

<b>State: ARIZONA (QAP 2014)</b>	Arizona Department of Housing (ADOH)
<b>Measure</b>	<b>Evidence</b>
<b>HOUSING LOCATION: Site and Neighborhood Standards</b>	
A1. <b>Mandatory restrictions</b> prohibiting increases in racial and economic (or low-income) concentration	<p>≈ ADOH states a general goal is to develop affordable rent housing units in areas with the highest market demand while avoiding concentration of affordable properties in distressed areas (p. 17).</p> <p>≈ ADOH states a general goal is to provide an equitable distribution of tax credits across the state (p. 17).</p> <p>≈ ADOH may in its sole discretion, limit the number of projects in a specific market or geographical area if ADOH determines that there is insufficient demand or that a particular project would have adverse impact on low income housing developments existing in a given market area (p. 20). The required Market Demand Study must address all salient features of a project including but not limited to market rate units, multiple-use projects, commercial/retail or other non-affordable components, and location in a high crime area. The Market Demand Study must also include demographic information (p. 80).</p> <p>≈ Though not a point requirement, Applicant is required to provide a map listing any existing LIHTC or other governmental subsidized housing developments in the area (p. 43).</p> <p>≈ [TR] The marketing plan must specifically address any potentially adverse demographic, rent-up, or capture rate information in the Application for the primary market area identified in the Market Demand Study (p. 39).</p>
A2. <b>Scoring</b> that discourages racial and economic concentration	No.
A3. <b>Mandatory requirements</b> for development in high-opportunity areas	No.
A4a. <b>Scoring</b> that encourages development in high-income areas.	No.
A4b. <b>Scoring</b> that encourages development in high opportunity areas.	<p>≈ Up to 20 points for projects with existing service facilities located within 1 mile for urban projects/2 miles for rural projects: 5 points each for grocery store, schools (for households with children projects only), senior center (for older person projects only); 2.5 points each for hospital/urgent care clinic, sports and fitness center, recreation center/public park, public library (p. 26-7).</p> <p>≈ If project meets the 5 points for families (listed in F2), 2 points if project is located within 1 mile of a child-care center.</p>
A5. <b>Scoring</b> or <b>requirements</b> that preference siting near high-	≈ If project meets the 5 points for families (listed in F2), 5 points if project is located within the school boundary lines of an elementary, junior high, high school, K-12, charter school,

quality schools.	or alternative school rated “B” or better by the AZ Dept. Of Education at the time of application (p. 31).
A6. <b>Scoring</b> that discourages development in distressed neighborhoods. <sup>1</sup>	<p>⚡ (-) 1 point to projects located within a QCT or DDA (p. 33).</p> <p>⚡ (-)5 points to projects located in a HUD-designated Neighborhood Revitalization Strategy or community eligible to apply for a 2013 Promise Zone designation (p. 34).</p>
A7. <b>Scoring</b> or <b>requirements</b> that preference siting near mass transit.	<p>⚡ A specific goal for ADOH is to develop rental housing in locations that are within walking distance (0.25 mile to frequent bus transit – 0.5 mile to high capacity transit) to public transit stations (p. 18).</p> <p>⚡ Up to 35 points for transit-oriented design: 15 points is project is located in a certain proximity to frequent bus transit; 20 points if located in a certain proximity to high capacity transit station (“proximity” defined according to day/time and location (Greater Phoenix Area, Tucson, balance of State) - see p. 50) (p. 31).</p>
A8. <b>Focus</b> on and operationalization of a neighborhood revitalization plan.	⚡ Though mention is made of points offered for projects in a designated Neighborhoods Revitalization Strategy Area (see A6), no additional specifics are given on what should be included in that revitalization plan or how the project should support revitalization efforts (see p. 59).
B1. Local participation in site selection is limited to statutory minimum. <sup>2</sup>	<p>⚡ (-) ADOH will notify the local government where the project is located and request that the local government provide a letter of acknowledgement and consent to the project. The local government will be required to respond to ADOH within 30 days from the date of the letter. <i>An application will be deemed in eligible in the event that the local government either fails to provide the letter or otherwise indicates that the proposed project is unfavorable</i> (p. 23).</p> <p>⚡ (-) 10 points for projects where the local government is providing new funding towards the development budget <math>\geq 2\%</math> of the total construction cost / 5 points if new funding from local government equals 1%-1.99% of construction costs (p. 33).</p> <p>⚡ (-) For permanent supportive housing project (PSHP) set-aside, must provide documentation from the local government in which the PSHP is located (p. 52).</p>
<b>HOUSING ACCESS: Affirmative Marketing, Priority Groups</b>	
C1. Mandatory requirements ensuring affirmative marketing.	⚡ [TR] The Applicant must include an affirmative marketing plan in the Application in accordance with fair housing requirements that demonstrates how the project will meet lease-up requirements consistent with IRC 42 and any requirements of the equity investors and permanent lenders to the project. If Applicant has designated certain units for a certain population, the marketing plan must indicate how the population will be targeted. Projects should use HUD Form 935-2a (Affirmative Fair Housing Marketing Form) (p. 39).

<sup>1</sup> Evidence of the inverse: preference for development in distressed neighborhoods (by overemphasizing QCT/DDA preference, preference for existing subsidized housing in distressed neighborhoods, preferences for low-income matched financing, etc.) should also be noted.

<sup>2</sup> Evidence of the inverse: preferences or requirements for local participation should also be noted.

C2. Scoring that incentivizes affirmative marketing.	No.
C3. Scoring that incentives language access and marketing to non-English speakers.	No.
D1. Scoring that promotes Section 8 voucher access is high-opportunity areas.	✖ In the event that the project is at less than 75% occupancy after 6 months from the placed in service date, the owner is strongly encouraged to contact the local public housing authority to occupy the units from the current public housing waiting list (p. 39). [Though this is listed under threshold requirements, it really just reads as a preference.]
D2. Requirements for monitoring Section 8 voucher access <i>in high-opportunity areas</i> .	✖ As part of annual owner certification, the owner must certify that they have not refused to lease a unit to a rental applicant due t the rental applicant holding a HUD Section 8 voucher or certificate (p. 86).
F1. Incentives for larger family units.	See F2.
F2. Incentives targeting families/families with children	✖ 5 points for projects in which 30% of the total units are offered on a preferential basis to households with children and of which 30% of the total units are 3- or 4-bedroom (p. 31).
G1. Scoring that promotes units for lowest-income households ( <i>outside high-poverty areas</i> ).	✖ A specific goal for ADOH is to use tax credits in connection with rental housing projects serving the lowest income tenants (p. 18).  ✖ Up to 35 points for projects targeting low income levels. <u>Urban areas</u> : 35%+ units for residents ≤40% AMGI = 20 points, 16-34% units for residents ≤40% AMGI = 15 points, 5-15% units for residents ≤40% AMGI = 10 points / 45%+ units for residents ≤50% AMGI = 15 points, 21-44% units for residents ≤50% AMGI = 10 points, 10-20% units for residents ≤50% AMGI = 5 points. <u>Rural areas</u> : 30%+ units for residents ≤40% AMGI = 20 points, 16-29% units for residents ≤40% AMGI = 15 points, 5-15% units for residents ≤40% AMGI = 10 points / 40%+ units for residents ≤50% AMGI = 15 points, 21-39% units for residents ≤50% AMGI = 10 points, 10-20% units for residents ≤50% AMGI = 5 points p. 32).
<b>REPORTING REQUIREMENTS</b>	
H1. Racial/demographic reporting requirements.	No.

### **OVERALL ASSESSMENT**

TOTAL POINTS POSSIBLE: 232. (Scoring systems is such that points can only be gained.)

#### Notes:

A potential negative effect whereby tax credits are allocated to high poverty areas may be identified in the ADOH's general goal is to 1) enable substantial rehab of existing rental housing in order to prevent losses to the existing supply of affordable units and 2) prevent the loss from existing stock of low-income rental housing of units under expiring contracts with federal agencies or subject to prepayment which, without the allocation of tax credits would be converted to market rate units (p. 17).

Additional set-aside named for projects (2) in rural areas and a project (1) on tribal land. 10% of the state's annual credit is set aside for non-profit projects.

<b>OTHER CATEGORIES</b>	
O1. Scoring that promotes units for persons with disabilities.	No.
O2. Scoring that promotes units for special needs populations.	<p>✖ A specific goal for ADOH is to make tax credit funding available to projects serving low-income populations – including families with children, homeless persons, veterans, and older person citizens (p. 18).</p> <p>✔ [Set-aside] Up to 2 projects (minimum 30 units in each project or 60 units if one project) for permanent supportive housing for chronically homeless persons with rents set at 30% AMI (p. 24, 51).</p>
O3. Scoring to promote home ownership.	No.
O4. Provisions affirmatively furthering fair housing laws.	No.