



# Arizona Department *of* Housing

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## HOME-ARP Funding Process and Application Instructions:

- Rental Housing
  - Supportive Services
  - Nonprofit Operating and Capacity Building Funding
- Non-Congregate Shelter
  - Supportive Services
  - Nonprofit Operating and Capacity Building Funding

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## Contents

Introduction .....	1
The Funding Process .....	1
Nonprofit Organizations Requesting Operating Cost and/or Capacity Building Assistance .....	2
HOME-ARP Rental Housing.....	4
Threshold Requirements.....	4
Underwriting.....	7
Application Instructions.....	8
Tab 1 – Cover Page.....	9
Tab 2 – Checklist .....	10
Tab 3 – Project and Site Information .....	13
Tab 4 – Timeline.....	14
Tab 5 – Cross-cutting Regulations.....	14
Tab 6 – Project Team and Organization Capacity.....	17
Tab 7 – Development Funding Sources .....	18
Tab 8 – Development Budget .....	18
Tab 9 – Unit Mix.....	19
Tab 10 – Rent Schedule.....	21
Tab 11 – Operating Budget.....	21
Tab 12 – Capitalized Operating Reserve Calculation .....	22
Tab 13 – NPO Operating Cost and Capacity Building Assistance.....	23
Tab 14 – Supportive Services .....	25
HOME-ARP Non-Congregate Shelter (NCS) .....	27
Threshold Requirements.....	27
Underwriting.....	28
Application Instructions .....	29
Tab 1 – Cover Page.....	30
Tab 2 – Checklist .....	31

Tab 3 – Project and Site Information .....	34
Tab 4 – Timeline .....	35
Tab 5 – Cross-cutting Regulations.....	35
Tab 6 – Project Team and Organization Capacity.....	38
Tab 7 – Development Funding Sources .....	39
Tab 8 – Development Budget .....	39
Tab 9 – Project and Program Description .....	40
Tab 10 – Operating Budget.....	40
Tab 11 – Supportive Services .....	42
Tab 12 – NPO Operating Cost and Capacity Building Assistance.....	43

## Introduction

The ADOH accepts applications for HOME-ARP non-congregate shelter (NCS) and rental housing using separate forms. Funding for HOME-ARP supportive services and HOME-ARP nonprofit operating cost and/or capacity building funding may be made only in conjunction with an NCS or rental housing application.

The application forms are found on the ADOH website and are in spreadsheet format.

The application forms, funding process and application instructions and all HOME-ARP materials (program summary, underwriting guidelines, NOFA) have been drafted using information available from HUD as of May 31, 2022. HOME-ARP is a new program and additional HUD guidance and clarification is anticipated – some guidance and clarification may result in changes to certain application requirements or information contained in ADOH HOME-ARP materials. As HUD issues guidance and clarifications, the application forms, funding process, application instructions and related HOME-ARP materials will be updated. All updates will be noticed through an ADOH Information Bulletin.

## The Funding Process

Prior to beginning the application process, applicants are encouraged to review the HOME-ARP program summary, the HOME-ARP underwriting guidelines, the application itself and all sections of this document relevant to the proposed HOME-ARP activity or activities.

The ADOH will review applications on a first-come first-served basis, based on the date and time a complete application that meets all threshold requirements is received by the ADOH. Initially and to encourage HOME-ARP projects in rural areas, applications will be accepted for projects located in the following counties, including both incorporated and unincorporated areas.

- Apache
- Cochise
- Coconino
- Gila
- Graham
- Greenlee
- La Paz
- Mohave
- Navajo
- Santa Cruz
- Yavapai

At each stage in the project selection process, the ADOH will provide additional guidance to applicants, including deadlines for submission of additional information or documentation and technical assistance, if needed. If by February 1, 2023 there are insufficient applications in the

queue for projects in the above counties, the ADOH will make HOME-ARP funds available statewide.

The ADOH will first review the application to ensure it is complete and that all attachments indicated as included are received. Applications that are complete and have all attachments indicated as included will be reviewed for compliance with threshold requirements.

Applications that meet all threshold requirements will receive a conditional commitment of HOME-ARP funds subject to successful completion of the underwriting process, which may include submission of additional information or documentation within a specified time period.

If an applicant does not submit additional information or documentation within the specified time period, or does not otherwise successfully complete the underwriting process, the conditional commitment will be released, and the next application in the queue will be reviewed.

#### Nonprofit Organizations Requesting Operating Cost and/or Capacity Building Assistance

Nonprofit organizations requesting operating cost and/or capacity building assistance (NPOs) will be provided additional flexibility in the application process. These additional flexibilities are not available to nonprofit applicants that are not requesting operating cost and/or capacity building assistance.

Nonprofit operating expense and capacity building assistance will be available only to the extent sufficient funds are available to fund HOME-ARP non-congregate shelter, rental housing, or supportive services activities beyond those for which conditional commitments have already been made. The ADOH – NPO agreement will include a conditional commitment of project funds and dates by which certain milestones must be completed. Operating cost and/or capacity building funding will be incrementally released to facilitate meeting milestones.

Applications for nonprofit operating expense and capacity building assistance must meet the following minimum thresholds:

1. Has identified one or more potential project sites.
2. Is applying for and reasonably expected to receive HOME-ARP funds to develop non-congregate shelter or rental housing within 24 months of the date of the application, or to deliver HOME-ARP supportive services.

3. For operating fund requests, the organization evidences paid staff whose experience qualifies them to undertake the proposed HOME-ARP activities, unless the organization is also requesting funding for new or reassigned positions through capacity building funding.
4. Not fewer than 80% of the positions on the organization's Board of Directors are currently filled.
5. The applicant has not been issued any findings or concerns by an independent auditing firm in the last two years.
6. The applicant has made reasonable progress towards previously-funded ADOH projects and/or projects funded by other HOME Participating Jurisdictions.
7. The organization is in good standing with the Arizona Corporation Commission.
8. The organization evidences nonprofit status, limited to 501c3, 501c4, or Section 905 (subordinate) status.
9. The submitted operating budget:
  - a. Has been adopted by the organization's governing body; and
  - b. Includes total uses and sources of operating funds by line item.

## HOME-ARP Rental Housing

HOME-ARP rental housing includes site-built, manufactured, single room occupancy (SRO) and permanent supportive housing. Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories are not HOME-ARP rental housing. However, HOME-ARP funds may be used to acquire and rehabilitate / or convert such structures into HOME-ARP rental housing.

### Threshold Requirements

The ADOH will review applications to ensure they meet the following threshold requirements:

1. The applicant is an eligible applicant.
2. The applicant is registered with sam.gov and provides a unique entity identifier (UEI).
3. The application is complete.
4. The project will result in HOME-ARP rental housing, of which not less than 70% of units are targeted to qualifying populations and not more than 30% are targeted to low-income households.
5. The applicant does not request more HOME-ARP funding for development than is necessary to develop the proposed HOME-ARP units. This means that the HOME-ARP units are:
  - a. Distributed proportionally by unit size, residential floor area, and amenities to all units in the project; or
  - b. Distributed proportionate to the residential floor area in relation to the residential floor area of all units in the project.
6. The project evidences operating revenue sufficient to cover the cost of operating the entire project, including the HOME-ARP units, throughout the 15-year compliance period.
7. HOME-ARP funding is correctly allocated only to the HOME-ARP units.
8. Not less than \$1,000 of HOME-ARP funds are invested per HOME-ARP unit.
9. The HOME-ARP capitalized operating reserve request, if any:
  - a. Is not requested for a project in which an operating reserve is already established;

- b. Is only for HOME-ARP units restricted for tenancy by qualifying populations not receiving project-based rental assistance during the minimum compliance period;
  - c. Is necessary to maintain HOME-ARP qualifying population unit's long-term operational viability;
  - d. Does not include payments to a replacement reserve, when a replacement reserve has been capitalized for the project; and
  - e. Does not include the cost of supportive services.
10. The project will, at a minimum, meet all applicable state and local codes, ordinances and requirements.
11. Utilizes HOME-ARP funding for costs that:
- a. Are allowable, reasonable, and allocable under Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
  - b. Do not exceed the total need for financial assistance; and
  - c. Were incurred after March 8, 2022.
12. For activities that will take place in whole or in part on tribal lands, has the written consent of the tribal jurisdiction if the applicant is not a tribal government.
13. Documents in the timeline quarterly reporting to the ADOH.
14. Documents in the project timeline, budget and narrative description compliance with environmental review, federal labor standards, the Uniform Relocation and Real Property Acquisition Act, procurement and contracting, non-discrimination, financial records and audits, Section 3, and other HOME-ARP cross-cutting program requirements.
15. Demonstrates in the operating budget that HOME-ARP qualifying population units bear rents that do not exceed the Low-HOME / Low-HOME-ARP rent for the unit size as published annually by HUD.
16. Demonstrates in the operating budget that HOME-ARP low-income units bear rents that do not exceed the High-HOME / High-HOME-ARP rent for the unit size as published annually by HUD.
17. Specifies whether HOME-ARP units will be fixed or floating.
18. The lease meets the HOME-ARP tenant protection and term requirements.

19. The tenant selection plan:

- a. Limits HOME-ARP unit eligibility to households that meet one of the HOME-ARP qualifying population or low-income household definitions;
- b. Does not exclude an applicant with a voucher under the Section 8 Housing Choice Voucher program, or other federal, state or local tenant-based rental assistance program;
- c. Does not limit or provide preference to a particular qualifying population or segment of a qualifying population, unless the application includes a request for a substantial amendment to the ADOH HOME-ARP Allocation Plan;
- d. Any requested limitation or preference does not violate nondiscrimination requirements;
- e. Provides for selection of households from a written waiting list in chronological order of the household's application for tenancy, as practicable;
- f. Complies with the Violence Against Women Act;
- g. Complies with ADOH and HUD affirmative marketing requirements;
- h. Provides prompt written notification to any rejected applicant of the grounds for rejection; and
- i. Complies with the VAWA requirements.

20. For acquisition-only projects and projects with any level of rehabilitation, provides a Capital Needs Assessment that includes the following:

- a. The expected remaining useful life of major systems upon completion of the acquisition or rehabilitation period of the HOME-ARP rehabilitation. Major systems include structural support, roofing, cladding, weatherproofing, plumbing, electrical, and HVAC.
- b. A schedule for replacement of major systems and their components during the minimum compliance period.
- c. An estimate of the full cost of replacing major systems and their components whose useful life will end during the minimum compliance period.

21. Documents in the project timeline:

- a. For acquisition-only projects, the project will be acquired within 90 days of the executed ADOH-recipient agreement and operated as HOME-ARP rental housing within 180 days of the date of acquisition.

- b. For projects that will involve rehabilitation or new construction:
  - i. Development will begin within 12 months of the executed ADOH-applicant agreement; and
  - ii. HOME-ARP units in the project will be occupied by qualifying populations or low-income households within 6 months of the date of completion of the construction work, and within 48 months of the date of the executed ADOH-applicant agreement.

### Underwriting

HOME-ARP rental housing projects will be underwritten using the HOME-ARP underwriting guidelines posted on the ADOH website.

### Application Instructions

The rental housing application includes fourteen (14) tabs. Each tab contains green-shaded cells that allow the applicant to enter the requested information. Many cells include a dropdown menu from which applicants can select options.

When first saving entered information into the application, rename it to include the applicant's name. For example, save the application as HOME-ARP Rental Housing Application May 2022 XYZ Nonprofit.

<b>Tab</b>	<b>Title</b>
1	Cover Page
2	Checklist
3	Project and Site Information
4	Timeline
5	Cross-cutting Regulations
6	Project Team and Organization Capacity
7	Development Funding Sources
8	Development Budget
9	Unit Mix
10	Stabilized Rent Schedule
11	Stabilized Operating Budget
12	HOME-ARP Capitalized Operating Reserve Calculation
13	Nonprofit Operating Assistance and Capacity Building Assistance
14	Supportive Services

## Tab 1 – Cover Page

- Line 7. Enter the name of the applicant. The applicant will be the ADOH contact person and will be responsible for compliance with the HOME-ARP requirements.
- Line 8. Enter the unique entity ID issued by sam.gov. Note that this process may take several weeks to complete.
- Line 9. Indicate the federal Congressional district(s) that will be served by the project.
- Line 10. Indicate the state Legislative district(s) that will be served by the project.
- Line 12. Indicate the type of applicant by selecting from the dropdown menu. Nonprofit and for-profit applicants must submit proof of good standing with the Arizona Corporation Commission. Nonprofit organizations must also submit proof of IRS nonprofit status.
- Line 18. Select yes or no. If the applicant is a partnership or limited liability company, the applicant must submit a copy of the partnership agreement or operating agreement specifying the ownership interest and cash contribution by each partner or member.
- Lines 20 – 21. Provide the address to which all hard-copy information will be posted.
- Line 27. Answer yes or no if the is a current HMIS participant. All awarded projects must participate in the HMIS.
- Line 28. Indicate the Continuum of Care in which the applicant participates, if applicable.
- Lines 37 - 39. Provide the project name and address. If the project has not yet been addressed, provide the parcel number(s).
- Line 41 - Enter the proposed number of units in the project.
- Line 43. Select acquisition only, rehabilitation only, acquisition and rehabilitation or conversion, or new construction. Note that acquisition-only, acquisition/rehabilitation, rehabilitation and conversion projects must submit a Capital Needs Assessment to ensure the property meets and can continue to meet property standards throughout the minimum compliance period.

- Line 49. Indicate if the project is located on tribal lands. Applicants for projects located on tribal lands must submit written consent of the tribal jurisdiction, unless the applicant is a tribal jurisdiction.
- Line 51. Indicate if the project will provide preference to, prioritize, or otherwise limit tenancy or services participation to a specific population. If yes, STOP and contact the ADOH for additional guidance.
- Lines 54 – 58 column B. Indicate if HOME-ARP funds are being requested for each eligible use by selecting yes or no from the dropdown menu. For lines 55, 57, and 58 the applicant may enter the requested amount of funds. Lines 54 and 56 will auto-populate based on information entered in Tabs 8 and 12.
- Line 63. The certification must be signed electronically by the Chief Elected Official, Organization President or their authorized designee. If an authorized designee, a resolution authorizing the designation must be retained in the application file and provided upon request.

#### Tab 2 – Checklist

The checklist specifies all information that must be provided either at the time of application or prior to final funding award. Information may be:

1. A threshold requirement that is required of all noted applicants regardless of eligible applicant type (nonprofit, for-profit, unit of government, tribal government).
  2. A threshold requirement (NPO exempt) that is required of applicants other than nonprofit organizations requesting operating cost and/or capacity building funding. Nonprofit organizations requesting operating cost and/or capacity building funding will be provided a timeline for providing threshold documentation.
  3. Blank and required during or after underwriting and prior to committing HOME-ARP funds through a written agreement.
- Lines 10 – 57 column B. Select yes if the document is attached (will be uploaded through the application portal), no if the document is not attached (will not be uploaded through the application portal), and N/A if the document is not required for the project.

The following documentation is required of all applicants for HOME-ARP rental housing prior to the ADOH entering into a written agreement for HOME-ARP funds:

1. Completed application forms.
2. Site control.
3. Completed Part 58 Environmental Review forms.
4. Completed Phase 1 Environmental Assessment, with lead and asbestos reports.
5. Drug-free workplace policy.
6. Conflict of interest standards and procedures.
7. Organizational conflict of interest standards and procedures.
8. VAWA emergency transfer procedures.
9. Termite inspection report.
10. Tenant selection plan.

The following documentation may not be applicable to all HOME-ARP rental housing projects:

1. IRS proof of 501c3, 501c4 or Section 905 subsidiary status, if the applicant is a for-profit, unit of government, or tribal government.
2. Partnership or operating agreement, if the applicant is not a partnership or limited liability company.
3. Written consent of the tribal government, if the project is not located on tribal lands.
4. Letters of commitment or term sheets for each development phase funding or financing source, if HOME-ARP is the only funding or financing source.
5. Evidence of equity funds, if the applicant is not committing equity to the project.
6. Independent appraiser report, if the project does not involve acquisition.
7. Review appraisal, if the project does not involve acquisition.
8. Project relocation plan, if the project is not occupied or is new construction.
9. FEMA Floodplain map, if the project is not located in a floodplain.
10. One-for-one replacement plan, if the project will not demolish any existing low-income units.
11. Applicant's most recent financial statements, if the applicant is a local or tribal government.

12. Procurement policy, if the applicant is a for-profit entity.
13. Capital Needs Assessment, if the project is new construction.
14. Project design standards, drawings, and/or plans, if the project is acquisition only and the capital needs assessment reveals no rehabilitation needs.
15. Capitalized replacement reserve agreement, if the project has no such agreement.
16. Letters of commitment or term sheets for each operating phase funding or financing source, if the project evidences sufficient cash flow throughout the minimum compliance period.
17. Letters of interest or commitment for project-based rental assistance, if no project-based rental assistance will be available to or committed to the project.
18. Affirmative marketing procedures, if the project contains four (4) or fewer units.
19. Agreements with 3<sup>rd</sup>-party service providers, if no supportive services will be provided.
20. Supportive services waiting list procedures, if no HOME-ARP funding is requested for supportive services.
21. Supportive services due process procedures, if no HOME-ARP funding is requested for supportive services.
22. List of project team projects, if the project team has not jointly completed prior projects.
23. List of individual team member projects, if there are no new primary members of the project team.
24. List of litigation or bankruptcies in the past seven years or list of pending litigation or judgment, if no such incidences exist.
25. Explanation of identities of interest, if there are no family ties or financial interests between or among two or more entities involved in the project.
26. NPO operating and capacity building documents, if the applicant is not a nonprofit organization requesting HOME-ARP operating cost or capacity building funding.

### Tab 3 – Project and Site Information

- Line 9. Enter the date the deed was recorded if the applicant currently owns the property
- Line 10 or 11. Enter the expiration date of the purchase contract or option.
- Line 13. Explain any closing conditions, if applicable. Closing conditions beyond receipt of HOME-ARP funding or successful completion of the environmental review process may result in the project being considered ineligible.
- Lines 16-22. Enter the name, company, address, phone number and email address of the seller.
- Line 24. Describe the relationship of the seller and applicant and attach a copy of the independent appraiser’s report if acquiring by purchase contract or option. Related-party transactions may result in the project being considered ineligible. If the seller and applicant are related parties, the ADOH will require verification that the sales or lease price is equal to or less than the market value or price.
- Line 26. Describe any conditions or requirements specified in the title commitment or report. Conditions or requirements that could materially and substantially impact project feasibility may result in the project being considered ineligible. Attach a copy of the title commitment or title report.
- Line 29. Enter the total land area in square feet.
- Line 30. Enter the number of buildings currently on the project site.
- Line 31. Describe the buildings that are currently on the project site.
- Lines 32. Indicate if the any of the buildings are currently occupied by individuals or businesses. If buildings are currently occupied, the project relocation plan, following URA guidelines, must be attached and the full cost of URA compliance included in the Development Budget. Also incorporate the HOME-ARP relocation eligibility exceptions.
- Lines 39 - 48. Select yes or no to indicate property amenities. Specify other amenities not listed in column A.

- Lines 53 -58. Select yes or no to indicate unit amenities. Specify other amenities not listed in column A.
- Line 61. Select whether verification of current zoning for the intended use is attached. All projects must be appropriately zoned for the intended use.
- Line 62. Select yes or no to indicate whether a variance or use permit will be required for the project.
- Line 63. If yes, indicate whether the applicant has begun the process of securing a variance or use permit and the expected finalization date for obtaining the variance or use permit.
- Lines 70 – 81. Select yes or no to indicate whether the site or neighborhood condition exists. Sites located in areas of minority concentration, that are in areas with substandard dwellings or other undesirable conditions, or located an unreasonable distance from employment may be deemed ineligible. Include site and neighborhood standards documentation in the project market assessment.
- Line 84. Indicate if the project has written waiting list procedures that require selection in chronological order by date and time of application for tenancy.

#### Tab 4 – Timeline

Self-explanatory.

#### Tab 5 – Cross-cutting Regulations

Complete the green-shaded cell(s) for each regulatory requirement. The applicant must comply with all cross-cutting federal regulations. With the exception of environmental review application information, applicants must indicate yes or no for each cross-cutting regulation.

#### *Environmental Review*

The Part 58 environmental review must be completed, if applicable and the FONSI/RROF prepared for publication if the project is subject to environmental assessment within 180 days of application submission. The ADOH Environmental Review Handbook may be accessed at <https://housing.az.gov/sites/default/files/documents/files/Environmental-Review-Record-Handbook-rev-8-13-19.pdf>. The environmental review forms may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=96](https://housing.az.gov/documents-links/handbooks?tid_1=96).

- Lines 18- -29. Select yes or no for each question.

#### *Relocation and Real Property Acquisition*

All projects are subject to the Uniform Relocation and Real Property Acquisition Act (URA). Additional information may be found at <https://housing.az.gov/documents-links/handbooks> under the procurement forms heading. Additional guidance regarding relocation in the HOME-ARP program is found at <https://www.hud.gov/sites/dfiles/CPD/documents/RRED%20HOME-ARP%20Policy%20Brief%20Final%20%2803.31.22%29.pdf>.

Lines 32-35. Select yes or no to answer each question. The ADOH discourages projects that will displace individuals or businesses. Note that there are expanded relocation protections in the HOME-ARP program as described in the HOME-ARP program summary.

#### *Federal Labor Standards*

All projects consisting of 12 or more HOME-ARP units must incorporate Davis-Bacon wage rates and labor standards monitoring into the development budget. Other funding may also require Federal Labor Standards compliance. Federal Labor Standards must be included in project-related procurement. Additional information regarding Federal Labor Standards requirements may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=97](https://housing.az.gov/documents-links/handbooks?tid_1=97).

#### *Demolition or Change in Use*

Federal Regulations (24 CFR 42.375) require that any federally-funded project that will result in the demolition or change in use of existing lower-income residential dwelling units must replace those units with comparable lower-income dwelling units on a one-for-one basis. The replacement cost associated with the demolition or change in use of any low-income units is the sole responsibility of the applicant. Additional information regarding demolition or change in use in the HOME-ARP program may be found at <https://www.hud.gov/sites/dfiles/CPD/documents/RRED%20HOME-ARP%20Policy%20Brief%20Final%20%2803.31.22%29.pdf>.

- Line 41. Select yes or no to indicate if the project will result in the demolition or change in use of any existing lower-income dwelling units.
- Line 42. Indicate the number of units that will be demolished or experience a change in use and attach the applicant's plan for one-for-one replacement with comparable dwelling units.

### *Procurement and Contracting*

All applicant procurement must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200. Any procurement that did not incorporate federal labor standards or Section 3 employment opportunities requirements will be invalid. Construction contractors must have the appropriate license and insurance for the type of work being performed.

Additional information may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=678](https://housing.az.gov/documents-links/handbooks?tid_1=678). The ADOH may require evidence that any pre-award procurement complied with the applicant's written procurement policy and 2 CFR 200, and included Federal Labor Standards and/or Section 3 requirements, as applicable.

- Lines 45 through 48. Select yes or no to answer each question.

### *Civil Rights/Non-discrimination*

All projects and project sites must be accessible or made accessible to persons with disabilities. Projects with four (4) or more total units must also have an affirmative marketing plan. HUD's affirmative marketing plan requirements are described in the form found at <https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf>.

Projects and programs must be accomplished in an equitable and impartial manner, without discrimination on the basis of race, color, religion, national origin, sex, age, disability, English proficiency, or economic status.

- Lines 51 through 53. Select yes or no to answer each question.

### *Financial Records and Audits*

Nonprofit and government applicant financial management systems and audits must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200. Additional information may be found in the CDBG Application Handbook and at <https://housing.az.gov/documents-links/forms/community-revitalization> under the Financial Management heading. The ADOH may require evidence that the applicant's and/or subrecipient's financial management system complies with 2 CFR 200, and may require the most recent audit be submitted for review.

- Line 56. Select yes to no to indicate if the applicant's financial system complies with 2 CFR 200.
- Line 57. Enter the date of the applicant's most recent audit. If there has been no audit or the applicant is a governmental entity, state "N/A".

### *Section 3*

Section 3 requirements must be included in any project-related procurement that includes \$200,001 or more of covered federal financial assistance. Additional information may be found at <https://housing.az.gov/documents-links/handbooks> in the Section 3 handbook.

- Line 60. Describe how the project will track labor hours and undertake qualitative actions to provide employment opportunities for Section 3 businesses and workers.

### *Drug-free Workplace*

All applicants must have a drug-free workplace policy. Additional information may be found at <https://housing.az.gov/sites/default/files/documents/files/2019-Certification-of-Drugfree-Workplace.PDF>.

### *Conflicts of Interest*

The HOME-ARP notice includes two types of conflicts of interest. The first type is general conflicts of interest, which requires disclosure of conflicts and potential conflicts in accordance with the HOME regulation at 24 CFR 92.356. The second type is organizational conflicts of interest that govern acceptance of HOME-ARP occupancy, tenancy or services based on the ownership of the project. Applicants must have written standards of conduct that comply with both 24 CFR 92.356 and 2 CFR 200.318.

### *Confidentiality*

Applicants (and subrecipients and contractors) must have written procedures to ensure that records containing personally-identifying information of any individual or family that applies for and/or receives HOME-ARP assistance will be kept secure and confidential.

### *Violence Against Women Act (VAWA)*

All applicants must have policies that provide for emergency transfers under VAWA.

### *Tab 6 – Project Team and Organization Capacity*

- Lines 10 – 24. For each member of the project or program team, provide their name, title, organization/company, phone number, and email address.
- Line 30. Select yes or no to indicate whether any applicant, principal, or officers, or any affiliated entities have been involved in any litigation or bankruptcies during the past seven years. If yes, attach a list of such incidences.

- Line 31. Select yes or no to indicate whether any applicant, principal, or officers, or any affiliated entities have any pending litigation. If yes, attach a list of such incidences.
- Line 34. Select yes or no to indicate whether there are any family ties or financial interests between or among two or more entities involved in the project. If yes, attach a description of the identify of interest.

#### Tab 7 – Development Funding Sources

Unless otherwise permitted or required by another subsidy source, all loans and other debt must be amortizing, fixed-rate debt that does not exceed the minimum compliance period. Letters of commitment must be submitted for each funding or financing source.

- Line 12 column C. Enter the amount of HOME-ARP funds requested for project development.
- Lines 13 – 22 column B. Enter the amount of funding firmly committed to the project. Firmly committed means the funding or financing is contingent only upon receipt of HOME-ARP funds and environmental clearance.
- Lines 13 -22 column C. Enter the amount of funding that is tentatively committed to the project. Tentative commitment means the funds may be available to the project or have been applied for and no funding announcement has been received.
- Lines 13-22 column D. Indicate if the firm or tentative funding source is a grant or a loan.
- Lines 13-22 column E. Enter the name or names of the lender(s) or funder(s).

#### Tab 8 – Development Budget

Refer to the HOME-ARP underwriting guidelines for additional information regarding minimum and maximum fees and expenses by line item.

- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column B. Enter the total cost for each line item in whole dollars.
- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column C. Enter the total HOME-ARP funding requested.

- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column E through J. Enter the name of each funder for the line item. Funders identified in Tab 8 must also be included in Tab 7 – Development Funding Sources.
- Line 20. Note that off-site improvements are not eligible HOME-ARP costs.

#### Tab 9 – Unit Mix

This worksheet provides sufficient space to collect unit mix information for up to twenty (20) different unit sizes. Projects that include more than 20 different size units should contact the ADOH for assistance.

This worksheet will calculate the maximum HOME-ARP development funding based on:

1. The proportion of HOME-ARP units and development funding to total units and development (line 35 column E), and
2. The proportion of HOME-ARP units residential floor area and development funding to total unit residential floor area and development funding (line 39 column E).

*HOME-ARP development funding will not exceed the lesser of the amount calculated based on the number of HOME-ARP units in the project or the HOME-ARP residential floor area proportionate to total units.*

- Lines 9 – 27 column A. Enter the number of bedrooms. For single-room occupancy enter SRO, for studio enter 0 (zero).
- Lines 9 – 27 column B. Enter the number of bathrooms. The minimum number of bathrooms is 1 (one).
- Lines 9 – 27 column C. Enter the residential floor area for the unit.
- Lines 9 – 27 column F. Enter the total number of units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C.
- Lines 9 – 27 column G. Enter the total number of proposed HOME-ARP QP units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C, and NO project-based rental assistance.

- Lines 9 – 27 column H. Enter the total number of proposed HOME-ARP QP units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C, WITH project-based rental assistance.
- Lines 9 – 27 column I. Enter the total number of proposed HOME-ARP low-income units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C.
- Lines 9 – 27 column J. Enter the total number of proposed other occupancy-restricted units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C, and NO project-based rental assistance.
- Lines 9 – 27 column K. Enter the total number of proposed other occupancy-restricted units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C, WITH project-based rental assistance.
- Lines 9 – 27 column L. Enter the total number of proposed unrestricted units in the project that will have the number of bedrooms entered in column A, number of bathrooms entered in column B, and residential square footage entered in column C.
- Line 41. Select if the HOME-ARP units will be fixed or floating.

After entering all information in the green shaded areas:

1. Column M should contain all 0's (zeros). If column M contains a number other than zero, check the number entered in columns F through L for the unit size.
2. Column S line 28 will indicate YES or NO to determine if the residential square footage of HOME-ARP units is sufficient based on the request for HOME-ARP development funds. This test is the first test of whether sufficient HOME-ARP units have been set-aside in the project proportionate the to the request for HOME-ARP funds and applies when HOME-ARP units are not designated proportionate to all units in the project.
3. Column W line 28 will indicate YES or NO to determine if the number of HOME-ARP units is sufficient based on the request for HOME-ARP development funds. This test is the first test of whether sufficient HOME-ARP units have been set-aside in the project

proportionate the to the request for HOME-ARP funds and applies when HOME-ARP units are designated proportionate to all units in the project.

#### Tab 10 – Rent Schedule

This worksheet will carry information from the unit mix worksheet into columns A through I. Note that for SRO units with only sanitary facilities, the maximum rent is 75% of the zero-bedroom rent. For SRO units that include both sanitary and food preparation facilities, the maximum rent is based on the zero-bedroom rent.

- Line 8. Select the county in which the project is located from the dropdown menu.
- Lines 11 – 30 column K. Enter the proposed rent for the HOME-ARP QP units to which the line applies (bedrooms, bathrooms, residential floor area). The HOME-ARP rent with no PBRA may not exceed the Low-HOME rent for unit bedroom size in the county in which the unit is located.
- Lines 11 – 30 column L. Enter the proposed rent for the HOME-ARP QP units to which the line applies (bedrooms, bathrooms, residential floor area). HOME-ARP QP units with PBRA may charge the rent allowable under the project-based rental assistance subsidy program when the qualifying household’s contribution to rent is no more than 30% of the household’s adjusted income.
- Lines 11 – 30 column M. Enter the proposed rent for the HOME-ARP Low-income units to which the line applies (bedrooms, bathrooms, residential floor area). The rent may not exceed the High-HOME rent for unit bedroom size in the county in which the unit is located.
- Lines 11 – 30 column N. Enter the proposed rent for other restricted units to which the line applies and that have no project-based rental assistance.
- Lines 11 – 30 column O. Enter the proposed rent for other restricted units with PBRA to which the line applies.
- Lines 11 – 30 column P. Enter the proposed rent for unrestricted units.
- Lines 11 – 30 column Q. Enter the utility allowance for the unit size as provided in Tab 11.

#### Tab 11 – Operating Budget

- The gross rent calculated in Tab 10 – Rent Schedule will carry forward to line 10 column B.

- Line 11 column B. Enter the annual amount of rental tax the project is obligated to pay.
- Line 12 column B. Enter the annual amount of other anticipated project income. Describe the sources and amount of other annual income on line 20.
- Line 16 column E. Enter the allowance for vacancy and bad debt. This number will be expressed as a percentage.
- Line 18. If the amount entered on line 16 column E is greater than 7% provide the rationale for the higher vacancy allowance.
- Line 25. Enter the source of the utility allowance calculation. Attach supporting documentation.
- Lines 28 – 37 column B. Select the utility type from the dropdown menu.
- Lines 28 – 37 column B. Indicate if the owner or tenant is responsible for the utility by selecting owner or tenant from the dropdown menu.
- Lines 28 – 37 columns C - J. Enter the estimated monthly utility amount based on bedroom size.
- Lines 41 – 71 column B. Enter the annual expense by line item.

#### Tab 12 – Capitalized Operating Reserve Calculation

An operating reserve may be capitalized for HOME-ARP QP units that will not receive project-based rental assistance. Applicants are not required to request the ADOH capitalize a reserve.

- Lines 12 – 31 column D. Enter the monthly gross rent for a household at 30% AMI appropriate for occupancy by unit size. The monthly net rent is calculated by multiplying the 30% AMI amount by 30% and subtracting the utility allowance for the bedroom size. This amount may be negative.

This worksheet will calculate the maximum initial operating reserve that may be calculated assuming:

1. For year 1, a household income of 30% AMI (appropriate to the unit size) paying 30% of income for rent, less the utility allowance and average per unit operating expenses as calculated in Tab 11.

2. For years 2 through 15 the low-HOME rent less the utility allowance and average per unit operating expenses as calculated in Tab 11 and incorporating a 7% vacancy allowance (1 month per year per unit).

#### Tab 13 – NPO Operating Cost and Capacity Building Assistance

Only applicants that have a 501c3, 501c4, or Section 905 subsidiary status from the Internal Revenue Service that are also undertaking a HOME-ARP eligible project may apply for operating cost and/or capacity building assistance. Nonprofit organizations are encouraged but not required to request operating cost and/or capacity building assistance in conjunction with a HOME-ARP project.

The ADOH may make multi-year funding awards and will require annual supporting documentation to verify compliance with HOME-ARP requirements.

Only applicants that have a 501c3, 501c4, or Section 905 subsidiary status from the Internal Revenue Service that are also undertaking a HOME-ARP eligible project may apply for operating cost and/or capacity building assistance. Nonprofit organizations are encouraged but not required to request operating cost and/or capacity building assistance in conjunction with a HOME-ARP project.

The ADOH may make multi-year funding awards and will require annual supporting documentation to verify compliance with HOME-ARP requirements.

- Line 5 column B. Enter the date the organization’s fiscal year begins. Awards of HOME-ARP NPO assistance are made based on the organization’s fiscal year budget.
- Lines 12 – 15 column A. Enter the title of the position engaged in general administrative activities.
- Lines 12 – 15 column B. For each position listed in column A enter the amount of general administrative funding budgeted to the position. If the position is partly funded by program or project resources and partly funded by general operating, enter only the amount funded by general operating.
- Lines 12 – 15 column C. For each position listed in column A enter the amount of annual HOME-ARP funds requested for that portion of the position’s cost attributed to general operating.
- Line 16 column B. Enter the organization’s annual budget for general training not attributed to a specific program, project, or funding source.

- Line 16 column C. Enter the amount of annual HOME-ARP funds requested for general training not attributable to a specific program, project, or funding source.
- Line 17 column B. Enter the organization’s annual budget for general travel not attributed to a specific program, project, or funding source.
- Line 17 column C. Enter the amount of annual HOME-ARP funds requested for general travel not attributable to a specific program, project, or funding source.
- Lines 27 – 30 column A. For any general administrative costs not listed on lines 19 through 26, enter a cost line item.
- Lines 18 – 30 column B. For each general administrative cost listed in column A, enter the amount of general administrative funding allocated to the line item. If the line item is partly funded by program or project resources and partly funded by general operating, enter only the amount funded by general operating.
- Lines 18 – 30 column C. Enter the amount of annual HOME-ARP funds requested for each line item.
- Lines 43 – 46 column A. Enter the title of any new positions that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 43 – 46 column B. Enter the annual budget for the position that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 43 – 46 column C. Enter the amount of annual HOME-ARP funds requested for the position that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 47 – 50 column B. Enter the amount budgeted during the fiscal year for the line item.
- Lines 47 – 50 column C. Enter the amount of HOME-ARP funds requested for the line item during the fiscal year. Equipment purchases and upgrades may be one-time purchases.

If a project location is not identified in Tab 1 – Cover Page, information for at least one potential project site must be included:

- Lines 63 – 64 column B. Enter the project street address, city, state, and zip code. If the project is not yet addressed, provide the parcel number.
- Line 65 column B. Enter the total land area for the potential project site.
- Line 66 column B. Enter the number of buildings located on the site. If the site includes not buildings, enter 0 (zero).
- Line 67 column B. Select yes or no to indicate if any of the buildings on the site are occupied by individuals or businesses.
- Line 68 column B. Select yes or no to indicate if the site is zoned for the intended use.
- Line 69 column B. If the site is not zoned for the intended use, provide a timeline for obtaining a variance or use permit. Projects that require rezoning are not eligible for HOME-ARP funding.

If more than one potential project site has been identified, complete lines 73 through 79 and 83 through 89 for additional project sites.

#### Tab 14 – Supportive Services

Applicants are not required to request HOME-ARP funding for supportive services. If requested, HOME-ARP funding may be requested for McKinney-Vento supportive services for qualifying populations who are homeless, at risk of homelessness, or who are housed and the services will help them to regain housing stability or move into other permanent stable housing. HOME-ARP funding may also be requested for Housing Counseling services to be provided to qualifying populations by HUD-certified Housing Counseling Agencies.

- Line 6. Select yes or no from the dropdown menu to indicate if the application includes a request for supportive services funding. If yes, at least one service must be selected from the supportive services menu in lines 8 through 34.
- Lines 13 – 37 column B. Select from the dropdown menu to indicate if the service will be provided by the applicant, by a 3<sup>rd</sup> party or not provided. Select not provided for all services that will not be provided.
- Lines 13 – 37 column C. Select from the dropdown menu to indicate if the service will be provided on-site (at the rental housing) or off-site.
- Lines 13 – 37 column D. Enter the proposed number of program beneficiaries.

- Lines 13 – 37 column E. Enter the proposed annual direct cost of the service.
- Line 44 column A. Enter the name of the service provider. If the service provider is the applicant, enter the name of the applicant.
- Lines 45 – 47 column A. For the service provider named on line 44, enter the position titles that will provide HOME-ARP supportive services.
- Lines 45 – 47 column B. Enter the hourly rate, including employee-related expenses for the position named in column A. If a position is salaried, the hourly rate including ERE must be calculated based on full-time-equivalent hours.
- Lines 45 – 47 column C. Enter the estimated annual hours the position named in column A will provide HOME-ARP supportive services.
- Lines 45 – 47 column E. Enter the estimated number of years services will be provided. Note that HOME-ARP supportive services will not be funded beyond September 2030.
- Lines 49 – 52, 54 – 57, and 59 – 62. Follow the instructions for lines 44 through 47.
- Line 73. Describe the process for identifying services currently received by program participants and ensuring there is no duplication of benefits.
- Line 75. Describe how the need for services was determined.
- Line 77. Select yes or no from the dropdown menu to indicate whether the service provider has written waiting list procedures that comply with HOME-ARP chronological order requirements.
- Line 79. Select yes or no from the dropdown menu to indicate whether the service provider has due process procedures in place that meet the requirements as specified in the ADOH HOME-ARP Program Summary. Providers may adopt the ADOH HOME-ARP due process procedures.

## HOME-ARP Non-Congregate Shelter (NCS)

HOME-ARP non-congregate shelters may be site-built or manufactured. Hotels, and motels, facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories are not HOME-ARP non-congregate shelter. However, HOME-ARP funds may be used to acquire and rehabilitate / or convert such structures into HOME-ARP non-congregate shelter.

### Threshold Requirements

The ADOH will first review applications to ensure they meet the following threshold requirements:

1. The applicant is an eligible applicant.
2. The applicant is registered with sam.gov and provides a unique entity identifier (UEI).
3. The application is complete.
4. The project will result in HOME-ARP non-congregate shelter (NCS) that will be occupied by HOME-ARP qualifying populations.
5. The project evidences operating revenue sufficient to cover the cost of operating the entire project throughout the minimum restricted use period.
6. The project will, at a minimum, meet all applicable state and local codes, ordinances and requirements.
7. Utilizes HOME-ARP funding for costs that:
  - a. Are allowable, reasonable, and allocable under Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
  - b. Do not exceed the total need for financial assistance; and
  - c. Were incurred after March 8, 2022.
8. For activities that will take place in whole or in part on tribal lands, has the written consent of the tribal jurisdiction if the applicant is not a tribal government.
9. Documents in the timeline quarterly reporting to the ADOH.
10. Documents in the project timeline, budget and narrative description compliance with environmental review, federal labor standards, the Uniform Relocation and Real Property Acquisition Act, procurement and contracting, non-discrimination, financial

records and audits, Section 3, and other HOME-ARP cross-cutting program requirements.

11. For acquisition-only projects and projects with any level of rehabilitation, provides a Capital Needs Assessment that includes the following:
  - a. The expected remaining useful life of major systems upon completion of the acquisition or rehabilitation period of the HOME-ARP NCS project. Major systems include structural support, roofing, cladding, weatherproofing, plumbing, electrical, and HVAC.
  - b. A schedule for replacement of major systems and their components during the restricted use period.
  - c. An estimate of the full cost of replacing major systems and their components whose useful life will end during the restricted use period.
12. Documents in the project timeline:
  - a. For acquisition-only projects, the project will be acquired within 90 days of the executed ADOH-recipient agreement and operated as HOME-ARP NCS within 180 days of the date of acquisition.
  - b. For projects that will involve rehabilitation or new construction,
    - i. Development will begin within 12 months of the executed ADOH-applicant agreement; and
    - ii. The HOME-ARP NCS project will be occupied by qualifying populations or within 6 months of the date of completion of the construction work, and within 48 months of the date of the executed ADOH-applicant agreement.

### Underwriting

HOME-ARP NCS projects will be underwritten using the HOME-ARP underwriting guidelines posted on the ADOH website.

### Application Instructions

The NCS application includes twelve (12) tabs. Each tab contains green-shaded cells that allow the applicant to enter the requested information. Many cells include a dropdown menu from which applicants can select options.

When first saving entered information into the application, rename it to include the applicant's name. For example, save the application as HOME-ARP Non-congregate Shelter May 2022 Application XYZ Nonprofit.

<b>Tab</b>	<b>Title</b>
1	Cover Page
2	Checklist
3	Project and Site Information
4	Timeline
5	Cross-cutting Regulations
6	Project Team and Organization Capacity
7	Development Funding Sources
8	Development Budget
9	Program Description
10	Operating Budget
11	Supportive Services
12	Nonprofit Operating Assistance and Capacity Building Assistance

## Tab 1 – Cover Page

- Line 7. Enter the name of the applicant. The applicant will be the ADOH contact person and will be responsible for compliance with the HOME-ARP requirements.
- Line 8. Enter the unique entity ID issued by sam.gov. Note that this process may take several weeks to complete.
- Line 9. Indicate the federal Congressional district(s) that will be served by the project.
- Line 10. Indicate the state Legislative district(s) that will be served by the project.
- Line 12. Indicate the type of applicant by selecting from the dropdown menu. Nonprofit and for-profit applicants must submit proof of good standing with the Arizona Corporation Commission. Nonprofit organizations must also submit proof of IRS nonprofit status.
- Line 18. Select yes or no. If the applicant is a partnership or limited liability company, the applicant must submit a copy of the partnership agreement or operating agreement specifying the cash contribution by each partner or member.
- Lines 20 – 21. Provide the address to which all hard-copy information will be posted.
- Line 27. Answer yes or no if the is a current HMIS participant. All awarded projects must participate in the HMIS.
- Line 31. Indicate the Continuum of Care in which the applicant participates, if applicable.
- Lines 37 - 39. Provide the project name and address. If the project has not yet been addressed, provide the parcel number(s).
- Line 41. Enter the proposed number of units in the project.
- Line 43. Enter the proposed number of beds in the project.
- Line 45. Select acquisition only, rehabilitation only, acquisition and rehabilitation or conversion, or new construction. Note that acquisition-only, acquisition/rehabilitation, rehabilitation and conversion projects must submit a Capital Needs Assessment to ensure the property meets and can continue to meet property standards throughout the restricted use period.

- Line 51. Indicate the type of project occupancy by selecting private units or private rooms from the dropdown menu.
- Line 55. Select yes or no from the dropdown menu to indicate if the project will be converted to HOME-ARP rental housing after the minimum restricted use period. NCS projects that will be converted to HOME-ARP rental housing must be designed to function as HOME-ARP rental housing. For NCS projects that include acquisition, three appraisals are required. The first appraisal is the acquisition appraisal, the second is the review appraisal, and the third is an after-rehabilitation appraisal. All appraisals are eligible development costs.
- Line 60. Indicate if the project is located on tribal lands. Applicants for projects located on tribal lands must submit written consent of the tribal jurisdiction, unless the applicant is a tribal jurisdiction.
- Line 62. Indicate if the project will provide preference to, prioritize, or otherwise limit tenancy or services participation to a specific population. If yes, STOP and contact the ADOH for additional guidance.
- Lines 65 – 68 column B. Indicate if HOME-ARP funds are being requested for each eligible use by selecting yes or no from the dropdown menu. For lines 67 and 68 the applicant may enter the requested amount of funds. Lines 65 and 66 will auto-populate based on information entered in Tab 8.
- Line 72. The certification must be signed electronically by the Chief Elected Official, Organization President or their authorized designee. If an authorized designee, a resolution authorizing the designation must be retained in the application file and provided upon request.

#### Tab 2 – Checklist

The checklist specifies all information that must be provided either at the time of application or prior to final funding award. Information may be:

1. A threshold requirement that is required of all applicants regardless of eligible applicant type (nonprofit, for-profit, unit of government, tribal government).
2. A threshold requirement (NPO exempt) that is required of applicants other than nonprofit organizations requesting operating cost and/or capacity building funding.

Nonprofit organizations requesting operating cost and/or capacity building funding will be provided a timeline for providing threshold documentation.

3. Blank and required during or after underwriting and prior to committing HOME-ARP funds through a written agreement.

In column B select yes if the document is attached (will be uploaded through the application portal), no if the document is not attached (will not be uploaded through the application portal), and N/A if the document is not required for the project.

The following documentation is required of all applicants for HOME-ARP NCS prior to the ADOH entering into a written agreement for HOME-ARP funds:

1. Completed application forms.
2. Site control.
3. Completed Part 58 Environmental Review forms.
4. Completed Phase 1 Environmental Assessment, with lead and asbestos reports.
5. Drug-free workplace policy.
6. Conflict of interest standards and procedures.
7. Organizational conflict of interest standards and procedures.
8. Termite inspection report.

The following documentation may not be applicable to all HOME-ARP NCS projects:

1. IRS proof of 501c3, 501c4 or Section 905 subsidiary status, if the applicant is a for-profit, unit of government, or tribal government.
2. Partnership or operating agreement, if the applicant is not a partnership or limited liability company.
3. Written consent of the tribal government, if the project is not located on tribal lands.
4. Letters of commitment or term sheets for each development phase funding or financing source, if HOME-ARP is the only funding or financing source.
5. Evidence of equity funds, if the applicant is not committing equity to the project.
6. Independent appraiser report, if the project does not involve acquisition.
7. Review appraisal, if the project does not involve acquisition.

8. Project relocation plan, if the project is not occupied or is new construction.
9. FEMA Floodplain map, if the project is not located in a floodplain.
10. One-for-one replacement plan, if the project will not demolish any existing low-income units.
11. Applicant's most recent financial statements, if the applicant is a local or tribal government.
12. Procurement policy, if the applicant is a for-profit entity.
13. Capital Needs Assessment, if the project is new construction.
14. Project design standards, drawings, and/or plans, if the project is acquisition only, the capital needs assessment reveals no rehabilitation needs, and the project will not be converted to HOME-ARP rental housing after the minimum restricted use period.
15. Capitalized replacement reserve agreement, if the project has no such agreement.
16. Letters of commitment or term sheets for each operating phase funding or financing source, if the project evidences sufficient cash flow throughout the minimum compliance period.
17. Agreements with 3<sup>rd</sup>-party service providers, if no supportive services will be provided by 3<sup>rd</sup> parties.
18. Supportive services waiting list procedures, if no HOME-ARP funding is requested for supportive services.
19. Supportive services due process procedures, if no HOME-ARP funding is requested for supportive services.
20. List of project team projects, if the project team has not jointly completed prior projects.
21. List of individual team member projects, if there are no new primary members of the project team.
22. List of litigation or bankruptcies in the past seven years or list of pending litigation or judgment, if no such incidences exist.
23. Explanation of identities of interest, if there are no family ties or financial interests between or among two or more entities involved in the project.
24. NPO operating and capacity building documents, if the applicant is not a nonprofit organization requesting HOME-ARP operating cost or capacity building funding.

### Tab 3 – Project and Site Information

- Line 9. Enter the date the deed was recorded if the applicant currently owns the property
- Line 10 or 11. Enter the expiration date of the purchase contract or option.
- Line 13. Explain any closing conditions, if applicable. Closing conditions beyond receipt of HOME-ARP funding or successful completion of the environmental review process may result in the project being considered ineligible.
- Lines 16-22. Enter the name, company, address, phone number and email address of the seller.
- Line 24. Describe the relationship of the seller and applicant and attach a copy of the independent appraiser’s report if acquiring by purchase contract or option. Related-party transactions may result in the project being considered ineligible. If the seller and applicant are related parties, the ADOH will require verification that the sales or lease price is equal to or less than the market value or price.
- Line 26. Describe any conditions or requirements specified in the title commitment or report. Conditions or requirements that could materially and substantially impact project feasibility may result in the project being considered ineligible. Attach a copy of the title commitment or title report.
- Line 29. Enter the total land area in square feet.
- Line 30. Enter the number of buildings currently on the project site.
- Line 31. Describe the buildings that are currently on the project site.
- Lines 32. Indicate if the any of the buildings are currently occupied by individuals or businesses. If buildings are currently occupied, the project relocation plan, following URA guidelines, must be attached and the full cost of URA compliance included in the Development Budget. Also incorporate the HOME-ARP relocation eligibility exceptions.
- Lines 39 - 48. Select yes or no to indicate property amenities. Specify other amenities not listed in column A.

- Line 51. Select whether verification of current zoning for the intended use is attached. All projects must be appropriately zoned for the intended use.
- Line 52. Select yes or no to indicate whether a variance or use permit will be required for the project.
- Line 53. If yes, indicate whether the applicant has begun the process of securing a variance or use permit and the expected finalization date for obtaining the variance or use permit.
- Line 60. Indicate if the project has written waiting list procedures that require selection in chronological order by date and time of application for tenancy.

#### Tab 4 – Timeline

Self-explanatory.

#### Tab 5 – Cross-cutting Regulations

Complete the green-shaded cell(s) for each regulatory requirement. The applicant must comply with all cross-cutting federal regulations. With the exception of environmental review application information, applicants must indicate yes or no for each cross-cutting regulation.

##### *Environmental Review*

The Part 58 environmental review must be completed, if applicable and the FONSI/RROF prepared for publication if the project is subject to environmental assessment within 180 days of application submission. The ADOH Environmental Review Handbook may be accessed at <https://housing.az.gov/sites/default/files/documents/files/Environmental-Review-Record-Handbook-rev-8-13-19.pdf>. The environmental review forms may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=96](https://housing.az.gov/documents-links/handbooks?tid_1=96).

- Lines 18- -29. Select yes or no for each question.

##### *Relocation and Real Property Acquisition*

All projects are subject to the Uniform Relocation and Real Property Acquisition Act (URA). Additional information may be found at <https://housing.az.gov/documents-links/handbooks> under the procurement forms heading. Additional guidance regarding relocation in the HOME-ARP program is found at <https://www.hud.gov/sites/dfiles/CPD/documents/RRED%20HOME-ARP%20Policy%20Brief%20Final%20%2803.31.22%29.pdf>.

- Lines 32-35. Select yes or no to answer each question. The ADOH discourages projects that will displace individuals or businesses. Note that there are expanded relocation protections in the HOME-ARP program as described in the HOME-ARP program summary.

#### *Federal Labor Standards*

All projects consisting of 12 or more HOME-ARP units must incorporate Davis-Bacon wage rates and labor standards monitoring into the development budget. Other funding may also require Federal Labor Standards compliance. Federal Labor Standards must be included in project-related procurement. Additional information regarding Federal Labor Standards requirements may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=97](https://housing.az.gov/documents-links/handbooks?tid_1=97).

#### *Demolition or Change in Use*

Federal Regulations (24 CFR 42.375) require that any federally-funded project that will result in the demolition or change in use of existing lower-income residential dwelling units must replace those units with comparable lower-income dwelling units on a one-for-one basis. The replacement cost associated with the demolition or change in use of any low-income units is the sole responsibility of the applicant. Additional information regarding demolition or change in use in the HOME-ARP program may be found at <https://www.hud.gov/sites/dfiles/CPD/documents/RRED%20HOME-ARP%20Policy%20Brief%20Final%20%2803.31.22%29.pdf>.

- Line 41. Select yes or no to indicate if the project will result in the demolition or change in use of any existing lower-income dwelling units.
- Line 42. Indicate the number of units that will be demolished or experience a change in use and attach the applicant's plan for one-for-one replacement with comparable dwelling units.

#### *Procurement and Contracting*

All applicant procurement must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200. Any procurement that did not incorporate federal labor standards or Section 3 employment opportunities requirements will be invalid. Construction contractors must have the appropriate license and insurance for the type of work being performed.

Additional information may be found at [https://housing.az.gov/documents-links/handbooks?tid\\_1=678](https://housing.az.gov/documents-links/handbooks?tid_1=678). The ADOH may require evidence that any pre-award procurement

complied with the applicant's written procurement policy and 2 CFR 200, and included Federal Labor Standards and/or Section 3 requirements, as applicable.

- Lines 45 through 48. Select yes or no to answer each question.

#### *Civil Rights/Non-discrimination*

All projects and project sites must be accessible or made accessible to persons with disabilities. Projects with four (4) or more total units must also have an affirmative marketing plan. HUD's affirmative marketing plan requirements are described in the form found at <https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf>.

Projects and programs must be accomplished in an equitable and impartial manner, without discrimination on the basis of race, color, religion, national origin, sex, age, disability, English proficiency, or economic status.

- Lines 51 through 53. Select yes or no to answer each question.

#### *Financial Records and Audits*

Nonprofit and government applicant financial management systems and audits must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200. Additional information may be found in the CDBG Application Handbook and at <https://housing.az.gov/documents-links/forms/community-revitalization> under the Financial Management heading. The ADOH may require evidence that the applicant's and/or subrecipient's financial management system complies with 2 CFR 200, and may require the most recent audit be submitted for review.

- Line 56. Select yes to no to indicate if the applicant's financial system complies with 2 CFR 200.
- Line 57. Enter the date of the applicant's most recent audit. If there has been no audit or the applicant is a governmental entity, state "N/A".

#### *Section 3*

Section 3 requirements must be included in any project-related procurement that includes \$200,001 or more of covered federal financial assistance. Additional information may be found at <https://housing.az.gov/documents-links/handbooks> in the Section 3 handbook.

- Line 60. Describe how the project will track labor hours and undertake qualitative actions to provide employment opportunities for Section 3 businesses and workers.

### *Drug-free Workplace*

All applicants must have a drug-free workplace policy. Additional information may be found at <https://housing.az.gov/sites/default/files/documents/files/2019-Certification-of-Drugfree-Workplace.PDF>.

### *Conflicts of Interest*

The HOME-ARP notice includes two types of conflicts of interest. The first type is general conflicts of interest, which requires disclosure of conflicts and potential conflicts in accordance with the HOME regulation at 24 CFR 92.356. The second type is organizational conflicts of interest that govern acceptance of HOME-ARP occupancy, tenancy or services based on the ownership of the project. Applicants must have written standards of conduct that comply with both 24 CFR 92.356 and 2 CFR 200.318.

### *Confidentiality*

Applicants (and subrecipients and contractors) must have written procedures to ensure that records containing personally-identifying information of any individual or family that applies for and/or receives HOME-ARP assistance will be kept secure and confidential.

### *Tab 6 – Project Team and Organization Capacity*

- Lines 10 – 28. For each member of the project or program team, provide their name, title, organization/company, phone number, and email address.
- Line 30. Select yes or no to indicate whether any applicant, principal, or officers, or any affiliated entities have been involved in any litigation or bankruptcies during the past seven years. If yes, attach a list of such incidences.
- Line 31. Select yes or no to indicate whether any applicant, principal, or officers, or any affiliated entities have any pending litigation. If yes, attach a list of such incidences.
- Line 34. Select yes or no to indicate whether there are any family ties or financial interests between or among two or more entities involved in the project. If yes, attach a description of the identify of interest.

### Tab 7 – Development Funding Sources

Unless otherwise permitted or required by another subsidy source, all loans and other debt must be amortizing, fixed-rate debt that does not exceed the restricted use period. Letters of commitment must be submitted for each funding or financing source.

- Line 12 column C. Enter the amount of HOME-ARP funds requested for project development.
- Lines 13 – 20 column B. Enter the amount of funding firmly committed to the project. Firmly committed means the funding or financing is contingent only upon receipt of HOME-ARP funds and environmental clearance.
- Lines 13 -20 column C. Enter the amount of funding that is tentatively committed to the project. Tentative commitment means the funds may be available to the project or have been applied for and no funding announcement has been received.
- Lines 13-20 column D. Indicate if the firm or tentative funding source is a grant or a loan.
- Lines 13-20 column E. Enter the name or names of the lender(s) or funder(s).

### Tab 8 – Development Budget

Refer to the HOME-ARP underwriting guidelines for additional information regarding minimum and maximum fees and expenses by line item.

- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column B. Enter the total cost for each line item in whole dollars.
- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column C. Enter the total HOME-ARP funding requested.
- Lines 14 – 16, 19 – 21, 24-33, 36 - 46, 49 – 55, 58 – 59, 62 – 65, 68 – 75 column E through J. Enter the name of each funder for the line item. Funders identified in Tab 8 must also be included in Tab 7 – Development Funding Sources.
- Line 20. Note that off-site improvements are not eligible HOME-ARP costs.
- Line 72. Note that a capitalized operating reserve is not an eligible HOME-ARP cost.

### Tab 9 – Project and Program Description

Enter narrative in column B to respond to the prompts in column A. This information includes:

- Project service area.
- Factors and data that contribute to project need.
- Protocols to prevent the spread of illness.
- Estimated number of people that will be served annually and the maximum length of stay.
- Occupant referral / marketing procedures. Note that projects may not take referrals from the coordinated entry system without also providing preferences, priorities and limitations.
- Provision of basic necessities.
- Food and meals.
- Strategies, collaborations or resources to assist with housing persons who exit the project.
- Other unique legal, physical, programmatic or fiscal clarifications.
- A typical experience of a program participant or occupant from entry to exit.
- Proposed staffing levels and coverage hours.

### Tab 10 – Operating Budget

- Lines 11 – 14 column A. Enter the source(s) of annual operating revenue.
- Lines 11 – 14 column C. Enter the amount committed to the project from the operating source.
- Line 19 column C. Enter the amount of annual debt service for the project. All debt must bear a fixed-interest rate and amortization period equal to or shorter than the restricted use period. If there is not debt service enter \$0.
- Line 20 column C. Enter the amount of the annual deferred developer fee payment. The deferred developer fee must be repaid in equal installments during the restricted use period. If there is not deferred developer fee, enter \$0.

- Lines 24 – 27 column B. Describe the basis or assumptions for utility costs. For example, monthly city water/sewer cost estimate x 12. Enter additional utilities in column A on lines 26 – 27, if needed.
- Lines 24 – 27 column C. Enter the estimated annual cost for each line item. If the cost is \$0, enter \$0.
- Lines 30 – 40 column B. Describe the basis or assumptions for project administrative expenses. Do not include the organization’s general administrative costs. For example, landline service cost estimate x 12. Enter additional administrative costs in column A on lines 38 – 40, if needed.
- Lines 44 – 47 column A. Enter the title of positions that will be funded by the project operating revenue. Do not include supportive services staff, unless staff has split responsibilities that include providing one or more supportive services.
- Lines 44 – 47 column B. Describe the basis or assumptions for staffing costs. For example, \$18/hour x 2080 hours plus 30% ERE.
- Lines 44 – 47 column C. Enter the estimated annual cost for each position. If no positions will be funded by the project operating revenue, enter \$0.
- Lines 51 – 60 column B. Describe the basis or assumptions for other program operations at the NCS. For example, weekly laundry service cost x 52 weeks.
- Lines 51 – 60 column C. Enter the estimated annual cost for each line item.
- Lines 64 – 70 column C. Enter the estimated annual cost for each line item. Do not include the cost of major systems replacement or the cost of rehabilitation to make the facility occupancy ready.
- Lines 74 – 77. Enter the estimated annual cost for taxes and insurance for the project. Do not include the cost of employee health insurance, or organization (business and/or professional liability) insurance.
- Line 92. If the project evidences negative net income in any year during the restricted use period, respond to the prompt in column A. The restricted use period for new construction projects is 15 years and for acquisition only or acquisition/rehabilitation projects (including those with a capitalized replacement reserve) is 10 years. If the project will be converted to HOME-ARP rental housing, the minimum restricted use period may be used. The minimum

restricted use period for new construction projects is 10 years, for rehabilitation projects where the cost of rehabilitation is less than or equal to 75% of the total appraised value of the property after rehabilitation is 5 years, and for acquisition-only projects is 3 years.

#### Tab 11 – Supportive Services

Applicants are not required to request HOME-ARP funding for supportive services. If requested, HOME-ARP funding may be requested for McKinney-Vento supportive services for qualifying populations who are homeless, at risk of homelessness, or who are housed and the services will help them to regain housing stability or move into other permanent stable housing. HOME-ARP funding may also be requested for Housing Counseling services to be provided to qualifying populations by HUD-certified Housing Counseling Agencies.

- Line 6. Select yes or no from the dropdown menu to indicate if the application includes a request for supportive services funding. If yes, at least one service must be selected from the supportive services menu in lines 8 through 34.
- Lines 13 – 37 column B. Select from the dropdown menu to indicate if the service will be provided by the applicant, by a 3<sup>rd</sup> party or not provided. Select not provided for all services that will not be provided.
- Lines 13 – 37 column C. Select from the dropdown menu to indicate if the service will be provided on-site (at the rental housing) or off-site.
- Lines 13 – 37 column D. Enter the proposed number of program beneficiaries.
- Lines 13 – 37 column E. Enter the proposed annual direct cost of the service.
- Line 44 column A. Enter the name of the service provider. If the service provider is the applicant, enter the name of the applicant.
- Lines 45 – 47 column A. For the service provider named on line 44, enter the position titles that will provide HOME-ARP supportive services.
- Lines 45 – 47 column B. Enter the hourly rate, including employee-related expenses for the position named in column A. If a position is salaried, the hourly rate including ERE must be calculated based on full-time-equivalent hours.
- Lines 45 – 47 column C. Enter the estimated annual hours the position named in column A will provide HOME-ARP supportive services.

- Lines 45 – 47 column E. Enter the estimated number of years services will be provided. Note that HOME-ARP supportive services will not be funded beyond September 2030.
- Lines 49 – 52, 54 – 57, and 59 – 62. Follow the instructions for lines 44 through 47.
- Line 73. Describe the process for identifying services currently received by program participants and ensuring there is no duplication of benefits.
- Line 75. Describe how the need for services was determined.
- Line 77. Select yes or no from the dropdown menu to indicate whether the service provider has written waiting list procedures that comply with HOME-ARP chronological order requirements.
- Line 79. Select yes or no from the dropdown menu to indicate whether the service provider has due process procedures in place that meet the requirements as specified in the ADOH HOME-ARP Program Summary. Providers may adopt the ADOH HOME-ARP due process procedures.

#### Tab 12 – NPO Operating Cost and Capacity Building Assistance

Only applicants that have a 501c3, 501c4, or Section 905 subsidiary status from the Internal Revenue Service that are also undertaking a HOME-ARP eligible project may apply for operating cost and/or capacity building assistance. Nonprofit organizations are encouraged but not required to request operating cost and/or capacity building assistance in conjunction with a HOME-ARP project.

The ADOH may make multi-year funding awards and will require annual supporting documentation to verify compliance with HOME-ARP requirements.

- Line 5 column B. Enter the date the organization’s fiscal year begins. Awards of HOME-ARP NPO assistance are made based on the organization’s fiscal year budget.
- Lines 12 – 15 column A. Enter the title of the position engaged in general administrative activities.
- Lines 12 – 15 column B. For each position listed in column A enter the amount of general administrative funding budgeted to the position. If the position is partly funded by program or project resources and partly funded by general operating, enter only the amount funded by general operating.

- Lines 12 – 15 column C. For each position listed in column A enter the amount of annual HOME-ARP funds requested for that portion of the position’s cost attributed to general operating.
- Line 16 column B. Enter the organization’s annual budget for general training not attributed to a specific program, project, or funding source.
- Line 16 column C. Enter the amount of annual HOME-ARP funds requested for general training not attributable to a specific program, project, or funding source.
- Line 17 column B. Enter the organization’s annual budget for general travel not attributed to a specific program, project, or funding source.
- Line 17 column C. Enter the amount of annual HOME-ARP funds requested for general travel not attributable to a specific program, project, or funding source.
- Lines 27 – 30 column A. For any general administrative costs not listed on lines 19 through 26, enter a cost line item.
- Lines 18 – 30 column B. For each general administrative cost listed in column A, enter the amount of general administrative funding allocated to the line item. If the line item is partly funded by program or project resources and partly funded by general operating, enter only the amount funded by general operating.
- Lines 18 – 30 column C. Enter the amount of annual HOME-ARP funds requested for each line item.
- Lines 43 – 46 column A. Enter the title of any new positions that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 43 – 46 column B. Enter the annual budget for the position that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 43 – 46 column C. Enter the amount of annual HOME-ARP funds requested for the position that will be hired or reassigned to build organization capacity to develop and/or operate HOME-ARP non-congregate shelter or rental housing.
- Lines 47 – 50 column B. Enter the amount budgeted during the fiscal year for the line item.

- Lines 47 – 50 column C. Enter the amount of HOME-ARP funds requested for the line item during the fiscal year. Equipment purchases and upgrades may be one-time purchases.

If a project location is not identified in Tab 1 – Cover Page, information for at least one potential project site must be included:

- Lines 63 – 64 column B. Enter the project street address, city, state, and zip code. If the project is not yet addressed, provide the parcel number.
- Line 65 column B. Enter the total land area for the potential project site.
- Line 66 column B. Enter the number of buildings located on the site. If the site includes not buildings, enter 0 (zero).
- Line 67 column B. Select yes or no to indicate if any of the buildings on the site are occupied by individuals or businesses.
- Line 68 column B. Select yes or no to indicate if the site is zoned for the intended use.
- Line 69 column B. If the site is not zoned for the intended use, provide a timeline for obtaining a variance or use permit. Projects that require rezoning are not eligible for HOME-ARP funding.

If more than one potential project site has been identified, complete lines 73 through 79 and 83 through 89 for additional project sites.