



# 2025-2026 Weatherization Assistance Program State Plan

HOME-ARP Plan Substantial Amendment  
Recovery Housing Program Plan Amendment  
HUD Citizen Participation Plan  
5-year HUD Consolidated Plan  
2025-2026 Action Plan

PUBLIC HEARINGS

Wednesday April 9, 2025

# HEARING FORMAT

## Review and take comments on Weatherization Assistance Program Annual Plan

- Presenter: Kathy Blodgett, ADOH Community Development and Revitalization Programs Administrator and Travis Ekenberg, ADOH Weatherization Program Manager

## Review and take comments on HOME-ARP Allocation Plan Substantial Amendment, Recovery Housing Program Plan Amendment, HUD Citizen Participation Plan, 5-year Consolidated Plan, and PY2025 Action Plan

- Presenter: Martina Kuehl, Kuehl Enterprises LLC



# 2025-2026 Weatherization Assistance Program Annual State Plan

Public Hearing, Wednesday April 9, 2025

# Weatherization Assistance Program (WAP)

- Increases energy efficiency while ensuring health and safety of household.



# WAP Funding Sources in Arizona

- U.S. Department of Energy - estimated \$2.437 Million Annual Allocation \*\*\*FY 25 DOE Appropriations have not been released yet (as of 3.24.24). The allocations and production goals currently detailed in the FY 25 Plan will be updated as soon as any information is released. \*\*\*
- Includes estimate of \$439K for Training & Technical Assistance – split with Sub-grantees
  - Anticipate approximately 157 households assisted.
- U.S. Department of Health and Human Services (LIHEAP) - Estimate \$4.28 Million (Actual Allocation has yet to be released from DHHS)
  - Anticipate approximately 215 households assisted.
- Southwest Gas Corporation (SWG) - \$427K
  - Anticipate approximately 120 households assisted.
- Arizona Public Service (APS) – \$3.1M
  - Anticipate approximately 281 households assisted
- Salt River Project (SRP - \$875K)
  - Anticipate approximately 76 households assisted

# WAP Annual State Plan

- Required by Department of Energy (DOE) for distribution of DOE grant funding only.
  - 4 main sections
    - Budget
    - Annual File – defines Sub-grantee allocation amounts and numbers of households assisted.
    - Master File – defines client eligibility, Program Management, Monitoring and Training and Technical Assistance requirements and regulations. (The AZ WAP P&P and AZ WAP Audit and Inspection P&P manuals further explain the rules and regulations as noted in the State Plan. All documents are housed on the Weatherization Page of the ADOH website)
    - Health and Safety Plan
- Annual Plan for LIHEAP is prepared by AzDES
  - In consultation with ADOH
  - Federal funds distributed to AzDES who funds ADOH through an Inter-governmental Agreement
- SWG funding directed by Az Corporation Commission.
  - Allocation has been set at \$427,000 for several years
- APS Funding directed by AZ Corporation Commission.
  - This is a calendar year (CY 25) contract (Jan-Dec) and APS has provided the same allocation as CY 24.
- SRP Funding
  - This funding follows the State Fiscal Year (FY) and is anticipated to have level funding for FY 25.

# WAP Annual State Plan (DOE)

- Currently 10 Sub-grantee Weatherization Providers awarded by method of distribution that considers service area, populations and poverty statistics.

Community Action Human Resources Agency (CAHRA)	Northern Arizona Council of Governments (NACOG)
Foundation for Senior Living Home Improvement (FSL Tucson)	Phoenix, City of
Gila County	Pima County
Foundation for Senior Living Maricopa County (FSL MC)	Southeastern Arizona Community Action Program (SEACAP)
Mesa Community Action Network (MesaCAN)	Western Arizona Council of Governments (WACOG)

- Maximum DOE Annual Allocation Funding allowable average cost per unit (ACPU) is set at \$8,547 for FY 25
- Priority households are:
  - Elderly (at or above sixty (60) years of age)
  - Persons with disabilities
  - Households with Children at or below the age of 5 years.
  - Households with:
    - High Energy Burden = energy expenditures over 6% of income
    - Extreme Energy Burden = energy expenditures over 10% of income
  - Households (not including rental properties per Landlord Tenant Act) with inoperable heating or cooling.
  - Households with Veterans

# WAP Annual State Plan (DOE)

- First (1<sup>st</sup>) Draft plan written on March 7, 2025 for internal WAP Staff review
- Subsequently distributed draft #2 on March 18, 2025 to the entire WAP Network including the WAP Technical Committee, WAP Policy Advisory Council, and all WAP Sub-grantees, requesting comments and input.
- Held Policy Advisory Council Meeting March 21, 2025 to discuss plan and receive any recommendations
- Final Draft for public comment was posted to ADOH website on March 28, 2025.
  - Public Comment will be accepted through April 23, 2025.
- Final WAP Annual State Plan is due to DOE no later than May 1, 2025. However, it has been requested on or by Friday, April 25, 2025 for ample review time should corrections/modifications be necessary.



# WAP Annual State Plan (DOE)

- Comments for the WAP State Plan can be directed to:

Travis Ekenberg, ADOH Weatherization Assistance  
Program Manager

[travis.ekenberg@azhousing.gov](mailto:travis.ekenberg@azhousing.gov)

OR

Kathy Blodgett, PCED, ADOH CD&R Programs  
Administrator

[Kathy.Blodgett@azhousing.gov](mailto:Kathy.Blodgett@azhousing.gov)

# HOME-ARP Allocation Plan Substantial Amendment

Amends PY2021 Annual Action Plan

# HOME-ARP Allocation Plan Amendment

- Reallocates funds among eligible activities
- Incorporates HUD administrative error revising total allocation

	2021 Allocation Plan	February 2025 Substantial Amendment	Amendment Amount
Supportive services	\$ 2,181,866	\$ 0	\$ (2,181,866)
Non-congregate shelter	\$ 8,100,000	\$ 0	\$ (8,100,000)
Rental housing	\$ 8,264,006	\$ 19,210,165	\$ 10,949,159
Nonprofit operating	\$ 1,090,930	\$ 1,062,760	\$ (28,170)
Nonprofit capacity building	\$ 1,090,930	\$ 143,970	\$ (946,960)
Administration and planning	\$ 1,090,930	\$ 1,090,930	\$ 0
<b>TOTAL ALLOCATION</b>	<b>\$ 21,818,662</b>	<b>\$ 21,507,825</b>	<b>\$ (310,837)</b>

---

# COMMENTS?

- Public comment period closed March 17, 2025
- Will be submitted to HUD
  - 45-day review/approval period

# Recovery Housing Program Plan Amendment

Adding PY2024 allocation and anticipated PY2025 allocation

# Recovery Housing Program Overview

- Under the CDBG program umbrella
  - Occupants must be primarily low-income (less than 50%) AMI
  - Presumed benefit
    - Living in poverty, AHCCCS eligible/enrolled and other CDBG presumed benefit populations
  - Cross-cutting regulations apply
- Recovery Housing definition
  - Voluntary
  - Safe
  - Substance-free
  - Temporary – up to 24 months
  - Wrap-around services on site or with local providers
  - Not less than 4 beds
  - Non-congregate shelter facilities or individual rental units

# Individual/Person in Recovery

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

# RHP Plan Substantial Amendment

- Includes \$1,173,134 FFY 2024 and FFY2025 \$1,173,134 (estimated)
  - \$ 2,346,268 total
    - ADOH technical assistance – 3%
    - ADOH administration – 5%
- Distributed through Notice of Funds Available
  - Grants for new construction, acquisition and/or rehabilitation of housing or facilities
  - Goal: serve 8 individuals in recovery and annually exit 8 individuals to permanent housing
  - Priority to non-metro counties with age-adjusted drug overdose mortality rates higher than the statewide average
    - La Paz, Gila, Yavapai, Navajo



---

# COMMENTS?

- Written comments will be accepted through April 15, 2025
- Submit written comments to:
  - [publiccomment@azhousing.gov](mailto:publiccomment@azhousing.gov)



# Citizen Participation Plan

For HUD Community Planning and Development Programs

# Citizen Participation Plan

- Policies and procedures for public involvement in documents prepared by the Arizona Department of Housing for the US Department of Housing and Urban Development Office of Community Planning and Development:
  - 5-year HUD Consolidated Plan;
  - Annual Action Plans;
  - Consolidated Annual Performance Evaluation Report;
  - Recovery Housing Program Plan.
- Criteria for providing public notices and determining whether changes in planned or actual activities constitute a substantial amendment. A substantial amendment requires advance public notice and a public hearing.
- Public participation requirements for State CDBG Grantees



# 5-year Consolidated Plan

For HUD Community Planning and Development Programs

# 5-year Consolidated Plan

- Framework for HUD Community Planning and Development resources
- Establishes 5-year goals and objectives for approximately \$107 million (\$21.3 annually)
  - Arizona Department of Housing
    - Community Development Block Grant (CDBG)
      - \$50,663,640 based on PY 2024 \$10,126,728 allocation
    - HOME Investment Partnership Program (HOME)
      - \$29,182,085 based on PY2024 \$5,838,417 allocation
    - National Housing Trust Fund (NHTF)
      - \$17,170,610 based on PY2024 \$3,434,122 allocation
    - Housing Opportunities for Persons with AIDS (HOPWA) – PY2025 \$633,328
  - Arizona Department of Economic Security
    - Emergency Solutions Grant (ESG)
      - \$9,087,900 based on PY2024 \$1,817,580 allocation
- Implemented through Annual Action Plans that tie activities to 5-year goals and objectives

# Leverage Resources

- Housing
  - State Housing Trust Fund
  - Section 811 Project Rental Assistance for people with developmental disabilities
  - Low-income Housing Tax Credits
  - Arizona Industrial Development Authority HOME PLUS mortgage program
  - Local and Private – financing, equity, local donations, in-kind contributions, etc.
- Homelessness
  - Continuum of Care funding
  - Veterans Affairs Supportive Housing vouchers for rent subsidies to Veterans experiencing homelessness.
  - Shelter Plus Care funds in Cochise and Santa Cruz counties for permanent supportive housing
  - Arizona Lottery
  - General fund appropriations
- Leverage resources are not included in Consolidated Plan goals and objectives

# Five Elements

## 1. Consultation & Citizen Participation

## 2. Needs Assessment

- Housing
- Homelessness
- Special populations
- Non-housing community development

## 3. Housing Market Analysis

- Cost and condition of housing
- Homeless & special populations facilities
- Non-housing community development assets

## 4. Strategic Plan

- Priority needs
  - Based on consultation, needs assessment and housing market analysis
- Goals for the use of anticipated HUD CPD funding
- Strategies to address:
  - Housing, homelessness, special populations, non-housing community development, poverty

## 5. First-year Action Plan

- Allocation Priorities
- Methods of Distribution
- Program specific requirements

# 5-year Strategic Plan

## Seven High Priority Needs & Associated Goals

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





# PY 2025 Action Plan

For HUD Community Planning and Development Programs

# CDBG Method of Distribution

- Administration
  - 2% + \$100,000/year and 1% for technical assistance
- 10% Colonias Set Aside
  - Competitive applications
  - Every 2 years – State FY2026
- Remaining Funds
  - 85% Regional Account
    - Noncompetitive based on regional method of distribution
  - 15% State Special Projects
    - Competitive applications
    - Infrastructure & housing

# CDBG Funding and Numeric Goals

## 5-year Plan

- **Community Facilities & Improvements**
  - Facilities, Infrastructure, Improvements
  - 59% - \$34.2M
    - 363,600 people
    - Demolish 5 buildings
- **Public Services**
  - 2% - \$1,002,089
    - 17,072 people
- **Disability Accessibility Improvements**
  - 9%- \$4.4M
    - 86,656 people
- **Decent Affordable Housing**
  - 27%- \$13.8M
    - Rehabilitate 40 rental units and 317 owner-occupied units

## PY2025

- **Community Facilities & Improvements**
  - 59% - \$5.95M
    - 72,720 people
    - Demolish 1 building
- **Public Services**
  - 2% - \$200,418
    - 3,414 people
- **Disability Accessibility Improvements**
  - 9%- \$880,000
    - 17,331 people
- **Decent Affordable Housing**
  - 27%- \$2,772,801
    - Rehabilitate 8 rental units and 63 owner-occupied units

# HOME Method of Distribution & Funding Goals

- 10% Administration
- 15% CHDO set-aside
  - Rental Housing Development
- Not less than \$2.5M annually for Owner-occupied Housing Rehabilitation
  - Priority to rural areas
- Remaining funds for Rental Housing Development
  - New construction only
- Notice of Funds Availability
  - Stand-alone or LIHTC gap financing
  - May be combined with NHTF, State Housing Trust Fund
- Owner-occupied Housing Rehabilitation
  - 250 units over 5 years
    - PY2025 - 50 units
- New Construction of Rental Housing
  - 50 HOME-assisted units over 5 years
    - PY2025 – 10 HOME-assisted units
- Goals are for HOME-assisted units only. Leverage units are not included in the Consolidated Plan or Annual Action Plan.

# NHTF Method of Distribution & Funding Goals

- 10% Administration
- 90% for Rental Housing for extremely low-income households
  - New construction only
    - 80 units over 5 years
    - PY2025 – 16 units
- Notice of Funds Availability
  - Stand-alone or LIHTC gap financing
  - May be combined with HOME, State Housing Trust Fund
- Goals are for NHTF-assisted units only. Leverage units are not included in the Consolidated Plan or Annual Action Plan.

# HOPWA Method of Distribution & Funding Goals

- PY2025 Final year of Funding for ADOH
  - 3% ADOH Administration
  - Up to 7% Project Sponsor Administration
  - Remaining funds for housing and services for people with HIV/AIDS and their families
    - Rapid Rehousing/Tenant-based Rental Assistance
      - 31 households
    - Short-term Rent, Mortgage & Utility Assistance
      - 60 households

# ESG Method of Distribution and Funding Goals

- 7.5% ADES Administration
- Remaining funds for shelter and services
  1. **Competitive Request for Proposals**
    - Selection criteria such as service methodology, experience, cost, capacity, other factors for effective service delivery
  2. **Intergovernmental Agreements**
    - Same criteria as RFP process
- Street Outreach & Essential Services
  - 2,000 people over 5 years
    - PY2025 – 400 people
- Rapid Rehousing
  - 1,000 households over 5 years
    - PY2025 – 250 households
- Homelessness Prevention
  - 1,500 households over 5 years
    - PY2025 - 300 households
- Shelter Operating Support
  - 25,000 people over 5 years
    - PY2025 – 5,000 people
- Shelter Improvements
  - 5 shelter beds added over 5 years
    - PY2025 – 0 beds

---

# COMMENTS?

Citizen Participation Plan  
5-yr HUD Consolidated Plan  
PY2025 Annual Action Plan

- Written comments will be accepted through April 30, 2025
- Submit written comments to:
  - [publiccomment@azhousing.gov](mailto:publiccomment@azhousing.gov)



# NEXT STEPS

Recovery Housing Program  
Plan

Citizen Participation Plan  
5-yr HUD Consolidated Plan  
PY2025 Annual Action Plan

1. Incorporate public comments
  - This hearing
  - Received during public comment period
2. HUD allocations finalized
  - Funding proportionately adjusted based on final allocations
3. Plan submitted to HUD
4. HUD has 45 days to review
5. Program/grant agreements – typically in fall