



# Arizona Department *of* Housing

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## American Rescue Plan – State Fiscal Recovery Fund Notice of Funding Available – Affordable Housing Preservation

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## Introduction

The Arizona Department of Housing (“ADOH” or the “Department”) is pleased to announce a Notice of Funding Availability (“NOFA”) for approximately \$10 million in State Fiscal Recovery Funds from the American Rescue Plan (SFRF-ARP). The funds will be distributed as follows:

- \$10 million for the preservation of existing affordable housing units.

The Department will award funds on a first come first serve basis through a Request for Proposal (RFP) application process until all funds are committed. The Department will begin accepting applications for preservation projects effective immediately. Submitted applications must meet the requirements outlined in the Thresholds and Application Requirements section of this NOFA.

The SFRF-ARP application can be obtained from the ADOH website at:

<https://housing.az.gov/documents-links/forms/rental-development-lihtc>

Further information on application requirements can be found in the Thresholds and Application Requirements section of this NOFA.

## Statewide Eligible Applicants

Eligible applicants for statewide projects are all units of local government, tribal jurisdictions, for-profit and nonprofit organizations.

## Eligible Activities

All activities must demonstrate they respond to a disproportionate impact caused by the COVID-19 public health emergency and must not be a duplication of benefits of financial assistance from any other federal source. The eligible activity category for this NOFA is as follows:

- Preservation of existing affordable housing projects, which are near the end of their LIHTC compliance period or other affordability period, for example:
  - LIHTC Projects: in years 13-15 of their initial compliance period.
  - LIHTC Projects: in year 29 or 30 of their extended use period.
  - Non-LIHTC Projects: within one to two years of the expiration of their affordability period. Affordability period must be memorialized through a written agreement or other land use restriction.
- Funding must be used for hard construction costs.

- Projects must have been affordable for a minimum of 10 years to be eligible for these funds.

Eligible activities should be ready to begin implementation within thirty-(30)-days of execution of the Funding Agreement. To meet expenditure thresholds, applicants must demonstrate:

- expenditures did not occur prior to March 3, 2021 or after December 31, 2024;
- at least 80% of SFRF-ARP funds will be expended by March 31, 2023; and
- the remaining 20% of funds will be expended by March 31, 2024.

## Thresholds and Application Requirements – Affordable Housing Preservation

Applications must meet all of the following thresholds:

- Project application is complete. Applicant has fully completed the SFRF-ARP Application form and attached all additional required documentation per the SFRF-ARP Application Checklist. The combined form can be downloaded from the ADOH Website at: <https://housing.az.gov/documents-links/forms/rental-development-lihtc>
- Project application must demonstrate that the SFRF-ARP eligible activity responds to a disproportionate impact caused by the COVID-19 public health emergency. Expenditure category is 2.16 Long-term Housing Security: Affordable Housing.
- If additional federal funding (non-SFRF-ARP) is required for the development of the Project then the Project must comply with all federal cross-cutting regulations. These include but are not limited to Environmental Review, Procurement, Federal Labor Standards, Uniform Relocation Act, Section 3, etc.
- Must have local government approval, and be properly zoned for the proposed use. Properties requiring variances or use permits are permitted.
- Applicant has written consent of the tribal jurisdiction: If any activities will take place on or services will be delivered on tribal lands, the applicant must submit a letter documenting the consent of the tribal jurisdiction.
- **Affordability Period:** Applicants must agree to an additional affordability period of 15 years (minimum).
- **Funding Structure:** funding must be structured as a grant or loan maturing in 2026. ADOH may explore alternate funding structures for eligible LIHTC projects with ADOH committed federal or local funding sources (outside of SFRF-ARP).
- **Qualified Contract Waiver:** Applicants with LIHTC projects who receive financing through this NOFA will be required to waive the option to request a qualified contract.

- Applicant agrees to repay or secure repayment if the assistance is determined to be duplicative or does not comply with any applicable federal regulations.
- Activity or project is non-speculative. Applicants must have legally-binding commitments for all funding necessary to complete the proposed activity or project. If SFRF-ARP is not expected to cover all development costs, firm commitments for other required resources must be provided.
- Applicant evidences capacity (with all staff in place) to complete the project in a timely manner.
- All applications shall be subject to underwriting by the Department, and be determined to be financially viable.

Applicants are encouraged to begin the Phase 1 Environmental process as soon as possible.

Please review the SFRF-ARP Application Checklist on TAB 2 of the SFRF-ARP Application, which lists all documentation that must be submitted in the RFP Application package.

### **Selection Notification**

Awards are made at the sole discretion of the Department pursuant to the Application materials.

ADOH anticipates notifying all applicants within sixty-(60)-days of application as to whether they will receive a conditional commitment of funding, subject to application underwriting. Applicants approved for funding should be prepared to initiate projects within thirty-(30)-days of execution of the Funding Agreement.

Upon request, unfunded applicants will have the opportunity to review their application with ADOH staff in order to increase their potential to be funded in subsequent application and funding processes if applicable.

### **Maximum Award Amount**

Projects may request up to \$78,000 per unit or a maximum of \$5 million per project whichever is less. ADOH will only allocate funding for up to the verifiable gap which is not to exceed the aforementioned maximums.

### **Application Submittal**

Applications must be electronically submitted and received by ADOH through the CDBG and HOME Portal located on the ADOH website at: <https://housing.az.gov/portals/document-upload-portals> ADOH will begin accepting application submittals effective immediately.

Submitted applications must meet the requirements outlined in the Thresholds and Application Requirements section of this NOFA

Applications may not be submitted via U.S. mail, Fed-ex, UPS, e-mail or fax.

Questions regarding application submission may be sent via e-mail to:

[sheree.bouchee@azhousing.gov](mailto:sheree.bouchee@azhousing.gov)