



Arizona  
Department  
*of* Housing

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## State Housing Trust Funds

### Notice of Funding Available- Transitional Housing

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Date Issued: December 4, 2023

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**I. Introduction**

The Arizona Department of Housing (“ADOH” or the “Department”) is pleased to announce a Notice of Funding Availability (“NOFA”) for approximately \$25 million in State Housing Trust Funds (SHTF) for the development of transitional housing for individuals and families.

Funding Availability

Fund Type	Total Amount Available
State Housing Trust Funds (New Construction & Acquisition Conversion)	\$ 20,000,000
State Housing Trust Funds (Direct Operating Expenses)	\$ 5,000,000
<b>TOTAL</b>	<b>\$ 25,000,000</b>

The Department will award funds through a Request for Proposal (RFP) application with the intention of awarding funds through one funding round. Proposal submissions are due Thursday, January 4, 2024 at 5 p.m. Submitted applications must meet the eligibility requirements outlined in this NOFA to be considered for an award. SHTF will be awarded as a grant with a twenty (20) year land use restriction agreement (LURA) required to maintain long-term affordability.

**II. Changes to the NOFA**

Modifications to the NOFA. ADOH may modify this NOFA, from time to time, or for any other reasons as determined by ADOH: 1) to reflect any changes, additions, deletions, interpretations or other matters regulatory matters; 2) to respond to changes in the market for Affordable Housing; 3) to insert such provisions clarifying matters or questions arising under this NOFA as are necessary or desirable and that are contrary or are inconsistent with this NOFA; or 4) to cure any ambiguity, supply any omission or correct any defect or inconsistent provision with this NOFA or the laws and regulations governing the funding sources being made available in this NOFA.

NOFA Clarifications. ADOH will periodically post written clarifications to this NOFA on its website. The clarifications elaborate on the meaning of the text within this NOFA and may sometimes add additional guidance on how to interpret this NOFA. NOFA clarifications are to be considered a part of this NOFA. Applicants are responsible for checking the clarifications and submitting an Application that is in conformance with the clarifications. Requests for clarification must be made in writing via email or letter via US Mail and will be responded to in the written clarifications to the NOFA on ADOH’s website. Notice regarding amendments and or modifications will be announced through the Department’s mailing list and posted on the Department’s website. Use the following link to join the Department’s mailing list:

<https://housing.az.gov/about/press-release/mailling-list>

### III. Threshold and Application Requirements

Applications must meet all of the following threshold requirements and application requirements:

- A. Applicant must be able to demonstrate site control through ownership, partnership, purchase contract, or legal right to purchase the site.
- B. Property must be properly zoned for the proposed use. Properties requiring variances or use permits are permitted.
- C. 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.
- D. Applicant must agree to report its services/assistance to homeless populations in the relevant HMIS system. In order to track data and performance, Awardees must utilize the Homeless Management Information System within the jurisdiction where services are provided. Access and licensing information for HMIS can be obtained through the local Continuum of Care, as noted below:
  - 1. Maricopa County: Maricopa Regional Continuum of Care (Maricopa Association of Governments)
  - 2. Pima County: Tucson Pima Coalition to End Homelessness
  - 3. Balance of State: AZ Balance of State Continuum of Care (Arizona Department of Housing)
- E. Proposed project must be non-speculative. If SHTF is not expected to cover all development costs, applicants will have up to six months to secure commitments for all funding required to complete the construction or renovation of the project. If the applicant is unable to secure funding in the allotted time, the Department may withdraw the conditional funding award.
- F. 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 housing. A twenty (20) year land use restriction agreement is required to maintain long-term affordability.
- G. Conditionally awarded applications for transitional housing shall be subject to underwriting by the Department and the project must be deemed financially viable. In addition, the Department will require due diligence documents including but not limited to title reports, Phase 1 environmental reviews, and capital needs assessments.
- H. Applications must be responsive and include the information requested in this NOFA.
- I. Applicant agrees to repay or secure repayment if the assistance is determined to be duplicative.

**J.** Applicant must be able to provide evidence of capacity (with staff in place) to complete the project in a timely manner.

**K.** Conditionally awarded applications for transitional housing shall be subject to underwriting by the Department and the project must be deemed financially viable. In addition the Department will require due diligence documents such as title reports, Phase 1 environmental reviews, capital needs assessments, and financial statements.

If additional federal funding is included in 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.

## **V. Eligible Applicants**

Eligible applicants include units of local government, tribal jurisdictions, non-profit organizations, and for-profit entities.

## **VI. Eligible Activities**

Eligible activities include:

- Construction of new transitional units;
- Acquisition and conversion of existing facilities for transitional housing.

Transitional units (up to twenty-four months stay) must be located in the State of Arizona and provide non-congregate housing for individuals and/or families which, include but are not limited to veterans, domestic violence survivors, individuals with substance abuse disorder, individuals or families experiencing homelessness, youth, etc.

Project administrative expenses, including developer fees, are capped at 10% of the construction budget, and up to 10% of the funding awarded for construction can be used to fund project administrative expenses. Up to 10% of the operating and services funding awarded can be used to fund administrative costs related to operations. Acquisition costs are excluded from the calculation of project administrative expenses and fees.

Eligible activities should begin as soon as possible following the execution of the Funding Agreement. Committed funds must be expended by June 30, 2026

## **VII. Maximum Award**

Applicants may request a maximum of \$5 million dollars for construction or the acquisition and conversion of existing structures for transitional housing.

In addition, applicants may request a maximum of \$1,250,000 to fund direct operations of the transitional units.

**VIII. Outcome and Performance Measures**

Awarded applicants are required to report on the following information quarterly:

- Number of persons housed quarterly
- Average length of time in the program
- Number of exits from the funded program to permanent housing
- Demographics of persons served in program
- Qualitative Narrative Report: a brief description of activities performed, including but not limited to, occurrences that caused variation from schedule, changes to plans, unforeseen circumstances, program progress, successes and/or barrier experienced, etc. Applicants must describe how their program is successfully identifying housing opportunities and transitioning households into stable housing solutions.

**IV. Application Scoring**

ADOH will evaluate all Applications in accordance with this NOFA. ADOH shall deny any Application that fails to meet eligibility requirements regardless of its score. The following outlines the scoring and proposal requirements:

Scoring Criteria

Applicant Experience, Qualifications and Capacity	25
Proposed Project and Program Implementation	30
Program Outcomes and Impact	20
Project Readiness	15
Program Budget	10
Total	100

**IX. Proposal Criteria**

Each proposal **must include** the information requested below. Proposals lacking the information requested below may be deemed nonresponsive. Proposal information should be presented in narrative form and may include tables or graphics to convey pertinent information.

- A. Section 1- Entity Information**
1. Organization name
  2. Organization Type
  3. Unique Entity ID (UEI)

4. Tax Identification Number (TIN)
5. Contact Person
6. Contact Information
7. Amount of funding requested for construction or acquisition and conversion
8. Amount of funding requested for operations

**B. Section 2- Applicant Experience, Qualifications, and Capacity**

1. Describe the experience of the organization's officers, members or staff in developing or operating transitional housing and supportive services. Include the number of years your organization has provided transitional housing and services, as well as, success working with the target population and/or other populations.

**C. Section 3- Proposed Project and Program Implementation**

Please address each of the items listed below.

1. Provide a brief description of the project including: target population, number of units, geographic location and area to be served.
2. For new construction, describe the property to be constructed and any amenities provided. For conversion projects, describe the current condition of the property and the anticipated renovations to convert the property into transitional housing.
3. Describe the activities or services to be delivered and the service methodology to be implemented; include any formal partnerships or collaborations involved in the project including any additional funding, services or resources being provided through collaboration. Explain how your service model will identify housing opportunities and transition clients to stable housing solutions.
4. activities or services to be delivered; is this a new, expansion on continuing program, and the service methodology to be implemented
5. Anticipated construction Start date and Occupancy

**D. Section 4- Program Outcomes and Impact**

Performance Metrics: identify and list specific measures that will be reported to demonstrate the impact of this funding. See Outcome Performance Measures for minimum reporting requirements. In addition, applicants must describe how their program is successfully identifying housing opportunities and transitioning households into stable housing solutions.

**E. Section 5- Project Readiness**

1. Describe the project timeline
2. Describe current zoning and how that impacts the proposed project and any variances, conditional use permits, and any entitlements or additional approvals needed from the local jurisdictions.
3. Describe whether site control has been established for the proposed site or how site control will be established. Site control includes ownership of the property, a purchase contract, or legal right to purchase the site.
4. If the project requires additional funding (more than the SHTF applied requested) for construction on operations, use the table below to outline committed and expected funding. Use one table for construction funding and one table for the five year operation period.

<i>Complete one table for acquisition and construction and one table for operations. List here all sources to be used during the specific activity. Label one table Acquisition and Construction and the other table Operations</i>					
A	B	C	D	E	F
Source	Funds Committed	Tentative	Loan or grant	Date applied	Date of notification
<b>State Housing Funds</b>					
1.	\$	\$			
2.					
3.					
4.					
<b>Total Amount of Financing: (total of columns B and C)</b>	\$				

**F. Section 6- Program Budget**

1. Provide separate budgets for the construction and operations of the proposed project.
  - For acquisition and/or construction: Include as much detail on the acquisition, construction or conversion as possible. Outline the scope of work in a line item budget with costs for each item included. Contractor overhead and profit should be included as a line item.



- For the five-year operating budget: Include additional details such as, staffing/personnel, fringe benefits, administrative costs, facility costs, operational costs, supplies, equipment as separate line items. If requesting multi-year funding please include columns to reflect expenses by year.

### **XIII. Proposal Submittal**

Proposal narratives must be no longer than four (4) pages typed, minimum eleven (11) point font, and margins no less than half (1/2) an inch. A two (2) page Budget Template must be included. Applicants may utilize a header and/or footer to display information listed under entity information above.

Proposals must be submitted via the Arizona Department of Housing State HTF Special Projects <https://housing.az.gov/portals/document-upload-portals> Thursday, January 4, 2024 by 5:00 p.m.

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

Questions regarding this NOFA should be sent to LaQueena Soto, Administrative Services Officer III, at the following email address: [laqueena.soto@azhousing.gov](mailto:laqueena.soto@azhousing.gov).

Question may be submitted until January 1, 2024.

### **XII. Selection Notification**

ADOH anticipates notifying all applicants within twenty (20) days of the proposal deadline as to whether their proposal will be funded. Due to the anticipated demand for funds, proposals may be partially funded rather than funded at the dollar amount requested.

The highest scoring proposals will receive a conditional award. Additional reports and underwriting are required to ensure project feasibility.

### **X. Proposal Process Timeline**

The following is a list of key dates in the proposal process:

NOFA release	December 4, 2023
Q&A Webinar	December 8, 2023, 1:00 p.m.
Proposal Deadline	January 4, 2024, 5:00 p.m.
Anticipated Scoring/Review Panel	January 12, 2024

Anticipated Award Notice

January 19, 2024

**XI. Funding Distribution**

Funds will be disbursed on a reimbursement basis no less than quarterly. Awardee will be expected to provide all supporting documentation of expended funds. Up to 10% of the total award may be utilized for awardee administrative costs and/or indirect expenses.