

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Arizona 2018-2019 Annual Action Plan (Action Plan) is a document required by the U.S. Department of Housing and Urban Development (HUD) to be submitted by all jurisdictions that directly receive HUD formula funds. The Arizona Department of Housing (ADOH) developed the five year 2015-2019 Consolidated Plan (Consolidated Plan), of which the Annual Action Plan is the annual update. The Consolidated Plan determines priorities, establishes strategic goals, and allocates resources for the HUD funded programs administered by ADOH, namely: the Community Development Block Grant Program (CDBG); the HOME Investment Partnerships Program (HOME); Housing Opportunities for Persons with AIDS Program (HOPWA); and the Emergency Solutions Grant Program (ESG) administered by the Arizona Department of Economic Security (ADES); and the Housing Trust Fund (HTF).

The Annual Action Plan covers the timeframe from July 1, 2018 to June 30, 2019, a one year period.

The primary focus of the HUD programs is on assisting low-income households. Throughout this document, there are several references to various income levels: 1) extremely low-income households are those earning at or below thirty percent (30%) of the area median income; 2) very low-income households are those earning thirty-one percent (31%) to fifty percent (50%) of the area median income; and 3) low-income households are those earning fifty-one percent (51%) to eighty percent (80%) of the area median income.

The objectives of the Consolidated Plan include: 1) Improve the quality of the housing stock; 2) Construction and rehabilitation of rental units; 3) Public Services for LMI; 4) Provide public infrastructure and facilities; 5) Clearance and demolition of substandard units; 6) Housing and supportive services for persons with HIV/AIDS; 7) Rental assistance and supportive services for those who are homeless 8) Further fair housing and address impediments; 9) Improve the economic environment; 10) Assist new homebuyers; 11) Build local capacity; and 12) Housing for persons with special needs.

The Consolidated Plan affirms the three (3) national objectives of Title I of the Housing and Community Development Act of 1974, as amended, including activities which: 1) Primarily benefit low-and-moderate income persons 2) Aid in the prevention of slums and blight; and 3) Alleviate conditions which pose a serious and immediate threat to the health or welfare of a community.

ADOH anticipates receiving the following approximate amounts. Budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts: 1) CDBG: \$ 10,487,774; 2) HOME: \$4,089,574; 3) HOPWA: \$273,229; 4) ESG: \$1,991,483; and 5) HTF: \$3,317,225.

ADOH endorses the objectives of the Housing and Economic Recovery Act of 2008 establishing the Housing Trust Fund to increase and preserve the supply of rental housing for extremely low and very low income families including homeless.

The Consolidated Plan also addresses the needs of persons living with HIV/AIDS and supports the objectives of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) of 2009 which reauthorized the 1987 McKinney-Vento Homeless Assistance Act.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Arizona made progress on its priority needs and objectives. The best indicators of results (i.e. performance measures), are described below.

The amounts actually expended from July 1, 2015 through June 30, 2016 are as follows: CDBG - \$9,468,182.50; HOME - \$5,370,977.66; ESG - \$ 1,450,701; and HOPWA- \$195,687.20. These amounts represent funds actually expended.

Approximately \$5.1 million in federal HOME and CDBG funding was committed to preservation and improvement in the form of owner-occupied housing rehabilitation. Approximately \$4.3 million in CDBG funds was committed to public infrastructure projects, as they are the primary focus of rural counties and communities participating in the State and small cities CDBG program through ADOH. Infrastructure improvements including streets, sidewalks, water, wastewater, curbs, gutters, and drainage improvements were funded addressing the Department's priority to promote sustainable and accessible communities. Additionally, approximately \$1.5 million in CDBG funds was committed to community facilities.

Through public private partnerships primarily through the LIHTC program, ADOH developed 1,778 affordable multi-family rental units, 1,239 of which are new construction and 539 units of which are rehabilitation.

HOPWA monies provided \$236,060 in funds for tenant-based rental assistance, leasing assistance, and supportive services for two (2) different agencies in three (3) contracts. ADOH contracted with three (3)

organizations to administer the HOPWA programs which serve five (5) of the thirteen (13) non-entitlement counties.

McKinney-Vento monies provided \$ 4,853,598 to 798 households through thirty (30) contracts. Most of this money went for rental assistance while less than ten percent (10%) was directed toward supportive services. Five percent (5%) of the budget is for the Homeless Management Information System and \$22,000 is specifically for planning.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

ADOH held two public hearings at different stages of the Action planning process (August 2016 and April 2017). The public hearings addressed community development and housing needs, development and proposed activities and a review of program performance. ADOH encouraged citizen participation throughout the development of the Action Plan by consulting stakeholders, local and regional governments, holding public meetings and encouraging public comment during the public review period. The following two (2) public meetings were held: 1) Tucson, Arizona: August 24, 2016 at 4:00 p.m., Marriott Starr Pass Resort; 2) Phoenix, Arizona, April 4, 2017 at 1:00 p.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250. Newspaper advertisements, email bulletins and website information were published at least fifteen (15) days prior to the meetings held to receive public input. The draft Action Plan was made available to the public for a thirty (30) day comment period beginning March 20, 2017 and ending April 20, 2017. Among those receiving email notifications were governments, Continuums of Care, businesses, developers, institutions, non-profit organizations and all agencies serving low income, special needs (including persons with disabilities) and minority residents.

In response to a second allocation of ESG funds made to Arizona, ADOH held an additional public hearing at 1:00 p.m. August 2, 2017 at the Arizona Department of Housing, 1110 West Washington Street, Suite 250, Phoenix, Arizona 85007. A revised draft of the 2017-2018 Annual Action Plan was posted June 25, 2017 on the ADOH website for a 14 day comment period. Written comments were accepted through August 9, 2017 at 4:00p.m. No written comments were received. The minutes of the meeting are attached to the Action Plan. HUD announced its 2017-2018 formula program allocations for 2017-2018 on June 15, 2017. At that time ESG funds for Arizona were \$1,721,157. ESG funds were subsequently been increased for Arizona by \$270,326 for a total of \$1,991,483.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Comments centered on questions about average investments for the Weatherization Fund and how State Housing Trust Fund could be accessed.

6. Summary of comments or views not accepted and the reasons for not accepting them

7. Summary

Two public meeting were held with a total of 59 persons in attendance.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	ARIZONA	
CDBG Administrator	ARIZONA	Kathy Blodgett, CD&R Programs Administrator
HOPWA Administrator	ARIZONA	Karia Basta, Special Needs Administrator
HOME Administrator	ARIZONA	Andrew Rael, Assistant Deputy Director of Programs
ESG Administrator	ARIZONA	Alfred Edwards, Arizona Dept of Economic Security

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

ADOH is involved on a continual basis in numerous planning efforts with other State agencies and departments; local, regional, and county governments; housing and social service providers; businesses; and citizens. The planning bodies responsible for these efforts often consist of members that are recipients of ADOH funding or share in some respect ADOH's mission to address housing and community development needs for low-income and special needs populations throughout the state. ADOH consulted with these planning bodies regarding the use of all funding sources.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Phoenix and Tucson are two of the cities in a key federal strategy known as the 25 Cities Effort through which communities are receiving technical assistance and are mobilizing local planning efforts and partnerships to create systems for aligning housing and services interventions through coordinated systems to end homelessness. This Effort is to assist these major metropolitan areas in accelerating and aligning their existing efforts toward the creation of coordinated assessment and entry systems, laying the foundation for ending all homelessness, including homelessness among Veterans. Phoenix and Tucson are accelerating the number of permanent housing placements for Veterans experiencing homelessness and individuals experiencing chronic homelessness.

MOVE FROM THE CURRENT SYSTEM OF HOMELESS MANAGEMENT TO A HOMELESS PREVENTION SYSTEM: 1) Expand Centralized Intake system to become Housing Options Centers with access to all forms of affordable housing, rental assistance and emergency housing solutions; 2) Implement a Statewide re-entry process for jail and prison inmate release to prevent release to homelessness; and 3) Expand the number of individuals trained in SOAR (SSI/SSDI Outreach, Access and Recovery) in order to obtain benefits for eligible individuals in a decreased amount of time.

END CHRONIC HOMELESSNESS: 1) Move 300 chronically homeless individuals or families into permanent housing each year for the next five (5) years; 2) adopt and implement statewide use of a common assessment tool to prioritize housing placement based on vulnerability; 3) support, monitor, and assess all pilots for centralized intake to prioritize chronically homeless individuals for placement and to evaluate outcomes; and 4) develop a statewide shared database of permanent supportive housing, affordable housing and tax credit supported housing options.

END VETERAN HOMELESSNESS: 1) Insure all mainstream and community resources identify veteran status and connect veterans to additional veteran resources; and 2) target and prioritize use of Housing and Urban Development (HUD) VASH housing vouchers towards chronically homeless veterans.

CONTINUE WORK TO PREVENT AND END HOMELESSNESS FOR FAMILIES, YOUTH, AND CHILDREN BY 2021: 1) Develop common reporting standards for family units versus beds to determine housing needs; 2) adopt common definition of homeless youth; and 3) add 300 units of permanent supportive housing to the housing system each year for the next ten (10) years.

DEVELOP MEASUREMENT STANDARDS, DATA COLLECTION, AND ACCURATE REPORTING SYSTEMS: 1) Organize a comprehensive statewide street and shelter survey to establish baseline data for future comparisons and research; 2) establish common definitions, methodology, measurement tools, and reporting standards to be compiled into standardized reports by the three (3) Continua of Care; and 3) analyze the Annual Housing Assessment Reports(AHAR) and the HUD System Performance Measure reports to determine if the system changes are resulting in increased households becoming housed and stabilized in their housing.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Arizona Coalition to End Homelessness
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Other government - State Other government - County Other government - Local Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy HOPWA Strategy Market Analysis

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>ADOH and ADES are members of AZCEH and are sponsors of the AZCEH annual Statewide conference. Additionally ADES and the ADOH Special Needs Program Administrator participate on committees within AZCEH that coordinate and plan the conference. Coordination with AZCEH provides access to all major non-profits, service providers, developers and agencies in Arizona who are working to end homelessness and provide services to persons experiencing homelessness. ADOH and DES membership in ACEH continues to provide education, development of the Statewide Homeless Strategy and identification of the housing and services needs for populations experiencing homelessness in particular veterans, persons with disabilities, victims of domestic violence and unaccompanied youth.</p>
2	<p>Agency/Group/Organization</p>	<p>Arizona Housing Alliance</p>

Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Employment Service-Fair Housing Services - Victims Other government - State Other government - County Other government - Local Regional organization Business Leaders Business and Civic Leaders
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Arizona Housing Alliance (AHA) is an organization formed to support housing initiatives and programs in the State of Arizona. The Alliance is made up of 151 member entities that consist of Developers; non-Profits; Real Estate Professionals; Property Management Companies; Financial Institutions; Service Providers for persons experiencing homelessness or persons with disabilities; foreclosure and homebuyer counseling agencies; City, Town, and County Governments; Regional Councils of Government; and private citizens who are involved with or interested in furthering efforts to solve housing issues for low to moderate income persons and vulnerable populations such as persons experiencing homelessness, veterans or persons with disabilities. Examples of member agencies include A New Leaf, Arizona Coalition to End Homelessness, Bank of America, Merrill Lynch, Bethel Development, Chicanos Por La Causa, City of Casa Grande, Dohrmann Architects, Foundation for Senior Living, Habitat for Humanity, Housing Authority of Maricopa County, Housing Solutions of Northern Arizona, Native American Connections, etc. ADOH has consulted frequently with AHA especially regarding multi-family housing. AHA has attended consolidated plan and annual action plan hearings as well as the annual ADOH Housing Forum. Consultation with AHA gives ADOH access to a wide cross-section of housing practitioners who help to define the most pressing housing and service needs within Arizona.</p>
3	<p>Agency/Group/Organization</p>	<p>NORTHERN ARIZONA COUNCIL OF GOVERNMENT</p>

Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Service-Fair Housing Other government - County Other government - Local Regional organization
What section of the Plan was addressed by Consultation?	Housing Need Assessment
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Northern Arizona Council of Governments (NACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Apache, Coconino, Navajo and Yavapai counties as well as the communities within those counties. NACOG is frequently the project administrator for those counties and communities. NACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. NACOG is also the responsible agency for the Head Start and Area Agency on Aging programs in northern Arizona. Their input into housing needs assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.

4	Agency/Group/Organization	Central Arizona Association of Governments
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Education Service-Fair Housing Other government - County Other government - Local Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Central Arizona Council of Governments (CAG) is a partner with ADOH on the delivery of Community Development Block Grant funds in Gila and Pinal counties as well as the communities within those counties. CAG is frequently the project administrator for those counties and communities. CAG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. CAG is also the responsible agency of the region for Workforce Investment Act, Transportation Planning, GIS data and mapping and is a Federal Economic Development District. Their input into housing need assessment and community development needs is critical to the development of the consolidated plan and annual action plan.

5	Agency/Group/Organization	WESTERN ARIZONA COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-homeless Other government - County Other government - Local Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Western Arizona Council of Governments (WACOG) is a partner with ADOH on the delivery of Community Development Block Grant funds in LaPaz, Mohave and Yuma counties as well as the communities within those counties. WACOG coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. WACOG is the responsible agency for the Head Start and Area Agency on Aging programs in western Arizona as well as the agency responsible in the region for social services block grant funds. WACOG also provides Housing Counseling services and is a member of the Regional Council on Aging. Their input into housing need assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.

6	Agency/Group/Organization	SouthEastern Arizona Governments Organization (SEAGO)
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Other government - County Other government - Local Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	South Eastern Arizona Governments Organization (SEAGO) is a partner with ADOH on the delivery of Community Development Block Grant funds in Cochise, Graham, Greenlee and Santa Cruz counties as well as the communities within those counties. SEAGO is frequently the project administrator for those counties and communities. SEAGO coordinates with ADOH on the method of distribution for the CDBG funds allocated to the region on an annual basis. SEAGO is also the responsible agency for the Area Agency on Aging and Social Services Block Grant programs in southeastern Arizona. SEAGO is also a member of the Transportation Advisory Committee for the region and is a Federal Economic Development District. Their input into housing need assessment, and housing and community development needs is critical to the development of the consolidated plan and annual action plan.

7	Agency/Group/Organization	Arizona Home Foreclosure Prevention Funding Corporation (AHPFC)
	Agency/Group/Organization Type	Housing Services-Persons with HIV/AIDS Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Arizona Home Foreclosure Prevention Funding Corporation (AHPFC) offers assistance to homeowners facing foreclosure in Arizona's Hardest Hit Markets. AHPFC provides assistance in the form of Mortgage Modification, Principal Forbearance, Mortgage Payment Relief and Second Lien Elimination. AHPFC makes constant programmatic adjustments in order to remain relevant to current market conditions and the mitigation needs of those homeowners facing foreclosure. AHPFC input into the consolidated planning process provides key information and data on current housing market conditions.
8	Agency/Group/Organization	Arizona Department of Economic Security
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-homeless Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Arizona Department of Economic Security (ADES) is the State agency responsible for administering federal Emergency Solutions Grant funding. Data collected from ADES includes critical information on the number of persons in Arizona receiving emergency homeless services to prevent homelessness or to rapidly re-house individuals and families experiencing homelessness. ADOH consults with ADES on the ESG program several times annually to prepare either for the annual Action Plan or the CAPER.
9	Agency/Group/Organization	ARIZONA DEPT OF HOUSING /ARIZONA HOUSING FINANCE AUTHORITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Arizona Finance Authority (AzFA) is the mortgage bond authority for the thirteen (13)rural counties of the State. ADOH consults with the AzFA continuously throughout the year through data sharing to understand the homebuyer market and needs in the rural parts of our State.

10	Agency/Group/Organization	Balance of State Continuum of Care (BosCoC)
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy HOPWA Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	ADOH serves as the Collaborative Applicant and Homeless Management Information System (HMIS) lead agency for the Continuum of Care for the thirteen (13) non-metro counties in the State. A Continuum of Care is a community planning process to organize and deliver housing and services to meet the specific needs of people experiencing homelessness as they move to stable housing and maximum self-sufficiency. This process brings together local governments, community businesses, faith-based organizations, non-profits, current and/or formerly homeless persons to develop local solutions to end homelessness.
11	Agency/Group/Organization	Arizona Division of Behavioral Health Services (AzDBHS)
	Agency/Group/Organization Type	Housing Services-homeless Services-Health Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Arizona Division of Behavioral Health Services (AzDBHS) is the ADOSH connection to behavioral health service providers who become part of the BOSCO. Consultation provides critical information on the housing and service needs of behavioral health clients who are either non-homeless or experiencing homelessness.

12	Agency/Group/Organization	MARICOPA COUNTY
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	ADOH partners with Maricopa County to fund the development or rehabilitation of multifamily affordable housing through the Low Income Housing Tax Credit and HOME programs. DES ESG funds are used within the county to support Emergency Shelter, Rapid Re-housing, Outreach and HMIS. Finally, ADOH is the entity that provides Maricopa County with the Certification of Consistency with the Consolidated Plan.

13	Agency/Group/Organization	Pima County Community Development & Neighborhood Conservation Department
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	ADOH partners with Pima County to fund the development or rehabilitation of multi-family affordable housing through the Low Income Housing Tax Credit and HOME programs. DES ESG funds are used within the county to support Emergency Shelter, Rapid Re-housing and Outreach. Finally, ADOH is the entity that provides Pima County with the Certification of Consistency with the Consolidated Plan.

Identify any Agency Types not consulted and provide rationale for not consulting

ADOH, through consultation with the Arizona Housing Alliance, Arizona Coalition to End Homelessness, rural Councils of Government, Arizona Division of Behavioral Health Services, Arizona Housing Finance Authority, Arizona Home Foreclosure Prevention Funding Corporation, Balance

of State Continuum of Care, Maricopa County, Pima County and the Arizona Department of Economic Security is confident that all agency types have been given the opportunity to assist with determination of needs for the State.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		

Table 3 – Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

2. Summary citizen participation process and efforts made to broaden citizen participation in Colonias

Arizona has sixty-three (63) designated Colonias existing in the southern counties of Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma as well as on the Cocopah, and Tohono O’odham Indian Reservations. The State, in consultation with the University of Arizona Drachman Institute, developed a Colonia housing assessment guide and water/sewer/housing assessment questionnaire that is completed by Colonias communities and used to determine the eligibility and needs of the Colonias. Most of the State CDBG eligible Colonias communities partner with their corresponding city, town or county governments to apply for funding through the State set aside program. Additionally, the State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. Finally, the State is a participating member of the Rural Water Infrastructure Committee (RWIC) where other state agencies, non-profit and for profit entities come together to discuss current water and waste water projects or technical assistance needs for rural communities including Colonias. The State sets aside ten percent (10%) of its CDBG funds annually for infrastructure and housing activities within Colonias and holds a competitive application round bi-annually to facilitate the ability to award funding in an amount sufficient for the colonias to address their water, sewer or housing need in its entirety.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Meeting was held in Tucson, Arizona: August 24, 2016 at 4:00 p.m., Marriott Starr Pass Resort. There were 20 in attendance representing local government, private business, the development community and non-profits.	Comments received were generally in favor of continuing HOME funding for Housing Rehabilitation and Rental Development.	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Meeting was held in Phoenix, Arizona, April 4, 2017 at 1:00 p.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250. There were 13 in attendance representing local government, private business, the development community and non-profits.</p>	<p>Questions were received regarding the per unit funding levels for the WAP program. Other questions centered around the State Housing Trust Fund and what is was being used for.</p>		

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Meeting was held in Phoenix, Arizona, August 2, 2017 at 1:00 p.m., Arizona Department of Housing, 1110 West Washington Street, Suite 250. There were 5 in attendance representing the Arizona Department of Housing and the Arizona Department of Economic Security.</p>	<p>No comments were received.</p>		

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	10,487,774	0	0	10,487,774	20,975,548	State of Arizona CDBG State and Small Cities Program

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG Colonias Set-aside	public - federal	Admin and Planning Homeowner rehab Multifamily rental rehab Public Improvements	0	0	0	0	0	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	4,089,574	0	0	4,089,574	8,524,258	State of Arizona HOME

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	273,229	0	0	273,229	719,358	State of Arizona HOPWA

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	1,991,483	0	0	1,991,483	5,057,172	State of Arizona ESG

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Admin and Planning Multifamily rental new construction Multifamily rental rehab Permanent housing placement	3,317,255	0	0	3,317,255	3,317,255	ADOH will distribute HTF throughout Arizona on a competitive basis in accordance with Housing Trust Fund Interim Rule (24 CFR Parts 91 & 93) and the following Allocations Plan. Eligible Activities for HTF are the production, preservation and rehabilitation of affordable rental housing developments in which all or a portion of the rental units are set-aside as Permanent Supportive Housing for individuals and families who are chronically homeless with extremely low income(30% of the HUD Area Median Income).
Other	public - federal	Acquisition Homebuyer assistance Multifamily rental new construction Multifamily rental rehab	2,671,050	0	0	2,671,050	900,000	ADOH will distribute NSP Program Income throughout Arizona on a competitive basis in accordance with the Unified NSP1 and NSP2 Notice - October 19, 2010.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The NSP 1 Program Income leverages mortgage financing as well as construction financing, local government contributions and private equity. The LIHTC/HOME Program leverages construction financing, local government contributions, Federal Home Loan Bank-AHP and private equity. The CDBG program leverages local government contributions. Arizona Housing Trust Fund will provide the twenty-five percent (25%) HOME match requirement and the administrative funds for ADOH's Continuum of Care funds. HTF will leverage private financing and other soft financing.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The State has no land holdings that will be used to address the needs in this plan.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve quality of housing stock	2015	2019	Affordable Housing Public Housing	State of Arizona	Accessibility for Disabled Persons Owner Occupied Housing Rehabilitation Rental Housing Development and Rehabilitation	CDBG: \$2,900,000 HOME: \$2,000,000 CDBG Colonias Set-aside: \$146,000	Rental units rehabilitated: 6 Household Housing Unit Homeowner Housing Rehabilitated: 118 Household Housing Unit
2	Construction and Rehabilitation of Rental Units	2015	2019	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	State of Arizona	Rental Housing Development and Rehabilitation	HOME: \$2,000,000 HTF: \$3,000,000 NSP 1 Program Income: \$1,000,000	Rental units constructed: 220 Household Housing Unit Rental units rehabilitated: 22 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Clearance and Demolition of Substandard Units	2015	2019	Affordable Housing Non-Housing Community Development	State of Arizona	Owner Occupied Housing Rehabilitation Rental Housing Development and Rehabilitation	CDBG: \$198,000	Buildings Demolished: 2 Buildings Housing Code Enforcement/Foreclosed Property Care: 2 Household Housing Unit
4	Public Services for LMI	2015	2019	Non-Housing Community Development	State of Arizona	Public Services	CDBG: \$312,000	Public service activities other than Low/Moderate Income Housing Benefit: 4800 Persons Assisted
5	Provide Public Infrastructure and Facilities	2015	2019	Non-Housing Community Development	State of Arizona	Public Facilities and Improvements	CDBG: \$4,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 18000 Persons Assisted
6	Housing and Services for Persons with HIV/AIDS	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Arizona	Public Services Rental Housing Development and Rehabilitation	HOPWA: \$236,060	Public service activities for Low/Moderate Income Housing Benefit: 10 Households Assisted HIV/AIDS Housing Operations: 10 Household Housing Unit
7	Rental Assistance and Services for the Homeless	2015	2019	Homeless	State of Arizona	Emergency Services Rental Assistance Rental Housing Development and Rehabilitation	ESG: \$1,545,994	Public service activities for Low/Moderate Income Housing Benefit: 200 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Further Fair Housing and Address Impediments	2015	2019	Affordable Housing	State of Arizona	Further Fair Housing Rental Housing Development and Rehabilitation	CDBG: \$123,000	Other: 200 Other
9	Improve the Economic Environment	2015	2019	Non-Housing Community Development	State of Arizona	Economic Development and Section 108 Public Facilities and Improvements	CDBG: \$50,000	Facade treatment/business building rehabilitation: 2 Business Jobs created/retained: 20 Jobs Businesses assisted: 2 Businesses Assisted
10	Assist New Homebuyers	2015	2019	Affordable Housing	State of Arizona	Homebuyer Assistance		Direct Financial Assistance to Homebuyers: 750 Households Assisted
11	Building Local Capacity	2015	2019	Non-Housing Community Development	State of Arizona	Accessibility for Disabled Persons Emergency Services Rental Housing Development and Rehabilitation	CDBG: \$1,000,000 HOPWA: \$100,000 HOME: \$1,000,000 ESG: \$7,000,000	Public service activities for Low/Moderate Income Housing Benefit: 50 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homelessness Prevention: 50 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Housing for persons with special needs	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs	State of Arizona	Accessibility for Disabled Persons Emergency Services Rental Housing Development and Rehabilitation	CDBG: \$1,000,000 HOPWA: \$100,000 HOME: \$1,000,000 ESG: \$700,000	Public service activities for Low/Moderate Income Housing Benefit: 50 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homelessness Prevention: 50 Persons Assisted
13	Provide ADA improvements for housing	2015	2019	Affordable Housing Non-Housing Community Development	State of Arizona	Accessibility for Disabled Persons Owner Occupied Housing Rehabilitation Public Facilities and Improvements Rental Housing Development and Rehabilitation	CDBG: \$100,000 HOME: \$250,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted Rental units rehabilitated: 10 Household Housing Unit Homeowner Housing Rehabilitated: 10 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Improve quality of housing stock
	Goal Description	The poor quality of the housing stock is generally identified as one of Arizona's largest housing problems. By improving the quality of the housing stock through rehabilitation of existing single family and multi-family units, the community sustains its affordable housing stock while allowing the current residents to be able to afford their homes.
2	Goal Name	Construction and Rehabilitation of Rental Units
	Goal Description	This goal will aid individuals and families with finding affordable housing through the construction and rehabilitation of affordable rental units. HOME and HTF funding will be used for this purpose.
3	Goal Name	Clearance and Demolition of Substandard Units
	Goal Description	Provide the necessary assistance for local governments to clear and demolish substandard buildings alleviating hazards to the health and safety of its residents.
4	Goal Name	Public Services for LMI
	Goal Description	This goal is to assist individuals and families in obtaining the necessary public services to improve their quality of life.
5	Goal Name	Provide Public Infrastructure and Facilities
	Goal Description	Assist local governments with providing and upgrading public facilities including community buildings, parks, water and drainage infrastructure, streets, sidewalks, lighting, water treatment facilities and energy infrastructure.
6	Goal Name	Housing and Services for Persons with HIV/AIDS
	Goal Description	Provide the necessary rental assistance and services for persons suffering with HIV/AIDS.
7	Goal Name	Rental Assistance and Services for the Homeless
	Goal Description	Through coordination with the Continua of Care, ADOH will address the housing needs of the homeless persons and provide the necessary supportive services to help them attain stability.

8	Goal Name	Further Fair Housing and Address Impediments
	Goal Description	This goal encourages subrecipients to further fair housing in their communities and address the impediments that may be hindering housing choice for the protected classes.
9	Goal Name	Improve the Economic Environment
	Goal Description	Develop economic opportunities to improve the economic environment for the State of Arizona especially the rural areas.
10	Goal Name	Assist New Homebuyers
	Goal Description	Assist families and individuals with the financial and educational resources to become homebuyers through homebuyer counselling classes, low interest mortgage bond financing and down payment assistance provided by the Arizona Housing Finance Authority (AzHFA).
11	Goal Name	Building Local Capacity
	Goal Description	Build the capacity of local governments and non-profit organizations giving them the ability to implement projects and programs that benefit the low income populations.

12	Goal Name	Housing for persons with special needs
	Goal Description	<p>Increase the number of housing units that accommodate the following populations: homeless individuals and families, elderly (62 and over), persons with sensory or physical disabilities, persons with developmental disabilities, veterans, victims of violence, persons recovering from substance abuse and seriously mentally ill.</p> <p>Arizona received an additional ESG allocation of \$270,326 bringing Arizona's allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts.</p>
13	Goal Name	Provide ADA improvements for housing
	Goal Description	Provide ADA improvements for housing and public facilities to ensure accessibility to persons with physical and sensory impairments.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The State determines allocation priorities through analysis of need, demand, historical funding data and through consultation with public and private partners, units of local government, service providers, for profit and non-profit entities. Funding allocation priorities are shown in the table below.

Funding Allocation Priorities

	Improve quality of housing stock (%)	Construction and Rehabilitation of Rental Units (%)	Clearance and Demolition of Substandard Units (%)	Public Services for LMI (%)	Provide Public Infrastructure and Facilities (%)	Housing and Services for Persons with HIV/AIDS (%)	Rental Assistance and Services for the Homeless (%)	Further Fair Housing and Address Impediments (%)	Improve the Economic Environment (%)	Assist New Homebuyers (%)	Building Local Capacity (%)	Housing for persons with special needs (%)
CDBG	21	1	2	3	54	0	0	1	1	0	1	
CDBG Colonias Set-aside	7	0	0	0	93	0	0	0	0	0	0	
HOME	45	55	0	0	0	0	0	0	0	0	0	
HOPWA	0	0	0	0	0	100	0	0	0	0	0	
ESG	0	0	0	0	0	0	55	0	0	0	0	4
Other HTF	0	100	0	0	0	0	0	0	0	0	0	
Other NSP 1 Program Income	0	100	0	0	0	0	0	0	0	0	0	

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The State determines allocation priorities through analysis of historical project funding data; Consolidated Annual Performance Evaluation Reports (CAPER); public meetings held and public comment received during the development of this plan.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

The method of distribution for the State takes into consideration the number of rurally located communities as well as the metropolitan areas which have the highest density populations. To reach all of these areas the State awards funds to sub-recipients who administer the projects and programs. The method of distribution for each funding source, as well as the award selection process is described below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Arizona Department of Housing
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Funding Sources:	
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Describe the state program addressed by the Method of Distribution.	This section left blank, IDIS will not allow it to be deleted. See funding sources below.
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
<p>Describe how resources will be allocated among funding categories.</p>	

	Describe threshold factors and grant size limits.	
	What are the outcome measures expected as a result of the method of distribution?	
2	State Program Name:	CDBG
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>CDBG Eligible activities are found in 24 CFR Part 570.482, as amended and typically involve construction and rehabilitation of public facilities (parks, streets, water, sewer, community facilities) as well as public services like job training. ADOH plans to utilize no less than seventy percent (70%) of the CDBG funds for activities that directly benefit persons of low- and moderate-income and no more than thirty percent (30%) toward addressing community blight or other urgent need activities. Those activities listed in SP-25 of this document that have received a priority ranking of high are eligible for funding under this Action Plan.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicants must propose projects that are financially viable, necessary and feasible, ready to start, conform to compliance standards, meet a national objective and result in benefit. Projects must adhere to contracted timeliness parameters for both progress and expenditures. Projects must comply with the priorities communicated through this Annual Action Plan. Benefit to low-income persons, preventing or eliminating slum or blight or meeting other urgent community needs must be measurable by the end of the approved contract timeframe.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>All application materials are available from the ADOH website. Additionally, the following handbooks are available: CDBG Application Handbook; CDBG Administration Handbook; Environmental Review Handbook and CDBG Procurement Handbook.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to this program.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to this program.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State expects to retain one percent (1%) set aside for technical assistance and two percent (2%) plus \$100,000 for State administration. ADOH will provide the two percent (2%) required match in non-federal matching funds. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in areas designated as Colonias. Eighty-five percent (85%) of the remaining amount of CDBG funds after allocations to administration, technical assistance and the Colonia set aside will be distributed into the Regional Account (RA). The RA is divided into four (4) sub-accounts, one (1) for each of the non-metropolitan Council of Governments (COG) areas. To determine the amount of CDBG funding allocated to each COG's sub account, the State uses a formula based on population and persons in poverty. Regional Account allocations for 2016 are as follows: CAG \$2,225,785.81; NACOG \$1,987,773.75; SEAGO \$1,118,186.31; and WACOG \$2,338,963. Each COG region must adopt a Method of Distribution (MOD) and submit it to ADOH for approval. The MOD contains a multi-year schedule indicating how CDBG allocations are to be distributed such that all eligible communities within each respective COG region will receive funding. This will allow each community to plan its CDBG projects in advance.</p> <p>After the MOD is determined, local governments must complete applications for funding and route them through the COG to ADOH. The COG reviews each application for completeness, priority project selection and assists the applicant with rectifying any application deficiencies. The COGs have no discretion to approve or reject applications and must forward all applications to the State. Only those communities and counties identified as eligible to receive funding in the current year MOD may submit an application.</p> <p>All applications for the Regional Account are due to ADOH by 4:00 P.M. on the following dates: NACOG, WACOG - July 1 annually; SEAGO - August 1 annually; and CAG - September 1 annually.</p> <p>Fifteen percent (15%) of the remaining amount of CDBG funds, after allocations to administration, technical assistance and the Colonia Set Aside will be distributed into the competitive State Special Projects Account (SSP). All communities eligible to receive funding from the State CDBG program are eligible to apply for SSP funding. Eligible categories are as follows: 1) Public facilities and improvements; 2) Community/supportive housing facilities; 3) Housing; 4) Economic development and 5) Neighborhood revitalization and redevelopment. Applications submitted</p>
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		<p>must propose all activities pursuant to 24 CFR 570 that are ready to begin implementation immediately with environmental review requirements completed, Release of Funds issued, land control secured, planning, design and permitting complete and all other related upfront issues resolved. A NOFA will be released and will include the application form and applicable deadlines. Additionally the NOFA will indicate any variances in project eligibility, documentation requirements, etc. Projects will be selected for SSP funding through a competitive process in which applications are scored by a rating and ranking system that includes project priority, project need, percentage of low/mod income persons served, project readiness, leveraged funds and organizational capacity. Projects must receive a minimum score of seventy (70) points to be eligible for an award. The highest scoring applications that have also achieved the minimum score of seventy (70) points will be awarded until SSP funding is exhausted.</p>
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<p>Describe threshold factors and grant size limits.</p>	<p>ADOH applies performance criteria to all communities that submit CDBG funding applications. ADOH accepts one (1) application per community and three (3) applications per county for the RA and one (1) per applicant for the competitive State Special Project round. Applications will be funded only if the following threshold criteria are met on the date the application is received by ADOH: all reporting required by the Department is up to date; all monitoring findings have been cleared; recipient is compliant with all current contracts; recipient has no existing contracts in which project completion reports have not been submitted to ADOH within 60 days of the final draw; recipient has no current contract in which funds have not been drawn for six (6) months. Additional thresholds apply for recipients with current contracts for projects previously awarded and are as follows: Recipients with contracts that have reached their expiration must be one hundred percent (100%) complete with Scope of Work and CDBG funds must be one hundred percent (100%) expended or de-obligated; Recipients with contracts that are three-fourths of the way through their original term must be in compliance with the project schedule of completion and CDBG funds must be fifty percent (50%) expended; Recipients with contracts with contracts that are one-half of the way through their original term must be in compliance with the project schedule of completion and CDBG funds must be thirty percent (30%) expended; and recipients with new contracts that are one-fourth of the way through their original term must be in compliance with the project schedule of completion and must have submitted at least one (1) pay request for reimbursement of CDBG expenditures. However, ADOH reserves the right to limit the number of applications submitted by any one (1) community or county based on past performance.</p> <p>Grant size for Regional Account projects are determined by the formulas used for each COG's approved method of Distribution. Grant size for Colonia set aside projects is determined by 2 years of pooled ten percent (10%) set asides and then through project application budgets and sources and uses. SSP grant size is a maximum \$300,000 per project.</p>
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	What are the outcome measures expected as a result of the method of distribution?	Investment of CDBG funds will create suitable living environments, promote sustainability and make housing affordable and accessible. Over the year covered by this plan, ADOH anticipates assisting 370 households and 149,369 persons through investment of CDBG funds.
3	State Program Name:	CDBG Colonias Set Aside
	Funding Sources:	CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	State of Arizona CDBG Colonias Set Aside. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in the areas designated as Colonias. Colonia funding will be distributed through a competitive application process. ADOH will issue a funding notice, once every two (2) years, to solicit projects located in eligible, designated Colonias. Eligible projects include water or sewer infrastructure and substantial housing rehabilitation.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>According to Section 916 of the Cranston-Gonzalez Act of 1990, a “Colonia” is any identifiable community that: is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; is designated by the State or county in which it is located as a Colonia; is determined to be a Colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems and lack of decent, safe and sanitary housing; and is generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990.</p> <p>All cities, towns, counties and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities designated as Colonias and that are eligible to receive CDBG Colonia Set Aside funding through ADOH are eligible to apply for these funds. Maricopa and Pinal Counties, as well as the communities and tribal reservations located within those counties, are excluded from eligibility for Colonias funding. Under this funding, ADOH is able to serve eligible designated Colonia in Pima County, although the county is not eligible to receive other CDBG funds from ADOH. The funding notice will further outline the Colonia Set Aside maximum project funding, application requirements as well as the scoring categories which will be designed to award projects for Colonias demonstrating the greatest need due to severe water, sewer and housing issues. Other scoring categories will include, but are not limited to, poverty level, leveraged funds, project need, project priority, project readiness, past performance and organizational capacity. An application for Colonia Set Aside funds will not affect a jurisdiction’s eligibility for other CDBG funding. CDBG Colonia resources for will be combined and will be awarded through one (1) competitive funding round announced through a Notice of Funding Availability (NOFA). Water/sewer infrastructure (delivery and/or treatment systems) and substantial housing rehabilitation activities will be considered eligible Colonia Set Aside projects for areas certified as designated Colonia.</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>All Colonia Set Aside application requirements and materials will be available on the ADOH website; in the NOFA; and in the CDBG Application Handbook. Additionally, the following handbooks are available: CDBG Administration; Environmental Review and CDBG Procurement.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p><p style="margin: 5pt 0in 0pt;">Not applicable to this program.</p></p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p><p style="margin: 5pt 0in 0pt;">Not applicable to this program.</p></p>

<p>Describe how resources will be allocated among funding categories.</p>	<p><p style="margin: 5pt 0in 0pt;">Resources will be allocated based on relative needs based on needs assessment data provided in each application.</p></p>
<p>Describe threshold factors and grant size limits.</p>	<p>Thresholds are outlined in the NOFA when released as well as in the CDBG Application Handbook. Grant size is limited to the total amount of available funds listed in the NOFA and is usually two (2) years worth of CDBG Colonia Set Aside funds at ten percent (10%) per year. This will allow sufficient funding for applicants to address water, sewer or housing related issues in their entirety.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Colonia Set Aside funding will provide accessibility/affordability, promote sustainability and create suitable living environments. It is anticipated that Colonia Set Aside Funds will provide assistance to approximately 400 Colonia residents every two (2) years.</p>

4	State Program Name:	ESG
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>Emergency Solutions Grant (ESG) funds support Street Outreach Services to homeless persons living on the streets; basic shelter and supportive services for homeless persons in the form of operation costs and direct services for homeless persons living in Temporary Emergency Shelters; funding for Homeless Prevention services to assist individuals and families at risk of losing housing and becoming homeless; and Rapid Re-Housing support for individuals and families who are homeless and need assistance to return to housing and independent living. ESG funds also support HMIS data collection, information management and reporting systems and Administrative services necessary to coordinate grant activities. ESG funding for Outreach Essential Services and Temporary Emergency Shelter will not exceed sixty percent (60%) of the FY2015 grant amount.</p> <p>On June 30, 2017 HUD announced a supplemental ESG allocation of \$270,326 bringing Arizona's allocation to \$1,991,483. Arizona will use the additional funds to extend Rapid Rehousing and Emergency Shelter Services to unserved areas in the Balance of State, increase Homeless Prevention Services statewide and increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The method of distribution for ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point In Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through contracts with specific providers from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process. The DES will award contracts through a competitive request for proposal (RFP) process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience and expertise, cost, capacity and other factors deemed relevant.</p> <p>With the additional \$270,326 ESG funds, based on the increase in the number of first time homeless, the Department will expand Homeless Prevention services in Maricopa and Pima Counties through a Request For Proposal (RFP) and increasing the allotment for the Balance of State.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to this program.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>ESG funding is allocated based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point In Time count submitted to the Homeless Coordination Office each year by each Continuum of Care.</p> <p>The DES will award contracts through a competitive request for proposal (RFP) process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience, expertise, cost, capacity and other factors deemed relevant.</p> <p>On June 30, 2017 HUD announced a supplemental ESG allocation of \$270,326 bringing Arizona’s allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts.</p> <p>Homeless Prevention is being expanded statewide because according to the HUD System Performance Measures from all Continua in the state, the number of First Time Homeless Persons has increased. Rapid Rehousing and Shelter Services are being expanded to counties which we currently do not serve based on the Point In Time count (PIT) for the Balance of State which indicated approximately 80 individuals were either unsheltered or sheltered. Increasing Rapid Rehousing and Shelter for existing Maricopa and Pima Counties contracts based on the Point In Time count (PIT), would alleviate the wait times individuals are experiencing for the Rapid Rehousing Program.</p>
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<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to this program.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The State expects to receive \$1,721,157ESG Funds. These funds are administered through the Arizona Department of Economic Security (DES). The DES retains seven and one-half percent (7.5%) of the grant award for administrative costs. After administrative funds retention, the remaining ninety-two and one-half percent (92.5%) of ESG Funds will be allocated as follows: approximately ten percent (10%) for Street Outreach ; approximately fifty percent (50%) for Temporary Emergency Shelter; approximately five percent (5%) for Homelessness Prevention; and approximately thirty-five percent (35%) for Rapid Re-Housing.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Contracts are awarded based on the needs of the service area and available service providers. There are no grant size limits other than the budget proposals included in the RFP response. One aspect of the review process is assessing the number of people that each provider commits to serve and the projected cost per person served reflected in the proposed budget.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The State will utilize this grant to increase the availability and accessibility of suitable living environments and housing options by providing a wide range of supportive services to persons experiencing homelessness or at risk of homelessness including Street Outreach Services, Temporary Emergency Shelter, Rapid Re-Housing and Homeless Prevention Services. Approximately 14,500 people are anticipated to be served using ESG funding for Emergency Shelter and Street Outreach Essential Services. Additionally, 1,100 to 1,250 households are expected to be served through Rapid Re-Housing activities.</p> <p>Contracts with sub-grantees also call out specific performance measures to be accomplished;</p> <p>6.0 Performance Measures</p> <p>6.1 Seventy-five percent (75%) of participants improve in overall Arizona Self-Sufficiency Matrix score from participant entry to participant exit.</p> <p>6.2 Sixty percent (60%) of participants who exit the Rapid Re-Housing program, exit to permanent housing during the program year.</p> <p>6.3 Seventy-five percent (75%) Rapid Re-Housing participants who exit the Rapid Re-Housing program score at least four (4) on the income question of the self-sufficiency matrix..</p> <p>6.4 Sixty percent (60%) of Rapid Re-Housing participants meet at least one of the priority populations criteria.</p> <p>6.5 Forty percent (40%) percent of Temporary Emergency Shelter clients exit to Positive Permanent Housing Situations during the program year.</p>
5	<p>State Program Name:</p>	HOME
	<p>Funding Sources:</p>	HOME
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Home Investment Partnership (HOME) program provides funding to State and local governments and non-profit organizations for local programs that support the construction or rehabilitation of rental housing and the rehabilitation of ownership housing.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Competitive applications rounds are announced through a Notice of Funds Available (NOFA) and applications are selected through a competitive process. Competitive criteria include readiness, project team capacity, priority populations served and percentage of leverage funds in the project. Competitive point scoring favors non-entitlement areas outside of Maricopa and Pima Counties.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to this program.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to this program.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to this program.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>ADOH will allocate new funding to the following activity in the approximate following amount: 1) Rental housing development, including CHDO set-aside: \$1,680,617; and 2) Owner-occupied housing rehabilitation (OOHR) : \$2,000,000</p> <p>The State will make available owner-occupied housing rehabilitation funds through a competitive Notification of Funds Availability (NOFA) which will be announced and will include information regarding project eligibility, maximum funding amounts, application requirements, etc. A competitive advantage will exist in each NOFA for areas of the state that do not have access to other HOME funds or CDBG funds.</p> <p>HOME funds set aside for rental development are expected to be utilized as gap financing in projects that are successful in securing a competitive Low-Income Housing Tax Credit (LIHTC) allocation. Any remaining funds may be made available through a competitive process NOFA. If CHDO funds remain available, a NOFA strictly for CHDO projects may be released.</p> <p>Ten percent (10%) will be for ADOH administrative costs. Of the multi-family projects, an amount equal to fifteen percent (15%) of the total HOME allocation will be reserved for CHDO sponsored multi-family development projects.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>To be eligible to apply for HOME funds (for any project type) the applicant and all of its team members, with the exception of the applicant’s consultant (“Applicant Team”) must meet the following performance criteria on all SHF and CDBG contracts on the date the application is received by ADOH: all reporting required by ADOH is up to date; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts; Applicant Team is in conformance with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing contracts in which project completion reports and data have not been submitted and accepted by ADOH within sixty (60) days of a final draw; Applicant Team has no current contract in which funds have not been drawn for six (6) months; Applicant Team with contracts in their twenty-fourth (24th) or greater month must be one hundred percent (100%) complete with Scope of Work, Contract Close-out Report received and approved and HOME Funds one hundred percent (100%) expended or de-obligated; Applicant Team has no outstanding or unresolved contractual, property, or beneficiary-related compliance issues; the applicant is an eligible party to apply for funding through ADOH; the activity, project and property type is eligible; SHFs are budgeted for eligible uses; the proposed beneficiaries are eligible; the amount of SHF invested per unit does not exceed the program limits and is at least \$1,000/unit; applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances; the applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: www.sam.gov; the Environmental Review requirements pursuant to 24 CFR Part 58, (up to Part III HUD Appendix A for Single Family Owner-Occupied Rehabilitation) are complete and an Authority to use Grant Funds from HUD or ADOH is provided; and all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application and the project must be scheduled to start within ninety (90) days of executing a Funding Agreement with the ADOH.</p> <p>Grant sizes are determined in each NOFA but typically are \$500,000 per multi-family project and \$250,000 per Owner Occupied Housing Rehabilitation Project.</p>
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	What are the outcome measures expected as a result of the method of distribution?	The State will use its HOME allocation for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households. ADOH anticipates assisting approximately one hundred (100) households at or below eighty percent (80%) AMI with owner occupied housing rehabilitation and approximately sixty-six (66) households at or below 80%AMI with construction or new or rehabilitation of multi-family rental units.
6	State Program Name:	HOPWA
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds provide housing and supportive services for persons with HIV/AIDS. These funds may go toward acquisition, rehabilitation or new construction of housing units and may also fund rental assistance, facility operations, short-term homelessness prevention, medical and mental health services, chemical dependency treatment, nutritional services, case management and other supportive services.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Contracts will be reviewed annually, with additional proposals solicited as necessary. Project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits and grassroots organizations.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to this program.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to this program.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Contracts will be reviewed annually, with additional proposals solicited as necessary. Project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits and grassroots organizations.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>ADOH expects to receive \$236,060 in FY2015 HOPWA Funds. Three percent (3%) or \$7,082 will be retained by ADOH to cover administrative related expenses of the program; grantees will be allowed to utilize seven percent (7%) or \$16,524 of the grant money for grantee administration costs. The remaining ninety percent (90%) or \$212,454 of the grant award will be spent on rental assistance and direct service provision. ADOH will contract with housing providers to administer the HOPWA program within the thirteen (13) non-entitlement counties. Two-thirds (2/3) of the funding will be spent for housing assistance, most for tenant-based subsidies, while the remaining one-third (1/3) will be used for supportive services.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Contracts are awarded based on the needs of the service area and available service providers. There are no grant size limits.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>ADOH will utilize HOPWA funds to increase the availability/accessibility and affordability of suitable living environments and decent housing through organizations that provide planning for housing needs, education, and access to essential community resources.</p> <p>In the FY2015, approximately fifty (50) people are anticipated to be served using available HOPWA funds.</p>
7	<p>State Program Name:</p>	HTF
	<p>Funding Sources:</p>	HTF
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The National Housing Trust Fund (HTF) is a new affordable housing program to increase and preserve the supply affordable housing for extremely low-income (ELI) and very low-income households (VLI), including families experiencing homelessness. HTF, established under Title I of the Housing and Economic Recovery Act of 2008, will be distributed through the U.S. Department of Housing and Urban Development (HUD) on a formula basis to the states.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>HTF will be distributed to Eligible Projects through the LIHTC and/or NOFA process; the parameters of which are outlined below. Applicants will be required to provide the following information through an application process, including, but not limited to:</p> <ol style="list-style-type: none"> 1. a description of the Eligible Activities; 2. how the project responds to needs of chronically homeless households; 3. how the project responds to the Priority Funding Objectives listed below; 4. description of how HTF-assisted units will be integrated with units that have higher income targeting (if applicable); 5. description of how the project affirmatively furthers fair housing; 6. description of the plan and methods for achieving affordability; 7. description of tenant recruitment and selection process; 8. definition of a successful resident; 9. description of services and subsidies that will be provided to maximize resident success; 10. applicant’s credentials to carry out project, including evidence of successful completion and operation of similar projects; 11. applicant formation, licensing and business registration; 12. description of development team; 13. site control; 14. planning and zoning verification; 15. financial ability to proceed; and 16. market demand.
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to this program.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to this program.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to this program.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>“Eligible Activities” for HTF are 10% for ADOH administration and 90% for the construction and rehabilitation of affordable rental housing developments as Permanent Supportive Housing for Chronically Homeless Households with extremely low income (thirty percent (30%) of the HUD Area Median Income adjusted for family size with utility costs deducted). Supportive Services must be provided with the purpose of helping residents achieve maximum possible self-sufficiency and maintain their permanent housing.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Grant size limits are based upon the following Arizona Maximum per Unit Development Subsidies are based on the actual costs of constructing Permanent Supportive Housing (efficiencies and one (1) bedroom) in both urban and rural (outside of Maricopa and Pima Counties) Arizona. Balance of State: Efficiency (\$154,738), 1-bedroom (\$183,206). Maricopa and Pima Counties: Efficiency (\$157,885), 1-bedroom (\$212,946). Threshold factors are as follows: 1) All projects must adhere to the Housing First Model; 2) Supportive Services must be provided and must be tenant-centered and flexible with a focus on housing retention; 3) All projects must provide Project Based Rental Assistance using Section 8, VASH, private or other sources that meet the definition of Rental Assistance in the most recent QAP; 4) Eligible Applicants must provide audited financial statements; 5) Units assisted by HTF may not have incomes that exceed thirty percent (30%) of the area median income adjusted by family size; 6) Applicant must provide evidence it has legal control of the property; 7) Evidence must be provided to demonstrate that appropriate utilities (water, sewer, electricity, natural gas) will be available to the project site; 8) The development team must demonstrate the ability to develop, own and operate the property in accordance with the requirements of this Allocation Plan.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The State will use its HTF funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households with incomes at or below thirty percent (30%) of area median income. It is expected that approximately forty (40) units of permanent supportive housing for chronically homeless individuals can be developed using two years of HTF allocations.</p>
8	<p>State Program Name:</p>	<p>NSP 1 Program Income</p>
	<p>Funding Sources:</p>	<p>HTF</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Program Income from investment of Neighborhood Stabilization Program 1 funds (NSP1) will be invested in redevelopment or rehabilitation of eligible multi-family housing projects.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>According to the approved NSP1 Action Plan, the State will either directly select eligible multi-family housing projects or will select through a competitive application process as outlined through a NOFA where all application criteria will be announced. Investment of funds will include at least twenty-five percent (25%) of funding set aside to serve persons at or below fifty percent (50%) of area median income. Competitive criteria include readiness, project team capacity, priority populations served and percentage of leverage funds in project</p> <p>Only applications that meet completeness requirements and minimum thresholds are considered for funding. Applications that meet minimum thresholds are underwritten based on the following criteria as relevant to the proposed activity: 1) market need/demand; 2) management/capacity; 3) budget/financial analysis; 4) program design; and 5) all other financing is secured. Once it is determined that an application meets minimum underwriting standards, the application and underwriting results are forwarded to an ADOH funding review.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to this program.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to this program.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to this program.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>One hundred percent (100%) of any NSP1 Program Income received will be invested in NSP1 eligible multi-family redevelopment or rehabilitation activities.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>To be eligible to apply for NSP1 Program Income funds the applicant and all of its team members, with the exception of the applicant’s consultant (“Applicant Team”) must meet the following performance criteria on the date the application is received by ADOH: all reporting required by ADOH is up to date; all monitoring findings have been cleared; all fees payable to ADOH are paid; Applicant Team is compliant with all current contracts; Applicant Team is in conformance with all original contract project timelines or has obtained ADOH approvals for revisions or amendments to their project timelines; for all previously funded projects, environmental clearances have been obtained and scope of work has begun; Applicant Team has no existing contracts in which project completion reports and data have not been submitted and accepted by ADOH within sixty (60) days of a final draw; Applicant Team has no current contract in which funds have not been drawn for six (6) months.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The State will use its NSP1 Program Income for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households with incomes at or below fifty percent (50%) of area median income. ADOH anticipates assisting approximately fifty-two (52) households.</p>

Discussion:

These methods of distribution will allow the State to address affordable housing, community development and homeless issues throughout its entire jurisdictional service area. CDBG funds are distributed to non-entitlement jurisdictions on a non-competitive that ensures all eligible communities receive funding for community development projects in their respective jurisdictions. HOME funds are distributed Statewide on a competitive basis for Rental Development and Housing Rehabilitation with point scoring that slightly favors non-entitlement areas outside of Maricopa and Pima Counties. ESG funds are distributed on a competitive basis targeted to areas with a higher percentage of homeless populations. HOPWA contracts are reviewed annually, with additional proposals solicited as necessary. HOPWA project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits and grassroots organizations.

AP-35 Projects – (Optional)

Introduction:

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Obstacles in addressing underserved needs relate to capacity and the fact that the need in Arizona is greater than the funding available to address it. ADOH works in cooperation with the Councils of Governments to ensure that CDBG funds are allocated to all eligible communities. Application scoring criteria for HOME funds for single family housing rehabilitation include a performance threshold that effectively rotates available funds in accordance with expenditure performance.

HOME funds for rental development are distributed to competitive funding structures in which the need for the project and the capacity of the developer are considered. HOPWA is allocated to the agencies with the greatest need and capacity to serve this vulnerable population. **ESG Program Geographic Priorities:** ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point in Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through an RFP process and contracts are awarded from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process.

The **supplemental ESG** allocation of \$270,326 bringing Arizona’s allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts. **HOPWA** will be used for rental assistance and short-term payments to prevent homelessness for persons with HIV/AIDs.

AP-38 Project Summary
Project Summary Information

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

Available Grant Amounts

Section 108 Loan Guarantee grant amounts will be available in accordance with 24 CFR 570, subpart M. There is no minimum grant amount and the maximum grant amount would be determined by the funding requirements as presented in the application not to exceed the amount of available uncommitted Section 108 Loan Guarantee Funds.

Acceptance process of applications

Section 108 is the loan guarantee component of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities and large-scale physical development projects. Section 108 loan guarantee applications must meet a CDBG National Objective and the activity must be listed as eligible in accordance with the 24 CFR Part 570 and must meet a public benefit standard in accordance with 24 CFR Part 570.209 (b). Potential applicants must present a project concept to the State with a plan of development including resources, consultants and other entities involved with the development of the project and project application. The State will determine whether to move forward with a Section 108 Loan Guarantee based on the strength of the Section 108 Loan application. The project must have positive cash flow and have assets available as security. Applicants must have two (2) forms of collateral in addition to the Section 108 Loan Guarantee provided by the State. It is recommended that a financial consultant with experience in Section 108 Loans be contracted to ensure the project will meet HUD underwriting and feasibility standards. Applications will be forwarded to HUD on a rolling basis dependent upon the amount of available uncommitted Section 108 Loan Guarantee funds.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State’s Process and Criteria for approving local government revitalization strategies

The State provides detailed Neighborhood Revitalization Strategy (NRS) criteria (including details on how the criteria is met) and forms in its CDBG Application Handbook at Section 4 available for download from the ADOH website. The State will approve NRS based on the degree to which it addresses the following requirements per HUD regulation: 1) Consultation; 2) Boundaries; 3) Rationale; 4) Demographic Criteria; 5) Program Linkages; 6) Economic Conditions; 7) Strategy Assessment; 8) Timeline; and 9) Proposed Performance Measures.

AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Introduction

Distribution Methods

State Program Name	Funding Sources
CDBG	CDBG
CDBG Colonias Set Aside	CDBG Colonias Set-aside
ESG	ESG
HOME	HOME
HOPWA	HOPWA
HTF	HTF
NSP 1 Program Income	HTF

Table 10 - Distribution Methods by State Program for Colonias Set-aside

State Programs Addressed

This section left blank, IDIS will not allow it to be deleted. See funding sources below.

Criteria and their importance

CDBG only: Access of application manuals

ESG only: Process for awarding funds to state recipients

HOPWA only: Method of selecting project sponsors

Resource Allocation among Funding Categories

Threshold Factors and Grant Size Limits

Outcome Measures expected as results of Distribution Method

Discussion

This method of distribution is designed to allow Colonia to receive sufficient funding to address infrastructure or housing issues to an extent that completely addresses the Colonia's particular issue of greatest need. Benefit will be long lasting and viability of the Colonia improved.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Arizona provides does not target specific geographic areas for allocating investments for the programs that it administers but allocates each funding sources based on criteria that serves the states priorities, including service to low and very low income populations. ADOH distributes funding to all areas of the state.

CDBG Program Geographic Priorities: CDBG funds are allocated to all non-entitlement Units of General Local Government outside of Pima and Maricopa County and the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista and Yuma. After the set aside of ten percent (10%) for Colonias projects and State allowable retention of administration (two percent (2%) plus \$100,000) and technical assistance (one percent (1%)) funding, eighty five Percent (85%) of remaining CDBG funds are distributed on a non-competitive basis through the Regional Account to each Council of Government region using a method of distribution developed by each respective COG and approved by the State. Fifteen percent (15%) of the remaining CDBG funds are distributed on a competitive basis through the State Special Projects Account using a Notice of Funding Available. Each non-entitlement unit of local government determines their individual priority needs through their public participation process. A minimum of seventy percent (70%) of all CDBG expenditures will serve persons at or below eighty percent (80%) of Area Median Income.

HOME funding is allocated statewide. Arizona does target special needs populations and service enriched locations through its competitive point structures used for awarding HOME funds. The State HOME funds are targeted to rental development programs and owner occupied housing rehabilitation programs and allocated on a competitive basis.

HOPWA Program Geographic Priorities: HOPWA funds are allocated based on need to service providers located outside of Cochise, Maricopa and Pima Counties.

ESG Program Geographic Priorities: ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point in Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through an RFP process and contracts are awarded from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process.

HTF funds are allocated in accordance the following Priority Funding Objectives in a manner consistent with state and federal certifications to affirmatively further fair housing: 1) demand; 2) capacity, experience and past performance of applicant; 3) extent and quality of service to chronically homeless

individuals and families; 4) proximity of proposed project to transit and amenities; 5) project readiness; 6) sustainable development; 7) the extent to which the eligible project has rental assistance; 8) the duration of the affordability period; 9) the inclusion of non-federal funding in the eligible project.

Geographic Distribution

Target Area	Percentage of Funds
State of Arizona	100

Table 11 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

ADOH works in cooperation with the Councils of Governments to ensure that CDBG funds are allocated to all eligible communities. Application scoring criteria for HOME funds for single family housing rehabilitation include a performance threshold that effectively rotates available funds in accordance with expenditure performance. HOME funds for rental development are distributed to competitive funding structures in which the need for the project and the capacity of the developer are considered. HOPWA is allocated to the agencies with the greatest need and capacity to serve this vulnerable population.

ESG Program Geographic Priorities: ESG funding is determined based on the percent of homeless served and counted as represented in the annual demographics report and the annual Point in Time count submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through an RFP process and contracts are awarded from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process.

On June 30, 2017 HUD announced a supplemental ESG allocation of \$270,326 bringing Arizona’s allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts. Homeless Prevention is being expanded statewide because according to the HUD System Performance Measures from all Continua in the state, the number of First Time Homeless Persons has increased. Rapid Rehousing and Shelter Services are being expanded to counties which we currently do not serve based on the Point In Time count (PIT) for the Balance of State which indicated approximately

80 individuals were either unsheltered or sheltered.

Increasing Rapid Rehousing and Shelter for existing Maricopa and Pima Counties contracts based on the Point In Time count (PIT), would alleviate the wait times individuals are experiencing for the Rapid Rehousing Program.

Discussion

CDBG funds are distributed to non-entitlement jurisdictions both on a non-competitive basis that ensures all eligible communities receive funding for community development projects in their respective jurisdictions as well as a competitive basis allowing all non-entitlement jurisdictions potential access to additional funding. HOME funds are distributed statewide on a competitive basis for Rental Development and Housing Rehabilitation with point scoring that slightly favors non-entitlement areas outside of Maricopa and Pima Counties. ESG funds are distributed on a competitive basis targeted to areas with a higher percentage of homeless populations. HOPWA contracts are reviewed annually, with additional proposals solicited as necessary. HOPWA project sponsors are selected by ADOH after extensive outreach efforts to local governmental entities, non-profits and grassroots organizations.

Although no specific geographic target priorities are established by the State, funding is allocated in such a way as to address areas of greatest need and the needs determined by communities through their public participation processes.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

Affordable Housing goals are indicated in the table below for the number of homeless, non-homeless and special needs households, and for the number of affordable housing units that will be provided by program type, including production of new units, rehabilitation of existing units or acquisition of existing units. The HOME goals include multi-family and single family activities. Arizona will use the additional **\$270,326 ESG funds** announced on June 30, 2017 as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts.

One Year Goals for the Number of Households to be Supported	
Homeless	780
Non-Homeless	0
Special-Needs	0
Total	780

Table 12 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	50
The Production of New Units	1,400
Rehab of Existing Units	487
Acquisition of Existing Units	9
Total	1,946

Table 13 - One Year Goals for Affordable Housing by Support Type

Discussion:

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The State will from time to time provide support and technical assistance to PHAs upon local request.

Actions planned during the next year to address the needs to public housing

While ADOH and its PHA Division do not own or manage any public housing, the PHA has monitoring and compliance oversight of approximately 114 federally-financed properties (through the competitively awarded Project-Based Contract Administration award from HUD), 186 Section 8 Housing Choice Vouchers, and approximately eighty-six (86) port-in vouchers. The Housing Choice Voucher Program (HCVP) administered by the agency is an extremely small program confined to Yavapai County and one that requires in-kind contributions from the State to administer. ADOH does not collect this information from the public housing authorities that service the non-entitlement regions of the State and has no authority over their programs, service areas or outcomes.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Discussion:

Not applicable to State programs covered by this one (1) year consolidated Action Plan.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

All three (3) Continua of Care in Arizona have adopted the VI-SPDAT tool to effect a coordinated entry system to determine the needs and prioritize housing interventions and support services using a comprehensive universal assessment tool. For each region the Continuum and service delivery systems, through contracts and MOU's between community partners, utilize outreach teams; first responders; and crisis and medical agencies to reach individuals who are unsheltered. Special initiatives have been adopted through these community partners to respond to current priorities which include ending veteran homelessness and ending chronic homelessness. The Arizona StandDown Coalition has been formed to share and spread resources to smaller communities for StandDown events to reach homeless veterans throughout the State. Larger initiatives are being led by counties and cities in the metropolitan areas of Phoenix, Mesa and Tucson to focus on ending chronic homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

During the 2017 homeless street count 1,768 individuals and members of families were identified as unsheltered. The unsheltered count decreased by 21% from 2016. Eight-seven (87%) of those found living on the streets were single adults and over 358 households were identified as chronically homeless. This is a reduction of 25.5% since 2015. Data shows that more beds and services need to be allocated to single adults, chronically homeless, families without children and youth. The State of Arizona has adopted an aggressive Rapid Re-housing approach in order to move homeless individuals and families out of emergency shelters and into permanent housing which will free up beds for those populations who are predominately unsheltered. State contracts for Rapid Re-housing emphasize priority targets including chronically homeless, veterans, youth between the ages of eighteen (18) and twenty-four (24), victims of domestic violence, persons exiting in an institutional setting and those exiting a substance abuse program. All three (3) Continua are focusing performance measures on improving length of stay in order to encourage rapid re-housing and improve bed availability in those programs that provide immediate assistance to those currently living on the streets. A collaborative body of State, county and city governments, as well as service providers, is also exploring alternative "Low Demand" shelter alternatives in Maricopa County.

On June 30, 2017 HUD announced a supplemental ESG allocation of \$270,326 bringing Arizona's allocation to \$1,991,483. Arizona will use the additional funds as follows: 1) Expand Rapid Rehousing and Emergency Shelter Services to the Cochise County); 2) Increase Homeless Prevention Services in

Mohave, Yavapai and Coconino Counties by adding to existing contracts; 3) Increase Homeless Prevention Services in Maricopa and Pima County through an RFP process; and 4) Increase Emergency Shelter and Rapid Rehousing Services for Maricopa/Pima County by adding to existing contracts. Homeless Prevention is being expanded statewide because according to the HUD System Performance Measures from all Continua in the state, the number of First Time Homeless Persons has increased. Rapid Rehousing and Shelter Services are being expanded to counties which we currently do not serve based on the Point In Time count (PIT) for the Balance of State which indicated approximately 80 individuals were either unsheltered or sheltered. Increasing Rapid Rehousing and Shelter for existing Maricopa and Pima Counties contracts based on the Point In Time count (PIT), would alleviate the wait times individuals are experiencing for the Rapid Rehousing Program.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State of Arizona follows Opening Doors, the federal strategy to prevent and end homelessness as amended in 2015. Arizona's efforts to end homelessness is driven by the goals and objectives listed below. From 2012 to 2015 the number of unsheltered homeless households had been reduced by seventy-eight percent (78%). In just this last year it was reduced another 24% with two Continuums seeing a strong decrease in the number of veterans encountered during the PIT count although sadly, the number of those unsheltered increased in all three Continuums. On the other hand the Annual Housing Assessment Report shows Balance of State increasing the number of persons housed in permanent supportive housing from 2015 to 2016 by fourteen percent (14%). The State has adopted a statewide common assessment tool and developed a statewide shared Database of Permanent Supportive Housing, Affordable Housing and Tax Credit supported housing options. Through commitment to improved outreach and assessment tools the State Homeless Coordination office fully expects to effectively end unsheltered homelessness for the remaining chronically homeless in Arizona.

END CHRONIC HOMELESSNESS: 1.) Move 300 chronically homeless individuals or families into permanent housing each year for the next five (5) years; 2) adopt and implement Statewide use of a common assessment tool to prioritize housing placement based on vulnerability by December 2012; 3.) Support, monitor and assess all pilots for Centralized Intake to prioritize chronically homeless individuals for placement and to evaluate outcomes by December 2013; and 4.) Develop a Statewide shared Database of Permanent Supportive Housing, Affordable Housing and Tax Credit supported housing

options.

END VETERAN HOMELESSNESS: 1) Insure all mainstream and community resources identify veteran status and connect veterans to additional veteran resources by July 2013; and 2) Target and prioritize use of Housing and Urban Development (HUD) VASH housing vouchers towards chronically homeless veterans.

CONTINUE WORK TO PREVENT AND END HOMELESSNESS FOR FAMILIES, YOUTH AND CHILDREN BY 2021: 1) Develop common reporting standards for family units versus beds to determine housing needs by December 2013; 2) Adopt common definition of Homeless Youth by July 2013; and 3) Add 300 units of Permanent Supportive housing to the housing system each year for the next ten (10) years.

DEVELOP MEASUREMENT STANDARDS, DATA COLLECTION AND ACCURATE REPORTING SYSTEMS: 1) Organize a comprehensive Statewide street and shelter survey to establish baseline data for future comparisons and research by summer 2012; 2) Establish common definitions, methodology, measurement tools and reporting standards to be compiled into standardized reports by the three (3) Continua of Care; and 3) analyze the Annual Housing Assessment Reports (AHAR) and the HUD System Performance Measure reports to determine if the system changes are resulting in increased households becoming housed and stabilized in their housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The DES Homeless Coordination Office requires all sub-contractors to adhere to program goals and objectives including target populations to be served. Contracts require that at least sixty percent (60%) of all Rapid Re-Housing and/or Homeless Prevention participants shall represent at least one (1) of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being "released from an institution"; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth eighteen (18) to twenty-four (24) years of age; 9) veterans; or 10) sixty-two (62) years of age or older.

Sub-contractors are also required to adhere to standard performance measures and outcomes which consist of: 1) seventy-five percent (75%) of participants improve in overall Self Sufficiency Matrix score from participant entry to participant exit; 2) sixty percent (60%) of participants who exit the Rapid Re-Housing program, exit to permanent housing during the program year; 3) seventy-five percent (75%) of Rapid Re-Housing participants who exit the Rapid Re-Housing program score a four (4) or better income section of the Self Sufficiency Matrix, 4) sixty percent (60%) of Rapid Re-Housing participants meet at

least one (1) of the priority populations criteria and 5) forty percent (40%) of Temporary Emergency Shelter clients exit to Positive Permanent Housing Situations during the program year.

Discussion

The National Housing Trust Fund (HTF) is an affordable housing program to increase and preserve the supply affordable housing for extremely low-income (ELI) and very low-income households (VLI), including families experiencing homelessness. ADOH will use HTF for the construction and rehabilitation of affordable rental housing developments as Permanent Supportive Housing for Chronically Homeless Households with extremely low income (thirty percent (30%) of the HUD Area Median Income adjusted for family size with utility costs deducted). Supportive Services must be provided with the purpose of helping residents achieve maximum possible self-sufficiency and maintain their permanent housing.

The adoption of the VI-SPDAT tool and ADOH's subsequent ability to improve recipient proficiency with this tool has greatly improved Arizona's adherence to its Statewide Plan to End Homelessness and has greatly improved data collection and reporting standards. Following this plan Arizona is on track to prevent further Veteran homelessness. ADOH, in partnership with DES is working to plan, improve and address services and housing for persons experiencing homelessness and those who are chronically homeless.

AP-70 HOPWA Goals – 91.320(k)(4)<

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	45
Tenant-based rental assistance	30
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	75

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

ADOH complies with all fair housing and equal opportunity requirements associated with the expenditure of all formula **funds including HTF**. In addition to the Fair Housing laws discussed in subsequent sections, ADOH complied with the following: 1) Section 3 of the Housing and Urban Development Act of 1968 requires, in the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3. Applicants should refer to 24 CFR Part 135; and 2) **Housing assisted with HTF** funds must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. “Covered multi-family dwellings”, as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The State of Arizona will continue to fund education and outreach (E&O) throughout its Community Development Block Grant (CDBG) jurisdiction as it has since 1994. ADOH presently contracts with a fair housing E&O provider to conduct E&O throughout the non-entitlement areas of the state. ADOH will conduct the following activities with same levels of frequency it has since 2006:

ADOH will continue to ensure CDBG subrecipients are trained in effective fair housing referral procedures and encourage them to report any concerns.

ADOH will continue to provide trainings and other resources to communities throughout the state as the need arises so that residents have the opportunity to learn about the benefits of affordable housing, diverse neighborhoods, and the State's fair housing obligations; and monitor current events throughout the state and proactively respond to situations which may impact members of the protected classes.

ADOH request for proposals (RFP) for housing and community development related projects and funding will require that proposals address how they will affirmatively further fair housing (AFFH) based on its impact to racial and ethnic concentrations of poverty and protected classes. Housing and community development projects funded by ADOH will include an AFFH plan that includes demographic

data and maps to identify racial and ethnic concentrations or poverty in the residential areas impacted by the project. Specific activities that will be conducted to AFFH (e.g. Affirmative Marketing Plan; and all tax credit, HOME and Housing Trust Fund projects) will be monitored to evaluate the performance of the projects fair housing goals.

ADOH will require a mandatory comprehensive questionnaire with new questions about local zoning and land use laws' compliance with fair housing laws be filled out and submitted by all CDBG subrecipients.

The State will assess how the housing crisis and its aftermath has had an impact on communities within the State's jurisdiction and respond with appropriate projects, programs and education outreach; continue to utilize the Councils of Government (COG) structure to monitor CDBG recipients and develop education and outreach strategies; create regional fair housing priorities, goals and selection criteria for potential CDBG recipients; utilize information provided in the CDBG recipient surveys to monitor and update regional fair housing priorities and goals.

Please refer to the State of Arizona 2015-2019 Analysis to Impediments report available at <https://housing.az.gov/>.

Discussion:

ADOH will undertake the following activities to alleviate barriers to fair housing and disparate impacts on low-income, financially troubled, disabled or other vulnerable populations:

FORECLOSURE ASSISTANCE: ADOH will invest funding to address the mortgage foreclosure crisis and other housing issues caused by economic distress. Through 2017, ADOH, in partnership with the Arizona Housing Finance Authority, will provide funding for direct financial assistance to aid Arizona homeowners avoid foreclosures by: 1) making housing counselors available to the public through a toll-free hotline; 2) providing in-depth foreclosure counseling; and 3) providing financial assistance in the form of principal reduction, second mortgage settlements, reinstatement, monthly mortgage payment assistance or short sale assistance. ADOH will continue to invest in paid advertising and marketing efforts to ensure households experiencing the threat of foreclosure know about available programs and gain access to assistance. Outreach efforts will include billboards, English and Spanish radio, internet banner ads, bus shelter ads, electronic news messages through the Motor Vehicle Network, Spanish newspapers, ecumenical newspapers, televised telethons and direct mail campaigns.

OFFERING MORTGAGE ALTERNATIVES TO FIRST TIME HOMEBUYERS: To assist first time homebuyers in Arizona in finding alternatives to predatory lending practices, the Arizona Housing Finance Authority (AzHFA) will offer low-interest mortgage products along with down payment/closing cost assistance and homebuyer counseling to promote homeownership in fourteen (14) counties in Arizona.

ACCESS TO AFFORDABLE RENTAL OPPORTUNITIES: To assist low-income Arizonans in finding decent, affordable rental units throughout the State, ADOH sponsors a web-based search engine through socialserve.com which provides information on affordable rental units financed by ADOH and other public funders. The search engine also allows for searches by certain ADA related accommodations for

disabled renters.

FAIR HOUSING ACTIVITIES: During its annual monitoring visits to the rental properties financed by the Department, ADOH will continue to check that a fair housing sign is visible in the property's Leasing Office. ADOH will also inquire whether the property has had any fair housing complaints or legal actions against it.

ANNUAL ARIZONA HOUSING FORUM: ADOH continues to host an annual statewide housing conference to promote affordable, fair housing choices throughout Arizona. During the event, approximately 400 attendees attend sessions on a myriad of topics ranging from best practices in development and design, to fair housing and addressing the housing needs of the homeless and special needs populations.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG): The CDBG program provides oversight of and technical assistance to units of local government to assure compliance with fair housing regulations. To demonstrate compliance with Affirmatively Furthering Fair Housing, local governments must at a minimum: 1) adopt a Fair Housing Proclamation or Resolution annually; 2) display a Fair Housing poster in at least one (1) public area of the community's administration building/office year round; and 3) undertake at least one (1) additional action. The additional action must be specifically designed to further fair housing and/or educate the public about fair housing laws. Further guidance is provided to units of local government in the State's CDBG Administration Handbook, Section 4, available for download on the ADOH website. Additionally, units of local government receive a reminder each March that April is National Fair Housing Month and that they are required to demonstrate compliance annually whether or not they have open CDBG funded projects.

AP-80 Colonias Actions – 91.320(j)

Introduction

According to Section 916 of the Cranston-Gonzalez Act of 1990, a “Colonia” is any identifiable community that: 1) Is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; 2) Is designated by the State or county in which it is located as a Colonia; 3) Is determined to be a Colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems and lack of decent, safe and sanitary housing; and 4) Is generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990. HUD mandates the State expend at least ten percent (10%) of its CDBG project allocation in the areas designated as Colonias. Arizona has sixty-three (63) designated Colonias existing in the southern counties of, Cochise, Gila, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma as well as on the Cocopah and Tohono O’odham Indian Reservation. The State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. The State sets aside ten percent (10%) of its CDBG funds for infrastructure and housing activities within Colonias. Please refer to the following web page for the list of designated Colonias:

<http://www.azhousing.gov/azcms/uploads/CDBG/Arizona%20Designated%20Colonias.pdf>

Actions planned to address obstacles to meeting underserved needs

The largest obstacle to meeting underserved needs on Colonias is funding. ADOH will issue a funding notice, once every two (2) years, to solicit projects located in eligible, designated Colonias. All cities, towns, counties and tribal reservations that contain either geographically defined neighborhoods or unincorporated communities designated as Colonias and that are eligible to receive CDBG Colonia Set Aside funding through ADOH are eligible to apply for these funds. Maricopa and Pinal Counties, as well as the communities and tribal reservations located within those counties, are excluded from eligibility for Colonias funding. Under this funding, ADOH is able to serve eligible designated Colonia in Pima County, although the county is not eligible to receive other CDBG funds from ADOH.

Actions the state plans to take to reduce the number of poverty-level families

Actions the state plans to take to develop the institutional structure

The State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to these CDBG eligible grantee communities. Working with the Arizona Balance of State COC (which includes areas of the State where Colonias are common), ADOH encourages the publication of the availability of homelessness services. Families that are “doubled-up” or otherwise possibly at risk of homelessness will be provided

information about available services in the areas closest to the Colonia.

Specific actions the state plans to take to enhance coordination between public and private house and social service agencies

The Arizona Department of Housing hosts the Arizona Housing Forum. The Forum is a two (2) day professional housing conference that studies recent trends and ideas in affordable housing, while addressing more common issues in discussion oriented sessions. The Forum is well attended (390 attendance in 2014) and registrants represent a diverse cross section through government, non-profit and for profit entities.

Discussion

The State began offering Colonia Set Aside funding through this competitive process combining two (2) years of set aside funds in 2010. Since that time, four (4) large scale projects have been awarded that will each positively affect thousands of Colonias residents. The State has determined this to be a successful implementation of its method for distribution for Colonias Set Aside funds and will continue this process in the future.

AP-85 Other Actions – 91.320(j)

Introduction:

There are several obstacles Arizona will face in implementing the five (5) year strategies. The limited amount of funds available to meet the many needs of Arizona residents is possibly the most significant barrier. Recent federal and State cutbacks in social services programs will limit the amount of assistance that can be provided over the next five (5) years. There remains a number of significant obstacles to meeting underserved needs in Arizona: 1) rapid population growth; 2) inadequate funding to acquire and rehabilitate all existing housing units in need of repair; 3) lack of knowledge of social services and service providers in Arizona for low-income residents; 4) lack of funding to address the huge amount of unmet need that exists for affordable housing, infrastructure and facility improvements and social services; 5) absence of service providers: the geographically expansive service areas in rural Arizona make it nearly impossible for providers to maintain a consistent, physical presence in most communities; this is further complicated by the limited ability of many low-income residents to travel for services; 6) lack of capacity in existing agencies: many service providers experience higher than average attrition rates among their employees; recruitment and retention of staff continues to be a challenge; and 7) lack of consensus: stakeholders within a particular jurisdiction often do not agree on priority needs and this can lead to little action.

Actions planned to address obstacles to meeting underserved needs

Actions planned to foster and maintain affordable housing

ADOH will continue to foster and maintain affordable housing in Arizona through multiple programs designed to provide low- and moderate income households with affordable and sustainable rental and ownership opportunities.

Actions planned to reduce lead-based paint hazards

ADOH requires grantees to comply with the HUD lead-based paint regulations implementing Title X of the Housing and Community Development Act of 1992. These regulations cover the CDBG, HOME, ESG and HOPWA programs, and identify the appropriate type of activity to control lead paint hazards in projects using federal funds.

ADOH has adopted long-term goals to promote affordable housing and community development. These goals, as applied to lead-based paint hazards, become ADOH's lead-based paint strategy. Arizona's strategy objectives are: 1) collaborate with local cities and counties to reduce housing-related lead-based paint hazards, especially for low-income families and children; 2) encourage risk assessment for lead-based paint being part of every home inspection; 3) refer families with children to Arizona Department of Health Services, Office of Environmental Health for blood testing if lead-based paint is found in units proposed for rehabilitation. The Arizona Department of Health Services maintains the

lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels, and conducts educational outreach activities.

In recent years, ADOH has undertaken a wide range of activities to address the problem of lead-based paint in the housing stock. The Arizona Lead Poisoning Screening Coalition and the Arizona Department of Health Services recommends screening children six (6) years of age and younger according to the Childhood Lead Poisoning Targeted Screening Plan. These steps will hopefully prove important in assuring the long-term health and stability of lower-income children who are living in substandard housing.

ADOH plans to fund lead-based paint hazard reduction primarily through housing rehabilitation programs for owners and renters.

The State of Arizona will encourage training, education and other resources related to lead based paint hazards, and will require that grantees and sub grantees utilize staff and contractors that have the appropriate training and certification. The Arizona Department of Housing is a member of the Arizona Partnership for Healthy Communities, a body organized which meets quarterly to review current issues related to LBP and other health issues related to housing.

Actions planned to reduce the number of poverty-level families

ADOH has an anti-poverty strategy that is based on revitalizing the State of Arizona's existing housing stock to provide safe and decent places to live and supporting community organizations and local agencies that provide various services that promote income and housing stability.

ADOH's approach for reducing the number of poverty level families includes: 1) addressing the needs caused by poverty; 2) increasing the supply and availability of decent, safe and affordable housing necessary for low income families; and 3) increasing the effectiveness of existing programs through better collaboration and increased efficiency of implementation. While ADOH is focused on the provision of affordable housing and needed community development programs and projects, especially in rural areas of Arizona, ADOH works with and encourages job retention, training and creation through the use of programs by other State agencies, local jurisdictions and non-profit organizations.

Further, recognizing the collaborative relationship between affordable housing and human, social and supportive services, ADOH has established, and continues to strengthen, partnerships with the DES, the Community Services Administration, the Family Assistance Administration, the Aging and Adult Administration, the Arizona Early Intervention Program, the Arizona Department of Health Services, the Arizona Health Care Cost Containment System, the Arizona Department of Veterans Services, the

Arizona Commerce Authority and the Governor's Office for Children, Youth and Families.

Actions planned to develop institutional structure

ADOH is a department of Arizona State government. ADOH is headed by a Governor-appointed director who oversees all activities of the agency, including the provisions of this plan. The activities prescribed in the plan are implemented primarily by partners, including local governmental entities (towns, cities, and counties), public housing authorities, non-profit and for-profit entities and tribal entities. Awards of State and federal grants and loans are based on the ability of an entity to demonstrate the capacity to undertake eligible activities through a written application process. ADOH works in conjunction with the four (4) COGs to develop a plan for the targeting and distribution of CDBG funds.

ADOH provides funding to non-profit agencies located in Arizona that serve low-income households. These non-profits provide assistance for affordable low-income housing to special needs and homeless populations. The private sector is an important collaborator in the services and programs associated with the federal grants for housing and community development. The private sector brings additional resources and expertise that can be used to supplement existing services or fill gaps in the system. Lenders, affordable housing developers, business and economic development organizations and private service providers offer a variety of assistance to residents such as health care, small business assistance, home loan programs and supportive housing, among others.

The State of Arizona has twenty-two (22) federally recognized tribes located within the conformed boundaries of the State. The tribes within Arizona are vastly different from one another and are recognized as self-governing entities that regulate laws under their respective tribal jurisdictions. Tribes in Arizona vary in size from the largest federally recognized tribe, Navajo Nation, which is located in four (4) states that include Arizona, Utah, New Mexico and Colorado, and totals sixteen (16) million acres and 280,000 in population. The smallest tribe in Arizona is the Tonto Apache, located in Payson, with a current land base of seventy-five (75) acres and a population of 122. Within Arizona, sixteen (16) tribes currently receive a formula-driven grant known as the Indian Housing Block Grant for development and maintenance of existing housing. The formula-driven grant was enacted in 1996 and is based on various factors that include population, poverty, current assisted stock and overcrowding conditions. These funds are received on an annual basis by the tribe or tribal-designated housing entity and can be used for a number of activities.

ADOH operates the Arizona Public Housing Authority (PHA). Information derived from operating the PHA provides an accurate and recent view of public housing needs and trends for which planning efforts can be designed to address. The responsibilities entail administering a Housing Choice Voucher Program (HCVP) for Yavapai County. HCVP provides rental subsidy payments for approximately 159 very low-income households. Of the 159 vouchers, seventy (70) are restricted to assist homeless veterans through the VASH program. ADOH works closely with the Veterans Administration Medical Center to identify those in need. The PHA also administers approximately eighty-six (86) portable vouchers for

Section 8 participants porting in from housing authorities throughout the country. The Arizona PHA also has a competitively-awarded contract to operate the Section 8 project-based program throughout the State, which entails administering approximately 114 HUD-subsidized rental properties, comprised of over 8,000 rental units. Through this program, participating properties are subsidized, allowing very low-income tenants to pay approximately thirty percent (30%) of their incomes toward rent.

Actions planned to enhance coordination between public and private housing and social service agencies

ADOH is committed to continuing its participation and coordination with federal, State, regional and local agencies, as well as with the private and non-profit sector, to serve the needs of low-income individuals and families in the community. The Arizona Department of Housing hosts the Arizona Housing Forum. The Forum is a two (2) day professional housing conference that studies recent ideas and trends in affordable housing, while addressing more common issues in discussion oriented sessions. The Forum is well attended (390 attendance in 2014) and registrants represent a diverse cross section through government, non-profit and for-profit entities.

Discussion:

Through the implementation of its programs, the State combats issues with underserved populations, reduces lead paint hazards, develops the capacity of service providers and subgrantees, addresses issues of poverty and forms strong partnerships with private housing and social service agencies. ADOH is able to assess all of these needs through its planning efforts with the Balance of State Continuum of Care (BOSCO), the Rural County of Governments (COGs), Consolidated Plan Hearings, the Arizona Commission on Homelessness and Housing, the ADOH Housing Forum and through daily interaction with providers and industry professionals. ADOH requires strict adherence to performance standards which ensures these multiple objectives are accomplished.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The following is a description of the specific requirements for programs covered by this one (1) year consolidated Action Plan including CDBG, HOME and ESG.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- | | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

- | | |
|---|--------|
| 1. The amount of urgent need activities | 0 |
| <code><TYPE=[text] REPORT_GUID=[A698417B4C924AE0218B42865313DACF]
DELETE_TABLE_IF_EMPTY=[YES]></code> | |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

ADOH will not invest HOME funds in homebuyer activities for the FY2015 Action Plan year.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Assistance to eligible beneficiaries is subject to recapture. The recapture period is based on the amount of State funds invested in the unit, as follows: State investment per unit of less than \$15,000 is five (5) years; between \$15,000 and \$40,000 is ten (10) years; and over \$40,000 is fifteen (15) years. New construction, regardless of amount, has a twenty (20) year affordability requirement. Recapture provisions are as follows: In the event the assisted property is transferred prior to the expiration of the applicable period of affordability, net proceeds shall be distributed as follows: 1) the Net Resale Proceeds for the Property shall be determined. 2) the amount of State funds plus the amount of interest due (if any) shall be determined. 3) the Borrower's Down Payment, Principal Payments and the Value of Improvements as evidenced by receipts provided by the borrower shall be summed, and this shall be called Borrower's Equity. The Net Resale Proceeds shall be distributed as follows: if the Net Resale Proceeds are sufficient to cover the ADOH investment, including any interest due and the Borrower's Equity, the ADOH investment and any interest due shall be recaptured and the Borrower shall be entitled to receive Borrower's Equity and any amount remaining from Net Resale Proceeds after payment of the ADOH investment and any interest due and Borrower's Equity. If the Net Resale Proceeds are not sufficient to repay the ADOH investment including any interest due and the Borrower's Equity, the Borrower shall be entitled to receive the Borrower's Equity, and any amount remaining from Net Resale Proceeds, after payment of the Borrower's Equity, shall be recaptured. In the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA mortgage to HUD, recapture provisions shall terminate.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3) >

1. Include written standards for providing ESG assistance (may include as attachment)

The DES Homeless Coordination Office requires all sub-contractors to adhere to program policies and procedures in accordance with the federal HEARTH Act. In addition, sub-contractors must adhere to the State of Arizona, DES written standards and terms and conditions. Eligible activities include: 1) Temporary Emergency Shelter; 2) Rapid Re-Housing; 3) Homeless Prevention; and 4) Street Outreach.

The target populations: At least sixty percent (60%) of all Rapid Re-Housing and/or Homeless Prevention participants shall represent at least one (1) of the priority population criteria: 1) chronically homeless; 2) disabled; 3) experiencing substance abuse issues; 4) being "released from an institution"; 5) being released from a substance abuse facility; 6) aging or aged-out of child foster care; 7) domestic violence survivor; 8) youth eighteen (18) to twenty-four (24) years of age; 9) veterans; or 10) sixty-two (62) years of age or older.

The sub-contractor shall provide all services in a culturally relevant manner for the population to be served; participate in the Coordinated Assessment System; maintain a case file for each participant with all required items as recommended by DES; maintain appropriate documentation of participant eligibility; ensure no income barriers are associated with initial eligibility for services and programs; provide Case Management services at least monthly and document progress toward independence; complete required Self Sufficiency Matrix in HMIS at program entry and exit; assist all participants to obtain mainstream services and benefits such as housing, health care, social services, employment and education; attend at least seventy-five percent (75%) of Continuum of Care meetings annually.

Sub-contractors are required to adhere to standard performance measures and outcomes which consist of: 1) seventy-five percent (75%) of participants improve in overall required assessment tool score from participant entry to participant exit; 2) sixty percent (60%) of participants who exit the Rapid Re-Housing program, exit to permanent housing during the program year; 3) seventy-five percent (75%) of Rapid Re-Housing participants who exit the Rapid Re-Housing program score at least a four (4) on the Self Sufficiency Matrix, 4) sixty percent (60%) of Rapid Re-Housing participants meet at least one (1) of the priority populations criteria and 5) forty percent (40%) of Temporary Emergency Shelter clients exit to positive permanent housing situations during the program year.

Sub-contractors are required to submit monthly, quarterly and annual program and financial reports: Monthly Reports 1) Copies of the completed Rapid Re-Housing Eligibility Determination form for each participant with initial billing; 2) Copies of all receipts and/or copies of checks with detailed costs issued for Housing Relocation and Rental Financial Assistance for each Rapid Re-

Housing participant served; 3) Rapid Re-Housing Tracking Sheet with invoices; 4) Accurate and complete Contractor's Invoice and Statement of Expenditures. Quarterly Reports 1) On the fifteenth (15th) of the beginning of each quarter provide a completed Temporary Emergency Shelter, Rapid Re-Housing Data and Homeless Prevention Report of demographic and exit data. Annual Reports 1) Funding Expenditure Report for the prior year; and 2) Completed ESG report as required by DES.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

ESG funding is allocated based on the percent of homeless served and counted, as represented in the annual demographics report and the annual Point in Time count, submitted to the Homeless Coordination Office each year by each Continuum of Care. The cumulative percent is then set as a target for the percent of total available funding to be awarded in each of the three (3) Continua of Care. Funds are then awarded through contracts with specific providers from each Continuum as long as there are enough providers who qualify for funding based on the RFP selection process.

Contracts are awarded based on the needs of the service area and available service providers. The DES will award contracts through a competitive request for proposal (RFP) process. Proposals are reviewed by a panel comprised of internal staff, Continua of Care and community partners. Proposals are assessed using the rating system published in each RFP. The rating system may include service methodology, experience and expertise, cost and other factors deemed relevant.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.
4. Describe performance standards for evaluating ESG.

All service providers and agencies contracting with DES submit ESG program reports monthly and quarterly attached to fiscal claims for reimbursement that are designed to capture client data, fiscal expenditures billed and services provided. At least once each year, DES will conduct desk reviews of the programs and at least once every two (2) years, a comprehensive audit and site visit will be conducted of the program and facilities. Upon completion of the review and audits conducted, each ESG provider will receive a written report, prepared with findings and recommendations for corrective actions if necessary, with specific deliverable dates for completing corrective actions. Additionally, sub-contracts with the State Homeless Coordination Office to provide homeless services include the following performance outcomes:

- 1) seventy-five percent (75%) of participants improve in overall required Self Sufficiency Matrix

score from participant entry to participant exit;

2) sixty percent (60%) of participants who exit the Rapid Re-Housing program, exit to permanent housing during the program year;

3) seventy-five percent (75%) of Rapid Re-Housing participants who exit the Rapid Re-Housing program score at least a four (4) on the Self Sufficiency Matrix;

4) sixty percent (60%) of Rapid Re-Housing participants meet at least one (1) of the priority populations criteria; and

5) forty percent (40%) of Temporary Emergency Shelter clients exit to positive permanent housing situations during the program year.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

Subgrantees that are State Agencies

Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- e. Describe the grantee’s required priority for funding based on the applicant’s ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
- i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.
4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

The grantee will use the HUD issued affordable homeownership limits.

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Discussion:

All programs administered by the State have written performance policies, criteria and standards available for applicants (non-profit, for-profit, units of local government, service providers) to review and/or download from the ADOH and AzDES websites. In addition, these policies are included in the State's five (5) year Consolidated Plan which is also available for review or download from the ADOH website. Staff are available to provide technical assistance on an as needed or as requested basis.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. Distribution of funds

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2).

- b. Describe the State Agency's application requirements for eligible recipients to apply for HTF funds.

- c. Describe the selection criteria that the State Agency will use to select applications submitted by eligible recipients.

- d. Describe the State Agency's required priority for funding based on geographic diversity (as defined by the State in the consolidated plan).

- e. Describe the State Agency's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner.

- f. Describe the State Agency's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families.

- g. Describe the State Agency's required priority for funding based on the financial feasibility of the project beyond the required 30-year period.

- h. Describe the State Agency's required priority for funding based on the merits of the application in meeting the priority housing needs of the State (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations).

- i. Describe the State Agency's required priority for funding based on the extent to which the application makes use of non-federal funding sources.

2. Does the State Agency's application require the applicant to include a description of the eligible activities to be conducted with HTF funds?

3. Does the State Agency's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements?