



The Arizona Department of Housing 2015 Information Bulletin

REGARDING PROGRAMS: Community Development and Revitalization

REGARDING FUNDING SOURCES: Community Development Block Grant (CDBG)

INFORMATION BULLETIN No. 21-15

ISSUED: October 15, 2015

RE: Notice of Funding Availability for CDBG State Special Projects
Competitive Funding

NOTICE OF FUNDING AVAILABILITY (NOFA OR NOTICE)

For FY 2015, the Arizona Department of Housing (ADOH) expects to allocate approximately \$1,306,620 in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2015 SSP funds will be distributed in one competitive funding round and the application submission deadline is Friday, April 15, 2016 at 4 p.m.

The Application Process for the SSP funding allocation is described in the CDBG Application Handbook (REV. July 22, 2015) with any changes or additional requirements outlined in this Notice. The CDBG Application Handbook, CDBG SSP Rating Tool FY2015 and CDBG Application Forms can be obtained from the ADOH website at:

<https://housing.az.gov>.

STATE SPECIAL PROJECTS INFORMATION

Eligible Applicants

Consistent with federal law, eligible applicants for the State CDBG Program are:

- All incorporated cities and towns, except those located in Maricopa and Pima Counties and excluding the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista, Yuma and Tribal lands.
- All of Arizona's counties except Maricopa and Pima Counties.

Eligible Activities

Eligible activity categories are found in the CDBG Application Handbook at Section 6 State Special Projects (SSP). Activities must meet a CDBG National Objective and at least 70% of all funds must benefit persons of low and moderate income. Applicants unsure of an activity's eligibility are encouraged to contact ADOH staff to discuss the project.

Eligible activities should be ready to begin implementation within 30 days of execution of the Funding Agreement, and must anticipate completion within the self-determined and approved contract timeframe, generally not to exceed 24 months.

Threshold Issues and Application Requirements

There are general thresholds that apply to every application and thresholds that are project specific. Applications *must meet both general and project specific thresholds* in order to be eligible for scoring. Any application that does not meet all applicable threshold requirements will not be competitively scored and will be denied for funding.

In addition to the thresholds found at Section 6 “State Special Projects” of the CDBG Application Handbook (REV. July 22, 2015) the following thresholds apply:

- **Project application must be for activities that align with the state’s FY2015-2019 Consolidated Plan (Con Plan) at sections SP-45 and AP-20.** The Con Plan is available for review or download from the publications page of the Department’s website at: <https://housing.az.gov/documents-links/publications>.
- **Slum/Blight and Urgent Needs** activities are capped at a maximum of 30% of the total CDBG allocation per year. Applicants proposing Slum/Blight or Urgent Need projects must notify the Department in advance for approval of the submission of a Slum/Blight or Urgent Need project application. *Slum/Blight projects must address one or more of the conditions indicated in the applicant’s resolution as the reason for designation of the target area as Slum/Blight.*
- **Budget:** Applicant must submit detailed budgets for both administrative and project funding (including any leverage funds), which have been carefully considered to maximize the potential of CDBG funds. Budgets should demonstrate project viability, sufficient funding to complete the entire project and document proposed expenses and schedules. The sources of all leverage funds must be provided.
- **Service Area:** Applicant must provide documentation evidencing a clearly-defined and appropriate Service Area for the project (e.g. project maps, census data, surveys, appropriate/complete application forms etc.). Per application Form 13 Applicant must attach a narrative explanation justifying the geographical outline of the Service Area.

For Public Facilities and Improvements:

- Eligible activities are:
 - Water System Improvements
 - Wastewater System Improvements
 - Road/Street Improvements
 - Flood and Drainage Improvements
 - Other Public or Privately Owned Utilities
- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level.
- Applicant must submit proof of site control.
- Applicant must submit final engineering design drawings, signed and certified.

- Applicant must submit a list of qualified bidders selected for solicitation and statement certifying that the local government will select vendors through a competitive procurement process compliant with CDBG guidelines.
- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) *or* letters from the appropriate bodies stating these permits will likely be approved within 30 days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.
- Applicant must submit evidence of proper zoning for the project type from the appropriate planning and/or zoning dept.
- Applicant must provided *detailed* Cost estimates that have been signed and certified by an Architect, Engineer or Contractor.

For Community/Supportive Housing Facilities:

- Eligible Activities are:
 - ADA/ROB Improvements – as a standalone activity for any community/supportive housing facility (including parks, playgrounds, libraries, youth centers, community centers, etc.)
 - Community Facilities (e.g. Community Center, Sr. Center)
 - Food Banks
 - Physical or Psychological Disabilities Facilities
 - Homeless Facilities
 - Supportive Housing Facilities (DV shelters, halfway houses, housing for disaster victims, hospitals etc.)
- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level.
- Applicant must submit documentation demonstrating that the applicant or subrecipient owns the land in question with no restrictive agreements attached to the land.
- Applicant must provide a list of qualified bidders selected for solicitation and statement certifying that the local government or subrecipient will select vendors thru a competitive procurement process compliant with CDBG guidelines.
- Applicant must provide *detailed* Cost Estimates that have been signed and certified by an Architect, Engineer or Contractor.
- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters from the appropriate bodies stating these permits will likely be approved within 30 days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.

For Housing:

- Eligible activities are:
 - Owner Occupied Housing Rehabilitation
 - Rental Housing Rehabilitation
 - Lead-based Paint Evaluation or Reduction

- Applicant must provide a copy of the wait list in spreadsheet format of *income qualified* homeowners/tenants who have applied to receive assistance, the date of the income qualification (must be 6 months or less for at least the same number of beneficiaries who will be served by the application) and the household demographics including but not limited to: name, address, household size, race, ethnicity, income, %AMI, household type, etc. The wait list must be certified as a true copy of the original and signed by the Grants Coordinator, Rehabilitation Specialist or other appropriate official.
- Applicant must submit an electronic copy of the community's Housing Rehab Guidelines (HRGs) prior to submission of the application. The application must include a copy of the ADOH acknowledgement of receipt of the digital HRG's **AND** a copy of the ADOH document approving the HRGs. HRG's therefore must be reviewed and approved by ADOH well before the submission deadline of an SSP application. HRG's must have incorporated ADOH Weatherization Standards (Issued 10/12/12, REV. 8/22/13) located at: <https://housing.az.gov/documents-links/forms/state-housing-fund>. (See also CDBG Application Handbook Section 11, Housing Rehabilitation Guidelines part B, page 279).
- Applicant must submit evidence that the community's HRGs have been adopted by its governing body via a resolution or meeting minutes.
- If Rental Rehab: applicant must include documented evidence the landlord has site control.
- If Rental Rehab: applicant must submit a copy of the agreement between the landlord and the local government to rent a certain percentage of units to L/M income households.

For Economic Development Assistance:

- Eligible activities are:
 - Direct Assistance to For-profit Businesses
 - Economic Development Services
 - Micro-enterprise Assistance to Businesses
- Applicant must submit a list of qualified business owners to be assisted.
- Applicant must provide letters from the assisted businesses agreeing to create or retain jobs and comply with CDBG requirements for economic development activities.
- Applicant must provide evidence that the activities proposed are financially feasible.
- If infrastructure/construction project: cost estimates have been certified by an Architect, Engineer or Contractor.

For Planning

- Eligible activities are:
 - Engineering Plans
 - Architectural Plans
 - Environmental Review Records (ERR)
- The state is limited by CDBG statute to 20% of its annual allocation for administration and planning activities. Therefore applicants must notify the CDBG program in advance of their intention to apply for funds for a planning grant in writing. The written notification must specify the type of plan to be undertaken and the maximum amount of resources to be requested. ADOH retains the right to declare an application for this activity non-fundable on the basis of the state

limitation. Applicants will be considered for funding for this activity, if the statewide limitation is exceeded, on a first-notified, first-funded basis. Applicants must submit a copy of the written notification letter dated prior to application deadline.

- Applicant must submit a copy of the ADOH approval to apply for a planning grant dated prior to the application due date.
- All Planning must be for projects that will be implemented through the applicant's next Regional Account application. Applicants will be required to submit an original certification letter executed by the Chief Elected Official verifying that the applicant's upcoming regional account application will be for the implementation of the project for which the planning was completed. Public Participation documentation must support that the planning and project have been discussed, open for public comment and selected as the applications to be submitted to ADOH for funding.
- Completed plans or ERR must be for projects that benefit at least 51% low-mod persons.
- For applicants that do not have a contracted engineer, architect or third party consultant to prepare an ERR:
 - Applicant must submit a Draft Request for Qualifications (RFQ) for the procurement of the engineer, architect or third party consultant.
 - Applicant must submit a list of qualified firms to solicit RFQ
- For applicants that already have a contracted engineer, architect or third party consultant to prepare an ERR:
 - Applicant must submit copies of the procurement documentation from selection of the contracted engineer, architect or third party consultant.
 - Applicant must submit a copy of the contract between the applicant and the engineer, architect or third party consultant.
 - Scope of services in the contract must cover the completion of the plan or ERR for which funding is requested.

Please review Part I "Thresholds" of the ADOH CDBG SSP Rating Tool FY2015. The rating tool can be obtained from the ADOH website at: <https://housing.az.gov/documents-links/forms/community-revitalization>

Public Participation

ADOH encourages each community to combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings. *All documented evidence of Public Participation process where the project for this SSP application was selected must be submitted.* Please refer to Section 5 of the CDBG Application Handbook (Rev. July 22, 2015): <https://housing.az.gov/documents-links/handbooks>

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are scored. Applications that are complete and have met all applicable threshold requirements will be competitively scored with the highest scoring applications

receiving awards until available funds are exhausted. Scored applications will be kept on file for one year and the next highest scoring application will be funded only if funding becomes available through recapture or de-obligated CDBG funds sufficient to award the additional project.

The goals of the rating system are as follows:

- Ensure fairness in competition for the grants;
- Increase the objectivity of the reviews; and
- Provide grantees with more information on how to write a competitive application.

The application rating system places additional emphasis on: targeting the most low-moderate income people and communities; determining the need for the activity; past performance of the applicant and/or administrating agency; and cost effectiveness of the project.

The SSP Rating Tool and a Completeness Review Form can be obtained from the ADOH website at: <https://housing.az.gov/documents-links/forms/community-revitalization>

Selection Notification

ADOH anticipates notifying all applicants within 90 days of application deadline as to whether they will be funded. Applicants approved for funding should be prepared to initiate projects within 30 days of notification.

Upon request, both funded and unfunded applicants will have the opportunity to review their application's scoring with ADOH staff in order to increase their competitiveness in subsequent application and funding processes.

Maximum Grant Amount

The maximum grant available including administrative funding under this notice is \$300,000. Funds unexpended at contract termination shall be returned to ADOH.

APPLICATION TIMELINE

The following is a listing of key dates in the application and funding process:

Application Handbook (REV. 7/22/15) release:	August 3, 2015
NOFA release:	October 15, 2015
Application Deadline:	April 15, 2016, 4:00 p.m.

APPLICATION SUBMITTAL

ADOH will accept an application for one project from each community/county eligible to receive funding from the State CDBG Program.

Application submissions must include one (1) original copy only and all back up documentation. The entire application must be two-hole punched at the top and secured by a clasp. DO NOT submit application in a 3 ring binder. Any drawings, maps, plans or supportive documents may be included unbound (if not feasible to bound) but must be legible, designated and labeled.

Applications must be received by ADOH no later than **Friday, April 1, 2016 by 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:

- Fed Ex, UPS, etc. delivery documents; or
- Department staff documentation of receipt.

Applications *may not* be submitted via e-mail or fax. Applications may be delivered or mailed to:

Arizona Department of Housing
Attn: CDBG Application SSP Account
1110 W. Washington, Suite 310
Phoenix, AZ 85007



Arizona
Department
of Housing

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