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## The Arizona Department of Housing 2009 Information Bulletin

**REGARDING PROGRAMS:** Community Development and Revitalization

**REGARDING FUNDING SOURCES:** CDBG

### **INFORMATION BULLETIN No. 23-09**

**ISSUED:** October 5, 2009

**RE:** Notice of Funding Availability for CDBG  
State Special Projects Competitive Funding

#### **NOTICE OF FUNDING AVAILABILITY**

For FY 2009, the Arizona Department of Housing (ADOH) expects to allocate approximately \$1.7 million in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2009 SSP funds will be distributed in one competitive funding round and the application submission deadline is February 15, 2010 at 4 p.m.

The Application Process for the SSP funding allocation is described in the CDBG Application Handbook (revised January 2009) with any additional requirements outlined in this Notice. The CDBG Application Handbook and SSP Rating Forms (the Rating Tool, Instructions for Using the Rating Tool, and the Completeness Review Form) can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>.

#### **CHANGES FROM FY2008**

There are significant changes from the FY2008 SSP application round and those changes are as follows:

- Owner Occupied Housing Rehabilitation programs will be required to demonstrate that they will incorporate energy efficiency retrofitting wherever possible. Examples of this might be:
  - Use of low VOC paint
  - Installation of additional roofing or exterior/interior wall insulation.
  - Replacement of water heater with solar unit.
  - Replacement of HVAC with high efficiency Energy Star unit.
  - Replacement of windows, with dual pane low e glass Energy Star windows.
  - Installation of Low Flow water fixtures.
  - Installation of Compact Fluorescent Light bulbs.
  - Mitigation of structural air leakage.
  
- The *requirement* of community participation in Smart Growth Scorecard for future SSP application rounds as highlighted in the FY2008 SSP NOFA has been rescinded. However,

communities are still encouraged to participate in the scorecard process and bonus points will be awarded to those communities who demonstrate they have completed their Smart Growth Scorecard.

- There were insufficient colonias eligible applications received during the FY 2009 regional application rounds in June and July to meet the HUD required 10% set aside. Therefore as stated in the State's FY2004-2009 Consolidated Plan and the Fifth Program Year Action Plan colonias eligible projects will receive priority funding consideration in the FY2009 SSP Application round.

## STATE SPECIAL PROJECTS INFORMATION

### Eligible Applicants

Consistent with federal law, eligible applicants for the State CDBG Program are:

- All incorporated cities and towns, except those located in Maricopa and Pima Counties and excluding the cities of Flagstaff, Prescott and Yuma.
- All of Arizona's counties except Maricopa and Pima Counties.

### Eligible Activities

Any eligible CDBG activity (excluding equipment purchases) can be undertaken with State Special Projects (SSP) Account. Please see Section 6 of the CDBG Application Handbook, page 67. The Department has established through the Consolidated Planning and Annual Action Plan process priority activities which include housing rehabilitation, increased access to safe drinking water, proper disposal of household wastewater, access to community services in local facilities and economic development.

A detailed explanation along with a complete list of eligible and ineligible activities is available in the CDBG Application Handbook. Applicants unsure of an activity's eligibility are encouraged to contact ADOH staff to discuss the project.

Eligible activities should be ready to begin implementation within 30 days of funding, and must anticipate completion within the self-determined and approved contract timeframe, generally not to exceed 24 months.

### Threshold Issues and Application Requirements

To qualify for funding under this notice, applicants *must* submit the following items *in addition to all elements required by Section 6 of the CDBG Application Handbook (Rev. January 2009)*. Applications that are not complete and do not contain the following items will be rejected.

For all applications:

- Environmental Review Record: both new and re-evaluation requests must be reviewed and approved by ADOH prior to submittal of an SSP Application.
  - All applications must include the project specific E-13 Authority to Use Grant Funds issued by ADOH.
  - For Environmental Review Records subject to re-evaluation, ADOH will issue a written notification of approval. Applications must include a copy of this notification of approved re-evaluation as well as a copy of the original E-13.
  - *Please see the ADOH Environmental Review Handbook available on our website at <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>.*
- Applicant must submit detailed cost estimates for both administrative and project funding.
- Applicant must submit budgets that have been carefully considered to maximize the potential of CDBG funds.

- Applicant must provide data showing the poverty level in the community or target area by census tract.
- Applicant must submit extensive public participation information, *including* ads, postings, P2 and P4 affidavits, Council meeting minutes and a list of all projects discussed.
- Applicant must provide documentation that the application project meets a priority activity as established in the State's FY 2004-2009 Consolidated Plan and Fifth Year Annual Action Plan.

For new construction of housing:

- Applicant must provide proof that the proposed developer has developed at least one successful and similar project.
- Applicant must submit evidence that the applicant or the proposed developer currently has site control.
- Applicant must submit a description of the planning and design for the project, along with detailed architectural drawings and floor plans.
- Applicant must provide copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by either an Architect or Contractor.

For owner-occupied housing or rental rehabilitation:

- Applicant must provide a certified copy of wait list of *income qualified* homeowners/tenants to support need.
- Applicant must submit a letter certifying that initial inspections have been performed and work orders and specifications are being drafted for all houses/rental units to be rehabilitated.
- Applicant must submit a copy of the community's Housing Rehab Guidelines (HRGs) **AND** a copy of the ADOH document approving the HRGs.
- HRGs must incorporate energy efficiency retrofitting policies and procedures.
- Applicant must submit evidence that the community's HRGs have been adopted by its governing body via a resolution or meeting minutes.
- If Rental Rehab: applicant must include documented evidence the landlord has site control.
- If Rental Rehab: applicant must submit a copy of the agreement between the landlord and the local government to rent a certain percentage of units to L/M income households (rental rehabilitation only).

For homeownership assistance:

- Applicant must submit a list of income-qualified applicants to support need.
- Applicant must submit a copy of their homeownership assistance guidelines **AND** a copy of the ADOH document approving the guidelines.
- Applicant must submit evidence that their home ownership assistance guidelines have been adopted by their governing body via resolution or meeting minutes.

For Public or Commercial Facilities-New Construction (Public Facilities only) and Renovation

- Applicant must submit complete construction plans with detailed drawings of the final product.
- Applicant must submit documentation demonstrating that the applicant owns the land in question with no restrictive agreements attached to the land. If commercial rehab, a deed must be included to demonstrate that the assisted business owns the property.

- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by an Architect, Engineer or Contractor.

For public works:

- Applicant must submit complete construction plans and specifications approved by the local government.
- Applicant must submit a list of qualified bidders selected for solicitation and statement certifying that the local government will select vendors through a competitive procurement process compliant with CDBG guidelines.
- Applicant must submit final engineering design drawings, signed and certified.
- For Infrastructure projects: Applicant must submit evidence that the community has site control.
- Applicant must provide copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval from the appropriate bodies.
- Cost estimates have been certified by an Architect, Engineer or Contractor.

For public services/planning activities:

- Applicant must submit a comprehensive scope of work.
- Applicant must include information qualifying the agency to conduct or provide the public service (or develop the plan), or if the service provision is to be bid out, a list of qualified consultants.
- Applicant must submit a copy of the ADOH letter of approval for submission of a public service or planning activity application.
- If public service: applicant must provide evidence that the assisted service is either new or will increase the current service provided by at least 25%.

Economic Development Assistance

- Applicant must submit a list of qualified business owners to be assisted.
- Applicant must provide letters from the assisted businesses agreeing to create or retain jobs and comply with CDBG requirements for economic development activities.
- Applicant must provide evidence that the activities proposed are financially feasible.
- If infrastructure/construction project: cost estimates have been certified by an Architect, Engineer or Contractor.

### **Public Participation**

ADOH encourages each community to combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings. *All documented evidence of Public Participation process where the project for this SSP application was selected must be submitted.* Please refer to the CDBG Application Handbook at: <http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16>

### **Selection of Project Awards**

Projects will be selected for SSP funding by a competitive process through which applications are scored. Scored applications will be kept on file for one year and the next highest scoring applications will be funded if funding becomes available through recapture or de-obligated CDBG funds.

The goals of the rating system are as follows:

- Ensure fairness in competition for the grants;

- Increase the objectivity of the reviews; and
- Provide grantees with more information on how to write a competitive application.

The application rating system places additional emphasis on: targeting the most impoverished areas and low-moderate income communities; determining the need for the activity; past performance of the applicant and/or administrating agency; and cost effectiveness of the project.

The SSP Rating Tool along with instructions for using the rating tool and a completeness review form can be obtained from the ADOH website at:

<http://www.azhousing.gov/ShowPage.aspx?ID=51&CID=16> .

Please review the rating tool, completeness form, and the CDBG Grant Application Review Forms (pp. 183-210 of the CDBG Application Handbook) to ensure that your application has supplied all relevant information under each criterion and may obtain the maximum points available to your type of project.

### **Selection Notification**

ADOH anticipates notifying all applicants within 90 days of application deadline as to whether they will be funded or not. Applicants approved for funding should be prepared to initiate projects within 30 days of notification.

Upon request, both funded and unfunded applicants will have the opportunity to review their application's scoring with ADOH staff in order to increase their competitiveness in subsequent application and funding processes.

### **Maximum Grant Amount**

The maximum grant available including administrative funding under this notice is \$300,000. Funds unexpended at contract termination shall be returned to ADOH.

### **Contract Terms**

Contract time frames will not be restricted. Contracts entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. In general projects should be complete within 24 months. The successful applicant must return contract documents with Mayor's/Board Chair's signature within 30 days of their receipt. Contracts not returned within the specified time period will be terminated and funds will be reassigned to the next community.

### **APPLICATION TIMELINE**

The following is a listing of key dates in the application and funding process:

Application Handbook release:	January, 2009
NOFA release:	October 5, 2009
Application Deadline:	February 15, 2010, 4:00 p.m.

## APPLICATION SUBMITTAL

All communities/counties eligible to receive funding from the State CDBG program are eligible to apply for SSP funds. Each community/county is encouraged to submit an application for **one** project.

Applicants must submit one original and one copy of the application. The entire application (both original and copy) must be two-hole punched at the top and secured by a clasp. **DO NOT** submit applications in binders.

Applications must be received by ADOH no later than **Monday, February 15, 2010 by 4:00 p.m.** Applications will be considered received if one of the following indicates a date and time no later than the application due date:

- Fed Ex, UPS, etc. delivery documents; and
- Department staff documentation of receipt.

Applications *may not* be submitted via e-mail or fax. Applications may be delivered or mailed to:

Arizona Department of Housing  
Attn: CDBG Application SSP Account  
1110 W. Washington, Suite 310  
Phoenix, AZ 85007

**Arizona Department of Housing**  
1110 W. Washington, Suite 310  
Phoenix, AZ 85007  
Telephone (602) 771-1000 Facsimile (602) 771-1002 TDY (602) 771-1001  
[www.azhousing.gov](http://www.azhousing.gov)