



MEMORANDUM

Date: January 24, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Lesner 
County Administrator

Re: **Homeless Shelter and Services Fund**

Supervisor Scott inquired about the State of Arizona approved \$150 million for State Housing Trust Funds (SHTF) for affordable housing development and housing assistance programs, as well as \$40 million in Homeless Shelter and Services Funding (HSSF) for FY24. The attached report from Community & Workforce Development (CWD) summarizes the department's review of the funding opportunities as presently published and administered by the Arizona Department of Housing (ADOH). The report details the department's participation and consideration of funding opportunities as it relates to existing housing and homeless prevention/supportive services programming as well as the County's affordable housing needs.

Related to the funding referenced above, on the February 6, 2024 agenda for the Board of Supervisors (Board) we have scheduled the acceptance of \$3.5 million in HSSF funding for the Emergency Eviction Legal Services (EELS) shelter program as facilitated out of The Craycroft (formerly Knights Inn). Additionally, Pima county applied for \$1 million in funding for Rapid Rehousing for households experiencing homelessness in the unincorporated areas. Finally, we are supporting the City of Tucson extreme weather application submission to the State. If funded, CWD will facilitate the distribution of emergency hotel vouchers to homeless households in unincorporated Pima County during extreme weather events.


To date, the State has awarded \$6.5 million to three projects located in Pima County from the SHTF. The State's investments in our community are complementary to the Board's efforts in affordable housing. Perhaps more remarkable is that the first round of BOS gap funding awards totaled \$2.65 million. Additionally, I plan to bring forward for Board approval, the second round of gap funding totally \$6.867M. In total, Pima County is on track to make an investment of \$9.5M for 1,036 units of affordable housing.

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Dan Sullivan, Director, Community & Workforce Development

Date: January 22, 2024

To: Jan Leshner
County Administrator

From: Dan Sullivan 
Community & Workforce Development
Director

Francisco García, MD, MPH
Deputy County Administrator and
Chief Medical Officer

Andy Flagg 
Community & Workforce Development
Deputy Director

Re: Assessment of Arizona Department of Housing (ADOH) State Housing Trust Fund (SHTF) Notices of Funding Availability (NOFA) for CWD Program Strategies

Community & Workforce Development (CWD) reviewed and analyzed the recently announced Notices of Funding Availability (NOFAs) for Arizona State Housing Trust Funds (SHTF) as it applies to current activities and programming that addresses housing stability and affordability in Pima County. From the SHTF, ADOH awarded 3 projects in Pima County totaling \$6.5 million for the development and/or preservation of 516 units. All three of the awarded projects applied for and are recommended for funding in the FY23/24 Pima County Gap Funding for Affordable Housing Development and Preservation that is anticipated to be brought before the Board of Supervisors February 2024. If approved, the County will have invested \$9.5 million over two fiscal years for 1,038 units of affordable housing.

Background

[On June 23, 2023, the Arizona Department of Housing \(ADOH\) released Notice IB 29-23, FY 2024 State Housing Trust Fund Proposals for Potential Projects](#), soliciting project proposals from government, non-profit and for-profit agencies/developers from jurisdictions across the state for one-time funding release from the State Housing Trust Fund (SHTF).

Project plan submissions needed to articulate the need, population served, funding required, as well as local collaborations and/or capacity available to carry out activities. Eligible activities included addressing emergency shelter and housing support, as well as supporting the development of affordable housing for low-moderate income households. Project proposals were then reviewed by ADOH staff for the purpose of developing prioritizing the use of SHTF funds to be released in Notices of Funding Availability (NOFA).

Community & Workforce Development (CWD) leadership and staff attended two of the public information sessions held by ADOH, wherein programming focus of available funds was identified, statutory requirements regarding eligible use of funds, the requirements for proposal submissions and anticipated next steps. In each session, CWD team identified areas of need that not only aligned to the department's programming priorities, but also aligned with the Affordable Housing Taskforce Recommendations as accepted by the Board.

Summary of ADOH NOFAs for SHTF and HSSF Funds

NOFAs for SHTF funding for specific categories of projects spanning emergency home repair to new homeownership/home buyer development. CWD conducted an analysis of each. At the time of this memo, 6 of the 11 NOFAs are focused on applicants engaged/experienced in developing/constructing units of housing. Of the five remaining, CWD has either applied for, been awarded, or is actively exploring the opportunity. Below is a breakdown of the ADOH NOFA opportunities as posted with brief summary of each opportunity, respective due dates, indication if CWD has or will apply, and associated notes.

Opportunity	Summary of NOFA	Due Date	Application	Notes
2023 – 2024 Notice of Funding Homeless Shelter and Services Funds (HSSF)	Emergency shelter and rehousing support	11/30/2023	Yes	Notice of Award announced January 2, 2024 ; acceptance on February 6 BOS agenda.
SFY24 SHTF Extreme Weather NOFA	Four (4) total awards, \$500,000 max each award for emergency shelter for homeless households in the event of extreme temperatures.	1/12/2024	Yes, CoT Subrecipient	City of Tucson applied; CWD letter of commitment for cost reimbursement agreement for \$15,000 for hotel vouchers for unhoused households in unincorporated county area.
SFY24 SHTF RRH NOFA	\$2M max award available to region for purpose of providing rapid rehousing for homeless households.	1/8/2024	Yes	CWD submitted an application for \$1,000,000 for two (2) years for rehousing families and elderly households experiencing homelessness in unincorporated county.
SFY24 SHTF Local Jurisdiction NOFA	Up to ten (10) awards of \$200,000 max each award for purpose of conducting housing needs assessment,	1/31/2024	Reviewing with Partners	Already addressed by Affordable Housing Commission priorities

	identify initiatives, education and communication plan, with requirement local jurisdiction must adopt and commit to plan.			and funding recommendations.
SFY24 SHTF Owner-Occupied Emergency Repair (OOER) NOFA	\$250,000 max award \$25,000 per owner-occupied household to remedy hazardous conditions for households not to exceed 80% AMI	2/8/2024	Reviewing with Partners	CWD reaching out to nonprofit partners as well as exploring opportunity to determine complement to existing emergency home repair BIL funding.
SFY24 SHTF 4% LIHTC w/Workforce Housing Units	Gap financing up to \$6M for 4% Low Income Housing Tax Credit projects	4/30/2024	N/A	Opportunity for LIHTC developers and/or government entities engaged in LIHTC housing development. CWD not currently a housing developer.
SFY24 SHTF Single-Family Homebuyer Unit Development	\$6.5M for construction or acquisition and rehabilitation of homes for sale that remain permanently affordable to low to moderate income, first-time homebuyer households.	1/24/2024	N/A	Opportunity for developers and/or government entities engaged in development space. CWD not currently a housing developer.
SFY24 SHTF Lower Cost Housing Typology NOFA	Up to two (2) awards, \$3M max each, for development of lower cost new construction of housing units or for the acquisition and rehabilitation of state-owned shipping containers that are for sale for homeless households.	1/12/2024	N/A	Opportunity for developers and/or government entities engaged in development space CWD not currently a housing developer.
SFY24 SHTF Transitional Housing NOFA	\$5M max for construction acquisition/conversion of existing facilities for	1/4/2024	N/A	Opportunity for housing developers and/or government

	transitional housing; additional \$1.25M for direct operation costs of facility.			entities engaged in housing development. CWD not currently a housing developer.
FY2024 SHTF and NHTF NOFA	\$27M available for projects financed with (varying maximums based on status as awarded and/or cycling of 9% credits) for 9% Low Income Housing Tax Credit (LIHTC) reservations (as permitted below) will be eligible for gap financing from the State Housing Trust Fund or National Housing Trust Fund.	SHTF 12/31/2023 NHTF 1/31/2024 SHTF 1/31/2024 4/1/2024	N/A	Opportunity for LIHTC developers and/or government entities engaged in LIHTC housing development. CWD not currently a housing developer.
Rental FY2024 SHTF NOFA	\$35M available \$4-\$5M maximums per for projects that have applied or are financed with 4% Low Income Housing Tax Credits (LIHTC) and/or received prior award of \$2M in ADOH gap funding.	11/28/2023 12/12/2023 12/19/2023	N/A	Opportunity for LIHTC developers and/or government entities engaged in LIHTC housing development. CWD not currently a housing developer.

CWD Application for ADOH NOFAs

On August 24, 2023, CWD prepared and submitted a FY24 SHTF Proposal for Potential Projects identifying the expansion of or continued support for department’s programming priorities and associated funding:

- Rent and Utility Assistance \$10,000,000.00
- Emergency Eviction Legal Services \$990,250.00
- Emergency Eviction Legal Services Emergency Housing \$828,739.76
- Mobile Home Initiatives \$5,000,000.00
- Hotel/Motel Vouchers for Homeless Services \$50,000.00

ADOH subsequently released a NOFA for \$40 million in statewide funding from the Homeless Shelter & Services Fund (HSSF) for the purpose of providing emergency shelter and rehousing support for households who become homeless due to eviction. CWD applied for \$3.5 million in funding to support the Emergency Eviction Legal Services Emergency Housing program at The Craycroft hotel (formerly

Knights Inn). [ADOH awarded](#) Pima County the entire \$3.5 million requested; acceptance of that award will be on the February 6 Board of Supervisors Agenda.

Conclusion

CWD is committed to positively impacting housing stability and affordability in Pima County and continues to review funding opportunities where it can successfully apply and administer funds to support the Board of Supervisors policy and initiatives. To that end, by partnering and collaborating with local jurisdictions, community-based organizations, and non-profit organizations that have appropriate capacity and expertise in housing development, the goal is to provide strong applications for consideration and bring these dollars into the community for the overall benefit of county residents.