



Arizona
Department
of Housing

**State Housing Trust Funds
FY2024 Notice of Funding Availability
Released January 25, 2024**

Tiebreakers & Clarifications

Date Issued: January 25, 2024

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I. Introduction

The Department reserves the right to make changes and clarifications to the FY2024 Single Family Homebuyer Unit Development Notice of Funding Availability for State Housing Trust Funds released January 10, 2024 under Section II of the NOFA.

The following changes and clarifications will be incorporated herein.

II. Clarifications

Questions received from Potential Applicants as of January 26, 2024

****Please note some questions have been partially redacted to pull out the specific ask of the ADOH related to a clarification with respect to this NOFA.**

The NOFA states that points are awarded on project's progress towards obtaining Environmental Review Approvals. What level of environmental review (ER) approvals are needed? Are the ER requirements related to NEPA and Section 42? **Since the funding source is non-federal, a formal ER is not required. It is recommended; however, that prudent due diligence is conducted on any site on which the single-family homes will be built. For example, it is recommended that a phase one is ordered to make sure that prior to any building activity there are not any obstacles that are insurmountable with respect to environmental concerns.**

The NOFA states funding will assist in the development and long-term affordability of homeownership housing for low-income, first-time homebuyer households (at a maximum of 80% of Area Median Income). Does shared appreciation or shared equity with a right of first refusal meet the qualification for long term affordability? **If the development project is on Community Land Trust (CLT) property then the CLT presumably retains a legal right of first refusal for the sale. If the property is on a CLT, the first contracted right of refusal is sufficient for ADOH.**

The NOFA states its issuance is for entities statewide who meet the eligibility requirements outlined in this NOFA below to fund up to three (3) proposals to be used for the construction or acquisition and rehabilitation of homes for sale that remain permanently affordable to low to moderate income, first-time homebuyer households. Can you clarify the definition of homeownership, what would be considered homeownership for purposes of the funding? **On this matter, the Arizona Department of Housing follows the U.S. Department of Housing and Urban Development Homeownership definition which defines a first-time homebuyer who has not owned a residential property in the last three years and the unit must be the first-time homebuyer's primary residence.** Is forced resale allowed under the NOFA, is there a minimum timeframe that must be given to homebuyers to stay in the home prior to the forced sale? **No, homeownership is in perpetuity. The homebuyer**

decided their sale schedule. Arizona mortgage foreclosure laws should be followed as stated in Arizona Revised Statutes (ARS) – Title 33, Chapter 6, Article 2.

The NOFA states a Market Study must be submitted with the submission and full points would be awarded if well evidenced. Is there a specific template or document we should be using for this study, or should it be incorporated into the narrative? For example, in the narrative we can include facts researched such as the median cost of homes in the area and the number of individuals in the area living in poverty, but we want to be sure that is acceptable. **The example evidenced above is acceptable. However, if an Affordable Housing Developer is able to procure without a financial burden a formal Market Study prepared by a Market Analyst that would be helpful. If an Affordable Housing Developer uses its own materials, ADOH asks that it cites the source from where the information is pulled. ADOH's website has a list of approved Market Analysts that other stakeholders have worked with in conjunction with providing reports to the Agency.**

The NOFA states an Affirmative Fair Housing Marketing Plan must be attached with the submission and the project-marketing plan must meet state standard. Do organizations need to complete the HUD Affirmative Fair Market Housing Plan form? **Yes, Affordable Housing Developers do need to complete the HUD Affirmative Fair Marketing Housing Plan form.**

The NOFA requests Strength of Development Team (Architect, GC, Legal, Financial Consultant) and states that points are available based on experience and capacity of other team members (architect, general contractor, legal, financial consultant) who have worked on similar projects (including one in the submission). **An Affordable Housing Developer should provide a resume, Curriculum Vitae (CV), or anything of that nature for any key lead staff or development team assigned to the project.**

The NOFA outlines Online-Proposal Submission requirements. Affordable Housing Developers will apply directly through the State HTF Special Projects Portal found here: <https://housing.az.gov/portals/document-upload-portals/state-htf-special-projects-portal>. Proposal narratives must be no longer than four (4) pages typed, minimum eleven (11) point font, and margins no less than half (1/2) an inch. A two (2) page Budget must be included. The on-line portal requires submittal of information in a number of subject areas (e.g. developer information, project information, project design, market, financial feasibility, resident services, developer capacity, etc.). What are the requirements detailed in the online portal. **The Department is looking for each Affordable Housing Developer to provide their own formatted narrative and supporting document response, when submitting a response there will be no tabs to complete. The direction on what to provide would be included in the NOFA that was issued and can be found by following this link: <https://housing.az.gov/documents-links/open-funding-opportunities> and clicking on SFY24 SHTF Single-Family Homebuyer Unit Development NOFA. There is no limit to the number of uploads included in the NOFA however there is a limit as stated above on how much to provide for each response that is required.**