



Arizona Department of Housing FY 2004 Information Bulletin

REGARDING PROGRAMS:

Rental Housing
Homeownership
Special Needs
Community Revitalization

REGARDING FUNDING SOURCES:

Community Development Block Grant (CDBG)
State Housing Fund (HOME & State Housing Trust Fund)
HOPWA
Supportive Housing Programs
Shelter Plus Care

INFORMATION BULLETIN No. 1-04

Issued: January 5, 2004

RE: 2004-2005 Consolidated Plan Update
2004-2005 CDBG Method of Distribution
New Environmental Review Regulations
New Forms
Revises Single Audit Limits

This electronic Information Bulletin No. 1 is the first of its kind designed to provide important information to communities, contractors, recipients, etc., receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC etc. Please email us at <mailto:programs@housingaz.com> and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

2004-2005 Consolidated Plan Update

The *2000-2004 State of Arizona Five-Year Consolidated Plan* describes the housing, economic, social and human development needs of low and moderate-income persons in Arizona and prescribes a strategy to address them. It can be reviewed on the Arizona Department of Housing (ADOH) website www.housingaz.com. Each year ADOH must submit an update of the Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD). ADOH is in the process of formulating the *2004-2005 State of Arizona Consolidated Plan Update* (2004 Update). The 2004 Update provides the opportunity to make changes to the *2000-2004 State of Arizona Consolidated Plan* for the purpose of meeting changing circumstances and goals. Written comments are being accepted for the 2004 Update at andrewr@housingaz.com and public meeting announcements will be forthcoming.

2004-2005 Method of Distribution

The Consolidated Plan by federal statute must describe the method by which ADOH will distribute CDBG funds. The four Arizona Councils of Governments are currently in the process of formulating a draft Method of Distribution (MOD) for the CDBG recipients' communities in their respective regions. As in previous years, ADOH may modify each MOD to achieve compliance with federal statute and the goals outlined in the Consolidated Plan. To avoid substantial modifications to the MODs, ADOH has scheduled a meeting with the COGs and communities to discuss the MODs at 10:00 a.m. on January 23, 2004, at the State Capital, 1700 W. Washington, in the Grand Canyon room which is located directly off of the elevators in the basement. The meeting will begin at 10:00 am and conclude at approximately 1:00 pm. More information about the meeting will be forthcoming.

New Environmental Review Regulations

Environmental review regulations 24 CFR Part 58 have been updated and integrated to reflect the changes in the final rule that became effective October 29, 2003. This updated and integrated text eliminates the need for regulation readers to separately look up and compare the old regulation and the final rule published in the Federal Register on September 29, 2003. ADOH will discuss these changes during the Environmental Review workshop we will conduct on March 11, 2004. Details of the workshop will be forthcoming.

The URL for the updated text is:

<http://www.hud.gov/offices/cpd/energyenviron/environment/lawsandregs/regs/index.cfm>

Some of the major changes integrated into the regulation text are:

- Section 58.22(i)(2) clarifies that all project participants are prohibited from undertaking projects or activities before HUD's (or the State's) approval of the recipient's request for release of funds if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Previously, there was some confusion as to whether the limitations applied to all the participants in a project. Section 58.22 now clearly states that the limitations on activities pending environmental clearance apply to recipients and any participant in the development process, including public or private nonprofit or for-profit entities and their contractors;
- Section 58.5(i)(2) states HUD's policy that a project site must be free of hazardous materials that could affect the health or safety of its occupants and specifies the criteria for an environmental review to comply with this policy. This change conforms to the same longstanding provisions at 24 CFR 50.3(i). These HUD regulations do not require an ASTM Phase I Site Assessment, although a Phase I Site Assessment or its equivalent is a good means of complying with Section 58.5(i)(2). The new standard at Section 58.5(i)(2)

replaces a reference to the obsolete HUD Notice 79-33 on toxic substances and radioactive materials;

- The list of programs and activities subject to Part 58 has expanded. Section 58.1 lists 26 HUD programs now subject to Part 58. Section 58.1(b) provides the specific statutory authority allowing these programs to use Part 58 procedures;
- A new provision at Section 58.1(c) clarifies that activities assisted with repayments to a revolving loan fund initially assisted with HUD funds are subject to the environmental review requirements only if the HUD funding program regulation continue to treat the activities as subject to the Federal requirements;
- A new section at 58.4(c) clarifies that under NAHASDA and Section 184 programs, Indian Tribes have a choice whether or not to assume environmental responsibilities under Part 58;
- For rehabilitation, a new subsection is added at 58.35(a)(3(i), allowing a categorical exclusion in the case of a residential building (with one to four units) when the density is not increased beyond four units, the land use is not changed and the footprint of the building is not increased in a floodplain or wetland;
- For individual actions at Section 58.35(a)(4), the rule clarifies that the categorical exclusion for an individual action on a one-to-four-family dwelling would apply when there are no more than four dwelling units on any site, whether in one or multiple buildings;
- Section 58.35(a)(5) for acquisitions of property that continues in the same use is revised to clarify that leasing and equity loans are included in this categorical exclusion; and
- Section 58.35(b)(7) has added a new exclusion from NEPA and the Section 58.5 Statutes for any supplemental assistance to a project that has been previously approved under Part 58 if the project has been environmentally assessed by the same responsible entity, unless a reevaluation of the environmental findings is required under Section 58.47(a).

New Forms

ADOH is working to standardize reporting forms so that State Housing Fund, CDBG, State Housing Trust Fund, Supportive Housing Program, HOPWA and Shelter Plus Care use many of the same forms. To begin with, ADOH will be introducing a new standard Payment Request Form and Performance Report Form. The Performance Report Forms require less information on a monthly basis and defer collecting much of the information until the Close-Out Reports are due. ADOH Program Specialist will be providing the new forms to sub-recipients in January 2004. A full transition to the new forms is expected by the end of March 2004.

Revised Single Audit Limits

The federal government has revised OMB Circular No. A-133 through which it has raised the amount of federal award requiring a Single Audit from \$300,000 to \$500,000. The change takes effect January 1, 2004. Excerpts of the revised OMB Circular are provided below.

Subpart B--Audits

§__.200 Audit requirements.

(a) Audit required. Non-Federal entities that expend \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in §__.205.

(b) Single audit. Non-Federal entities that expend \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in a year in Federal awards shall have a single audit conducted in accordance with §__.500 except when they elect to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's laws, regulations, or grant agreements do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §__.235. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a sub-recipient, approves in advance a program-specific audit.

(d) Exemption when Federal awards expended are less than \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*). Non-Federal entities that expend less than \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in §__.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).

The entire revised OMB Circular A-133 can be reviewed at the following website:

www.whitehouse.gov/omb/circulars/a133/a133.html

Contact ADOH by program discipline:

Homeownership: (EFFECTIVE 1/29/04) **Kathy LaPorte** kathyl@housingaz.com, (602) 771-1021

Community Revitalization (CDBG) **Joy Johnson** joyj@housingaz.com, (602) 771-1041

Rental Development: **Randy Archuleta** randya@housingaz.com, (602) 771-1031

Special Needs: **Vicki VanDreel** vickiv@housingaz.com, (602) 771-1024



Arizona Department of Housing

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INFORMATION BULLETIN No. 2

Issued: February 5, 2004

RE: CDBG Method of Distribution Provisions
Method of Distribution Due Dates
Notice of Funds Available CDBG State Special Projects Account
2004/2005 CDBG Allocation by COG Region
2004/2005 HUD Income Limits

This is electronic Information Bulletin No. 2, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

CDBG Method of Distribution Provisions

The Arizona Department of Housing (ADOH) held a meeting on January 23, 2004 in the Grand Canyon Room at the State Capitol to discuss the State CDBG Program Method of Distribution (MOD) and its relation to the State of Arizona 2004 Consolidated Plan update. The MOD specifies how each annual allocation of CDBG funds will be distributed throughout the state.

During the meeting the following discussions occurred (see meeting minutes attached): 1) ADOH solicited input on its current practice of collaborating with the four Council of Governments (COGs) to formulate each MOD. Currently each COG recommends to ADOH a MOD for each community within their respective COG region; 2) ADOH solicited input about how to make the State Special Projects Account more accessible to each community; and 3) ADOH provided information about new provisions that will be incorporate in each MOD for the 2004/2005 allocation year to align recent key administrative corrections with each MOD.

CDBG recipient communities wish to continue with the current practice of providing CDBG Regional Account funds on a non-competitive basis, allowing communities to rotate turns for CDBG allocations. ADOH agrees that this MOD is an excellent way to ensure precious community development resources reach rural communities that have limited resources. ADOH has increased the amount of time CDBG staff spends with each community in conjunction with the COGs providing technical assistance and developing viable CDBG applications.

CDBG recipient communities indicated that making the SSP more flexible in terms of eligible projects and project completion timelines would make the SSP more accessible to all communities. Further, it was discussed that because the SSP is designed to expedite CDBG funding to meet community need, the lottery selection process should be replaced with a selection process based on need and performance. ADOH has incorporated this concept into the SSP Notice of Funds Available in this bulletin. CDBG communities indicated that each community should prioritize their applications allowing ADOH to review all first priority applications prior to reviewing subsequent priority applications. This procedure will allow each community that submits an application to be considered for funding prior to any community receiving multiple awards.

Finally, in response to U.S. Department of Housing and Urban Development (HUD) timeliness expenditure directives and discussions with the Arizona Attorney General's Office regarding ADOH contract enforcement responsibilities, ADOH is requiring each MOD to contain the following:

New MOD Definitions:

The terms recapture and de-obligate are sometimes used to mean the same thing. The MODs require the following clarification of terms.

De-obligation is the action of removing funds from a contract because of one of the following: 1) the scope of work is completed utilizing less CDBG funds than anticipated and leaving a balance of unexpended funds; 2) the original allocation was a loan and the loan was paid; 3) an activity was changed or cancelled (for reasons other than performance) resulting in excess funding; and 3) program income is received that is not programmed for use.

Recapture is the action of removing funds from a contract because of the following two types of circumstance 1) ADOH determines that CDBG funds were not used in compliance with the contract entered into between ADOH and the recipient or with federal regulations constituting a *Recapture for Non-compliance*; and 2) the recipient fails to perform according to the performance criteria outlined in the contract scope of work, the contract schedule and/or the performance criteria outlined in the text of the contract entered into between ADOH and the recipient constituting a *Recapture for Non-performance*.

New MOD Provisions:

De-obligated funds will be distributed according to the following order of priority:

ADOH may reallocate *de-obligated* funds to the same community from which it was *de-obligated* to an existing or new contract of the same funding year based on the following criteria: 1) performance of the contract from which the funds were *de-obligated*; and 2) ability to commit *de-obligated* funds to another project that can immediately use the funds provided the new funds can be committed through a new contract or an amended contract within 60 days.

If ADOH cannot reallocate *de-obligated* funds according to the above criteria the *de-obligated* funds will be redistributed by ADOH to the SSP.

Funds *Recaptured for Non-compliance* and *Recaptured for Non-performance* will be redistributed by ADOH to the SSP.

Method of Distribution Due Dates

The deadline for each Council of Government to submit its MOD is March 12, 2004. Please provide these to Joy Johnson, CDBG Program Manager (joyj@housingaz.com) by e-mail or regular mail. The MOD must be reviewed and approved by ADOH prior to incorporation in the 2004/2005 Consolidated Plan Update, a draft of which will must be ready for public review by April 1, 2004.

Notice of Funds Available – CDBG State Special Projects Account

ADOH announces the availability of FY 2004 Community Development Block Grant (CDBG) State Special Project (SSP) Account funds for a competitive statewide grant application round. Up to \$2,081,379 has been set aside for this application round.

2003 CDBG Application Handbook

Except where specifically superseded by this notice, all State of Arizona CDBG requirements described in the 2003 CDBG Application Handbook including the application requirements apply. Terms and conditions within this notice apply only to this notice and are not applicable to any other funds available from ADOH.

Eligible Activities

All activities pursuant to 24 CFR 570 that are ready to begin implementation immediately with environmental review requirements completed, Release of Funds issued, land control secured, planning design and permitting complete, and all other related upfront issues resolved. Please obtain prior ADOH approval of plans to submit for public service activities allowing ADOH to ensure the State does not exceed its 15% public service cap.

Application Submission

All communities eligible to receive funding from the State CDBG program are eligible to apply. Each community is encouraged to submit one application. Multiple applications may be submitted from one community if the applications are prioritized. All first priority applications will be reviewed first, with subsequent priority applications reviewed if sufficient funding is available, thereby allowing each community a chance to be funded.

Threshold Issues and Application Requirements

To qualify for funding under this notice, applicants must submit the following items in addition to all elements required by the 2003 CDBG Application Handbook. Please see the SSP Application Threshold Review Sheet attached.

Complete Application

Applications that are not complete and do not contain the following will be rejected.

Environmental Review

- A completed and compliant environmental review record (ERR) to include the Release of Funds (ROF)

For any renovation projects:

- Completed “built-to” construction plans
- Evidence of site control (own land, no restrictive agreements)

For owner occupied housing or rental rehabilitation:

- A list of income-certified homeowners/tenants to be assisted
- A letter certifying that work orders and specifications have been completed for all houses to be rehabilitated
- Pre-approved and adopted housing rehabilitation guidelines
- Evidence of site control
- Agreement between the landlord and the city to rent a certain percentage of units to L/M income households

For homeownership assistance:

- A list of income-certified homeowners to be assisted
- Documentation demonstrating that a home lot has been selected and that all other financing has been approved for the specific families to be assisted
- Pre-approved and adopted home ownership assistance guidelines

For equipment purchase:

- Completed specifications
- List of bidders and prices or statement certifying that municipality will use either state or county vendors selected through a competitive procurement process

Threshold Review Sheet

In addition, please note that each SSP application must include the attached Threshold Review Sheet, to be submitted as page 2 of the application, i.e., between Form 1 and the Table of Contents.

Deadline

Applications for this notice will be accepted until June 4, 2004 at 4:00 p.m. Applications will be considered received if one of the following indicates a date and time no later than the application due date

- U.S. Post Office Postmark
- Fed Ex, UPS, etc. delivery documents
- Department staff documentation of receipt
- Applications can be delivered or mailed

Applications must be addressed to:

Attn: CDBG Program
Arizona Department of Housing
1700 W. Washington, Suite 210
Phoenix, Arizona 85007

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are evaluated based on the following application evaluation criteria:

- Primary Criteria: Need, demand and project readiness.
- Secondary Criteria: Leverage and match, past performance of applicant, the extent to which funds are provided to an area that has limited resources including none to few past SSP awards.

ADOH will be soliciting input on the SSP application evaluation criteria within three weeks of this notice. The final instrument used to apply the application evaluation criteria will assign a numeric score to each application. The highest scoring applications within each priority category will be awarded prior to awarding projects in subsequent priority categories. Scored applications will be kept on file for one year and the next highest scoring applications will be funded if funding becomes available through recapture or de-obligated CDBG funds.

Contract Terms

Contract time frames will not be restricted. Contracts entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. In general projects should be complete within 24 months. The successful applicant must return contract documents with Mayor's/Board Chair's signature within five days of their receipt. All successful applicants will be notified by e-mail that the contracts have been mailed so that a meeting can be scheduled to obtain needed signatures. Contracts not returned within the specified time period will be terminated and funds will be reassigned to the next community.

Maximum Grant Amount

The maximum grant available under this notice is \$300,000. Funds unexpended at contract termination will be returned to the state.

Selection Notification

ADOH anticipates notifying applicants within 45 days of receiving the application as to whether they will be funded or not. If funded, applicants must be prepared to initiate projects within 30 days of notification.

Public Participation

ADOH encourages each community to include combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings.

2004/2005 CDBG Allocation by COG Region

The following are the approximate allocations for the 2004/2005 CDBG Allocation:

CDBG Allocation by COG Region		
COG	Amount	Percentage
NACOG	\$3,039,300.54	25.76%
WACOG	\$3,408,557.10	28.89%
CAAG	\$2,557,569.21	21.67%
SEAGO	\$2,789,054.90	23.64%

2004/2005 HUD Income Limits

HUD has published new income limits for 2004. Please refer to the following website. Please also find LIHTC rent and income limits and State Housing Fund Income Limits attached.

<http://www.huduser.org/datasets/il/IL04/index.html>.

Contact ADOH by program discipline:

Homeownership: Kathy LaPorte kathyl@housingaz.com, (602) 771-1021

Community Revitalization (CDBG): Joy Johnson joyj@housingaz.com, (602) 771-1041

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Supportive Housing Programs
Shelter Plus Care
Homes for Arizonans (formerly known as "RHAP")

INFORMATION BULLETIN No. 3

Issued: March 11, 2004

RE: April is Fair Housing Month
New Federal Grants Website
New Rent and Income Limits
Restructured Homes for Arizonans Program (formerly known as "RHAP")
2004-2005 Consolidated Plan Update

This electronic Information Bulletin No. 3, is designed to provide important information to communities, contractors, recipients, etc., receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. Please email us at programs@housingaz.com and let us know if you wish to be placed or removed from the email list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

APRIL IS FAIR HOUSING MONTH

April is national "Fair Housing" month. The Arizona Department of Housing (ADOH) is providing this important reminder to communities to ensure sufficient recognition of this important month-long commemoration. At a minimum, communities should adopt local government proclamations and resolutions, display Fair Housing posters and undertake a proactive educational endeavor such as publishing information in the local newspapers. While these actions are mandated by the State CDBG program, ADOH encourages all recipients of federal and state funds to take leadership roles in promoting the spirit of Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended. This law prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). ADOH suggests that fair housing can be affirmatively furthered in ways more appropriate and meaningful to each community such as essay contests, educational forums, etc.

ADOH must certify to the U.S. Department of Housing and Urban Development (HUD) that it is affirmatively furthering fair housing. The certification to affirmatively further fair housing specifically requires ADOH to do the following:

- Conduct an analysis of impediments to fair housing choice within the jurisdiction,
- Take appropriate actions to overcome the effects of any impediments identified through that analysis, and
- Maintain records reflecting the analysis and actions in this regard.

The Analysis of Impediments (AI) to Fair Housing Choice is a review of State laws, regulations, administrative policies, procedures, and practices to assess how these affect the location, availability, and accessibility of housing. It is also a review of conditions, both public and private, affecting fair housing choice. The AI examines existing and potential barriers to fair housing in a community, for all classes protected under the Fair Housing Act, such as lending discrimination, inequities in service delivery, and obstacles to the provision of housing for people with disabilities. Once the AI is completed, ADOH must take actions to overcome the effect of any impediments identified. A new AI is currently under development by ADOH and should be completed by the end of May 2004. You may be contacted in the next few weeks to participate in the research and development aspects of ADOH's AI. If you would like to complete one of ADOH's AI research questionnaires please send an email to terrij@housingaz.com. More information can be obtained about Fair Housing at the following HUD website: <http://www.hud.gov/groups/fairhousing.cfm>

NEW FEDERAL GRANTS WEBSITE

The new federal www.grants.gov web page has a service that may be of interest to grantees. It allows grantees to receive email notifications of funding opportunities. Users should go to <http://www.grants.gov/ReceiveGrantOpportunityNotification> where they will be given four options for receiving notifications:

1. Selected notices based upon funding opportunity number.
2. Selected agencies and categories of funding activities.
3. All notices from selected interest and eligibility groups.
4. All grants notices.

Once subscribed, the user will receive an email notification every evening of what was placed on www.Grants.gov/Find that day. All Federal agencies are now placing their announcements at this site.

NEW RENT AND INCOME LIMITS

The rent and income limits effective March 15, 2004 are available two places on the ADOH web site at:

- <http://www.housingaz.com/library>

HOME and State Housing Fund Forms and Handbooks/2004 SHF Rent Chart and 2004 Median Income Guidelines; and

Rental Housing Development (LIHTC)/2004 SHF Rent Chart and 2004 Median Income Guidelines

RESTRUCTURED HOMES FOR ARIZONANS PROGRAM

In January, ADOH announced the launch of a newly-designed homebuyer assistance program, and successor to the Rural Homepurchase Assistance Program (RHAP). Homes for Arizonans, which provides counseling and financial assistance to first time homebuyers, is being jointly funded by ADOH and the Arizona Housing Finance Authority and will provide assistance to homebuyers with incomes up to 115% of the area median income for the county in which the home is purchased (or higher in a few targeted areas). The subsidy cap of \$10,000 previously imposed under the RHAP program has been increased to \$20,000 under the new program. However, the actual amount of financial assistance provided is dependent upon five factors: family income, purchase price of the home, actual closing costs, amount of family savings and assets, and any other gifts or assistance the family may be receiving. Assisted households must

contribute at least \$1,000 towards the purchase price. Other program restrictions apply. ADOH has hired Sandra Weis as the Homes for Arizonans Program Specialist, who will devote full-time efforts to implementing the program. Individuals interested in accessing the program are instructed to contact the provider for the county in which they wish to purchase a home.

Gila, Pinal Counties

Arizona Department of Housing
(602) 771-1027 sandraw@housingaz.com

Yuma County

Housing America Corporation
(928) 627-4221 rsanchez@hacorp.org

Apache, Navajo Counties

Northern Arizona Council of Government
(928) 289-6020 tnagle@nacog.org

Coconino, Yavapai Counties

Northern Arizona Council of Government
(928) 774-1895 fpayne@nacog.org

Cochise, Graham, Greenlee, Santa Cruz Counties

Southeastern Arizona Governments Organization
(520) 432-5301 jpacker@seago.org

LaPaz, Mohave Counties

Housing America Corporation
(928) 718-1888 tbishop@hacorp.org

2004/2005 CONSOLIDATED PLAN UPDATE

The Arizona Department of Housing (ADOH) is requesting input on Draft FY 2004/2005 State of Arizona Consolidated Plan Update (Update). The Update applies to non-metropolitan and rural areas and describes the state's strategies and actions related to housing, including Public Housing and Section 8, special needs (including HIV/AIDS), homeless, community development, lead based paint, anti-poverty and fair housing. The Update includes an annual action plan, methods of distribution and geographic funding objectives for FY 2004/2005 federal HOME, CDBG, HOPWA and ESG federal funds. The State of Arizona previously adopted a Citizen Participation Plan governing procedures to secure citizen input for the use of HOME, CDBG, HOPWA and ESG resources from FY 2000 through FY 2004. The Update, has been prepared pursuant to applicable federal regulations (24 CFR, PART 91).

To begin obtaining public comment on the Update ADOH is holding the following public hearings. Persons requiring special accommodations due to disabilities may contact the Arizona Department of Housing at (602) 771-1010 or our TTY number, (602) 771-1001.

- Thursday, April 1, 2004, 11:00 a.m. Greenley Room, Tucson Metropolitan Housing Commission Conference, Tucson Conference Center, 260 S. Church Street, Tucson, Arizona.

- Wednesday, April 22, 2004, 4:15 p.m. Sonoran Room, 2004 State Housing Fund Workshop, Black Canyon Conference Center, 9440 N. 25th Avenue, Phoenix, Arizona.

Copies of the Update will be available beginning April 5, 2004 at the ADOH website www.housingaz.com and in paper copy from 8:00 am to 5:00 pm at ADOH office at the State Capitol.

Contact ADOH by program discipline:

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Homes for Arizonans (formerly known as "RHAP")

INFORMATION BULLETIN No. 4

Issued: March 23, 2004

RE: Corrected Income Limits

This electronic Information Bulletin No. 4, is designed to provide important information to communities, contractors, recipients, etc., receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. Please email us at programs@housingaz.com and let us know if you wish to be placed or removed from the email list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

NEW RENT AND INCOME LIMITS

The ADOH 2004 Median Income Guidelines referred to (by ADOH website address) in the March 11, 2004 Information Bulletin No. 3 had errors. The errors have been corrected and the corrected table is on ADOH web site at:

- <http://www.housingaz.com/library>

HOME and State Housing Fund Forms and Handbooks/ 2004 Median Income Guidelines; and

Rental Housing Development (LIHTC)/ 2004 Median Income Guidelines

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REGARDING FUNDING SOURCES:

Community Development Block Grant (CDBG)

INFORMATION BULLETIN No. 5

Issued: May 6, 2004

RE: Mohave Educational Services Cooperative (MESC)

This is electronic Information Bulletin No. 5, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

Mohave Educational Services Cooperative (MESC)

The Arizona Department of Housing (ADOH) CDBG program has, in the past, allowed grantees to use MESC to purchase equipment with the understanding that MESC followed federal and state procurement statutes and rules. However, an investigation by the Office of the Auditor General (AG) has determined that MESC does not follow Arizona's procurement statutes and rules. As a result grantees that use MESC services for procurement are no longer considered to be compliant. Please make adjustments to procurement activities accordingly.

The entire AG report may be obtained at www.auditorgen.state.az.us, keywords, Mohave Educational Services Cooperative.

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**The Arizona Department of Housing
FY 2004 Information Bulletin**

**REGARDING PROGRAMS:
Community Revitalization**

**REGARDING FUNDING SOURCES:
Community Development Block Grant (CDBG)**

INFORMATION BULLETIN No. 6

Issued: June 7, 2004

**RE: Mohave Educational Services Cooperative (MESC) Clarification
CDBG Contract Administration Workshop – June 17, 2004
CDBG COG and Community Meeting – June 16, 2004**

This is electronic Information Bulletin No. 6, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

Mohave Educational Services Cooperative (MESC)

On May 6, 2004 the Arizona Department of Housing sent out Bulletin No. 5 advising grantees that if they use MESC services for procurement they would not be considered in compliance with federal procurement requirements. As a point of clarification, no grantee may assume any purchasing cooperative is compliant. Each grantee must maintain evidence that its purchases were procured in accordance with federal procurement standards. Consequently, if a grantee uses a purchasing cooperative or other third party procurement system, the grantee must obtain and maintain the following documentation to establish compliance:

1. Method in which the solicitation was provided to wide range of potential providers allowing open and free competition.
2. Specifications for the products or services to be procured.
3. Criteria for selecting providers.
4. Documentation that the submitted bid or proposal documents contained sufficient specifications to verify responsiveness.
5. Documentation that the selection criteria set forth in the solicitation was used and properly applied to select providers.
6. Documentation that the selection process was competitive and that only the lowest qualified bid or best value proposal was selected.

Further clarification of the contents of the Auditor General's report is also merited. Bulletin No. 5 indicated the Office of the Auditor General determined that MESC does not follow Arizona's procurement statutes and rules. This determination by the Auditor General was based on an investigation that occurred between July 1997 and June 2001. (The entire Auditor General report may be obtained at www.auditorgen.state.az.us <<http://www.auditorgen.state.az.us>>, keywords, Mohave Educational Services Cooperative.) MESC contends that it corrected the deficiencies noted in the report after that investigation was completed. The report does not address MESC's current procurement practices. Accordingly, the Arizona Department of Housing makes no representation as to whether MESC's current procurement practices comply with federal procurement standards.

In conclusion, It is the position of the Arizona Department of Housing that it is the responsibility of each grantee to investigate and document that any purchasing cooperative, including MESC, is following federal procurement requirements in each instance.

CDBG Contract Administration Workshop

A CDBG Contract Administration Workshop will be held on June 17, 2004 at the Capitol Tower, 1700 W. Washington Street, Phoenix, AZ in the Grand Canyon Room. Registration will start at 8:30 a.m. followed by the program at 9:00 a.m. New CDBG Administration Handbooks, on CD-Rom, will be handed out to those attending. For those communities that are not represented, CDs will be mailed to the CDBG Contact Person. Additional information and a registration form can be downloaded at www.housingaz.com. The cost is \$50 at the door.

CDBG COG and Community Meeting

ADOH will hold a meeting on June 16, 2004 with the COGs and communities to discuss the upcoming funding year. The meeting will be held in the Grand Canyon Room (basement) of the Capitol Tower, 1700 W. Washington Street, Phoenix. Extensive participation is necessary because the outcome of the meeting will determine many administrative aspects of the 2004/2005 CDBG funding year. The agenda for the meeting is as follows.

Arizona Department of Housing
CDBG Program
Meeting with COGs and Communities
June 16, 2004 1:00 PM – 3:00 PM
State Capitol Tower, 1700 West Washington Street
Basement, Grand Canyon Room
Phoenix, Arizona 85007

1. MOD Due Dates, Technical Assistance Visit Schedule, Application Due Dates
2. 1% TA Contract Changes
3. TAAP Fees
4. SSP Structure
5. New SSP Due Dates
6. New CDBG Contracts
7. Changes to Administration Handbook
8. Mohave Educational Services Cooperative
9. Give ADOH Ideas on How to Improve CDBG Administration
10. Adjourn



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**The Arizona Department of Housing
FY 2004 Information Bulletin**

**REGARDING PROGRAMS:
Community Revitalization**

**REGARDING FUNDING SOURCES:
Community Development Block Grant (CDBG)**

**INFORMATION BULLETIN No. 7
Issued: June 15, 2004**

**RE: Time Change CDBG COG and Community Meeting – June 16, 2004
One Hour Later**

This is electronic Information Bulletin No. 7, designed to provide important information to communities, contractors, recipients, etc. receiving CDBG, State Housing Fund, LIHTC, HOPWA, SHP, SPC, etc. If you haven't already done so, please email us at programs@housingaz.com and let us know if you wish to be placed on or removed from the emailing list. Removal of an address from this email list does not necessarily remove the address from other mailing lists maintained by ADOH.

CDBG COG and Community Meeting

Due to room scheduling conflicts, ADOH needs to **move the start time** for the June 16, 2004 COGs and communities meeting **from 1:00 P.M. to 2:00 P.M.** Please plan to attend one hour later than previously announced. ADOH apologizes for the inconvenience. The agenda for the meeting is as follows.

Arizona Department of Housing
CDBG Program
Meeting with COGs and Communities
June 16, 2004 **2:00 PM – 4:00 PM**
State Capitol Tower, 1700 West Washington Street
Basement, Grand Canyon Room
Phoenix, Arizona 85007

1. MOD Due Dates, Technical Assistance Visit Schedule, Application Due Dates
2. 1% TA Contract Changes
3. TAAP Fees
4. SSP Structure
5. New SSP Due Dates
6. New CDBG Contracts
7. Changes to Administration Handbook
8. Mohave Educational Services Cooperative
9. Give ADOH Ideas on How to Improve CDBG Administration
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Arizona Department of Housing FY 2004 Information Bulletin

REGARDING PROGRAMS:
Community Revitalization

REGARDING FUNDING SOURCES:
Community Development Block Grant (CDBG)

INFORMATION BULLETIN No 8

Issued: November 30, 2004

RE: ADOH/Grantee/COG Meeting and 2005 Application Handbook

ADOH/Grantee/ COG Annual Meeting

The Arizona Department of Housing (ADOH) will hold a meeting with CDBG Grantee Communities and the Councils of Government (COGs). The purpose of the meeting is to discuss the 2005 Application Handbook and to receive input on the following items: 1) improving application to the state by CDBG grantees; 2) maximizing the use of the COGs for CDBG administration; 3) better defined contractual relationships between the COGs and communities; and 4) ways in which ADOH can improve administration of the CDBG program. The date has been tentatively set for Thursday, January 27, 2005 from 1:00 pm until 4:00 pm at the State Capitol, 1700 W. Washington, Phoenix, AZ. Please hold this date and plan to attend. The room location and final agenda will be provided in a subsequent bulletin.

2005 Application Handbook

ADOH is in the process of revising the 2003 Application Handbook to remove outdated information, update application forms, and streamline procedures. None of the changes will affect your current efforts in public participation and project development; however, the revised forms must be used to submit 2005 CDBG applications. A CD-ROM disc containing the 2005 Application Handbook and application forms will be mailed out to all grantee communities and COGs prior to the January 27, 2005 COG and Community meeting during which all changes to the Handbook will be discussed. Paper copies will be provided upon request.

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Arizona Department of Housing FY 2004 Information Bulletin

REGARDING PROGRAMS: Revitalization, Homeownership, Special Needs, Rental Housing

REGARDING FUNDING SOURCES: CDBG, HOME, SHP, SPC, HOPWA

INFORMATION BULLETIN No 9

Issued: December 9, 2004

RE: Revised Date ADOH/CDBG Grantee/COG Meeting
Environmental Review Handbooks

Revised Tentative Date for ADOH/CDBG Grantee/ COG Meeting

The revised date for the ADOH/ CDBG Grantee/COG Meeting discussed in Bulletin No. 8 is **January 20, 2005**. **The meeting will be held from 2:00 PM to 5:00 PM at the State Capitol in the Second Floor Conference Room.** The purpose of the meeting is to discuss the 2005 Application Handbook and to receive input on the following items: 1) improving application to the state by CDBG grantees; 2) maximizing the use of the COGs for CDBG administration; 3) better defined contractual relationships between the COGs and communities; and 4) ways in which ADOH can improve administration of the CDBG program. Please hold this date and plan to attend. The final agenda will be provided in a subsequent bulletin.

ADOH Environmental Review Handbook

In mid-November ADOH sent all grantees a CD ROM containing the Environmental Review Record (ERR) Handbook and all of the forms needed to conduct an ERR. This Handbook applies to all types of grantees using CDBG, HOME, Supportive Housing Program (SHP), Shelter Plus Care (SPC) and HOPWA grants. All ADOH funded projects that have not begun the environmental review process prior to receiving the CD ROM must use this new format. The Handbook incorporates new environmental review regulations including: 1) all housing rehabilitation programs must publish a NOI/RROF regardless of floodplain status; 2) a 1 to 4 unit owner occupied rehabilitation may exceed 75% of the cost of replacement and still be Categorically Excluded; 3) HUD has changed the recommended publication formats all of which are included in the Handbook. In an effort to provide additional guidance ADOH has included some example forms in the CD. The Handbook and forms can also be downloaded from the ADOH website, www.housingaz.com. If you would like a CD ROM mailed to you, please contact your Program Specialist.

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