2021-2022 Weatherization Assistance Program State Plan

Citizen Participation Plan
2021-2022 Annual Action Plan
FY2020 and FY2021 Recovery Housing Program Plans

PUBLIC HEARING
Wednesday April 14, 2021
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 Citizen Participation Plan, FY2021 Annual Action Plan, and FY2020 and FY2021 Recovery Housing Program Plans

- 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 and est. $1.4 million in carryover
  - Includes $397K for Training & Technical Assistance – split 50/50 with Sub-grantees
  - Anticipate approximately 300 households assisted.

- U.S. Department of Health and Human Services (LIHEAP) - $4.28 Million
  - Anticipate approximately 500 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.

<table>
<thead>
<tr>
<th>Sub-grantee Weatherization Providers</th>
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<tr>
<td>Community Action Human Resources Agency (CAHRA)</td>
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<tr>
<td>Northern Arizona Council of Governments (NACOG)</td>
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<tr>
<td>Foundation for Senior Living Home Improvement (FSL Tucson)</td>
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<tr>
<td>Phoenix, City of</td>
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<td>Gila County</td>
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<td>Pima County</td>
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<td>Maricopa County</td>
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<tr>
<td>Southeastern Arizona Community Action Program (SEACAP)</td>
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<tr>
<td>Mesa Community Action Network (MesaCAN)</td>
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<td>Western Arizona Council of Governments (WACOG)</td>
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</tbody>
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- Maximum DOE allowable average investment per unit $7,776

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

- First (1st) Draft plan written in December 2020
- Subsequently distributed two (2) drafts to WAP Technical Committee, WAP Policy Advisory Committee and WAP Sub-grantees on two (2) different occasions requesting comments and input.
- Held two (2) meetings to discuss plan and receive any recommendations
  - WAP Technical Committee – Training and Technical Assistance planning
  - WAP Policy Advisory Committee – Annual Plan Review and Comment
- Third(3rd) draft was posted to ADOH website for public comment on April 1, 2021.
  - Public Comment accepted April 1, 2021 through April 15, 2021.
- Final WAP Annual State Plan is due to DOE by April 30, 2021.
• Weatherization Assistance Program Annual Plan
Citizen Participation Plan
FY2021 Annual Action Plan
Citizen Participation Plan

- February 2021 revision includes Recovery Housing Program Plan (RHP Plan) and RHP Annual Report
  - RHP Plan
    - Submission date may vary based on appropriation and allocation
    - 15-day public comment period
    - No public hearing required
    - Not part of the Consolidated Plan or Annual Action Plan
      - Joint public comment period and/or public hearing notice may be issued
  - RHP Annual Report
    - Completion date may vary
    - 15-day public comment period
FY2021 Annual Action Plan

- Addresses goals and objectives identified in the FY2020-FY2024 Consolidated 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) – FY2020* $5,070,454
      - FY2021 Estimated $11,400,000
  - 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
  - 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 $3.5M for Owner-occupied Housing Rehabilitation
  • Priority to rural areas
- Remaining funds for Rental Housing Development
  • Acquisition and/or rehabilitation
  • New construction

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

• Notice of Funds Availability
  • Stand-alone or LIHTC gap financing
  • May be combined with NHTF, State Housing Trust Fund, NSP program income
NHTF Method of Distribution and Funding Goals

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
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
COMMENTS OR QUESTIONS

- Citizen Participation Plan
- FY2021 Annual Action Plan
FY2020 and FY2021 Recovery Housing Program Plans
Recovery Housing Program (RHP) Overview

• HUD Pilot Program
  • Authorized under Section 8071 of the SUPPORT for Patients and Communities Act
  • Provide stable, temporary housing (up to 24 months) to low-income people in recovery from a substance use disorder
    • Substance-free (abstinence-focused) living environment affordable to low-income individuals
    • Initially house eight individuals
    • Exit eight individuals to permanent housing annually
  • Arizona will make grants to nonprofit subrecipients for construction, acquisition and/or rehabilitation of facilities or multi-family or single-family residential units
  • Must provide services directly or indirectly
    • No RHP-funded services or administration
    • Encouraged to coordinate with other assistance related to homelessness and employment
    • Suggested services – case management, peer support, clinical addiction services, employment, vocational and educational, living skills, mental health services
    • AHCCCS will assist with coordination of services through health plans for enrolled individuals
Recovery Housing Program (RHP) Overview

- Generally treated as CDBG funds
  - Cross-cutting requirements (environmental review, labor standards, URA, anti-speculation, financial management, etc.) apply
  - 30% expended by June 30, 2022 and 100% expended by September 1, 2025
  - Annual outcome report plus quarterly progress report during development phase
  - Minimum 5-year use period
  - CDBG waivers and alternative requirements
    - State may implement directly through subrecipients
    - No geographic limitations
      - Requires written consent of tribal jurisdiction if on tribal lands
    - AHCCCS enrolled are presumed eligible
    - New construction allowed
RHP Funding and Method of Distribution

- **FFY2020** - $804,000
  - 3% TA - $24,120
  - 5% State Admin - $40,200
  - 92% Projects - $739,680
- **FFY2021** - $820,208
  - 3% TA - $24,606
  - 5% State Admin - $41,010
  - 92% Projects - $754,591
- **Combined FY2020 and FY2021 NOFA** for project funding - $1,494,271
  - Coordinated through AZBOSCOC
  - Issued by mid-August pending HUD Plan approval
  - Initial (180 days) preference to projects outside of Maricopa and Pima counties

RHP Plan details requirements

- Subrecipients
  - Nonprofit organizations
  - Participate or agree to participate with CoC
  - Experience providing services
  - Ability to meet federal cross-cutting requirements

Projects

- 2 HUD Criteria
  - Greatest need – demand and financial assistance
  - Timely

- State Criteria
  - Regulatory thresholds
  - Additional
    - Clear title
    - Environmental review completion or timing
    - Viability
• FY2020 and FY2021 Recovery Housing Program Plan
• Weatherization Assistance Program Annual Plan and FY2020 and FY2021 Recovery Housing Program Plans
  • Accept written comments through April 15, 2021
  • Submit written comments to:
    • publiccomment@azhousing.gov

• FY2021 Annual Action Plan
  • Accept written comments through April 30, 2021
  • Submit written comments to:
    • publiccomment@azhousing.gov
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