



Arizona Department *of* Housing

American Rescue Plan – State Fiscal Recovery Fund Notice of Funding Available – Homeless Transitional Bridge Housing

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Introduction

The Arizona Department of Housing (“ADOH” or the “Department”) is pleased to announce a Notice of Funding Availability (“NOFA”) for approximately \$40 million in State Fiscal Recovery Funds from the American Rescue Plan (SFRF-ARP). The funds will be distributed as follows:

- \$40 million for conversion of hotel units into transitional bridge housing for homeless individuals and/or families including acquisition and/or rehabilitation:
 - \$30 million set aside for the rural balance of state applicants outside of Maricopa and Pima Counties and tribal jurisdictions. Eligible applicants must apply through the rural balance of state set aside until funds are exhausted. Please see the Rural Balance of State Set Aside Eligible Applicants section below.
 - \$10 million available statewide, including in areas eligible for the rural balance of state set-aside, Maricopa and Pima counties, and tribal jurisdictions.

The Department will award funds through a Request for Proposal (RFP) application process until all funds are committed. The Department will begin accepting applications for the conversion of hotel units into transitional bridge housing for homeless individuals and/or families effective immediately. Submitted applications must meet the requirements outlined in the Thresholds and Application Requirements section of this NOFA. SFRF-ARP will be awarded as a grant with a 40 year Land Use Restriction Agreement required to maintain long-term affordability.

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

<https://housing.az.gov/documents-links/forms/community-revitalization>.

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

Statewide Eligible Applicants

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

Rural Balance of State Set Aside Eligible Applicants

Under the rural balance of state set-aside, eligible transitional bridge housing activities may be directly undertaken by a unit of local government or through a nonprofit organization. The project must be located outside of Maricopa and Pima counties and tribal jurisdictions.

Eligible Activities

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

- Conversion, including acquisition and/or rehabilitation of hotel units into transitional bridge housing for homeless individuals and/or families:

- Statewide: Up to \$10 million total available funding for statewide eligible RFP applicants. Project administrative expenses, including developer fees, are capped at 10%.
- Rural Balance of State Set Aside: Up to \$30 million total available funding for rural balance of state set aside eligible applicants. Project administrative expenses, including developer fees, are capped at 10%.

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

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

Thresholds and Application Requirements – Conversion including Acquisition and/or Rehabilitation of Hotel Units into Transitional Bridge Housing.

Applications must meet all of the following thresholds:

- Project application is complete. Applicant has fully completed the SFRF-ARP Application form and attached all additional required documentation per the SFRF-ARP Application Checklist. The combined form can be downloaded from the ADOH Website at: <https://housing.az.gov/documents-links/forms/community-revitalization>
- Project application must demonstrate that the SFRF-ARP eligible activity responds to a disproportionate impact caused by the COVID-19 public health emergency. Expenditure category is 3.10 Housing Support: Affordable Housing and will serve homeless individuals and/or families.
- If additional federal funding (non-SFRF-ARP) is required for the development of the Project then the Project must comply with all federal cross-cutting regulations. These include but are not limited to Environmental Review, Procurement, Federal Labor Standards, Uniform Relocation Act, Section 3, etc.
- Must have local government approval, and be properly zoned for the proposed use. Properties requiring variances or use permits are permitted.
- For rural units of local government, the RFP Application complies with the citizen participation requirements as described in the State’s Citizen Participation Plan. The ADOH Citizen Participation Plan 2020-2024 is available on the publications page of the Department’s website at: <https://housing.az.gov/documents-links/publications>
- Applicant has written consent of the tribal jurisdiction: If any activities will take place on or services will be delivered on tribal lands, the applicant must submit a letter documenting the consent of the tribal jurisdiction.

- Applicant must be an active participant in the local Continuum of Care, or agree to participate going forward.
- Applicant must agree to report its services/assistance to homeless populations in the relevant HMIS system.
- Resources necessary to pay for ongoing Operating Expenses for a period of five (5) years after completion of the project must be pre-identified, and the applicant must provide a long-term plan for the continued use of the facility for transitional or permanent affordable housing. A 40 year Land Use Restriction Agreement is required to maintain long-term affordability.
- Applicant agrees to repay or secure repayment if the assistance is determined to be duplicative or does not comply with any applicable federal regulations.
- Activity or project is non-speculative. Applicants must have legally-binding commitments for all funding necessary to complete the proposed activity or project. If SFRF-ARP is not expected to cover all development costs, firm commitments for other required resources must be provided.
- Applicant evidences capacity (with all staff in place) to complete the project in a timely manner.
- All applications for transitional bridge housing shall be subject to underwriting by the Department, and be determined to be financially viable.

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

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

Selection Notification

Awards are made at the sole discretion of the Department.

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

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

Maximum Grant Amount

There is no grant size limit, up to the maximum funding per the distribution categories described in the **Introduction** section of this NOFA.

Application Submittal

Applications must be electronically submitted and received by ADOH through the CDBG and HOME Portal located on the ADOH website at: <https://housing.az.gov/portals/document-upload-portals>. ADOH will begin accepting application submittals effective immediately. Submitted applications must meet the requirements outlined in the Thresholds and Application Requirements section of this NOFA

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

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