



The Arizona Department of Housing 2012 Information Bulletin

REGARDING PROGRAMS: Community Development and Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 05-12

ISSUED: February 3, 2012

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

NOTICE OF FUNDING AVAILABILITY (NOFA OR NOTICE)

For FY 2012, the Arizona Department of Housing (ADOH) expects to allocate approximately \$1,147,502.00 in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2012 SSP funds will be distributed in one competitive funding round and the application submission deadline is July 18, 2012 at 4 p.m.

The Application Process for the SSP funding allocation is described in the CDBG Application Handbook (revised January 2009) with any changes or additional requirements outlined in this Notice. The CDBG Application Handbook and SSP Rating Forms (the Rating Tool and the Completeness Review Form) can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=449&CID=16>

CHANGES FROM FY2011

There is a significant project eligibility change from the FY2011 SSP application round. The change is as follows:

- **Project Eligibility:** Only those activity types listed on **Appendix B** of the State of Arizona **FY2011 Action Plan** with a priority ranking of "High" or "Medium" for the *categories listed below* will be eligible to apply for CDBG SSP funding. Projects listed as a "Low" priority and those *not listed* will not be eligible to apply for funding. Applicants unsure of an activity's eligibility are encouraged to contact ADOH staff to discuss the project. A copy of the Appendix B can be found in the FY2011 Final Action Plan on the ADOH Website at: <http://www.azhousing.gov/ShowPage.aspx?ID=137&CID=15>

Eligible Categories are as follows:

- Public Facilities and Improvements
 - Community/Supportive Housing Facilities
 - Housing
 - Economic Development
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- **Application Thresholds:** Threshold requirements have changed. There are general thresholds that apply to every application and thresholds that are project specific. Applications *must meet both general and project specific thresholds* in order to be eligible for scoring. Any application that does not meet all applicable threshold requirements will not be competitively scored and will be denied for funding. Please review Part I of the ADOH CDBG SSP Rating Tool FY2012. The rating tool can be obtained from the ADOH website at:
<http://www.azhousing.gov/ShowPage.aspx?ID=449&CID=16>
 - **Scoring:** The competitive scoring criteria have changed. *There is now a minimum score requirement of 70 points.* Any applications not scoring the minimum 70 points will not be considered for funding. Please review Part II, III & IV of the ADOH CDBG SSP Rating Tool FY2012 carefully. The rating tool can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=449&CID=16>

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 tribal lands and the cities of Flagstaff, Prescott and Yuma.
- All of Arizona's counties except Maricopa and Pima Counties.

Eligible Activities

Any eligible CDBG activity listed on Appendix B of the State of Arizona FY2011 Annual Action Plan under the categories of Public Facilities and Improvements; Community/Supportive Housing Facilities; Housing; and Economic Development with a priority ranking of "High" or "Medium" can be undertaken with State Special Projects (SSP) Account.

Activities must meet a CDBG National Objective.

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 execution of the Funding Agreement, 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:

- The activity meets one of the three national objectives:
 - o Low-to-Moderate Income Benefit
 - o Slum/Blight
 - o Urgent Need
- At least 70% of all SSP funds must benefit persons of low and moderate income.
- Slum/Blight and Urgent Needs activities are capped at a maximum of 30% of the total CDBG allocation per year. Applicants proposing Slum/Blight or Urgent Need projects must notify the Department in advance for approval of the submission of a Slum/Blight or Urgent Need project application. *Slum/Blight projects must address one or more of the conditions indicated in the applicant's resolution as the reason for designation of the target area as Slum/Blight.*
- Environmental Review Record: Both new and re-evaluation requests must be reviewed and approved by ADOH **prior to submittal of an SSP Application**.
 - o All applications must include the project specific E-13 Authority to Use Grant Funds issued by ADOH with an issuance date prior to submission of the SSP application.
 - o 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.
 - o *Please see the ADOH Environmental Review Handbook available on our website at <http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>*
- Applicant must submit extensive public participation information demonstrating they held at least two (2) public hearings *including*: ads, postings, P2 and P4 affidavits, meeting minutes and sign in sheets from each meeting/hearing, and a list of all projects discussed.
- Applicant must submit detailed cost estimates and budgets for both administrative and project funding that have been carefully considered to maximize the potential of CDBG funds.
- Applicant must provide documentation evidencing a clearly-defined and appropriate Service Area for the project (e.g. project maps, census data, surveys, appropriate/complete application forms etc.).

For Public Facilities and Improvements:

- Eligible activities are:
 - o Water System Improvements
 - o Wastewater System Improvements
 - o Road/Street Improvements
 - o Flood and Drainage Improvements
 - o Other Public or Privately Owned Utilities
- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level
- Applicant must submit proof of site control.
- Applicant must submit final engineering design drawings, signed and certified.
- 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 include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters from the appropriate bodies stating these permits will likely be approved within 30 days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.
- Applicant must submit evidence of proper zoning for the project type from the appropriate planning and/or zoning dept.
- Cost estimates have been signed and certified by an Architect, Engineer or Contractor.

For Community/Supportive Housing Facilities:

- Eligible Activities are:
 - o ADA/ROB Improvements – as a standalone activity for any community/supportive housing facility (including parks, playgrounds, libraries, youth centers, community centers, etc.)
 - o Senior Centers
 - o Food Banks
 - o Physical or Psychological Disabilities Facilities
 - o Homeless Facilities
 - o Supportive Housing Facilities (DV shelters, halfway houses, housing for disaster victims, hospitals etc.)
- Applicant must submit complete construction plans and specifications with detailed drawings of the final product.
- Applicant must submit documentation demonstrating that the applicant or subrecipient owns the land in question with no restrictive agreements attached to the land.
- Applicant must provide a list of qualified bidders selected for solicitation and statement certifying that the local government or subrecipient will select vendors through a competitive procurement process compliant with CDBG guidelines.
- Cost Estimates have been signed and certified by an Architect, Engineer or Contractor.

- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters from the appropriate bodies stating these permits will likely be approved within 30 days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.

For Housing:

- Eligible activities are:
 - o Owner Occupied Housing Rehabilitation
 - o Rental Housing Rehabilitation
 - o Lead-based Paint Evaluation or Reduction
- Applicant must provide a copy of the wait list of *income qualified* homeowners/tenants that is signed by the CDBG Contact to support need. Wait list must include household name, address, size, AMI% and race/ethnicity information.
- Applicant must submit a copy of the community's Housing Rehab Guidelines (HRGs) **AND** a copy of the ADOH document approving the HRGs. HRG's therefore must be reviewed and approved by ADOH prior to submission of an SSP application. HRG's must have incorporated 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.
- Applicant must submit a copy of the initial inspections (HQS or equivalent) for each of the units to be assisted.
- 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.

For Economic Development Assistance:

- Eligible activities are:
 - o Direct Assistance to For-profit Businesses
 - o Economic Development Services
 - o Micro-enterprise Assistance to Businesses
- 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:

<http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are scored. Applications that have met all applicable threshold requirements will be competitively scored with the highest scoring applications receiving awards until available funds are exhausted. Scored applications will be kept on file for one year and the next highest scoring application will be funded only if funding becomes available through recapture or de-obligated CDBG funds sufficient to award the additional project.

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 low-moderate income people and communities; determining the need for the activity; past performance of the applicant and/or administering agency; and cost effectiveness of the project.

The SSP Rating Tool and a completeness review form can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=449&CID=16>

Please review this NOFA, 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

Funding Agreements 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. The maximum timeframe for project completion is 24 months.

The successful applicant must return Funding Agreement documents with Mayor's/Board Chair's signature within 30 days of their receipt. Funding Agreements not returned within the specified time period will be terminated and funds will be reassigned to the next highest scoring applicant.

ADOH will terminate any Funding Agreement and recapture funds from the same Funding Agreement in which the Recipient does not commence any of the activities described in the *Scope of Work (Attachment A)* or fails to expend any funds in accordance with the *Budget (Attachment C)* within One hundred eighty (180) calendar days from the full execution date of the Funding Agreement.

APPLICATION TIMELINE

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

Application Handbook release:	January 2009
NOFA release:	February 1, 2012
Application Deadline:	July 16, 2012, 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 (1) original and one (1) 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. Any drawings, maps, plans or supportive documents may be included unbound (if not feasible to bound) but must be legible, designated and labeled.

Applications must be received by ADOH no later than **Monday, July 16, 2012 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; or
- 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

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