



Arizona Department of Housing 2024 Information Bulletin

REGARDING PROGRAMS: AZ Balance of State Continuum of Care

REGARDING FUNDING SOURCES: HUD McKinney-Vento Continuum of Care

INFORMATION BULLETIN No. 56-24

ISSUED: August 19, 2024

RE: CoC Build NOFO Letter of Interest

**Arizona Department of Housing as the United Funding Agency and Collaborative Applicant
For the Arizona Balance of State Continuum of Care
Request for Letter of Interest**

The Arizona Department of Housing as United Funding Agency and Collaborative Applicant requests Letters of Interest related to the U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Builds Notice of Funding Opportunity (NOFO) referenced as the CoC Build NOFO throughout this document.

Overview of HUD requirements: HUD is making approximately \$175,000,000 available and anticipates funding approximately 25 projects. The purpose of the funding is to target efforts within CoC geographic areas to reduce the number of persons and their households who are experiencing homelessness. For the purposes of this NOFO, the HUD definition of homelessness is pertinent—and is focused on persons who are staying in places not meant for human habitation. See information at this link:

<https://www.hudexchange.info/news/huds-definition-of-homelessness-resources-and-guidance/>

The projects that are funded will be focused on adding new units of permanent supportive housing (PSH) which is defined “permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability (and live independently).”

<https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-program-components/permanent-housing/permanent-supportive-housing/>

The types of activities that will be funded include construction, acquisition, and/or rehabilitation. There are other requirements including:

- No more than 20% of each award may be used for other eligible CoC activities including supportive services and operating.
- No more than 10% may be used for administration.
- These are one-time funds.
- The grant term for this project may be up to five years. That is based on a single award—not additional funding each year.
- Projects must be occupancy-ready within 36 months from expected contract execution in September 2025.
- The project must be leveraged with non CoC funded housing through coordination with housing providers, health care organizations, and social services providers to provide at least 50% of the amount being requested in the application OR

- The project is leveraging non-CoC funded housing resources to provide subsidies for at least 25% of the units that are proposed in the application. (See page 39 of CoC Builds NOFO at this link: https://www.hud.gov/sites/dfiles/CFO/documents/Foa_Content_of_FR-6800-N-25A.pdf)

HUD's Six Goals for the projects that result from this NOFO competition (taken from the NOFO-page):

1. Increase housing opportunities for people with high risk of levels of need.
2. Increase the supply of permanent supportive housing units within CoC geographic areas to address individuals and families experiencing homelessness where one member of the household has a disability.
3. Encourage coordination between housing providers, health care organizations, and social service providers.
4. Ensure access to resources for projects to expand opportunities for new PSH units in States with populations less than 2.5 million.
5. Ensure new PSH units are conveniently located near local services; e.g., walking distance, near reliable transportation services, provide access to telehealth, etc.
6. Affirmatively further fair housing by addressing barriers that perpetuate segregation, hinder access to areas of opportunity for protected class groups and concentrate affordable housing in under-resourced areas.

The projects funded through this NOFO must align with the following HUD Strategic Goals:

- 1: Support Underserved Communities Fortify support for underserved communities and support equitable community development for all people.
 - 1B: Reduce Homelessness Strengthen Federal, State, Tribal, and community implementation of the Housing First approach to reducing the prevalence of homelessness, with the ultimate goal of ending homelessness.
- 2: Ensure Access to and Increase the Production of Affordable Housing Ensure housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.
 - 2A: Increase the Supply of Housing Enhance HUD's programs that increase the production and supply of housing across the country.
- 4: Advance Sustainable Communities Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health.
 - 4B: Strengthen Environmental Justice Reduce exposure to health risks, environmental hazards, and substandard housing, especially for low-income households and communities of color.
 - 4C: Integrate Health and Housing Advance policies that recognize housing's role as essential to health.

In the case of the Arizona Balance of State Continuum of Care, because the Arizona Department of Housing is both a designated United Funding Agency and the AZBOSCO Collaborative Applicant—it will be the designated applicant organization. If successful, the organization who implements that project will be a subrecipient to ADOH. Eligible potential subrecipients include:

- County governments
- City or township governments
- Special district governments
- Native American tribal governments (Federally recognized)
- Public housing authorities/Indian housing authorities
- Native American tribal organizations (other than Federally recognized tribal governments))
- Nonprofits including faith-based organizations having a 501(c)(3) status with the IRS, other than institutions of higher education)

Overview of this Request for Letter of Interest:

Letters of Interest (LOI) are requested from organizations for projects that can meet the HUD requirements as described in the NOFO (see above). The full NOFO can be found here:

https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps/CoCBuilds

The Arizona Balance of State Continuum of Care (AZBOSCO) geographic area includes the following thirteen counties—Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai, and Yuma. The response to the LOI must propose a project that will be executed within the AZBOSCO geographic area. The primary focus of the AZBOSCO is to conduct planning and implementation of strategies to end homelessness in the CoC's geographic area. The AZBOSCO has Local Coalitions/Continuum to End Homelessness (LCEH) that cover all counties in the geographic area. The LCEHs are responsible for planning and implementing strategies to end homelessness in their specific counties and communities.

Approximate Funds Available: Funds will be provided on a one-time basis. The AZBOSCO may submit two projects if one of the projects is completed on tribal land. The AZBOSCO may submit an application for up to \$5,000,000 if it is a single project. If two projects (with one being located in a tribal community) are submitted, the total available is \$7,000,000.

Expectations for projects include:

- Coordination with other Housing Providers and Healthcare
- If reasonable, adaptive reuse of existing structures
- Project has the match requirement of 25% as described in 24 CFR 578.73 (grant funds, except for leasing funds must be matched with no less than 25 percent of funds or in-kind contributions from other sources. <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-578/subpart-F/section-578.73>)

Interested organizations are encouraged to submit a Letter of Interest. The purpose of the LOI is to identify organizations that have the capability and capacity to execute a project within the AZBOSCO geographic area. The organizations that propose the most viable projects will be contacted for a formal discussion. This discussion will include an in-depth review of the application requirements outlined in the NOFO to ensure the organization fully understands the intricacies of the HUD application and has the capacity to meet the requirements. Based on the LOI and this discussion, the organization(s) with most viable project will be contacted, and a final Intent agreement will be executed between ADOH and the organization to move forward to develop the application for submittal to HUD. The application development will be a collaborative process between ADOH and the organization. The application is due to HUD on November 21, 2024 and must be submitted by ADOH through the Grants.gov website.

The LOI Template can be found in in the Balance of State Continuum of Care NOFOs section at https://housing.az.gov/sites/default/files/documents/files/2024%20HUD%20CoC%20Builds%20NOFO%20Letter%20of%20Interest%20RFI_0.docx . The LOI is due **August 23, 2024** and must be submitted through the ADOH Special Needs Portal which can be found here: <https://housing.az.gov/portals/document-upload-portals>.

Please contact David Bridge, ADOH Special Needs Administrator, at david.bridge@azhousing.gov if you have questions about the NOFO and LOI process.



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