
The Arizona Department of Housing

2011 Information Bulletin

REGARDING PROGRAMS: Community Development and Revitalization

REGARDING FUNDING SOURCES: CDBG

INFORMATION BULLETIN No. 01-11

ISSUED: January 21, 2011

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

NOTICE OF FUNDING AVAILABILITY (NOFA OR NOTICE)

For FY 2010 and FY2011, the Arizona Department of Housing (ADOH) expects to allocate approximately \$3 million in Community Development Block Grant (CDBG) Program funds to State Special Projects (SSP). The FY 2010/2011 SSP funds will be distributed in one competitive funding round and the application submission deadline is June 30, 2011 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 SSP Scoring Tool and the Completeness Review Form) can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>

CHANGES FROM FY2009

There are significant changes from the FY2009 SSP application round and those changes are as follows:

- **Project Eligibility:**

The following types of "Medium" or "High" priority activities are eligible for this round of SSP funding:

Community Facilities

- Senior centers
- Food banks
- Physical or psychological disabilities facilities
- Homeless facilities
- Supportive housing facilities

Housing Rehabilitation

- Owner-occupied housing rehabilitation
- Rental housing rehabilitation

Public Works

- Water/Wastewater system improvements
- Road/Street improvements
- Flood and drainage improvements

Public Services

- Health care
- Public safety services
- Services for seniors
- Services for homeless persons

- Equipment used in the provision of any of the above services (except ambulances, fire trucks/equipment)
- Emergency assistance (utility, rent, mortgage) not to exceed a single 3 month period
- Lead hazard screening

Economic Development Assistance

- Direct assistance to for-profits (businesses)
- Economic development services
- Micro-enterprise assistance (businesses)

- **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 FY2010-2011. The rating tool can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>
- **Scoring:** The competitive scoring criteria have changed. Please review Part II, III & IV of the ADOH CDBG SSP Rating Tool FY2010-2011 carefully. The rating tool can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=387&CID=16>
- **Smart Growth:** Although greatly encouraged, proposed activities are no longer required to reflect the Smart Growth Principles
- **Planning only activities will no longer be eligible for SSP Funding.**

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 listed in the Project Eligibility section of this NOFA can be undertaken with SSP funds.

Activities must meet a CDBG National Objective. 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.

Public Service activities are capped at a maximum of 15% of the total CDBG allocation per year. Applicants proposing public service projects must notify the Department in advance for approval of the submission of a public service project application.

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:
 - Low-to-Moderate Income Benefit
 - Slum/Blight
 - Urgent Need

- 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 with an issuance date prior to submission of the SSP application.
 - 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=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, minutes from each meeting/hearing, and a list of all projects discussed at all meetings/hearings involved in the process.
- Applicant must submit detailed 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.) This documentation will be used by the Department to determine the poverty level for the proposed project.

For Community Facilities-New Construction and Renovation

- Applicant must submit complete construction plans with detailed drawings of the final product.
- Applicant must provide evidence of proper zoning from the appropriate planning and zoning department.
- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters stating likely approval will be received from the appropriate bodies within 30 days of award.
- Applicant must submit documentation demonstrating that the applicant owns the land in question with no restrictive agreements attached to the land.
- Cost estimates have been signed by an Architect, Engineer or Contractor.

For Housing Rehabilitation – Owner-occupied and Rental:

- 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 the following household information: Name, address, household size, AMI% and race/ethnicity information.

- Applicant must submit a copy of the initial inspections (HQS or equivalent) for each of the homes to be assisted.
- 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.
- 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 Public Works:

- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level.
- 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 drawings, signed and certified by the engineer.
- 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 will be received from the appropriate bodies within 30 days of award.
- Cost estimates have been signed by an Architect, Engineer or Contractor.

For Public Services:

- Applicant must submit a comprehensive scope of work describing the service and how it will be carried out including information qualifying the agency to conduct or provide the service; 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 application.
- 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 signed 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=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 impoverished areas and 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 along with the completeness review form can be obtained from the ADOH website at: <http://www.azhousing.gov/ShowPage.aspx?ID=387&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:	January 21, 2011
Application Deadline:	June 30, 2011, 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 **Thursday, June 30, 2011 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

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