) year affordability requirement.

In the event the assisted property is transferred prior to the expiration of the applicable period of affordability or the housing unit is no longer used as a primary residence of the assisted homebuyer, the net proceeds are subject to recapture. Net proceeds shall be determined as follows: 1) the amount of State funds plus the amount of interest due (if any) shall be determined; 2) the Borrower's Down Payment, Principal Payments and the Value of Improvements as evidenced by receipts provided by the borrower shall be summed, and this shall be called Borrower's Equity. Net proceeds shall be distributed as follows: if the Net Resale Proceeds are sufficient to cover the ADOH investment, including any interest due and the Borrower's Equity, the ADOH investment and any interest due shall be recaptured and the Borrower shall be entitled to receive Borrower's Equity and any amount remaining from Net Resale Proceeds after payment of the ADOH investment and any interest due and Borrower's Equity. If the Net Resale Proceeds are not sufficient to repay the ADOH investment including any interest due and the Borrower's Equity, the Borrower shall be entitled to receive the Borrower's Equity, and any amount remaining from Net Resale Proceeds, after payment of the Borrower's Equity, shall be recaptured. In the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA mortgage to HUD, recapture provisions shall terminate.

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

HOME funds will not be used to refinance existing multi-family housing debt during the coming fiscal year.

**Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)**

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

The DES Homeless Coordination Office requires all subcontractors to adhere to program policies and procedures in accordance with the federal HEARTH Act. In addition, subcontractors must adhere to the State of Arizona, DES written standards and terms and conditions. Eligible activities include: 1) Temporary Emergency Shelter; 2) Rapid Re-Housing; 3) Homeless Prevention; and 4) Street Outreach.

Target populations: At least 60% of all Rapid Re-Housing and/or Homeless Prevention participants shall meet at least one of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being released from an institution; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth eighteen 18-24 years of age; 9) veteran; or 10) 62 years of age or older.

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

Subcontractors are required to submit monthly, quarterly and annual program and financial reports: Monthly Reports must include 1) Copies of the completed Rapid Re-Housing Eligibility Determination form for each participant with initial billing; 2) Copies of all receipts and/or copies of checks with detailed costs issued for Housing Relocation and Rental Financial Assistance for each Rapid Re-Housing participant served; 3) Rapid Re-Housing Tracking Sheet with invoices; and 4) Accurate and complete Contractor's Invoice and Statement of Expenditures. Quarterly Reports must be submitted by the 15th day of the beginning of each quarter and include a completed Temporary Emergency Shelter, Rapid Re-Housing Data and Homeless Prevention Report of demographic and exit data. Annual Reports must include: 1) Funding Expenditure Report for the prior year; and 2) Completed ESG report as required by DES.

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

The AZBOSCOC, in implementing Coordinated Entry strategies, requires that all HMIS providers utilize appropriate VI-SPDAT assessments to determine housing appropriate rankings. These rankings are used to assist in making referrals and assessing eligibility for the most client-appropriate projects within the Continuum of Care, which includes case conferencing.

Per HUD Notice CPD-16-11, priority is given to those individuals and families who meet the HUD definition of “chronic homeless”. If there is availability in a project and there is not an eligible household that meets the definition of chronic homeless, then the order of priority will be as delineated in the CPD notice as follows: First Priority - Homeless Individuals and Families with a Disability with Long Periods of Episodic Homelessness and Severe Service Needs. Second Priority - Homeless Individuals and Families with a Disability with Severe Service Needs. Third Priority - Homeless Individuals and Families with a Disability Coming from Places Not Meant for Human Habitation, Safe Haven, or Emergency Shelter Without Severe Service Needs. Fourth Priority - Homeless Individuals and Families with a Disability Coming from Transitional Housing.

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

The ADES awards ESG funds through a competitive Request for Proposals (RFP) process. Each RFP describes in detail the criteria that will be used to select applications. The criteria may include service methodology, experience and expertise, cost, capacity, and other relevant factors. Contracts are awarded based on the needs of the service area and available service providers.

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

All three Continua of Care in the state have at least one formerly homeless person on their boards.

5. Describe performance standards for evaluating ESG.

All service providers and agencies contracting with DES submit ESG program reports monthly and quarterly. Fiscal back-up documentation and participant tracking reports are attached to fiscal claims for reimbursement. DES contracts require agencies to submit quarterly reports that are designed to capture client data, fiscal expenditures billed, and services provided. At least once each year, DES will conduct desk reviews of the programs and at least once every two years, a comprehensive audit and site visit will be conducted of the program and facilities. Upon completion of the review and audits

1. 75% of participants improve in overall required Self Sufficiency Matrix score from participant entry to participant exit;
2. 60% of participants who exit the Rapid Re-Housing program, exit to permanent housing during the program year;
3. 75% of Rapid Re-Housing participants who exit the Rapid Re-Housing program score at least a four (4) on the Self Sufficiency Matrix;
4. 60% of Rapid Re-Housing participants meet at least one (1) of the priority populations criteria; and
5. 40% of Temporary Emergency Shelter clients exit to positive permanent housing situations during the program year.

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

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

Applications submitted by eligible recipients

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

N/A

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

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

Eligible activities for National HTF are the production, preservation and rehabilitation of affordable rental housing developments in which all or a portion of the rental units are set aside for extremely low income (thirty percent (30%) of the HUD AMI or less), including Permanent Supportive Housing for individuals and families who are chronically homeless. Supportive Services, where appropriate, must be provided with the purpose of helping residents achieve maximum possible self-sufficiency and maintain their permanent housing. Rents on NHTF units must not exceed thirty percent (30%) of the income of the individual or family qualified to occupy the HTF Unit. Rent limits are published by HUD annually.

Eligible Recipients are public housing agencies, for-profit entities and nonprofit entities.

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

The ADOH will retain 10% of NHTF funds for program administration. The remaining project funds will be made available through one or more of the following methods: 1) A Notice of Funds Availability for the construction, preservation or rehabilitation of rental housing in which NHTF may be used solely or in conjunction with HOME, State Housing Trust Fund, NSP, 4% LIHTC, 9% LIHTC or another funding source; or 2) Gap financing for rental developments awarded 4% or 9% LIHTCs in accordance with the ADOH LIHTC Qualified Allocation Plan (QAP).

At a minimum, applicants will be required to provide documentation demonstrating the following: 1) applicant is a legally formed entity; 2) development team has sufficient capacity; 3) site control and zoning entitlements; 4) adherence to environmental regulations; 5) financial ability to proceed; 6) market demand for prospective population; 7) adherence to design standards, including energy efficiency; 8) adequacy of services to special needs populations; and 9) affordability to extremely low-income households.

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

When a Notice of Funds Availability is issued, it will include the specific selection criteria that will be used to select projects for funding. Selection criteria may include: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families; 4) extent to which NHTF units have project based rental assistance; 5) service-enriched location; 6) project readiness; 7) sustainable development (energy efficiency); 8) the duration of the affordability period; and 9) the extent to which the project leverages non-federal funding sources.

When NHTF funds are provided as gap financing for rental developments awarded 4% or 9% LIHTCs, applications will be selected following the Qualified Allocation Plan (QAP).

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

The National HTF is available to all areas of the state. The Consolidated Plan (SP-10, Geographic Priorities), does not target specific geographic areas.

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

Only applicants that demonstrate adequate capacity and readiness to proceed will be funded. Applicants must demonstrate that the Development Team possesses the experience and financial capacity necessary to undertake and complete the Project. The Developer and/or Co-Developer, as applicable, must have developed projects of comparable size, financial complexity. The experience of the Development Team with affordable housing programs is also considered. Applicants must demonstrate site control, generally through fee simple title, a conditional purchase contract contingent upon successful Environmental Review, or long-term lease; that the prospective site has all zoning entitlements; and that all financing necessary to complete the project has been secured. Only projects that set aside rental units affordable to households with extremely low income (30% AMI adjusted for family size with utility costs deducted) will be funded. Projects may be awarded points in the competitive selection process for project-based rental assistance.

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

Only projects that set aside rental units affordable to households with extremely low income (30% AMI adjusted for family size with utility costs deducted) will be funded. Projects may be awarded points in the competitive selection process for project-based rental assistance.

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

Projects will not be required to exceed the 30-year period, yet projects that demonstrate financial feasibility beyond the required 30-year period may receive points in the competitive application scoring process. Based on information submitted and other relevant information available, ADOH analyzes and adjusts the financial considerations in accordance with its underwriting criteria. The ADOH will review development costs, permanent financing sources and amounts, public funding amounts, Developer Fees, projected rents, projected Operating Expenses, vacancy rates, and other financial considerations of a Project.

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

When a Notice of Funds Availability is issued, it will include the specific selection criteria that will be used to select projects for funding. Consistent with state and federal certifications to affirmatively further fair housing, selection criteria may include: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families; 4) extent to which NHTF units have project based rental assistance; 5) service-enriched location; 6) project readiness; 7) sustainable development (energy efficiency); and 8) the duration of the affordability period; and 9) the extent to which the project leverages non-federal funding sources.

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

When a Notice of Funds Availability is issued, it will include the specific selection criteria that will be used to select projects for funding. Consistent with state and federal certifications to affirmatively further fair housing, selection criteria may include: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent to which units are affordable to extremely-low income individuals and families; 4) extent to which NHTF units have project based rental assistance; 5) service-enriched location; 6) project readiness; 7) sustainable development (energy efficiency); and 8) the duration of the affordability period; and 9) the extent to which the project leverages non-federal funding sources.

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

Yes

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

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

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

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

Arizona Maximum per Unit Development Subsidies are based on the actual costs of constructing apartments in urban and rural (outside of Maricopa and Pima Counties) areas. The ADOH has established maximum per unit development subsidy limits for urban areas (Maricopa and Pima counties) and the Arizona Balance of State.

For urban areas, the maximum per unit development subsidies are: 0-bedroom \$183,030; 1-bedroom \$202,671; 2-bedroom \$243,777; 3-bedroom \$265,525. For the Balance of State, the maximum per unit development subsidies are: 0-bedroom \$201,233; 1-bedroom \$222,938; 2-bedroom \$268,155; 3-bedroom \$292,078.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

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

The ADOH National Housing Trust Fund Rehabilitation Standards are attached.

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

N/A

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

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The ADOH will limit beneficiaries to extremely low-income households (income below 30% AMI) adjusted for family size. In addition, the State of Arizona may fund rental housing that limits eligibility or gives a preference to a particular segment of the population. Except for rental housing that also receives funding from a federal program that limits eligibility to a specific population, when limiting eligibility or giving a preference, the limitation or preference must be limited to 1) households with disabilities that significantly interfere with their ability to obtain and maintain housing; 2) households that would not be able to obtain or maintain themselves in housing without appropriate supportive services; and 3) the supportive services cannot be provided in a nonsegregated setting. The households must not be required to accept the services offered at the project and the project owner must advertise the project as offering services for a particular type of disability. The project must be open to all otherwise eligible persons with disabilities who may benefit from the supportive services provided.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A