



Arizona Department of Housing

Consolidated Annual Performance & Evaluation Report (CAPER)

Federal FY 2023

July 1, 2023 - June 30, 2024

1110 West Washington Street, Suite 280 | Phoenix, AZ 85007
Telephone: (602) 771-1000 | Facsimile: (602) 771-1002 | TTY: (602) 771-1001



KATIE HOBBS
Governor



JOAN SERVISS
Director

**STATE OF ARIZONA
DEPARTMENT OF HOUSING**

1110 W. Washington, Suite 280, Phoenix, AZ 85007
(602) 771-1000 • www.azhousing.gov

September 27, 2024

Jaclyn E. Taylor
Community Planning & Development Representative
U.S. Department of Housing and Urban Development, CPD
One North Central Avenue, Suite 600
Phoenix, AZ 85004

Re: FY 2023 Consolidated Annual Performance Evaluation Report *and*
FY 2023 CDBG Performance Evaluation Report

Dear Ms. Taylor,

The Arizona Department of Housing (ADOH) and the Arizona Department of Economic Security (DES) have submitted their FY 2023 Consolidated Annual Performance Evaluation Report (CAPER), HOPWA CAPER, ESG CAPER, and the CDBG Performance Evaluation Report (PER) through the eCon Planning Suite in IDIS.

These documents provide a breakdown of how the CPD formula-grant funds, provided through CDBG, CDBG-CV, HOME, HOPWA, and ESG, were invested to attain the goals and objectives articulated in the 3rd Year Annual Action Plan of the FY 2020-2024 Consolidated Plan.

Should you have any questions, please do not hesitate to call me directly at (602) 771-1209 or by email at: keon.montgomery@azhousing.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Keon Montgomery".

Keon Montgomery, Assistant Deputy Director of Housing and Community Development
Arizona Department of Housing

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Approximately \$2.8 million in federal HOME and CDBG funding was committed to preservation and improvement in the form of owner occupied housing rehabilitation and will serve approximately 73 low to moderate income households. Approximately \$17 million in federal and private utility funding was committed to energy efficiency improvements through weatherization and will assist approximately 1295 low to moderate income households. Approximately \$3.1 million in CDBG funds were committed to public infrastructure projects, as they are the primary focus of rural counties and communities participating in the State and small cities CDBG program through ADOH. Infrastructure improvements including streets, sidewalks, water, wastewater, curbs, gutters, and drainage improvements were funded, addressing the Department's priority to promote sustainable and accessible communities and serving approximately 13,000 Arizona residents. Additionally, approximately \$1 million in CDBG funds was committed to community facilities serving approximately 1000 residents, \$150K to the removal of barriers and accessibility serving approximately 352 mobility impaired residents. ADOH posted its draft CAPER to its website on September 6, 2024 for an eighteen day comment period ending September 23, 2024 at 5p.m.. ADOH sent out an email announcement regarding the CAPER comment period to all local government, public and private partners and other interested persons on the ADOH Constant Contact mailing list.

Due to the Capacity deficiencies in rural local governments and the lack of sufficient employment base for most employers, economic development projects are not utilized. ADOH received no requests for economic development project technical assistance or ED application project funds for FFY2023 (SFY2024) CDBG funds.

The Rental Division of ADOH focused on the development of new rental units with a variety of resources. These include Federal and State Low Income Housing Tax Credits (LIHTC), HOME and National HTF and State HTF. This will result in over 4,317 multifamily rental units. Of those, 3,818 units will be new construction and 499 units will be preserved through rehabilitation.

HOPWA monies provided \$590,519 in funds for Tenant Based Rental Assistance (TBRA), Permanent Housing Placement (PHP) Short-Term Rent, mortgage and utility assistance (STRMU), and Supportive Services, for 80 persons. ADOH contracted with three (3) program sponsor organizations to administer the HOPWA program which serve ten (10) of the thirteen (13) nonentitlement counties.

McKinney Vento Continuum of Care funds for the Arizona Balance of State Continuum of Care (AZBOSCO)(AZ-500) provided \$ 5,360,027 to support approximately 390 units of permanent and rapid rehousing for households experiencing homelessness, through eighteen (19) contracts. Seven percent (10%) was directed toward supportive services. Five percent (5%) of the budget supported the Homeless Management Information System and and five percent (5%) supported administrative costs. The remaining \$4,026,198 (75%) was directed to direct rental assistance and operation of housing units. The AZBOSCO was also provided \$303,398 jin HUD COC funds specifically for planning and Unified Funding Agency duties. The AZBOSCO also received a Continuum of Care Special Rural NOFO funding two contracts totaling \$710,000 to provide supportive services for three rural counties in the AZBOSCO.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Community Facilities and Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100000	55937	55.94%	20000	27932	139.66%
Community Facilities and Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%	20	0	0.00%

Community Facilities and Improvements	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	2	0	0.00%	1	0	0.00%
Decent Affordable Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOME: \$ / HTF: \$	Rental units constructed	Household Housing Unit	135	30	22.22%	20	29	3,710.00%
Decent Affordable Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOME: \$ / HTF: \$	Rental units rehabilitated	Household Housing Unit	55	24	43.64%	0	0	520.00%
Decent Affordable Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOME: \$ / HTF: \$	Homeowner Housing Rehabilitated	Household Housing Unit	425	188	44.24%	96	93	86.36%
HIV/AIDS Housing and Services	Non-Homeless Special Needs	HOPWA: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	250	0	0.00%	79	66	164.00%
HIV/AIDS Housing and Services	Non-Homeless Special Needs	HOPWA: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	250	91	36.40%	38	45	246.67%
HIV/AIDS Housing and Services	Non-Homeless Special Needs	HOPWA: \$	Homelessness Prevention	Persons Assisted	250	0	0.00%	60	47	46.67%

Homelessness	Homeless	ESG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	7172	717.20%	600	4616	769%
Homelessness	Homeless	ESG: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	500	1369	273.80%	400	2727	681%
Homelessness	Homeless	ESG: \$	Homeless Person Overnight Shelter	Persons Assisted	1000	5803	580.30%	6000	37041	617%
Homelessness	Homeless	ESG: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	25	0	0.00%	5	0	0.00%
Homelessness	Homeless	ESG: \$	Homelessness Prevention	Persons Assisted	500	217	43.40%	150	1006	670%
Homelessness	Homeless	ESG: \$	Other	Other	5	451	9,020.00%			
Program Administration	Program Administration	CDBG: \$ / HOPWA: \$ / HOME: \$ / ESG: \$119854 / HTF: \$	Other	Other	5	1	20.00%	1	1	100.00%

Public Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5000	5917	118.34%	1250	72000	11,269.28%
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

ADOH continued to invest funds to address its highest priorities and specific objectives. CDBG funds were invested primarily in the following highest priority activities: 1) public infrastructure and facilities; 2) improving the quality of housing stock, and 3) removal of barriers and accessibility for LMI. HOME funds were invested in the high priority activities of construction and rehabilitation of rental units and improving the quality of housing stock through owner occupied housing rehabilitation. HOPWA funds were invested in high priority housing and services for persons with HIV/AIDS. Materials and Supply Chain interruptions continued to slow the progress of activities regardless of the funding source especially for new construction or rehabilitation activities. This affected the number of completed projects, thereby reducing the number of persons served from the anticipated in the FY2022 Action Plan and Consolidated Plan.

At the start of PY 2023, the Arizona Department of Economic Security (AzDES) launched new contracts through a competitive RFP process completed at the end of PY 2022. The RFP aimed to strengthen the homeless service response in the Balance of State and Pima County. AzDES partnered with 13 homeless service providers across 11 counties and the Maricopa County Human Services Division through an Intergovernmental Agreement (IGA). This partnership led to seven sub-contracts with service providers in Maricopa County, offering emergency shelter, outreach, and rapid rehousing resources. This coordinated approach has optimized resources, reduced duplication of efforts, and ensured a comprehensive response to homelessness. These efforts have expanded the impact of Emergency Solutions Grant (ESG) funding, playing a critical role in helping communities statewide address homelessness and provide essential services to those in need.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME	HOPWA	ESG	HTF
White	18443	95	57	36705	0
Black or African American	50	1	6	22273	0
Asian	49	0	0	568	0
American Indian or American Native	263	1	0	6171	0
Native Hawaiian or Other Pacific Islander	0	0	0	358	0
Total	18805	97	63	66075	0
Hispanic	562	44	6	19330	0
Not Hispanic	18243	53	57	27214	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

ADOH Programs are available to all income qualified beneficiaries regardless of race or ethnicity and Arizona assisted low and moderate income persons with a range of racial and ethnic backgrounds. Note that not all CDBG projects completed, i.e. public infrastructure, were required to capture race and ethnicity data. Also note that no HOPWA program contracts were closed out during this reporting year and therefore there is no racial and ethnic data to report for HOPWA. ADOH consistently monitors funded projects for compliance with fair housing and equal opportunity.

In PY 2023, the AzDES conducted a comprehensive evaluation in collaboration with ESG-funded providers to better understand the strategic opportunities, trends, and challenges in managing the ESG program. The goal was to assess its scope and impact. The analysis revealed that shifts in local economic conditions uniquely affect different communities, influencing the diversity of ESG assistance applicants. In rapidly urbanizing areas, the displacement of established communities is changing the racial and ethnic demographics of those receiving ESG support, particularly in rural regions.

The study also found that certain racial or ethnic groups are more reluctant to participate in government assistance programs due to factors like language barriers, cultural differences, lack of information, or mistrust of government systems. These factors significantly shape the demographic composition of ESG beneficiaries over time.

As a result, the representation of specific racial or ethnic groups among ESG recipients has fluctuated, driven by these complex influences. This finding underscores the need for targeted outreach and support strategies that address the unique challenges faced by diverse communities, ensuring equitable distribution of ESG resources.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	9,905,563	8,856,494.56
HOME	public - federal	6,798,544	14,702,818.95
HOPWA	public - federal	608,782	477,594
ESG	public - federal	1,776,224	845,725
HTF	public - federal	6,176,374	10,576,480

Table 3 - Resources Made Available

Narrative

The resource amounts expended from July 1, 2023 through June 30, 2024 are based on the total of draws for each funding source over the reporting period from the ADOH Housing Development Software (HDS) database and are as follows: CDBG: \$8,856,494.56 which includes \$998,809 in Colonias Set Aside; \$17,642,941 CDBG-CV ; HOME: \$14,702,818.95 including 1) 5,238,000 HOME ARP rental development; 2) 7,675,581 rental development and 3) \$1,789,237.95 for OOHR; HOPWA: \$477,594; National HTF \$10,576,480 for rental development. Other funds expended are comprised of State Housing Trust Funds in the amount of \$11,315,413 and Continuum of Care in the amount of \$467,956.

During PY23, AzDES' Homeless Coordination Program secured \$1,776,224 from HUD-allocated ESG resources. The program notably benefits from federal contributions through the Social Services Block Grant (SSBG) and the Temporary Assistance for Needy Families (TANF) program. On a state level, significant support is provided by the Arizona State Lottery and the State General Fund.

For the duration of PY 2023, spanning from July 1, 2023, to June 30, 2024, AzDES strategically allocated these funds to homeless service providers across Arizona. This allocation was informed by a data-driven approach that integrated Census statistics and homelessness data from all three of Arizona's Continuums of Care. The aim was to ensure an equitable distribution of resources across Maricopa County, Tucson/Pima Region, and the Balance Of State (BOS) Continuum of Care, thereby offering extensive support to the state's various regions.

Each of these efforts underscore a comprehensive approach to addressing homelessness, prioritizing immediate needs while also fostering sustainable, long-term solutions. In addition to these efforts, AzDES continued investments supporting providers administering drop-in centers and street outreach programs for youth experiencing homelessness in Maricopa, Mohave, and Yavapai counties.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
State of Arizona FY2020-2024	100	100	State Service Area

Table 4 – Identify the geographic distribution and location of investments

Narrative

The State’s service area for CDBG includes all of the nonentitlement areas of the state and funding follows a method of distribution that includes annual allocations to regionally agreed upon pre determined units of local government know as the Regional allocation as well as a pool of funding available competitively to all eligible state CDBG units of local governments known as the State Special Projects allocation. Additionally the State has a 10% set aside for Colonia eligible projects awarded once every two years through a competitive application process. The next Colonia application round for the PY2023 and PY2024 set aside fundswas announced on May 20, 2024 with application due to be submitted to ADOH by September 20, 2024.

HOME funds can be accessed competitively by units of local government, for profit or nonprofit entities with the primary focus on rural areas outside of other participating jurisdictions in the state.

HOPWA contracts are awarded based on needs of the service area and available service providers. Current service providers are covering Apache, Coconino, Gila, Graham, Greenlee, LaPaz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai, and Yuma Counties.

HTF was made available through one Notice of Funds Available released on November 30, 2023 for the construction of rental housing in which HTF may be used solely or in conjunction with HOME, State Housing Trust Fund, NSP, 4% LIHTC, 9% LIHTC or other funding sources; or 2) Gap financing for rental development awarded 4% or 9% LIHTCs in accordance with the ADOH Qualified Allocation Plan (QAP).

For HTF: applicants must provide documentation demonstrating the following: 1) applicant is a legally formed entity; 2) development team has sufficient capacity; 3) site control and zoning entitlements; 4) adherence to environmental regulations; 5) financial ability to proceed; 6) market demand for prospective population; 7) adherence to design standards including energy efficiency; 8) adequacy of services to special needs populations (if applicable).

Throughout Program Year PY 2023, AzDES strategically allocated funding to support homeless services across the state, emphasizing a data-driven approach. This strategy led to the support of 13 homeless service providers in 11 counties, including a municipal partner, the Maricopa County Human Services Division. The funding allocation was meticulously established based on Census statistics and comprehensive homelessness data gathered from all three of Arizona’s Continuums of Care: Maricopa Regional, the Tucson/Pima, and the Balance of State (BOS) Continuuous of Care. The primary aim was to

ensure equitable resource distribution across these areas, hence extending substantial support across Arizona's diverse regions.

In PY 23, AzDES placed a strong emphasis on funding strategies to address the immediate and long-term needs of homeless service providers in rural communities across Arizona. Our investments also supported the establishment of drop-in centers and street outreach programs aimed at homeless youths, particularly in Maricopa, Mohave, and Yavapai counties. Additionally, AzDES received Administrative (Admin) funding, greatly enhancing its operational capacity to implement impactful solutions throughout Arizona.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Arizona leveraged \$31,960,465 in private, state, local and low-income housing tax credit resources over the reporting period. Of that amount, CDBG funds leveraged \$5,300,936 in additional funding and HOME funds invested in rental development leveraged \$26,659,529. . New HOME match contribution in the amount of \$23,329,489 was provided through the investment of state trust fund resources. Due to state trust fund contributions, Arizona has excess Match to carryover to next Federal Fiscal Year in the amount of \$67,100,616.26

State Housing Trust Fund (SHTF) provided administrative funding for HOME funded single-family housing rehabilitation and Continuum of Care (COC) funded rental assistance programs as well as funding for development of rental housing. AZBOSCOC subrecipient agencies receiving COC funds provided match through ADOH provided HTF administrative funding, as well as through cash and in-kind contributions and services associated with permanent supportive housing from the agencies or third parties.

The allocation of ESG match funds by AzDES was made feasible through the utilization of resources from the Arizona Lottery funds, State Homeless General Funding, SSBG and TANF. Significantly, the total funds provided exceeded the HUD ESG match requirement of \$1,776,224, underscoring AzDES's unwavering commitment to ensuring that the needs of the homeless population are comprehensively supported through the provision of essential resources.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	47,446,832
2. Match contributed during current Federal fiscal year	23,329,489
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	70,776,321
4. Match liability for current Federal fiscal year	3,675,704.74
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	67,100,616.26

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
400-22 1	7/6/2023	\$28,842	0	0	0	0	0	\$28,842
400-22 2	8/4/2023	\$30,300	0	0	0	0	0	\$30,300
400-22-3	9/11/2023	\$30,191	0	0	0	0	0	\$30,191
400-22-4	10/10/2023	\$33,042	0	0	0	0	0	\$33,042
400-22-5	11/9/2023	\$36,619	0	0	0	0	0	\$36,619
400-24-1	1/19/2024	\$564,304	0	0	0	0	0	\$564,304
400-24-2	2/12/2024	\$335,696	0	0	0	0	0	\$335,696
402-24-1	10/27/2023	\$1,727,293	0	0	0	0	0	\$1,727,293
402-24-2	12/20/2023	\$166,783	0	0	0	0	0	\$166,783
402-24-3	2/22/2024	\$805,925	0	0	0	0	0	\$805,925
403-24	2/1/2024	\$900,000	0	0	0	0	0	\$900,000
404-24	11/14/2023	\$1,270,800	0	0	0	0	0	\$1,270,800
405-20	7/12/2023	85169	0	0	0	0	0	85169
406-20-1	11/20/2023	\$179,309	0	0	0	0	0	\$179,309
406-20-2	12/22/2023	\$270,691	0	0	0	0	0	\$270,691
406-20-3	5/22/2024	\$36,774	0	0	0	0	0	\$36,774
406-23	8/3/2023	\$1,581,768	0	0	0	0	0	\$1,581,768
408-22	11/16/2023	\$1,800,000	0	0	0	0	0	\$1,800,000
409-22	11/16/2023	\$1,800,000	0	0	0	0	0	\$1,800,000
410-24	3/26/2024	\$1,701,216	0	0	0	0	0	\$1,701,216
411-23	11/10/2023	\$2,149,625	0	0	0	0	0	\$2,149,625
412-24-1	4/30/2024	\$355,769	0	0	0	0	0	\$355,769
412-24-2	5/31/2024	\$1,698,481	0	0	0	0	0	\$1,698,481
412-24-3	6/30/2024	\$665,750	0	0	0	0	0	\$665,750

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
416-22	3/25/2024	\$1,800,000	0	0	0	0	0	\$1,800,000
416-24	2/7/2024	\$645,000	0	0	0	0	0	\$645,000
419-23	12/8/2023	\$1,730,143	0	0	0	0	0	\$1,730,143

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
5,057,084	2,000,000	1,790,000	0	5,267,084

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	32,263,935	0	0	0	0	32,263,935
Number	30	0	0	0	0	30
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	32,263,935	704,456	31,559,479			
Number	30	7	23			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	24	18
Number of Non-Homeless households to be provided affordable housing units	20	29
Number of Special-Needs households to be provided affordable housing units	38	45
Total	82	92

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	25	0
Number of households supported through The Production of New Units	50	0
Number of households supported through Rehab of Existing Units	96	93
Number of households supported through Acquisition of Existing Units	4	22
Total	225	0

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Availability of construction materials and supply chain interruptions continue to be a disruptive factor in the industry especially for rural jurisdictions. However, Arizona successfully achieved completion of the anticipated number of units produced or improved as noted in the Annual Action Plan. Arizona's largest county alone saw a 35% increase to numbers of persons experiencing homelessness over the last two (2) years. The economic hardships and the shortage of affordable housing are at crisis levels even though Arizona's unemployment rates have improved. All numbers were derived from the ADOH HDS Grants

Management System. Any variances between these numbers and PR23 reports pulled by HUD are due to timing of the PR23 report.

Please note the numbers reported in the Table 11 and Table 12 above include projects funding with non-federal state resources such as State Housing Trust Funds. Some projects funded with non-federal resources assisted existing properties serving special populations, which did not result in the creation of new units. This difference and inclusion of non-federal funds has led to the totals in Table 11 and Table 12 to equating to the same amount.

Discuss how these outcomes will impact future annual action plans.

Future action plans will continue to consider the capacity of homeless housing providers as well as the extent to which the development community continues to participate in the production of affordable housing units, permanent supportive housing for persons who are homeless or of low moderate income and low moderate or homeless persons with special needs. How to set appropriate production goals when materials and supply chain disruptions continue will also be considered. Rental assistance capacity may also reduced as statewide rent increases due the shortage of affordable units have exceeded FMRs upon which HUD CoC and HOPWA rental assistance is based.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual	HTF Actual
Extremely Low-income	15	6	0
Low-income	19	22	0
Moderate-income	29	13	0
Total	63	41	0

Table 13 – Number of Households Served

Narrative Information

Owner Occupied Housing Rehabilitation with CDBG or HOME funding continues to be impacted by construction material cost increases, lack of contractor interest to bid projects and supply chain delays which greatly reduces the pace at which units are completed. . Multi-family projects are experiencing the same construction material and supply chain delays. All numbers were derived from the ADOH HDS Grants Management System. Any variances between these numbers and PR23 reports pulled by HUD are due to timing of the PR23 report.

Totals reporting in Table 13 above do not equate to the totals in Tables 11 and 12 because Table 13 only includes the required federal sources and does not incorporate households assisted through non-federal sources.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

Per HUD Continuum of Care goals, all three Arizona Continua of Care work to ensure outreach services for 100% of the geographic area covered by the COC. It should be understood that Arizona is a large state and covers a huge geographic area (over 113,000 Sq. Miles) and includes a diversity of urban and rural settings as well as physical conditions (i.e., deserts, mountains) that make outreach to unsheltered populations difficult. The Continuums utilizes a number of strategies to ensure 100% coverage of outreach and to ensure individual needs are assessed:

- a) While HUD COC funds typically do not cover outreach, all three COCs leverage and coordinate with other federally funded programs including SAMHSA PATH (Projects for Assistance in Transition from Homelessness) grants, ESG Emergency Solutions Grants to fund outreach programs as well as state and local funds. Through these coordinated efforts, dedicated homeless outreach covers 100% of the physical geography of the state and its population. ADOH also invested State HTF funds to expand outreach capacity.
- b) The AZBOSCOG also funds a dedicated outreach/coordinated entry hotline linked to the State 211 system to provide access to persons in those rural counties with limited outreach capacity.
- c) Access to COC homeless coordinated entry programs is available in 100% of AZ communities. All utilize a standardized assessment tools to assess individual needs and have special processes for persons fleeing domestic violence.
- d) Through the recent HUD Special NOFO for Unsheltered and Rural Homelessness, the AZBOSCOG was awarded two grants to expand programs in three rural counties including expanded outreach in three rural counties.
- e) Local Coalitions to End Homeless sponsored by the AZBOSCOG also coordinate local outreach efforts in their communities through local government, faith based and other nonprofit efforts. As of 2023, the AZBOSCOG now has functioning LCEH including Coordinated Entry and case conferencing in all thirteen AZBOSCOG counties. ADOH invested over \$1 million in FY 2024 to expand Local Coalition capacity related to expanding access, reducing barriers, and enhancing Coordinated Entry and other engagement activities in the AZBOSCOG.

AzDES actively participated in statewide efforts and maintained a presence on each of the Continuum of Care (CoC) committees across Arizona, including Maricopa, Pima, and Balance of State CoCs. This

ensured that each community's unique needs were amplified while supporting the development of systems-level solutions to address homelessness.

In addition, AzDES played a significant role in the 2024 annual Point-in-Time count in Pima and Maricopa County, helping to understand the number of homeless people in these areas and plan for better assistance.

Furthermore, AzDES was involved in the Governor's Interagency and Community Council on Homelessness (GICCH) through four workgroups, identifying solutions to better connect vulnerable Arizonans with services such as ARIZONA@WORK, food and child care assistance, and LIHEAP.

Addressing the emergency shelter and transitional housing needs of homeless persons

During the fiscal period PY23, the Arizona Department of Economic Security (AzDES) allocated contracts to partners funded by the Emergency Solutions Grants (ESG) in 11 out of the 15 counties in Arizona. These contracts provided support for a total of 16 Emergency Shelter programs, 6 Street Outreach programs, 12 Rapid Rehousing programs, and 10 Homeless Prevention programs across the state. Notably, during this reporting period, a combined total of 32,797 individuals, comprising 26,576 adults and 6,189 children, were accommodated in shelters as a result of these initiatives.

ADOH has also been supporting the provision and expansion of Emergency Shelter and Transitional Housing options: a) Through the ADOH Rental Division, funding was provided for the new construction of a facility that will accommodate 120 transitional housing beds for homeless individuals. This project was completed in FY21. b) Through the CD&R Division, State Fiscal Recovery funding was provided for the acquisition and rehabilitation of hotel units to be converted to transitional housing units serving persons experiencing homelessness. A total of approximately 300 units are anticipated with 56 of those units already online and occupied at the end of FY21. CDBG-CV Funds have been awarded to 8 projects that will provide emergency and transitional housing for approximately 465 persons experiencing homelessness. c) Through AZ Housing Trust Fund, ADOH funds additional shelter capacity in Coconino County as well as coordinated funding to shelters in Maricopa County. These funds supplement Emergency Shelter funding provided by ESG and local entities. d) Through the Continuum of Care, one Transitional Project (TH/RRH) is funded in Balance of State. Additionally, additional funding was awarded for Emergency Shelter hotel vouchers in rural communities through the HUD Special NOFO for Unsheltered and Rural homelessness.

Not all counties in the Balance of State Continuum of Care (BOSCO) have a project based shelter. It is common practice for smaller Arizona communities to provide shelter through a motel voucher system. Some of these programs are funded through ESG while others are funded privately or through faith based organizations. Coconino County has the largest project based shelter in the thirteen (13) BOS counties. HUD Special Rural NOFO awards allowed for implementation of emergency hotel vouchers in three rural counties that currently lack emergency shelter facilities to provide for emergency shelter needs.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Efforts to end chronic homelessness continue to be a primary focus and prevention efforts have increased.

The AzDES network comprises 16 shelter providers throughout the state, delivering comprehensive services, such as meals, accommodation, transport, and case management; ensuring individuals receive focused assistance to achieve stability.

Efforts to prevent and end homelessness for families, youth and Children continue. In Maricopa County, the Stand Strong for Families coalition established a system of Coordinated Entry for families to lift families out of homelessness. ADOH funds a RRH program in Maricopa County that focuses on housing families.

ADOH coordinates with AzDES and local stakeholders to develop a continuum of services for homeless youth, including those transitioning from the foster care or juvenile corrections. Tucson Youth Demonstration Project (YDP) funds. Maricopa County is awaiting a decision from HUD on their YHD Project application. ADOH convenes stakeholders in the Maricopa and BOS around youth coordination and has recently awarded a number of State HTF and AzDES State Homeless Fund grants to support coordination efforts. Funds will establish statewide youth outreach, drop in centers, shelter and supportive services. AzDES and ADOH are developing collective working groups necessary to forward youth work and establish eligibility for future COC funded YDP projects statewide.

ADOH is working with Arizona Health Care Cost Containment System (AHCCCS) and the 3 state CoC to develop a shared data warehouse for better tracking of care and discharge coordination between homeless and Medicaid systems across Arizona. Both Maricopa County Regional CoC and the AZBOSCO have entered pilot data sharing agreements with AHCCCS to improve integrated health coordination for persons experiencing unsheltered homelessness or in emergency shelters. AHCCCS has revised its Managed Care network process to notify providers of members experiencing homelessness and connect them to appropriate Medicaid funded services. AHCCCS used data to integrate homeless into high cost/high need definitions for additional services. Using coordinated data, AHCCCS will go live with a Medicaid waiver project (H20) allowing Medicaid funds to be used to support homeless services for persons with SMI and disabilities.

The Governor's Office has convened a standing work group, the Governor's Interagency Committee on Community Housing and Homelessness (GICCHH) including ADOH, AzDES, the AZ Dept. of Veterans Svcs, the AZ Dept. of Corrections and AHCCCS to coordinate strategies for reducing homelessness including improved coordination of discharge from institutional settings.

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

Arizona invested Federal and State resources to address homelessness statewide. The biggest identified barrier to reducing homelessness is lack of affordable housing stock in which to place persons or utilize voucher capacity. Key strategies include:

Contractual agreements with AzDES ESG mandate providers follow the established objectives of their programs, pinpointing specific populations they are to serve. Contracts ensure at least 60 percent of participants in programs aimed at rapid rehousing or preventing homelessness meet 1 or more priority criteria defined by HUD.

Veteran programs have been highly successful in assisting veterans to find employment and secure permanent housing. Therefore, less transitional housing is being funded. As part of a national initiative, a dedicated Veteran's workgroup including all 3 AZ VA Hospitals and VA SSVF providers, work to achieve VA homeless housing placement goals. The AZBOSCOG has created special Veteran HMIS reports and tools to support the identification and navigation of homeless veterans.

Subcontractors adhere to standard HUD performance outcomes including participant exit from a rapid rehousing program to permanent housing; rapid rehousing participants, number of program participants achieving income/employment and reduction in recidivism. These criteria are integrated into scoring criteria used to evaluate and prioritize projects for HUD COC funding.

All 3 AZ COCs established outreach, coordinated entry and case conferencing practices and use of HMIS to expedite identification, engagement and placement of persons experiencing homeless. This includes use of CoC HMIS. In addition to direct service impacts, all 3 CoC use data from these systems to improve performance, prioritize chronic and other high need populations and identify barriers to housing. All 3 Continua and state funded housing programs have implemented Housing First principles and required compliance by contract. ADOH and AzDES have worked to utilize and operationalize COC HMIS data to inform improvements at the program and system level. Key activities included use of HUD System Performance Measure tracking, benchmarking and creation of HMIS dashboards to facilitate CE and SPM data usage, and length of stay evaluation.

ADOH works closely with its LIHTC and HTF programs to develop additional affordable housing capacity statewide. Incentives and special projects have been included to expand capacity for persons with disabilities and persons experiencing homelessness. In the last round of ADOH administered LIHTC 9% tax credit projects awarded in FY2023, 20% of units created (33 out of 678) were designated to serve these special populations.

To support providers offering ESG services statewide, AzDES has expanded Bi-weekly partner engagement sessions designed to provide technical assistance and resource exchange related to program implementation with the goal of collaboration and exchange of knowledge and best practices to addressing homelessness. The training element focuses on enhancing organizational capacity for compliance and delivery of specialized services to at-risk groups. AzDES and ADOH participate in Monthly TA Calls with HUD and Arizona's three CoCs to share insights, achievements, challenges, and service provision trends. Finally, AzDES and ADOH hold monthly touchpoints to share information, upcoming priorities, and strategies for collaborating with system-level stakeholders delivering homeless services throughout Arizona.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

While ADOH and its Arizona Public Housing Authority (APHA) Division do not own or manage any public housing, the APHA has monitoring and compliance oversight of approximately 8,031 units through Project Based Contract Administration and approximately 230 Housing Choice Vouchers. The Housing Choice Voucher Program (HCVP) administered by the APHA is a small Housing Authority confined to Yavapai County and one that requires in-kind contributions from the State to administer. ADOH does not collect this information from the public housing authorities that service the nonentitlement regions of the State and has no authority over their programs, service areas, or outcomes.

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

ADOH and its PHA Division do not own or manage any public housing. The State of Arizona will remain ready to assist any Public Housing Agency in Arizona with technical assistance and planning to ensure they promote resident involvement and continue to address the needs for public housing in their respective jurisdictions.

Actions taken to provide assistance to troubled PHAs

The State of Arizona is available to assist any Public Housing Agency in Arizona with technical assistance and planning to improve operations as needed in the event that a property experiences distress.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The Arizona Department of Housing collaborates with local, regional, and state government on a regular basis to remove barriers to affordable housing. Local governments are made aware of development barriers to multifamily housing during the Low Income Housing Tax Credit, Qualified Allocation Plan public participation process. The four (4) Councils of Governments in Arizona, along with their local government membership, are included in policy development for the Community Development Block Grant program especially as it relates to barriers to the construction of infrastructure in their jurisdictions. The ADOH administered Balance of State Continuum of Care involves local governments in the planning of local Point In Time counts in Arizona as well as the location of emergency shelters and other housing facilities for persons who are homeless. In the administration of the Weatherization Program, ADOH works with local utilities to ensure state and federal regulations do not restrict the ability to conduct weatherization improvements for low income homeowners. ADOH is a member of the National Association for State Community Assistance Programs, which is charged with advocating and enhancing the leadership role of states in preventing and reducing poverty. ADOH is a member of the National Council of State Housing Agencies, which advocates for affordable housing on behalf of its membership before Congress, the Administration, and several federal agencies. ADOH is also a member of the Council of State Community Development Agencies which advocates for community development, affordable housing, local economic development and state-local relations activities especially those serving low to moderate income communities and residents.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

ADOH addresses obstacles to meeting underserved needs on many fronts. Through the implementation of the CDBG program, ADOH provides technical assistance to non metropolitan local governments to assist with the planning, development, and phasing of critical infrastructure, housing, and public service activities for underserved areas and households. As the lead agency for the Balance of State Continuum of Care, ADOH provides technical assistance to homeless providers throughout the state in the conducting Point In Time counts, use of the VI SPDAT assessment tool, use of socialserve.com, use of HMIS, and most importantly, the collaboration with local service providers, law enforcement, and the emergency services to ensure every resource is available to address homelessness. Through its LCEHs, the AZBOSCO currently has over 250 agencies statewide working towards CoC goals including private sector, faith based, governmental and non profit partners. As noted, ADOH has invested over \$1 million in State Housing Trust Funds to support and expand the capacity of these LCEH's to deliver these strategies.

In the implementation of the Federal and State Low Income Housing Tax Credit (LIHTC) program, ADOH

has prioritized supportive housing, nonprofit owned housing, and housing on tribal land. In addition, ADOH has prioritized funding for development projects with community WIFI, proximity to amenities, below market loans in underserved areas, senior, family and homeownership conversion projects, smoke-free housing, energy efficiency and projects agreeing to a waiver of the qualified contract. ADOH uses HOME, National HTF and State HTF funds to provide gap financing for LIHTC projects that are able to demonstrate a need for the financing.

The Low Income Housing Tax Credit (LIHTC) program has been coordinated with the State HTF program funds.

AzDES has set clear goals and objectives for its subcontractors in delivering services. These guidelines specify that services should be directed toward particular groups as defined in their contractual obligations. It's required that a minimum 60% of individuals in rapid re-housing or homeless prevention initiatives should belong to one or more specified priority groups. These groups encompass those who are chronically homeless, individuals with disabilities, people facing substance abuse problems, those recently discharged from institutions or substance abuse facilities, individuals transitioning out of child foster care, survivors of domestic violence, young adults between the ages of 18-24, veterans, and individuals aged 62 or above. It's crucial for subcontractors to adhere to these mandates to guarantee the effective and efficient provision of services to those most in need.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

ADOH requires grantees to comply with the HUD lead based paint regulations implementing Title X of the Housing and Community Development Act of 1992. These regulations cover the CDBG, HOME, ESG, and HOPWA programs, and identify the appropriate type of activity to control lead paint hazards in projects using federal funds. Entities funded with these programs must ensure occupants are: 1) notified of the hazards of lead based paint; 2) conduct a visual assessment, paint testing, or risk assessment, depending on the activity; and 3) conduct lead hazard reduction activities, including paint stabilization, interim controls, standard treatments, or abatement, depending on the requirements for the activity type as identified in 24 CFR Part 35.

The ADOH Qualified Allocation Plan Section XI. Rehabilitation Projects states the following for Lead Based Paint:

“L. For properties built before 1978, use lead-safe work practices during renovation, remodeling, painting and demolition. “

“M. Complete a Phase I Environmental Assessment for all projects and a Hazardous Materials Study (asbestos and lead paint) for projects built before 1980. The minimum square footages in Section IV Interior Design are only applicable to rehabilitation where the Applicant is changing the structure of the unit to change the number of bedrooms in the unit or otherwise change the exterior footprint of the unit.” In addition, ADOH CD&R staff monitored all contracts to ensure they have a written plan that

follows standard operating procedures for lead safe practices. Through their monitoring of assisted units and beneficiary file documentation, no issues of noncompliance with federal lead based paint regulations were found in FY2023.

Additionally, ADOH: 1) collaborates with communities to reduce housing related lead based paint hazards; 2) encourages risk assessment for lead based paint being part of every home inspection; and 3) refers families with children to Arizona Department of Health Services, Office of Environmental Health for blood testing if lead based paint is found in units proposed for rehabilitation. The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels, and conducts educational outreach activities. ADOH encourages training related to lead based paint hazards and will require that grantees utilize staff and contractors that have the appropriate training and certification. ADOH is a member of the Arizona Partnership for Healthy Communities, a body organized to promote health issues related to housing.

AzDES requires compliance with the ESG LBP in the annual contracts with our providers. AzDES ensures compliance by reviewing provider records, including client files, during desk audits and programmatic monitoring.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

ADOH's antipoverty strategy is based on helping families to move to economic self sufficiency through employment opportunity and the provision of affordable housing. ADOH rehabilitated 95 owner occupied housing units, and committed funds for units assisting 489 homeless persons with affordable housing.

ADOH is available to provide assistance to local government in structuring effective economic development and job creation activity through the use of CDBG funds.

AzDES has been working to prevent and address homelessness through various programs such as the Emergency Rental Assistance Program (ERAP), ESG, domestic violence services, and other human services and workforce resources. These programs aim to help households meet immediate needs, find paths to economic independence, and avoid the long-term costs associated with trauma and homelessness.

In addition, AzDES' mission is to efficiently connect vulnerable individuals across Arizona with essential services such as ARIZONA@WORK, food and child care support, and the Low Income Home Energy Assistance Program (LIHEAP).

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

ADOH is a department of Arizona State government headed by a Governor appointed Director who, in

conjunction with one (1) Deputy Director and three (3) Assistant Deputy Directors, oversees all activities of the agency. ADOH contracts with local governments, public housing authorities, nonprofit and for profit entities, and tribal entities to undertake the activities prescribed in the Consolidated Plan. In order to develop and maintain a strong institutional structure, ADOH requires a minimum standard of capacity prior to entering into funding contracts to ensure that federal funding is effectively utilized and meet the needs of low income persons in the State.

ADOH supports capacity building efforts for local government, nonprofit organizations, and regional governments like the four (4) rural Councils of Government (COG) in Arizona. ADOH provides each rural COG with a Technical Assistance Contract for assisting local governments in developing viable CDBG projects. ADOH participates in a Weatherization Program Peer to Peer exchange approximately quarterly to provide technical assistance to WAP Network providers in the conduct of their programs. ADOH provides technical assistance to Arizona's 22 tribes to enable them to access ADOH's Housing Rehabilitation, LIHTC and multifamily housing production programs. ADOH operates the Arizona Public Housing Authority (APHA), administering a Housing Choice Voucher Program (HCVP) for Yavapai County and works closely with the Veterans Administration Medical Center to identify those in need. ADOH program staff are encouraged to pursue continuing education opportunities as they relate to delivery of HUD, DOE and DHHS programs to increase institutional capacity of the agency.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The private sector is an important collaborator bringing 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.

Recognizing the collaborative relationship between affordable housing and human, social, and supportive services, ADOH established, and continues to strengthen, partnerships with AzDES, Community Services Administration, Family Assistance Administration, Aging and Adult Administration, Arizona Early Intervention Program, Arizona Department of Health Services, the Arizona Health Care Cost Containment System, Arizona Department of Veterans Services, Arizona Commerce Authority, and the Governor's Office for Children, Youth, and Families. Coordination of public and private housing and social service agencies is strengthened by the following partnerships:

The Arizona Housing Coalition provides leadership in statewide efforts to end homelessness through advocacy, education, and coordination with local communities and initiatives.

In partnership with AzDES, ADOH is implementing a HUD 811 grant, which provides rental assistance to extremely low income/developmentally disabled (DD) persons. ADOH will administer the program utilizing in service LIHTC and other federally funded units in Arizona.

Regional Behavioral Health Authorities (RBHAs). AZ Division of Behavioral Health contracts with RBHAs who provide integrated health care through a service network. Each RBHA has a Housing Coordinator who is engaged in the COC and housing process. AHCCCS also has an established housing department who oversee AHCCCS state funded housing capacity for persons experiencing homelessness and Serious mental Illness and collaborates with ADOH, AzDES and other state partners on strategies to expand homeless coordination.

Arizona SOAR State Steering Committee chaired by ADOH was created in 2014 and is designed to increase access to the disability income benefit programs administered by the Social Security Administration (SSA) for eligible adults who are homeless or at risk of homelessness and have a mental illness and/or a co occurring substance use disorder. Each COC has a local lead assisting with the execution of the Action Plan. AHCCCS has included SOAR as an eligible activity for Medicaid reimbursement for persons experiencing homelessness.

ADOH held its annual Arizona Housing Forum in August 2024. The Forum is a 2 day professional housing conference with information sessions designed to impart new ideas and to engage Arizona's housing professionals in productive dialogues on improving Arizona's affordable housing environment. The forum included a virtual track for sessions surrounding homelessness issues. Over 500 persons registered to attend the conference representing a diverse cross section through government, nonprofit, and for profit entities.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The Arizona Department of Housing contracts annually with the Southwest Fair Housing Council (SWFHC) to provide annual fair housing training, and outreach throughout Arizona. SWFHC conducts both virtual and in-person Fair Housing trainings as well as workshops throughout Arizona targeting housing consumers and providers. SWFHC has discovered that virtual training is reaching more of the housing consumers than previously. SWFHC also stocks locations such as city offices and nonprofit offices with fair housing literature for distribution to Arizona residents.

ADOH continues to update fair housing education and outreach programs to be responsive to changes in fair housing law, changing cultural contexts of communities, Limited English Proficiency populations, and other demographic changes. ADOH continued to fund fair housing trainings that include proper referral procedures at no cost to public and private agencies. ADOH provided all CDBG subrecipients ongoing fair housing technical assistance. ADOH Request for Proposals (RFP) for housing and community development related projects and funding will require that proposals address how they will Affirmatively Further Fair Housing (AFFH) based on its impact to racial and ethnic concentrations of poverty and protected classes.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used 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 funded with all federal resources including, CDBG, CDBG-CV, HOME, HOPWA, Continuum of CARE and National Housing Trust Fund are carried out in accordance with federal monitoring requirements of all applicable laws, regulations, and policies.

ADOH conducts desk monitoring of projects including detailed review of: application; environmental review; procurement; labor standards; Section 3; progress reports; pay requests; closeout reports; and audits. Recipients are notified in writing regarding the result of the review. Staff schedules one (1) site visit per recipient annually. However, for some projects, it is unnecessary to perform more than one (1) site visit due to scope of project (i.e. purchase of fire equipment). Staff conducts on-site monitoring visits as part of contract close-out. Site visits consist of a one (1) or two (2) day visit to recipient to review records, inspect progress, and meet with project staff. Within thirty (30) days, staff provides written monitoring comments including: review date; those present; monitoring results; statement of basis for each conclusion; instructions to recipient on how to address non-compliance; and response deadline. In extreme non-compliance cases, staff will determine if additional site monitoring is necessary before an issue can be resolved. In all cases, staff works with recipients to come to a satisfactory resolution.

AzDES utilizes the HUD Emergency Solutions Grant Handbook and checklist to monitor subrecipient activities. In the past, onsite monitoring had been conducted; however, COVID 19 pandemic concerns necessitated an online virtual monitoring process. In addition to monitoring, desk audits are conducted when reviewing invoices and back up documentation submitted each month.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The draft CAPER was posted on September 6, 2024 on the publications page of the ADOH website. The Solicitation for Comments for the 2023 CAPER was publicized on September 6, 2024 through release of an Information Bulletin #64-24 which is posted to the ADOH website as well as emailed out to all local government, public and private partners and other interested persons on the ADOH mailing list. The solicitation included a comment period beginning September 6, 2024 through September 23rd, 2024 at 5pm. A period of 18 days. The publication includes information on how to obtain copies of reports for those individuals needing an alternative format and those spanish speaking persons needing assistance.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

ADOH utilized CDBG funds in accordance with the objectives outlined in the Consolidated Plan and Action Plan. No changes in program objectives occurred. ADOH does not intend to change its program objectives at this time as there are no identified issues or trends indicating changes are necessary. The addition of CARES Act CDBG CV funds will adhere to the provisions of the Act as well as CDBG program and other federal crosscutting regulations.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

All HOME funded projects that were to have been inspected in FY2023 were inspected. Attached to the CAPER, is a separate spreadsheet, listing the names of the seventy-four (74) monitored projects. The deficiencies detected primarily concerning the files were “housekeeping” items where clarification needed to be made. UPCS deficiencies noted were minor maintenance issues.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

ADOH monitored seventy-four (74) projects. ADOH Compliance Staff reviews each file for compliance with Affirmative Marketing requirements. ADOH properties were found to be proactive about reaching out to individuals of all races and ethnicities and with all types of disabilities who might not otherwise apply to live in the HOME assisted units. Typical mediums for advertising are newspapers, internet, socialserve.com and myhousingsearch.com, flyers and mailing. Additionally, all LIHTC applicants and HOME gap finance applicants are required to submit a copy of the Affirmative Marketing Plan for underwriting staff to reviews as part of their application package.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

ADOH expended \$4,659,599 in HOME Program Income as LIHTC Gap Financing for 5 Multi-family projects currently under construction. The projects are as follows:

67 Flats – 7 HOME units at 50%AMI and total of 384 units.

Juniper Square – 6 HOME units at 50%AMI and total of 221 units.

Hill St. School – 6 HOME units at 50%AMI and total of 64 units, 52 of which serve Seniors 55+

Havasupai Apts. – 12 HOME units at 50%AMI serving DV Homeless and total of 28 units.

Cottonwood Ranch – 7 HOME units at 50%AMI and total of 300 units.

**Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k)
(STATES ONLY: Including the coordination of LIHTC with the development of affordable
housing). 24 CFR 91.320(j)**

In the implementation of the Federal and State Low Income Housing Tax Credit (LIHTC) program, ADOH has prioritized funding for development projects with community WIFI, proximity to amenities, below market loans in underserved areas, senior, family and homeownership conversion projects, smoke-free housing, energy efficiency and projects agreeing to a waiver of the qualified contract. ADOH also follows guiding principles in its implementation of the Qualified Allocation Plan including the responsibility to low-income households, transparency throughout the process, equal distribution of resources across the state. Through the State Fiscal Recovery program and CDBG-CV program, ADOH has prioritized supportive housing for special populations, ADOH uses HOME, National HTF and State HTF funds to provide gap financing for LIHTC projects that are able to demonstrate a need for the financing.

CR-55 - HOPWA 91.520(e)

Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	60	47
Tenant-based rental assistance	29	35
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0	0

Table 14 – HOPWA Number of Households Served

Narrative

DOH assisted a total of eighty-two (82) HOPWA eligible households for the 2023 reporting year. This included forty-seven (47) STRMU and thirty-five (35) Tenant Based Rental assistance.

CR-56 - HTF 91.520(h)

Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.

The ADOH was 100% in compliance with its approved National HTF allocation plan and the requirements of 24 CFR part 93. There were no new rental housing units completed at 30% or below of Area Median Income through the expenditure of National HTF. A Notice of Funds Available (NOFA) inviting applications for Rental Development to be funded with National Housing Trust Funds was issued November 30, 2023. New rental projects under this NOFA have been awarded as of the close of this FY23 reporting year. ADOH does not use National HTF funds for homebuyer activities. ADOH is currently administering 11 National HTF funded multi family projects that are under construction 9 of which are new and 2 are acquisition and rehabilitation.

Tenure Type	0 – 30% AMI	0% of 30+ to poverty line (when poverty line is higher than 30% AMI)	% of the higher of 30+ AMI or poverty line to 50% AMI	Total Occupied Units	Units Completed, Not Occupied	Total Completed Units
Rental	0	0	0	0	0	0
Homebuyer	0	0	0	0	0	0

Table 15 - CR-56 HTF Units in HTF activities completed during the period

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	12	0	0	0	0
Total Labor Hours	39365.87	0	0	0	0
Total Section 3 Worker Hours	9921.75	0	0	0	0
Total Targeted Section 3 Worker Hours	0	0	0	0	0

Table 15 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	3	0	0	0	0
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	6	0	0	0	0
Direct, on-the job training (including apprenticeships).	0	0	0	0	0
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0	0	0	0	0
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0	0	0	0	0
Outreach efforts to identify and secure bids from Section 3 business concerns.	8	0	0	0	0
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0	0	0	0	0
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0	0	0	0	0
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0	0	0	0	0
Held one or more job fairs.	0	0	0	0	0
Provided or connected residents with supportive services that can provide direct services or referrals.	0	0	0	0	0
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0	0	0	0	0
Assisted residents with finding child care.	0	0	0	0	0
Assisted residents to apply for, or attend community college or a four year educational institution.	0	0	0	0	0
Assisted residents to apply for, or attend vocational/technical training.	0	0	0	0	0
Assisted residents to obtain financial literacy training and/or coaching.	0	0	0	0	0
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0	0	0	0	0
Provided or connected residents with training on computer use or online technologies.	0	0	0	0	0
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0	0	0	0	0
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0	0	0	0	0
Other.	0	0	0	0	0

Table 16 – Qualitative Efforts - Number of Activities by Program

Narrative

The State of Arizona does not expend ESG or HOPWA funds for any Section 3 covered activities.

Additionally, per regulation, Arizona began implementing the new Section 3 requirements with all new contracts as of November 2020. Arizona collects Section 3 documentation at the close out of each project. There were no rental projects using HOME or National Housing Trust Funds completed during this reporting year that were required to track Section 3 according to new standard of worker hours and therefore no data to report. There were 12 CDBG contracted activities that were executed after the November 2020 start date that were completed during FY2023 that captured data on labor hours and qualitative Section 3 efforts.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	ARIZONA
Organizational DUNS Number	086704488
UEI	UKUUDMSCD5D1
EIN/TIN Number	866004791
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	AZ-500 Arizona Balance of State CoC; AZ-501 Tucson/Pima CoC; AZ-502 Phoenix, Mesa/Maricopa CoC

ESG Contact Name

Prefix	Mr
First Name	Jowan
Middle Name	
Last Name	Thornton
Suffix	
Title	Bureau Chief, Housing, Homlessness & Interpersonal Violence

ESG Contact Address

Street Address 1	1789 W Jefferson Street
Street Address 2	
City	Phoenix
State	AZ
ZIP Code	85007-
Phone Number	480-793-9035
Extension	
Fax Number	
Email Address	jowanthornton@azdes.gov

ESG Secondary Contact

Prefix	Mr
First Name	Jowan
Last Name	Thornton
Suffix	
Title	Bureau Chief, Housing, Homlessness & Interpersonal Violence

Phone Number 480-793-9035
Extension
Email Address jowanthornton@azdes.gov

2. Reporting Period—All Recipients Complete

Program Year Start Date 07/01/2023
Program Year End Date 06/30/2024

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name: WESTERN ARIZONA COUNCIL OF GOVERNMENTS

City: Yuma

State: AZ

Zip Code: 85365, 2039

DUNS Number: 102820073

UEI: WJX7JJCXLA36

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Unit of Government

ESG Subgrant or Contract Award Amount: 235,416.05

Subrecipient or Contractor Name: COMMUNITY BRIDGES

City: Mesa

State: AZ

Zip Code: 85202, 9098

DUNS Number: 143328099

UEI: LCWY8PUAM28

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 775,867.02

Subrecipient or Contractor Name: CATHOLIC CHARITIES COMMUNITY SERVICES, INC

City: PHOENIX

State: AZ

Zip Code: 85013 ,

DUNS Number:

UEI: D7RJACF7GU6

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Faith-Based Organization

ESG Subgrant or Contract Award Amount: 367,532.58

Subrecipient or Contractor Name: Community Action Human Resource Agency

City: Eloy

State: AZ

Zip Code: 85131, 2511

DUNS Number: 020324617

UEI: UJL7MUFCV4H9

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 580,859.45

Subrecipient or Contractor Name: Flagstaff Shelter Services, Inc.

City: Flagstaff

State: AZ

Zip Code: 86002, 1808

DUNS Number: 833108801

UEI: QFJTWE947KS6

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 528,591.17

Subrecipient or Contractor Name: Old Concho Community Assistance Center

City: Concho

State: AZ

Zip Code: 85924, 0050

DUNS Number: 020839507

UEI: HWLXHJGFC19

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 216,809

Subrecipient or Contractor Name: HORIZON HEALTH AND WELLNESS

City: Apache Junction

State: AZ

Zip Code: 85120

DUNS Number:

UEI: N12LV23TG3J8

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 169,861.64

Subrecipient or Contractor Name: MARICOPA COUNTY HUMAN SERVICES DIVISION

City: Phoenix

State: AZ

Zip Code: 85004 **DUNS Number:** 833209158

UEI: ZLEBWLPTDDZ8

Is subrecipient a victim services provider: N

Subrecipient Organization Type: UNIT OF GOVERNMENT

ESG Subgrant or Contract Award Amount: 1,445,832.00

Subrecipient or Contractor Name: PRIMAVERA FOUNDATION

City: Tucson

State: AZ

Zip Code: 85713, 3994

DUNS Number: 148847700

UEI: ZXQAE5JV2LJ8

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 909,600.84

Subrecipient or Contractor Name: Cornerstone Mission

City: Kingman

State: AZ

Zip Code: 86409, 3615

DUNS Number:

UEI: WJ5BBFGCSM65

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Faith-Based Organization

ESG Subgrant or Contract Award Amount: 304,083.77

Subrecipient or Contractor Name: Pima County

City: Tucson

State: AZ

Zip Code: 85701

DUNS Number:

UEI: EB6GYYJCZD48

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Unit of Government

ESG Subgrant or Contract Award Amount: 197,534.50

Subrecipient or Contractor Name: US VETS

City: Prescott

State: AZ

Zip Code: 86301, 3244

DUNS Number: 826037363

UEI: PMTNZ38WW961

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 85732.84

Subrecipient or Contractor Name: MOUNT GRAHAM SAFE HOUSE

City: Safford

State: AZ

Zip Code: 85548

DUNS Number:

UEI: E6TXW4VQXYY5

Is subrecipient a victim services provider: N

Subrecipient Organization Type: Other Non-Profit Organization

ESG Subgrant or Contract Award Amount: 229,998.63

CR-65 - Persons Assisted

4. Persons Served

4a. Complete for Homelessness Prevention Activities

Number of Persons in Households	Total
Adults	662
Children	173
Don't Know/Refused/Other	1
Missing Information	0
Total	836

Table 16 – Household Information for Homeless Prevention Activities

4b. Complete for Rapid Re-Housing Activities

Number of Persons in Households	Total
Adults	1534
Children	598
Don't Know/Refused/Other	3
Missing Information	5
Total	2140

Table 17 – Household Information for Rapid Re-Housing Activities

4c. Complete for Shelter

Number of Persons in Households	Total
Adults	26576
Children	6189
Don't Know/Refused/Other	24
Missing Information	8
Total	32797

Table 18 – Shelter Information

4d. Street Outreach

Number of Persons in Households	Total
Adults	3337
Children	1107
Don't Know/Refused/Other	61
Missing Information	84
Total	4589

Table 19 – Household Information for Street Outreach

4e. Totals for all Persons Served with ESG

Number of Persons in Households	Total
Adults	67989
Children	15961
Don't Know/Refused/Other	177
Missing Information	194
Total	84321

Table 20 – Household Information for Persons Served with ESG

5. Gender—Complete for All Activities

	Total
Male	41770
Female	26735
Transgender	310
Don't Know/Refused/Other	56
Missing Information	331
Total	69202

Table 21 – Gender Information

6. Age—Complete for All Activities

	Total
Under 18	15165
18-24	4562
25 and over	56002
Don't Know/Refused/Other	2
Missing Information	361
Total	76092

Table 22 – Age Information

7. Special Populations Served—Complete for All Activities

Number of Persons in Households

Subpopulation	Total	Total Persons Served – Prevention	Total Persons Served – RRH	Total Persons Served in Emergency Shelters
Veterans	3366	0	0	0
Victims of Domestic Violence	14287	0	0	0
Elderly	18464	0	0	0
HIV/AIDS	676	0	0	0
Chronically Homeless	14424	0	0	0
Persons with Disabilities:				
Severely Mentally Ill	0	0	0	0
Chronic Substance Abuse	0	0	0	0
Other Disability	0	0	0	0
Total (Unduplicated if possible)	0	0	0	0

Table 23 – Special Population Served

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

10. Shelter Utilization

Number of New Units - Rehabbed	0
Number of New Units - Conversion	0
Total Number of bed-nights available	465,750
Total Number of bed-nights provided	478,887
Capacity Utilization	102.82%

Table 24 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

AzDES works closely with the three Arizona CoCs to regularly review performance standards. This collaborative effort ensures that the standards are updated as needed to address changing community needs. AzDES actively participates in the board or committees of each CoC to provide ongoing input and support. This collaborative approach ensures that performance standards are reviewed with input from program and system-level collaborators and stakeholders, promoting effective and efficient programs to address community needs.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Expenditures for Rental Assistance	64,082	46,120	63548
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	10,123	33,423	59657
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
Subtotal Homelessness Prevention	74,205	79,543	123205

Table 25 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Expenditures for Rental Assistance	165,247	158391.	111386.
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	14,009		0
Expenditures for Housing Relocation & Stabilization Services - Services	259,523	171889	177948.25
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	438779	330280	289334.

Table 26 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Essential Services	9,509	0	0
Operations	444,252	630872.	279224
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
Subtotal	453,761	630872.	279224.

Table 27 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Street Outreach	4,676	5551	38372
HMIS	5,488	22500	28681
Administration	35,259	60287.09	86911

Table 28 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2021	2022	2023
	1,012,168	1109258	845727

Table 29 - Total ESG Funds Expended

11f. Match Source

	2021	2022	2023
Other Non-ESG HUD Funds	0	0	0
Other Federal Funds	1,427,793	2255715.	2029479
State Government	874,419	1832654	1902808.
Local Government	0	0	0
Private Funds	1,056,064	0	0
Other	0	0	0
Fees	0	0	0
Program Income	0	0	0
Total Match Amount	3,358,276	4088369.	3932287

Table 30 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2021	2022	2023
	4367444	5217402	4778014

Table 31 - Total Amount of Funds Expended on ESG Activities