



Arizona Department of Housing 2010 Information Bulletin

REGARDING PROGRAMS: State Housing Fund Program
REGARDING FUNDING SOURCES: HOME Investment Partnerships Program (HOME)
Housing Trust Fund (HTF)

INFORMATION BULLETIN No. 11-10

ISSUED: August 26, 2010

RE: NOTICE OF FUNDING AVAILABILITY FOR STATE HOUSING
FUNDS RENTAL HOUSING

NOTICE OF FUNDING AVAILABILITY

The Arizona Department of Housing (the Department) is pleased to announce a Notice of Funding Availability (NOFA) for funding through the State Housing Fund (SHF) which is comprised of the HOME Investment Partnerships Program (HOME) and the Housing Trust Fund (HTF). This NOFA is for the preservation of existing and/or the development of affordable multi-family rental properties (permanent and transitional). For FY2011, the Department expects to allocate approximately \$4,000,000 in SHF. The Department will determine, in its sole discretion, which source of funds will be awarded. Note: All Funding Sources are not available for all activities. The SHF will be allocated through a competitive funding round and the application submission deadline is November 30, 2010 at 4:00 p.m.

The Application process for SHF can be found in the SHF Program Summary and Application Guide. The guide can be downloaded from the ADOH website at: www.azhousing.gov.

GENERAL OVERVIEW

The mission of the Department is to “provide housing and community revitalization to benefit the people of Arizona”. The Rental Housing Objectives for FY2011 are:

1. Increase the number of affordable rental housing units.
2. Improve the quality of rental housing through rehabilitation

In response to the Department’s Rental Housing Objectives, this NOFA is being issued for the purpose of providing gap financing for the preservation and/or the development of transitional and permanent rental projects.

The funding process can be found in the SHF Program Summary and Application Guide which includes information regarding:

1. Completeness review.
2. Threshold review.
3. Scoring.
4. Financial and Technical review.
5. Funding review - In some cases the Department will make a site inspection a part of the funding review.

Funding Sources of the State Housing Fund

State Housing Trust Funds (HTF): Housing Trust Fund is the most flexible and easiest to incorporate for projects. Established in 1988 by the Arizona State Legislature, the Housing Trust Fund (HTF) was created to provide a flexible funding source to assist in meeting the housing needs of low-income families in Arizona.

Federal HOME Funds (HOME): The HOME Investment Partnerships Program (HOME) funds are allocated to the State through the U.S. Department of Housing and Urban Development (HUD). HOME was created by the National Affordable Housing Act of 1990 (NAHA). Regulations governing the HOME Investment Partnership Program are published at 24 CFR Part 92 (Final Rule, published September 16, 1996. Revised Final Rule amendments were published October 31, 2002.). Applicants are encouraged to become familiar with Federal regulations. The regulations and corresponding clarification notices can be found at:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>.

Eligibility Criteria

This NOFA is targeting the preservation of existing and/or the development of affordable multi-family rental properties which meet the following criteria:

- Permanent and transitional.
- Acquisition/Rehabilitation.
- Rehabilitation of existing affordable rental housing.
- For HUD Section 202/811 projects, final commitments must be received within 90 days of the application submission deadline.
- Applicant must provide evidence of their pursuit of funding from the local jurisdiction prior to the submittal for State Housing Funds.
- Other Eligibility Criteria is found in the SHF Program Summary and Application Guide. Refer to Chapter 1- General State Housing Fund Overview, Chapter 2 – The Funding Process and Chapter 4 – Rental Development.

Eligible Applicants

Eligible applicants are limited to:

- Units of local government, including cities, towns and counties.
- Tribal Governments, tribally designated housing entities, and housing authorities.
- Public Housing Authorities.
- Regional Councils of Government.
- Other State Agencies.
- Non-Profit Agencies, including Community Housing Development Organizations (CHDOs).
- Private development agencies.

All applicants must be authorized to conduct business in Arizona. Applicants (and all of their team members) must not have outstanding or unresolved contractual, property, or beneficiary-related compliance issues with **any** Federal programs, or programs of the Department, the Arizona Housing Finance Authority or any other applicable State or Federal Agency.

Eligible Projects

A project is defined as a site or sites together with any building(s) that are under common ownership, management and financing and are to be assisted as a single undertaking. Single-family rental properties (scattered site) and multi-family properties are eligible. There are several types of projects that may be funded:

- Standard projects include units that have one or more bedrooms, living, kitchen, dining and sanitary facilities. Structures may be single-family rental (scattered site) or multi-family units.
- Single Room Occupancy (SRO) units must contain both food preparation and sanitary facilities within the unit.

Maximum Applicant Funding

The maximum limit of SHF available per project is \$750,000. No single applicant (including the developer, if the primary applicant is not also the developer) will be awarded more than \$750,000 in any 12 month period from the SHF for projects within Maricopa and/or Pima County.

Application and Threshold Review Criteria

The review criterion is set forth in Chapters 2 and 4 of the SHF Program Summary Application Guide available on the ADOH website at: www.azhousing.gov.

Underwriting

Projects will be underwritten and a subsidy layering review performed to determine whether or not additional public funding is needed. The Department will determine, in its sole discretion, which source of funds will be awarded. Applicants should plan their projects under the assumption that the more restrictive federal HOME funds may be provided.

Funding Determinations

The SHF Application must meet the SHF eligibility, application review, and underwriting criteria. Award of SHF is subject to the availability of the funds provided to the Department for the SHF program (federal HOME and state HTF). Competitive funding criteria can be found in Chapter 2 of the SHF Program Summary and Application Guide.

Funding Notification

The Department will make every effort to make its funding decisions within 60 days, depending on the number and complexity of the applications received.

Technical Assistance

The Department is available to answer any questions regarding the SHF program and the requirements for application submittal.

Application Submission

Applicants must complete their application packages as described under Application Format, completing all required sections and required supporting documentation, submitting one original and one copy. Additional information received after the November 30th deadline will not be accepted for scoring purposes.

Application Format

Applications must be typewritten or computer generated. Applicants are not to revise the formatting of these forms in any way. A copy of this application is available by US Mail, on diskette, by e-mail, or at the Department's website: www.azhousing.gov.

Application material must be:

- **Bound in a 3 ring binder**
- **8 ½ x 11 format**
- **single-sided**
- **indexed and tabbed to correspond with the application checklist**

In instances where the documentation is not applicable to a project, the tab must still be included and a single sheet indicating "N/A" and a statement describing the reason(s) the item is not applicable should be included in this space. The tabulation format should not be altered in any way.

Application Deadline

Applications are due (must be in the possession of the Department) no later than 4:00 p.m. on November 30, 2010.

Applications delivered after 4:00 p.m. on the deadline date noted above will not be accepted.

Applications must be delivered to:

**Attn: State Housing Fund - RENTAL
Arizona Department of Housing
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007**

Questions regarding Rental applications may be directed to Cindy Coen at (602) 771-1010 or cindy.coen@azhousing.gov.



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