2022-2023 Weatherization Assistance Program State Plan

and

2022-2023 HUD Annual Action Plan

PUBLIC HEARING

Wednesday April 6, 2022
Review and take comments on Weatherization Assistance Program Annual Plan
  ▶ Presenter: Kathy Blodgett, ADOH Community Development and Revitalization Programs Administrator

Review and take comments on FY2022 Annual Action Plan
  ▶ Presenter: Martina Kuehl, Kuehl Enterprises LLC
Weatherization Assistance Program
Annual State Plan
Weatherization Assistance Program (WAP)

- Increases energy efficiency while ensuring health and safety of household.
WAP Funding Sources in Arizona

- U.S. Department of Energy - $2.1 Million Annual Allocation Estimate (Actual Allocation has yet to be released from DOE) New Grant Agreement year – no carryover from PY21.
  - Includes estimate of $397K for Training & Technical Assistance – split with Sub-grantees
  - Anticipate approximately 148 households assisted.

- U.S. Department of Health and Human Services (LIHEAP) - Estimate $4.28 Million (Actual Allocation has yet to be released from DHHS)
  - Anticipate approximately 250 households assisted.

- Southwest Gas Corporation (SWG) - $427K
  - Anticipate approximately 120 households assisted.
WAP Annual State Plan

- Required by Department of Energy (DOE) for distribution of DOE grant funding only.
  - 4 main sections
    - Budget
    - Annual File – determines Sub-grantee allocation amounts and numbers of households assisted.
    - Master File – determines client eligibility, Program Management, Monitoring and Training and Technical Assistance.
    - Health and Safety Plan

- Annual Plan for LIHEAP is prepared by AzDES
  - In consultation with ADOH
  - Federal funds distributed to AzDES who funds ADOH through an Inter-governmental Agreement

- SWG funding directed by Az Corporation Commission.
  - Allocation has been set at $427,000 for several years
WAP Annual State Plan (DOE)

- Currently 10 Sub-grantee Weatherization Providers awarded by method of distribution that considers service area, populations and poverty statistics.

| Community Action Human Resources Agency (CAHRA) | Northern Arizona Council of Governments (NACOG) |
| Foundation for Senior Living Home Improvement (FSL Tucson) | Phoenix, City of |
| Gila County | Pima County |
| Maricopa County | Southeastern Arizona Community Action Program (SEACAP) |
| Mesa Community Action Network (MesaCAN) | Western Arizona Council of Governments (WACOG) |

- Maximum DOE allowable average investment per unit $8,009

- Priority households are:
  - Elderly (at or above sixty (60) years of age)
  - Persons with disabilities
  - Households with Children at or below the age of 5 years.
WAP Annual State Plan (DOE)

- First (1st) Draft plan written in January 30, 2022 for internal WAP Staff review
- Subsequently distributed draft #2 on February 9, 2022 to WAP Technical Committee and WAP Sub-grantees requesting comments and input.
- Draft #3 was distributed to the WAP Policy Advisory Council on February 17, 2022 requesting comments and input.
- Held Policy Advisory Council Meeting March 4, 2022 to discuss plan and receive any recommendations
- Final Draft for public comment was posted to ADOH website on March 16, 2022.
  - Public Comment will be accepted through April 21, 2022.
- Final WAP Annual State Plan is due to DOE by May 3, 2022.
• Weatherization Assistance Program Annual Plan
FY2022 Annual Action Plan

- Addresses goals and objectives identified in the FY2020-FY2024 Consolidated Plan
- Awaiting FY2022 Allocations (mid-May)
  - Expected funding is based on FY2021
  - Plan will be updated to reflect actual allocations when received
    - Increased allocations = proportionate increase in funding, unless otherwise noted
    - Decreased allocations = proportionate decrease in funding, unless otherwise noted
  - No additional public comment period or hearings
  - Updated plan with actual allocations will be noticed through Information Bulletin and posted to ADOH website
  - HUD will have 45 days to review and approve once submitted
FY2022 Annual Action Plan

- Describes methods of distribution for and establishes annual goals and objectives for HUD Community Planning and Development resources
  - Arizona Department of Housing
    - Community Development Block Grant (CDBG) – FY2021 $9,799,245
    - HOME Investment Partnership Program (HOME) – FY2021 $5,844,026
    - Housing Opportunities for Persons with AIDS (HOPWA) – FY2021 $442,224
    - National Housing Trust Fund (NHTF) – FY2021 $11,477,467
  - Arizona Department of Economic Security
    - Emergency Solutions Grant (ESG) – FY2021 $1,552,059
Leverage Resources

- **Housing**
  - State Housing Trust Fund
  - Section 811 Project Rental Assistance for people with developmental disabilities
  - Low-income Housing Tax Credits - federal and state
  - Arizona Industrial Development Authority HOME PLUS mortgage program
  - Local and Private - financing, equity, local donations, in-kind contributions, etc.

- **Homelessness**
  - Continuum of Care funding
  - Veterans Affairs Supportive Housing vouchers for rent subsidies to Veterans experiencing homelessness.
  - State Housing Trust Fund
  - Arizona Lottery
  - General fund appropriations

- Leverage resources are not included in Annual Action Plan goals and objectives
CDBG Method of Distribution, Funding & Goals

Method of Distribution
- Administration
  - 2% + $100,000/year and 1% for technical assistance
- 10% Colonias Set Aside
  - Competitive applications
    - Every 2 years - combined funding
- Remaining Funds
  - 85% Regional Account
    - Noncompetitive based on regional method of distribution
    - Two applications if one is for a public service or planning
  - 15% State Special Projects
    - Competitive applications
      - Infrastructure & housing
      - $500,000 maximum

Funding and Goals
- Community Facilities & Improvements
  - 69% - $6.7M
    - 20,000 people (non-housing)
    - 30 households (housing)
    - Demolish 1 building
- Public Services
  - 1% - $100,000
    - 1,250 people
- Decent Affordable Housing
  - 26% - $2.5M
    - Rehabilitate 50 owner-occupied units
HOME Method of Distribution and Funding Goals

Method of Distribution
• 10% Administration
• 15% CHDO set-aside
  • Rental Housing Development
• Not less than $2.5M for Owner-occupied Housing Rehabilitation
  • Priority to rural areas
• Remaining funds for Rental Housing Development
  • Acquisition and/or rehabilitation
  • New construction
• Notice of Funds Availability
  • Stand-alone or LIHTC gap financing
  • May be combined with NHTF, State Housing Trust Fund, NSP program income

Funding Goals
• Owner-occupied Housing Rehabilitation
  • 50 units
• Rental Housing
  • Acquisition/Rehabilitation
  • 5 units
  • New Construction
  • 5 units
Method of Distribution

- 10% Administration
- 90% for Rental Housing for extremely low-income households
  - New construction
  - Acquisition and/or rehabilitation

Notice of Funds Availability

- Stand-alone or LIHTC gap financing
- May be combined with HOME, State Housing Trust Fund, NSP program income

Funding Goals

- Rental Housing Construction
  - 15 units
- Rental Housing Acquisition and/or Rehabilitation
  - 5 units
HOPWA Method of Distribution and Funding Goals

Method of Distribution
• 3% ADOH Administration
• Up to 7% Project Sponsor Administration
• Remaining funds for housing and services for people with HIV/AIDS and their families
• Project Sponsors reviewed annually

Funding Goals
• Essential Services and Permanent Housing Placement
  • 50 people
• Homelessness Prevention – Short-term Rent, Mortgage & Utility Assistance
  • 45 households
• Tenant Based Rental Assistance
  • 30 households
ESG Method of Distribution and Funding Goals

Method of Distribution
- 7.5% Administration
- Remaining funds for shelter and services
- Competitive Request for Proposals
  - Combined with other homelessness funding
  - Grantees must participate in a Continuum of Care

Funding Goals
- Street Outreach & Services
  - 200 people
- Rapid Rehousing
  - 100 households
- Homelessness Prevention
  - 100 households
- Shelter Operating
  - 200 people
- Shelter Improvements & Development
  - 5 shelter beds added
FY2022 Annual Action Plan
ADDITIONAL OPPORTUNITIES TO COMMENT

- Accepting written comments through April 30, 2022
  - Submit written comments to:
    - publiccomment@azhousing.gov
Annual Action Plan Contacts

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