State of Alabama

# Five-Year

# Consolidated Plan

## Program Years 2015-2019

**CDBG**

**HOME**

**ESG**

**HOPWA**

Alabama Department of Economic and Community Affairs

## **State of Alabama**

# FIVE YEAR

# CONSOLIDATED PLAN

## **Program Years 2015-2019**

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

401 ADAMS AVENUE

POST OFFICE BOX 5690

MONTGOMERY, ALABAMA 36103-5690

### APRIL 1, 2015 – March 31, 2020

**STATE OF ALABAMA**

**2015-2019**

**FIVE-YEAR CONSOLIDATED PLAN**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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Allocation Plan, and

HOME Action Plan Summary of Public Comments and AHFA Responses

**SETUP**

**AD-25 Administration**

Strategic Plan Beginning Year: 2015

Ending Year: 2019

Title: State of Alabama 5-Year Consolidated Plan (April 1, 2015 – March 31, 2020)

Plan Version: #1 - Original

If Amendment: Not applicable

If Substantial Amendment, explain: Not applicable

Programs Included: 🗹 Community Development Block Grant Program (CDBG)

🗹 HOME Investment Partnerships Program (HOME)

🗹 Emergency Solutions Grants Program (ESG)

🗹 Housing Opportunities for Persons With AIDS Program (HOPWA)

Consolidated Plan is for: Grantee

**Alternate/Local Data Sources:**

|  |  |  |
| --- | --- | --- |
| Sort / Number: | Data Source Name | Description |
| 1. | State of Alabama Survey Data | Survey |
| 2. | State of Alabama “Analysis of Impediments to Fair Housing Choice” Public Input | Focus Group Input |

**AD-35 Grantee Survey Data Documentation (if necessary)**

**Sort #:** 1

**Name of the Survey Data Set:** State of Alabama Survey Data

**List the name of the organization or individual who originated the data set:**

The Alabama Department of Economic and Community Affairs (ADECA)

Community and Economic Development Division (CED Division)

401 Adams Avenue, Room 500

Montgomery, Alabama 36103-5690

Phone #334-242-5468.

**Provide a brief summary of the data set:**

The data set consisted of 2 surveys conducted by ADECA:  (1) the “Impediments to Fair Housing Choice Survey” and (2) the “Community Needs Assessment Survey.”  The Impediments to Fair Housing Choice Survey consisted of 26 questions divided among 2 sections, followed by a personal comment space; and the questions concerned the needs of persons seeking housing in Alabama's localities, and the impediments to fulfilling such needs.  The Community Needs Assessment Survey consisted of 72 questions divided among 6 sections, followed by a personal comment space; and the questions concerned community needs for infrastructure, economic development, housing, public services and facilities, and community needs when providing services and facilities for the local homeless population.  The 333 respondents to the Impediments to Fair Housing Choice Survey, and the 430 respondents to the Community Needs Assessment Survey, included CDBG, ESG, HOME, and HOPWA grant program participants, local elected officials, public housing agencies, real estate professionals, regional planning councils, nonprofit organizations, bankers, community residents, state agencies, consultants, and continuum of care staff.

**What was the purpose for developing this data set?**

The “Impediments to Fair Housing Choice Survey” and the “Community Needs Assessment Survey” were developed to assist ADECA and its consultant (Western Economic Services, LLC in Portland, Oregon) in writing the State of Alabama's "Analysis of Impediments to Fair Housing Choice," and to assist ADECA in writing the Five-Year (2015-2019) Consolidated Plan for Alabama’s CDBG, ESG, HOME, and HOPWA grant programs.

**Provide the year (and optionally, the month, or the month and day) for when the data was collected:** June 1, 2014 through August 1, 2014.

**Briefly describe the methodology for the data collection:** The methodology (the methods, principles, and organization of the set of questions comprising this inquiry procedure) used for ADECA's "Impediments to Fair Housing Choice Survey" involved 3 parts comprised of 26 questions ranking racial, language, family relationship, marketing, technology, transportation, employment, and income barriers encountered by persons seeking fair housing in the localities; evaluating local government actions to effectuate fair housing; and allowing public comment space. ADECA’s "Community Needs Assessment Survey" involved 8 parts comprised of 72 questions ranking perceptions of local infrastructure and repair work, economic development, housing, and homeless service needs; and also allowed public comment space. ADECA modeled its surveys after reviewing other States’ versions of similar surveys. ADECA conducted the surveys from June 1 through August 1, 2014, promulgated through staff notifications sent using email, telephone calls, website posting, and public service announcements on radio stations. Survey formats included paper surveys submitted by grant applicants, emailed submissions, and electronic submissions via access to the surveys posted on ADECA’s website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)). The paper and online surveys’ results were tabulated by ADECA staff during July and August 2014.

**Describe the total population from which the sample was taken:** The entities surveyed by ADECA included Alabama's 144 Public Housing Authorities identified by the U.S. Department of Housing and Urban Development; 123 members of the Alabama Public Housing Authority Director's Association; Alabama’s 12 Regional Planning Commissions; 15 grant management firms who administer ADECA’s CDBG grant projects for cities and counties; 154 banking and mortgage-lending institution members of the Alabama Bankers Association; all of ADECA's CDBG, ESG, HOME, and HOPWA grant program participants; state agencies with whom ADECA conducts grant work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales and rentals professionals, nonprofit organization directors, private citizens, private sector consultants, and continuum of care staff.

**Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed:** There were 333 respondents to the “Impediments to Fair Housing Choice Survey” and 430 respondents to the “Community Needs Assessment Survey.” Respondents derived from Alabama's 144 Public Housing Authorities identified by the U.S. Department of Housing and Urban Development; 123 members of the Alabama Public Housing Authority Director's Association; Alabama’s 12 Regional Planning Commissions; 15 grant management firms who administer ADECA’s CDBG grant projects for cities and counties; 154 members of the Alabama Bankers Association; all of ADECA's CDBG, ESG, HOME, and HOPWA grant program participants; state agencies with whom ADECA conducts grant work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales and rentals professionals, nonprofit organization directors, private citizens, private sector consultants, and continuum of care staff.

**AD-40 Grantee Administrative Data Documentation (if necessary)**

**Sort #: 2**

**Name of the Administrative Data Set:** State of Alabama “Analysis of Impediments to Fair Housing Choice” Public Input

**List the name of the organization or individual who originated the data set:** Mr. Robert M. Gaudin, Director of Research and Planning

Western Economic Services, LLC (WES)

212 SE 18th Avenue

Portland, Oregon 97214

Phone #503-239-9091.

**Provide a brief summary of the data set:**

WES conducted in-person and webinar information-gathering, sharing, and distributing sessions during the months of August through December 2014 with outreach committees, focus groups, and public forums comprised of individuals representing Alabama’s regional planning commissions, public housing authorities, real estate sales professionals, real estate rentals professionals, local government planning and zoning personnel, State agency personnel, interest groups, and members of the general public.

**What was the purpose for developing this data set?**

This information was collected by WES to be used in writing Alabama’s “Analysis of Impediments to Fair Housing Choice” that is due to be submitted to ADECA in 2015.

**How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?**

The housing information and other information necessarily-related thereto was collected by WES from individuals working in (1) Alabama’s regional planning commissions, (2) public housing authorities, (3) housing sale and rental real estate offices, (4) local government planning and zoning offices, (5) Alabama’s state and local government agencies administering programs pertaining to the public’s needs including health, mental health, disability, elderly, homeless, and emergency solutions, (6) interest groups working as advocates for the general public seeking services for these needs, and (7) members of the general public. The collected information was gathered from representative groups all over the State of Alabama, and such information was not collected from one geographic area nor from one certain/specific population.

**What time period (provide the year, and optionally month, or month and day) is covered by this data set?** August 2014 through December 2014.

**What is the status of the data set (complete, in progress, or planned)?**

The information collected by WES during the months of August through December 2014 is complete.

**Public Housing Agencies:**

Alabama’s public housing agencies (PHA), as identified by the United States Department of Housing and Urban Development (HUD), are listed below.

|  |  |
| --- | --- |
| **Code** | **Agency Name** |
| AL001 | Housing Authority of the Birmingham District |
| AL002 | Mobile Housing Board |
| AL004 | Anniston Housing Authority |
| AL005 | Phenix City Housing Authority |
| AL006 | Housing Authority of the City of Montgomery |
| AL007 | Housing Authority of the City of Dothan |
| AL008 | Selma Housing Authority |
| AL009 | Housing Authority of the City of Attalla |
| AL010 | Fairfield Housing Authority |
| AL011 | Housing Authority of the City of Fort Payne |
| AL012 | Housing Authority of the City of Jasper |
| AL013 | Tarrant Housing Authority |
| AL014 | Guntersville Housing Authority |
| AL047 | Housing Authority of the City of Huntsville |
| AL048 | Housing Authority of the City of Decatur |
| AL049 | Greater Gadsden Housing Authority |
| AL050 | Housing Authority of the City of Auburn |
| AL051 | Housing Authority of the City of Red Bay |
| AL052 | Housing Authority of the City of Cullman |
| AL053 | Housing Authority of the City of Hamilton |
| AL054 | Florence Housing Authority |
| AL055 | Housing Authority of the City of Cordova |
| AL056 | Haleyville Housing Authority |
| AL057 | Sylacauga Housing Authority |
| AL058 | Winfield Housing Authority |
| AL059 | Housing Authority of the City of Tuscumbia |
| AL060 | Russellville Housing Authority |
| AL061 | Opelika Housing Authority |
| AL062 | Housing Authority of the City of Lanett |
| AL063 | Housing Authority of the City of Oneonta |
| AL064 | Housing Authority of the City of Carbon Hill |
| AL065 | Housing Authority of the City of Roanoke |
| AL066 | Housing Authority of the City of Reform |
| AL067 | Housing Authority of the City of Athens |
| AL068 | Sheffield Housing Authority |
| AL069 | Housing Authority of the City of Leeds |
| AL070 | Union Springs Housing Authority |
| AL071 | Housing Authority of the City of Guin |
| AL072 | Housing Authority of the City of Columbiana |
| AL073 | Ozark Housing Authority |
| AL074 | Housing Authority of the City of Boston |
| AL075 | Boaz Housing Authority |
| AL076 | Hackleburg Housing Authority |
| AL077 | Housing Authority of the City of Tuscaloosa |
| AL078 | Housing Authority of the Town of Berry |
| AL079 | Housing Authority of the Town of Montevallo |
| AL080 | Housing Authority of the City of Moulton |
| AL081 | Bear Creek Housing Authority |
| AL082 | Crossville Housing Authority |
| AL083 | Collinsville Housing Authority |
| AL084 | Housing Authority of the City of Vernon |
| AL085 | Housing Authority of the Town of Calera |
| AL086 | Jefferson County Housing Authority |
| AL087 | Housing Authority of the City of Hartselle |
| AL088 | Housing Authority of the City of Luverne |
| AL089 | Vincent Housing Authority |
| AL090 | Phil Campbell Housing Authority |
| AL091 | Housing Authority of the City of Arab |
| AL093 | Housing Authority of the Town of Hanceville |
| AL094 | Housing Authority of the City of Georgiana |
| AL095 | Housing Authority of the City of Millport |
| AL096 | Housing Authority of the City of Heflin |
| AL098 | Housing Authority of the City of Aliceville |
| AL099 | Housing Authority of the City of Scottsboro |
| AL100 | Housing Authority of the City of Columbia |
| AL101 | Abbeville Housing Authority |
| AL102 | Altoona Housing Authority |
| AL103 | Housing Authority of the City of Hartford |
| AL104 | Cottonwood Housing Authority |
| AL105 | Housing Authority of the City of Talladega |
| AL106 | Pell City Housing Authority |
| AL107 | Housing Authority of the City of Elba |
| AL108 | Ragland Housing Authority |
| AL109 | Housing Authority of the City of Demopolis |
| AL110 | Housing Authority of the City of Piedmont |
| AL111 | Housing Authority of the City of Florala |
| AL112 | Housing Authority of the City of Opp |
| AL114 | Lineville Housing Authority |
| AL115 | Enterprise Housing Authority |
| AL116 | York Housing Authority |
| AL117 | Washington County Housing Authority |
| AL118 | Eufaula Housing Authority |
| AL119 | Housing Authority of the City of Sulligent |
| AL120 | Housing Authority of the City of Linden |
| AL121 | Albertville Housing Authority |
| AL122 | Childersburg Housing Authority |
| AL123 | Housing Authority of the City of Headland |
| AL124 | Housing Authority of the City of Midland City |
| AL125 | Housing Authority of the City of Bessemer |
| AL126 | Brundidge Housing Authority |
| AL127 | Housing Authority of the City of Andalusia |
| AL128 | Housing Authority of the City of Samson |
| AL129 | Walker County Housing Authority |
| AL131 | Housing Authority of the City of Prattville |
| AL132 | Housing Authority of the City of Goodwater |
| AL133 | Housing Authority of the City of Hobson City |
| AL134 | Housing Authority of the City of Blountsville |
| AL135 | Housing Authority of the City of Valley Head |
| AL136 | Housing Authority of the Town of Ashland |
| AL137 | Housing Authority of the City of Fayette |
| AL138 | Gordo Housing Authority |
| AL139 | Housing Authority of the City of Jacksonville |
| AL140 | Housing Authority of the City of Center |
| AL141 | Housing Authority of the City of Kennedy |
| AL142 | Housing Authority of the City of Newton |
| AL143 | Housing Authority of the Town of Slocomb |
| AL144 | Housing Authority of the City of Ashford |
| AL145 | Housing Authority of the City of Brantley |
| AL146 | Housing Authority of the City of Eutaw |
| AL147 | Housing Authority of the City of Bridgeport |
| AL149 | Housing Authority of the Town of New Brockton |
| AL150 | Housing Authority of the City of Clanton |
| AL151 | Housing Authority of the City of Brent |
| AL152 | Housing Authority of the City of Northport |
| AL153 | Housing Authority of the Town of Parrish |
| AL154 | Housing Authority of the City of Atmore |
| AL155 | Housing Authority of the City of Greenville |
| AL156 | Housing Authority of the City of Brewton |
| AL157 | Housing Authority of the City of Greensboro |
| AL158 | Housing Authority of the Town of Clayton |
| AL159 | Housing Authority of the City of Lafayette |
| AL160 | Tuskegee Housing Authority |
| AL161 | Housing Authority of the City of Marion |
| AL164 | Housing Authority of the City of Bay Minette |
| AL165 | Housing Authority of the City of Foley |
| AL166 | Housing Authority of the City of Chickasaw |
| AL167 | Stevenson Housing Authority |
| AL168 | Rainsville Housing Authority |
| AL169 | Housing Authority of the City of Prichard |
| AL171 | Uniontown Housing Authority |
| AL172 | Housing Authority of the City of Tallassee |
| AL173 | Housing Authority of the City of Monroeville |
| AL174 | Housing Authority of the City of Alexander City |
| AL175 | Housing Authority of the City of Livingston |
| AL176 | Sumiton Housing Authority |
| AL177 | Housing Authority of the City of Troy |
| AL178 | Housing Authority of the City of Dadeville |
| AL179 | Housing Authority of the City of Daleville |
| AL181 | Evergreen Housing Authority |
| AL182 | Triana Housing Authority |
| AL187 | Regional Housing Authority of Lawrence, Cullman, & Morgan Counties |
| AL189 | Top of Alabama Regional Housing Authority |
| AL190 | Housing Authority of Greene County |
| AL192 | South Central Alabama Regional Housing Authority |
| AL193 | Housing Authority of the Town of Fort Deposit |
| AL199 | Housing Authority of the City of Valley |
| AL202 | Mobile County Housing Authority |

**AD-50 Verify Grantee/PJ Information in IDIS**

Grantee Information:

Lead Agency: Alabama

Year: 2015

Start Date: April 1, 2015 (start of PY2015)

End Date: March 31, 2020 (end of PY1919)

Address: Alabama Department of Economic and Community Affairs (ADECA)

Community and Economic Development Division

401 Adams Avenue, Room 500

Post Office Box 5690

Montgomery, Alabama 36103-5690

**AD-55 Verify Grantee/PJ – Program Contacts**

|  |  |
| --- | --- |
| **Primary Contact** | |
| First Name: Jim  Middle Initial:  Last Name: Byard, Jr.  Title: ADECA Director  Email: [Jim.Byard@adeca.alabama.gov](mailto:Jim.Byard@adeca.alabama.gov)  Address: Alabama Department of Economic  and Community Affairs (ADECA)  401 Adams Avenue, Room 580  Post Office Box 5690  City: Montgomery  State: Alabama  Zip Code: 36103-5690  Telephone: 334-242-5591 |  |

|  |  |
| --- | --- |
| **CDBG Contacts** | |
| **First Contact**  First Name: Shabbir  Middle Initial: A.  Last Name: Olia  Title: Unit Chief, CED Programs  Email: [Shabbir.olia@adeca.alabama.gov](mailto:Shabbir.olia@adeca.alabama.gov)  Address: Alabama Department of Economic  and Community Affairs (ADECA)  Community and Economic Development  Division  401 Adams Avenue, Room 500  Post Office Box 5690  City: Montgomery  State: Alabama  Zip Code: 36103-5690  Telephone: 334-242-5468 | **Second Contact**  First Name:  Middle Initial:  Last Name:  Title:  Email:  Address:  City:  State:  Zip Code:  Telephone: |

|  |  |
| --- | --- |
| **HOME Contacts** | |
| **First Contact**  First Name: Gary  Middle Initial:  Last Name: Donegan  Title: Research & Planning Administrator  Email: [gdonegan@AHFA.COM](mailto:gdonegan@AHFA.COM)  Address: Alabama Housing Finance Authority  7460 Halcyon Pointe Dr #200  City: Montgomery  State: Alabama  Zip Code: 36117-8105  Telephone: 334-244-9200 | **Second Contact**  First Name:  Middle Initial:  Last Name:  Title:  Email:  Address:  City:  State:  Zip Code:  Telephone: |

|  |  |
| --- | --- |
| **ESG Contacts** | |
| **First Contact**  First Name: Shonda  Middle Initial: H.  Last Name: Gray  Title: Emergency Solutions Grants (ESG)  Program Manager  Email: [Shonda.gray@adeca.alabama.gov](mailto:Shonda.gray@adeca.alabama.gov)  Address: Alabama Department of Economic  and Community Affairs (ADECA)  Community and Economic Development  Division  401 Adams Avenue, Room 500  Post Office Box 5690  City: Montgomery  State: Alabama  Zip Code: 36103-5690  Telephone: 334-353-0288 | **Second Contact**  First Name:  Middle Initial:  Last Name:  Title:  Email:  Address:  City:  State:  Zip Code:  Telephone: |

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**EXECUTIVE SUMMARY**

**ES-05 Executive Summary [see 24 CFR 91.300(c), 91.320(b)]**

**1. Introduction:**

The State of Alabama’s Year 2015-2019 Five-Year Consolidated Plan is a collaboration of the Alabama Department of Economic and Community Affairs (ADECA), the Alabama Housing Finance Authority (AHFA), AIDS Alabama, and this Plan evidences the information-gathering and planning work conducted by these administrative agencies. This Plan’s information derives from Census data, American Community Survey data, and community needs and fair housing survey documents developed for Alabama’s updated (2014-2015) Analysis of Impediments to Fair Housing Choice. Participants in said data collection included Alabama's 144 Public Housing Authorities; 123 members of the Alabama Public Housing Authority Director's Association; 12 Regional Planning Commissions; 15 grant management firms who administer ADECA’s CDBG grant projects for non-entitlement cities and counties; 154 banking and mortgage-lending institutions that are members of the Alabama Bankers Association and are chartered by the Alabama State Banking Department; all of ADECA's CDBG, ESG, HOME, and HOPWA grant funds recipients; other state agencies with whom ADECA conducts grant research work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales agencies and rentals professionals; nonprofit organization directors; private citizens; private sector consultants; and continuum of care staff, all of whom were part of the information-gathering process. As a result, the goal of this Plan is to serve as a guide for administering the blending of federal dollars with local dollars to develop and implement local planning initiatives so that both the public and private sectors in Alabama can address needs identified through their strategic planning processes.

The following priorities are in effect for the four programs: For the CDBG Program, the housing-related priority is single family, owner-occupied rehabilitation.  For the ESG Program, the housing priority is to provide rental assistance to prevent homelessness and re-house homeless persons.  For the HOPWA Program, the housing priorities are rental assistance, operations of housing, and supportive services to keep people stably housed and in healthcare.  And for the HOME Program, the housing priority is new construction of affordable rental units across the State.  For non-housing needs, the priorities consist of essential community facilities and the promotion of economic development programs.

More specifically, for 2015-2019, expenditure of Community Development Block Grant (CDBG) funds will focus on community development, local planning, economic development, infrastructure and loan programs, health hazard and urgent crisis management, job creation/ growth/retention, housing rehabilitation, and Alabama’s Black Belt Region initiatives that have been operating since 2005. Expenditure of HOME Program funds will focus on new or rehabilitated multifamily rental housing across Alabama. The intent is that HOME Program tenants will include families, elderly citizens, and special needs households, all of whom will be low-income and in need of affordable housing units. Expenditure of the Emergency Shelter Grant (ESG) Program funds will facilitate Alabama’s homeless population needs, and will focus on facility conversion, rehabilitation, operating expenses, essential services, and homeless prevention assistance. Expenditure of Housing Opportunities for Persons With AIDS (HOPWA) Program funds will direct housing activities benefitting persons with HIV/AIDS and their households and supportive services needed by tenants to maintain housing stability and avoid homelessness. Such direct housing activities include operational costs for existing HIV/AIDS housing, as well as rental assistance programs that are both tenant-based and project-based rental assistance programs, and the Short-term Rent, Mortgage, and/or Utility Assistance (STRMU) Payment Program. Anticipated activities also include providing housing information and outreach services to consumers, identifying resources for accessing and maintaining permanent and/or transitional supportive housing for persons with HIV disease and their families by partnering with each local Continuum of Care and other housing and service entities, assisting with the acquisition of land for new construction projects, implementing a statewide master leasing program, and providing technical assistance to support efforts by local AIDS Service Organizations and other low income housing entities to increase local housing options.

**2. Summarize the objectives and outcomes identified in the Plan: [**This could be a restatement of items or a table listed elsewhere in the plan, or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.]

Alabama’s objectives and outcomes identified in this Plan are designed to serve the needs of Alabama’s residents through professional and efficient management of the HUD programs and funds covered by this Plan. It is Alabama’s mission to distribute the funds and resources in an equitable manner, per the federal and state regulations and guidelines, through long-term and short term objectives.

The Long-Term Objectives are to:

1. provide important community facilities that address all aspects of community development (CDBG);

2. promote economic development that creates new jobs, retains existing employment, and expands the local tax base (CDBG);

3. meet the affordable housing needs of low- and moderate-income Alabamians (HOME and CDBG);

4. provide assistance to homeless persons and victims of domestic abuse (ESG);

5. prevent homelessness (ESG); and

6. provide housing and supportive services for persons with HIV/AIDS (HOPWA).

The Short-Term (Five Year) Objectives are to:

1. allow communities to address the community development needs perceived to be the most important at the local level (CDBG);

2. encourage communities to develop and implement infrastructure plans for the near-future (CDBG);

3. assist communities in responding to economic and development needs in a timely manner primarily through infrastructure assistance (CDBG);

4. provide a mechanism for managing health hazards and urgent needs so that communities can readily respond to crises (CDBG);

5. provide a mechanism for addressing a wide variety of community development needs including housing rehabilitation (CDBG);

6. utilize a combination of HOME funds, Low-Income Housing Tax Credits, and conventional lending sources (HOME);

7. fund the greatest number of grant assistance requests while maximizing the number of affordable rental units which will be made available to Alabama citizens (HOME);

8. upgrade existing homeless facilities and domestic abuse shelters (ESG);

9. meet the operating costs of homeless facilities and domestic abuse shelters (ESG);

10. provide essential services to homeless persons and victims of domestic abuse (ESG);

11. support a statewide rental assistance program through qualified AIDS Service agencies to prevent homelessness and increase housing stability through project and tenant-based rental assistance and Short Term Rent, Mortgage and Utility Assistance funds statewide (HOPWA);

12. provide supportive services statewide to those living with HIV/AIDS to prevent homelessness and increase housing stability (HOPWA);

13. support existing AIDS housing programs, continued operating costs, and continued supportive housing through existing programs in the state (HOPWA);

14. support housing information and outreach to low-income HIV-infected persons statewide (HOPWA);

15. provide technical assistance and expand master leasing services statewide to AIDS Service Organizations to meet local needs and increase local housing options (HOPWA); and

16. provide possible acquisition and new construction support as part of collaborative partnerships statewide to expand HIV/AIDS housing to meet increasing needs (HOPWA).

**3. Evaluation of past performance: [**This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.]

Over the previous five year period of 2010-2014, ADECA’s CDBG Program allocated funds to projects designed to create suitable living environments by (1) improving the availability of local government services (through water, sewer, and road improvements), (2) promoting and improving the sustainability of viable communities (through development of parks, senior centers, fire stations, and other community enhancement projects), and (3) improving accessibility to and sustainability of fair housing through improved housing affordability and created economic opportunities (through housing rehabilitation and demolition, local planning, and economic development projects for job-creation and job-retention). AHFA allocated HOME funds as tax credits within Alabama which helped to develop projects throughout the State that provided housing units for low-income families. AIDS Alabama’s HOPWA Program provided housing assistance services to AIDS clients that included rental assistance and provision of housing supportive services. ADECA’s ESG Program provided emergency shelters, soup kitchens/meals, child care services, transitional housing, food pantries, services for homeless persons with alcohol/drug problems, vouchers for shelters, health care services, employment services, outreach services, mental health services, homeless prevention services, drop-in shelters, and HIV/AIDS services.

ADECA, AHFA, and AIDS Alabama together write and submit to HUD an annual report, termed the Consolidated Annual Performance and Evaluation Report (CAPER), of their respective programs’ yearly performances. The CAPER is submitted to HUD by June 30 each year, and is available for public review and comment pursuant to the Citizen Participation Plan. The most recent CAPER, which consists of the programs’ activities during PY2013 that encompasses the period of April 1, 2013 through March 31, 2014, was submitted to HUD on or about June 30, 2014, and can be viewed at the following website: <http://adeca.alabama.gov/Divisions/ced/cdp/Pages/Strategic-Plans-and-Action-Plans.aspx#CAPER>.

Highlights of ADECA, AHFA, and AIDS Alabama meeting their funding and programmatic goals are as follows. From the most recent CAPER (submitted in June 2014), the CDBG PY2013 goals included (1) job creation, wherein 12 economic development projects were funded, exceeding the goal of 10, and infrastructure assistance was provided to 15 businesses to create and/or retain nearly 1,000 jobs; (2) water projects, wherein 17 water projects were funded, exceeding the goal of 10; (3) sewer projects, wherein 13 sewer projects were funded, less than the goal of 15, as there were not sufficient funds to award to all of the needed projects; (4) roads and drainage, wherein 11 road and drainage projects were funded, exceeding the goal of 8; and (5) housing rehabilitation, wherein 2 housing rehabilitation projects were funded, equaling the goal of 2. In PY2013, 40 low and moderate-income households were served by housing rehabilitation activities whose eligibility is determined by income. Of these 40 households, 8 (20%) were very low income, 16 (40%) were low income, and 16 (40%) were moderate-income. And 19 economic development projects were completed assisting 22 businesses, creating or retaining 2,269 jobs. Also in PY2013, the following projects were completed: 24 sewer projects, 10 water projects, 6 road and drainage projects, 2 planning projects, and 1 housing rehabilitation project. In addition, 6 projects with multiple activities were completed, and one of these multiple-activity projects included housing rehabilitation as the primary activity. The Community Enhancement Fund allowed for the completion of 10 additional “other public facility” projects that included senior centers and community centers. The State used its Economic Development infrastructure program to address poverty conditions by allocating $5 Million in PY2013. Additionally, the State has been successful in attracting automotive manufacturers and their respective supplier plants, with the CDBG Program continuing its instrumental role therein providing funding through economic development grants for automotive suppliers that account for up to 515 new jobs to be created through PY2013 funding. Funding of economic development grants for PY2013 also included diverse companies like travel plazas, a business incubator, and a wood processing plant, among others. The State has the ability to use a revolving loan fund capitalized by the CDBG Program or a float loan program for larger projects. Although the State has not made Section 108 loans, it has awarded float loans when secured with bank letters. The State continued to make progress in providing affordable housing, both through the CDBG rehabilitation and the HOME housing program activities. AHFA allocated funds in tax credits in the State that helped in the development of projects providing housing units for low-income families. The HOPWA Program was able to provide services to clients that included recipients of rental assistance and recipients of supportive services. And the ESG Program provided ESG shelters, soup kitchens/meals, child care services, transitional housing, food pantries, services for homeless persons with alcohol/drug problems, vouchers for shelters, health care services, employment services, outreach services, mental health services, homeless prevention services, drop in shelters, and HIV/AIDS services, and this statewide coverage was achieved by utilizing several sub-recipients throughout the state.

**4. Summary of Citizen Participation Process and consultation process:** [Summary from the Citizen Participation section of the Consolidated Plan.]

**CDBG**: Because citizen participation is encouraged in the development of all elements of the Consolidated Plan, any substantial amendments to the Plan elements, and the CAPER/ Performance Reports, participation is accomplished through public hearings in times and places accessible to the public (including low and moderate-income residents) and through coordination of data and people from various agencies representative of affected citizens. All materials and meetings are accessible to persons with disabilities and persons with Limited English Proficiency, upon request, where practicable. Plans and amendments are presented for review and comment in statewide public hearings. Chief elected officials, citizens groups, and citizens are notified by email of the hearings, and hearings are also advertised in major newspapers of general circulation. Upon request, plans and amendments are provided in a format accessible to persons with disabilities and Limited English Proficiency.

For grant purposes, the State makes available to citizens, public agencies, and other interested parties information that includes the amount of HUD-related grant assistance the State expects to receive and the range of activities that may be undertaken with those funds. The notice includes the estimated amount that will benefit persons of low and moderate-income as well as plans to minimize displacement of persons and to assist any persons displaced. This is accomplished through a statewide advertisement in the nonlegal section of one or more newspapers of general circulation. Notices are also posted on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) and sent via email to chief elected officials of local governments, state agencies, and other interested parties. The State publishes a summary of the proposed Plan in paper versions of one or more newspapers of general circulation, and posts copies of the proposed Plan on the State’s website as well as makes available a paper version at the State’s office. The summary describes the contents and purpose of the Plan and includes a list of locations where copies of the entire proposed Plan may be examined. The State also provides a reasonable number of free copies of the plan to citizens and groups who request it.

The State then conducts at least one public hearing on housing and community development needs before the proposed Plan is published for public comment. The State publishes a notice of the public hearing in the nonlegal section of one or more newspapers of general circulation two weeks prior to conducting the public hearing. The Notice includes adequate information to permit citizen comments on housing and community development needs. The public hearing is held at a public facility accessible to persons of low and moderate-income, as well as persons with disabilities. Length of time allocated for conducting the hearing is based on attendance at previous hearings. The State has adopted a Language Access Plan, posted at <http://adeca.alabama.gov/Divisions/ced/cdp/Pages/default.aspx#Plans>. This provides guidance for the State and its sub-grantees so that persons with Limited English Proficiency (LEP) can effectively participate in, or benefit from, federally-assisted programs. LEP persons are asked to contact the State if an interpreter is needed, and when a significant number of requests result, then an interpreter is provided.

The State receives comments on the proposed Consolidated Plan for a period of 30 days. The State considers any comments or views of citizens and units of general government received in writing or orally at the public hearing, in preparing the final Plan. A summary of these comments or views is included in the final Plan, and reasons are given for comments or views not accepted. The State makes every effort to obtain viable citizen input when program amendments are made which substantially impact the program, and in such cases a public hearing is held and notices are given through the nonlegal section of one or more newspapers of general circulation. Two weeks notice is given for a public hearing and a 30-day comment period is also provided. The State, again, considers all comments or views and gives reasons for those views that were not accepted, and a summary is attached to the final amendment. Citizens, public agencies, and other interested parties are allowed to have access to public information, documents, and records during regularly-scheduled working hours of the agencies administering the affected programs. The State will also provide a substantive written response to every written complaint concerning the Consolidated Plan, the Citizen Participation Plan, any Amendments, and the CAPER/Performance Reports within 15 working days where practicable.

These processes were also utilized as strategies for community outreach when ADECA developed Alabama’s “Analysis of Impediments to Fair Housing Choice” in 2014, and were used to understand, determine, and address the priority needs for fair and affordable housing, removal of barriers to fair housing infrastructure, non-housing community development, and access to social and supportive services within communities. The methodology utilized interviews, focus group sessions, and consultations with stakeholder and advocacy groups, service agency personnel, state and local government officials and employees, and the general public. The interviews, sessions and consultations focused on the current status of Alabama’s community development through HUD’s grant programs’ service delivery, the effectiveness of the programs’ delivery systems in addressing targeted client needs, any gaps in service levels, and any needs to address such gaps. The interviews, sessions and consultations also put forth what best practices should be used in program implementation and enforcement, development of current and future opportunities for centralizing citizen outreach and education programs, and data sharing needs and capabilities – all as a means to determine the needs of Alabama’s non-entitlement communities and their residents. Demographic data, designated by zip code and census tract, were also researched and analyzed in this process. The data and conclusions collected from the process, particularly regarding impediments and remedial actions, were then used to develop the recommendations contained in this Plan.

ADECA made numerous attempts at inclusiveness with many individuals and groups who are interested in the issues of fair housing choice, community needs, and economic and community development. These efforts involved (1) formulating, publishing (in paper, electronic/email, and website link formats), and tabulating (by hand and electronically) the responses to two surveys (termed the “Fair Housing Choice Survey” and the “Community Needs Survey”) that solicited input from State agencies and local public sector, private sector, and non-profit entities during June-August 2014; (2) forming two outreach committees (termed the “Regional Planning Commissions Outreach Committee” and the “Public Housing Authorities Outreach Committee”) and hosting monthly information-sharing webinars with each committee during September-December 2014 that collected committee members’ opinions; (3) forming three focus groups (termed the “Real Estate Sales Professionals Focus Group,” the “Real Estate Rentals Professionals Focus Group,” and the “Local Government Planning and Zoning Focus Group”) and hosting information-sharing webinars with each group in October 2014 that collected focus group members’ opinions; and (4) hosting two information-sharing public forums in November 2014 that collected opinions from the general public.

The “Fair Housing Choice Survey” and “Community Needs Survey” recipients were State-level entities including Alabama’s Attorney General’s Office of Consumer Protection, Alabama’s Department of Human Resources, Department of Education, Department of Corrections, Department of Veterans Affairs, Department of Transportation, Department of Public Health, Department of Senior Services, Department of Children’s Affairs, State Banking Department, Indian Affairs Commission, the Alabama Building Commission, and the Alabama Housing Finance Authority; the Alabama Realtor’s Association; the Alabama Homebuilders Association; the Alabama Chamber of Commerce; Alabama’s chapter of the American Institute of Architects; Alabama’s Bankers Association; and Alabama’s Community Action Association. The local-level recipients included Alabama’s mayors (through the Alabama League of Municipalities) and county commissions (through the Alabama Association of County Commissions); Alabama’s three Fair Housing Centers (Fair Housing Center of Northern Alabama, Central Alabama Fair Housing Center, and Fair Housing Center of Mobile), all of Alabama’s public housing agencies (PHAs) and the members of the Alabama Association of Housing and Redevelopment Authorities; the 12 Regional Planning Commissions; all banks operating under the jurisdiction of the Alabama State Banking Department; city and county CDBG, ESG, HOME, and HOPWA program grant administrators; advocacy groups including the Alabama Coalition for Immigrant Justice, the Hispanic Interest Coalition of Alabama, and the Southern Poverty Law Center; and faith-based groups including the Alabama Governor’s Office of Faith-based and Community Initiatives, local churches, the YWCA, and the Salvation Army.

The “Regional Planning Commission Outreach Committee” consisted of 19 members employed within Alabama’s 12 Regional Planning Commissions, and the “Public Housing Authority Outreach Committee” included 18 members employed within Alabama’s 144 PHAs. Both outreach committees conducted one webinar per month during September through December 2014 (on September 22, 2014; October 29 and 30, 2014; November 25, 2014; and December 18, 2014). The “Real Estate Sales Professionals Focus Group” consisted of 17 members, the “Real Estate Rentals Professionals Focus Group” consisted of 28 members, and the “Local Government Planning and Zoning Focus Group” consisted of 23 members. Each of these focus groups participated in webinars presented on October 21, 2014. Additionally, the two public forums were conducted on November 13, 2014, hosted by ADECA in Orange Beach, Alabama, and involved 134 attendees, with 49 attending the first forum and 85 attending the second forum.

The “Analysis of Impediments to Fair Housing Choice – Draft for Public Review” was posted on ADECA’s website for a 30-day public comment period that began on January 14, 2015 and that ended on March 2, 2015, via (i) a notice that was published in 4 Alabama newspapers on January 28, 2015 and (ii) a notice and the draft Analysis that was posted on ADECA’s website during that 30-day period. All public comments were received by the author of the Analysis, and were included in the final version of the Analysis.

**HOME**: The HOME Program’s Citizen Participation process is included a part of the Alabama Housing Finance Authority’s (AHFA) 2015 Housing Credit Qualified Allocation Plan and 2015 HOME Action Plan. In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2015 HOME Action Plan and 2015 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. AHFA emailed more than 1,051 notices of the draft Plans’ availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 7, 2014. During the designated commenting period, AHFA received 23 written comments. AHFA has prepared formal responses to these comments and has revised the Plans where deemed appropriate*. Please see the attached Citizen Participation Summary of Substantial Comments Received and Responses by AHFA*. When the Plans’ revisions have been finalized and approved, the Plans will be available for review in their entirety on [www.ahfa.com](http://www.ahfa.com), and the comments will be available for review in their entirety at <http://www.ahfa.com/multifamily.aspx>.

As the administrator of the Plans, AHFA’s goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA’s greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA’s standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project’s costs exceed AHFA’s definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan.

**ESG**: The ESG Program is administered by ADECA, and it follows the ADECA CDBG Program’s Citizen Participation process stated above.

**HOPWA**: The HOPWA Program is administered on behalf of ADECA by AIDS Alabama, and it follows the ADECA CDBG Program’s Citizen Participation process stated above.

**5. Summary of Public Comments:** [This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.]

**CDBG**: In developing this Plan, the public comments received during the public comment period for the State of Alabama’s 2014-2015 “Analysis of Impediments to Fair Housing Choice” – from January 14, 2015 through March 2, 2015 – and throughout the AI’s development process, include the following:

1. The government banking and housing officials should look at bank loan denial rates when studying the “loan value versus the loan applicant’s income levels” in that since the 2008 recession, banks and mortgage lenders are processing loans to people with A+ credit ratings and in amounts that only exceed $75,000 because to process loans in lesser amounts and/or for persons with lower credit scores is not worth their time/effort as such loans are not profitable to those financial institutions.

2. Banks are now more consolidated with centralized operations, and local decisions by local bankers at the local level are no longer being made because the centralized bank makes those decisions by looking at other factors when deciding to approve a mortgage, and this is not racially discriminatory but is a financial decision by a business bank based on the creditworthiness of the loan applicant.

3. The housing rental market experiences far more fair housing law violations than does the housing sales and purchase market, but renters do not have knowledge of how fair housing laws can provide opportunities for them as well as protect and assist them with discrimination and fair housing issues they encounter, including tenant application approval and deposit requirements, acceptance of Section 8 assistance, providing housing in different types of buildings that are or are not be livable structures, and timely responding to requests for facility repairs.

4. NIMBYism exists, particularly regarding persons with mental illness who reside in temporary or permanent housing units or group homes located away from their families and that do not promote independent living environments, and housing providers who are less inclined to accommodate mentally-challenged prospective tenants who desire to live outside of supervised settings, so strategies involving property managers should be developed and implemented to assist with housing these special needs populations in neighborhoods that provide better independent living conditions for them.

5. Cheaper and less well-constructed housing (that includes mobile homes and personal trailers) is placed in locations where spot-zoning has occurred, and these re-zoned areas tend to be at odds with a neighborhood’s allowed housing types, leading to cheaper housing that benefits the re-zoned area’s residents but is detrimental to the general neighborhood’s residents.

6. Although the surveys requested information on whether or not housing complaints had been filed within the responding localities, very few survey responses indicated that any such complaints were filed, and from this a conclusion could be drawn that just because there were not a lot of housing complaints reported within the localities does not mean that there is a “cover up” underfoot by the locality to ensure that such complaints go unrecorded/unheeded.

7. Local people who are in-need are being assisted by agencies within their communities – such as tribal organizations taking care of local tribal residents, but such agencies are not “government agencies” and often do not get the credit for providing that assistance.

8. The surveys’ questions could have been misinterpreted or misunderstood by the variety of people responding to the surveys, and this could be one reason why unexpected and unexplainable survey responses were received;

9. Small towns deal with specific problems but do not deal with overall major policies (such as housing discrimination) because they cannot keep up with all of the laws and changes thereto, but that is where the work of the Regional Planning Commissions can serve those small communities – by being a vehicle for such education and outreach.

10. There are so many unfunded mandates with which local governments must comply, and the costs of studies and compliance far outweigh the amount of funds available, yet money must be spent to make the compliance work, so HUD should provide the funds required for communities to comply with such mandates.

11. In May 2012, Alabama Act 2012-384 became law. Known as the Alabama Housing Trust Fund law, it targets investments in housing for working families, seniors, persons with disabilities, victims of domestic violence, veterans, the homeless, persons with HIV/AIDS, and households living at or below 60% of the area’s median income. The law requires that at least half of the law’s funding must be allocated to households at or below 30% of the area’s median income, that at least 40% of the funding is to serve households in rural communities, and establishes a preference for funding awards to nonprofit developers. ADECA is the administrator of the Fund, which includes managing and distributing funds, developing and publicizing criteria for funds to be awarded, awarding funds through a competitive process, and publishing periodic housing needs assessments and annual reports on Fund investments. Applicants eligible for Fund awards include for-profit and non-profit developers, municipalities, counties, and public housing authorities. Funds can be spent on the development, rehabilitation, and maintenance of rental and ownership housing. An advisory committee composed of 16 appointed members is to advise ADECA on implementing and administering the Trust Fund and reviewing policies, procedures, fund-awarding processes, fund operations, and performance reports. The Committee’s members are to be selected by the Speaker of the House, Senate President, Lieutenant Governor, Alabama’s Association of Habitat Affiliates, the Low Income Housing Coalition of Alabama, the Community Action Association of Alabama, the Alabama Alliance to End Homelessness, the Alabama Department of Mental Health, the Alabama Association of Realtors, the Governor’s Statewide Interagency Council on Homelessness, Alabama’s Homebuilders Association, Independent Living Centers of Alabama, Alabama’s Council for Affordable and Rural Housing, the Alabama Bankers Association, the Alabama Manufactured Housing Association, and one Alabama resident earning an income at or below 60% of the area’s median income. Although this law was passed in 2012, the Legislature has never appropriated funds for the Trust Fund; thus the efforts put forth to make effective the law’s intent have been financially curtailed.

12. The HUD-provided data on Alabama’s home mortgage lending rates from 2004 to 2014 could yield the conclusion that banking approval or denial of loans to loan applicants is based on the applicant’s race and gender, but instead, the results should be stated that loan denials are based on each loan applicant’s credit rating, ability to repay the home loan amount borrowed, and ability to obtain insurance on the home sought to be purchased with the loan proceeds, and such realistic conclusion could have been drawn if explanatory information was collected from personal interviews with bankers/housing providers/consumer advocates and personal researcher visits made to localities experiencing these loan denial rates - as opposed to relying solely on the HUD-provided statistics from which to draw the conclusion.

13. Regardless of race, gender, or other protected class category, persons seeking loans are going to patronize lending institutions that will work with them based on their credit rating score, income, and ability to repay the loan amount, and that if a loan applicant does not have the type of “good credit” history sought by chartered lending institutions, then there are other lending institutions that will work with those loan applicants who are not in possession of good credit histories, but they will do so using loan repayment terms that reflect the credit rating/status of the loan applicant rather than the loan applicant’s race, gender, or other protected class category – as that is the nature of the banking/loan business.

14. Some home loan seekers lack ability to obtain funds from a bank for the purchase of a factory-built “mobile home” compared with their ability to obtain funds from a bank for the purchase of a site-built “brick and mortar home,” as banks tend not to provide loans for mobile home purchases due to the “mobile” and “depreciation” factors related to that type of home.

15. The federal Community Reinvestment Act (CRA) encourages lenders to work with borrowers in all segments of the community – including those in low and moderate-income neighborhoods – to reduce predatory lending practices affecting those neighborhoods, but it is unclear if any federal regulatory agency tasked with examining banks for their CRA compliance is actually calling-out the banks for CRA compliance.

16. The total number of Alabama’s rental housing complaints filed with HUD from 2004 through 2014 (961 complaints), when compared to those deemed valid complaints (142 complaints), indicated that most were based on disability access (78 complaints) rather than race discrimination.

17. The three fair housing organizations operating in Alabama (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Center for Fair Housing in Mobile) are tasked with conducting educational outreach to individuals most likely to experience housing discrimination, conducting training for housing professionals, investigating complaints, filing administrative actions with HUD, filing court actions, and mediating disputes on behalf of individual complainants; however, those three centers do not appear to be doing this advocacy work within Alabama’s non-entitlement areas.

18. Data collected from responses to ADECA’s “Impediments to Fair Housing Choice Survey” on the question of awareness of fair housing complaints within communities call into question whether the “lack of knowledge or understanding regarding fair housing” and the “lack of knowledge in how to file a housing complaint” are actually impediments to fair housing choice, because residents already are informed as to whom they can make their complaints known.

19. Family members in Alabama tend to live near each other, and poverty also tends to be concentrated in certain areas, but when these statistics are mapped, the results appear as the “clustering” of races and of undocumented residents in certain areas.

20. Certain areas of Alabama do have organized leadership in civil rights enforcement, and such leadership is used as a resource to address fair housing issues in those locations.

21. The steady closure of companies over the past decades resulted in a lack of jobs, an increase in the poverty rate, and hampered economic development efforts, but the localities are in need of help bringing jobs to their areas and in complying with government mandates, and these are the biggest impediments to fair housing choice; thus, it is not the lack of interest or knowledge in affirmatively furthering fair housing on the part of those smaller jurisdictions, it is their need for help in complying with the government’s mandates.

Following these points of community engagement, a public hearing for this 2015-2019 Five-Year Consolidated Plan, which includes the PY2015 One-Year Annual Action Plan was conducted at ADECA’s headquarters office in February 2015. Attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 11, 2015, as well as a notice posted on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov), and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, and other interested parties/members of the public. In response, forty (40) persons attended the February 2015 public hearing, and no comments were received concerning the CDBG Program.

**HOME**: The AHFA conducted its public hearing on the HOME Program in November 2014. The HOME Program Plan and the comments from the HOME Program’s public hearing are attached hereto at **Attachment 1**. The AHFA’s staff also attended the CDBG, ESG, and HOPWA public hearing in February 2015, and participated as a presenter there.

**ESG**: The ESG Program followed the same format stated above for the CDBG Program. In response, forty (40) persons attended the February 2015 public hearing, and no comments were received concerning the ESG Program.

**HOPWA**: The HOPWA Program followed the same format stated above for the CDBG Program. In response, forty (40) persons attended the February 2015 public hearing, and no comments were received concerning the HOPWA Program.

**6. Summary of comments or views not accepted and the reasons for not accepting them:**

All public comments and views made known to ADECA, AHFA, and AIDS Alabama were received, viewed, and accepted. None of the comments were not accepted by ADECA, AHFA, and AIDS Alabama during these public comment processes.

**7. Summary:**

This Plan is derived from input collected via several avenues that included (i) Alabama’s 2014 “Analysis of Impediments to Fair Housing Choice” encompassing the State’s non-entitlement areas (those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile), (ii) responses to surveys conducted statewide on the topics of community needs and fair housing choice, and (iii) public comments that were received throughout the Plan’s research process from elected officials in counties, large cities, and small cities (including mayors, county commissioners, probate judges, etc.), local government planning and zoning personnel, regional planning commission staff, public housing authorities, real estate sales and rentals professionals, nonprofit organizations, bankers, community residents, State agencies, private consultants, and continuum of care staff.

**THE PROCESS**

**PR-05 Lead & Responsible Agencies [see 24 CFR 91.300(b)]**

**1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source:**

|  |  |  |
| --- | --- | --- |
| **Agency Role** | **Name** | **Department/Agency** |
| Lead Agency | Alabama | Alabama Department of Economic and  Community Affairs (ADECA),  Community and Economic Development  Division (CED Division) |
| CDBG Administrator | Mr. Shabbir A. Olia | ADECA, CED Division |
| HOPWA Administrator | Ms. Kathie Hiers | AIDS Alabama |
| HOME Administrator | Mr. Gary Donegan | Alabama Housing Finance Authority |
| ESG Administrator | Ms. Shonda H. Gray | ADECA, CED Division |

**2. Narrative:**

**CDBG:** The Alabama Department of Economic and Community Affairs (ADECA) is Alabama’s lead State agency that is responsible for preparing the Five-Year Consolidated Plan. ADECA is also the State agency responsible for administering the Community Development Block Grant (CDBG) Program and the Emergency Solutions Grant (ESG) Program within Alabama.  ADECA was created by a 1983 act of the Legislature (Alabama Act #83-194) and consolidated numerous agencies into a single department to streamline and professionalize the management of many federally-funded programs administered by the State so as to ensure that strict federal requirements for comprehensive monitoring, reporting, and auditing were implemented. ADECA’s enabling legislation is codified in the Code of Alabama at Title 41, Chapter 23, and ADECA’s duties are delineated therein to function as an arm of the Governor’s Office. ADECA’s Director is a member of the Governor’s Cabinet and serves at the pleasure of the Governor. A ten-member Legislative Oversight Committee monitors and evaluates ADECA’s operations and recommends to the Legislature the enactment of additional laws relating to ADECA. ADECA is responsible for administering a broad range of state and federal programs that contribute to the department’s mission of building better Alabama communities by distributing millions of dollars to cities, counties, non-profit organizations, and others. ADECA’s grant activity supports economic development projects, infrastructure improvements, job training, energy conservation, law enforcement, traffic safety, recreation development, and assistance to low-income families; it monitors and protects water resources, and distributes state and federal surplus property to local governments and qualified organizations. ADECA’s programs benefit businesses, local governments, schools, non-profit organizations, children, the elderly, victims of crime and abuse, the disadvantaged and poor, and the unemployed.

**HOME:** The Alabama Housing Finance Authority (AHFA) is the State entity responsible for administration of the HOME Investment Partnerships Program. AHFA was established by a 1980 act of the Legislature (Alabama Act #80-585) and serves as a public corporation dedicated to creating housing opportunities for low- and moderate-income citizens in Alabama through affordable financing of safe and sanitary single-family and multi-family housing. Among many other duties, AHFA issues tax-exempt mortgage revenue bonds that provide millions of dollars in financing for first-time home buyers. AHFA is governed by a Board of Directors whose members are appointed by the Governor (who appoints one member from each of Alabama’s seven congressional districts and consisting of two home builders, two real estate brokers, a lender, a mayor, a county commissioner, and a State-at-large member), the Lieutenant Governor and the Speaker of the House (each of whom appoints two members). The State’s Finance Director, Treasurer, and Superintendent of Banks also serve as members, but in an ex officio role. The Board provides policy direction, authorizes bond issues and program development, and evaluates AHFA’s efforts. AHFA is responsible for preparing Alabama’s housing needs assessment and strategy under the HOME Program as a prerequisite for Alabama to receive federal dollars for housing. AHFA also prepares and maintains an extensive list of relevant parties from whom to make inquiries and gather information in the form of questionnaires and surveys which AHFA submits to State agencies, service providers, housing directors, and individuals. Based on the collected information and data, AHFA compiles the blueprint document for creating affordable housing across Alabama.

**ESG**: See the information for CDBG herein above.

**HOPWA**: AIDS Alabama is the State entity responsible for administering the Housing Opportunities for Persons With AIDS (HOPWA) Program. AIDS Alabama was formed in 1986 to provide HIV prevention education to the health care community. In the early 1990’s, the agency received a grant from the U.S. Department of Health and Human Services to conduct a needs assessment of people living with HIV in Alabama. The results demonstrated the unmet need of affordable housing for those living with HIV/AIDS. AIDS Alabama changed its focus to housing and prevention education services. Housing for people living with HIV/AIDS is crucial, especially since 70% of all people living with the disease have experienced some form of homelessness or housing instability in their lifetimes. When stable housing is provided, people living with HIV are able to focus on receiving health care, which in turn means they can live healthy, independent lives. AIDS Alabama is a recognized leader in affordable housing for people living with HIV in Alabama, and is recognized nationally as a proactive and innovative leader in the war against the spread of HIV/AIDS. AIDS Alabama’s CEO was the only southerner appointed to the Presidential Advisory Council on HIV/AIDS by President Obama in 2010 serving through 2014, and leads the agency as a powerful advocate for persons living with HIV/AIDS. In 2012, AIDS Alabama formed AIDS Alabama South, originally founded in 1987 as a grassroots organization by a small group of citizens living in Mobile, Alabama who recognized the need for resources for people living with AIDS. AIDS Alabama South is a wholly-owned subsidiary of AIDS Alabama. Today, AIDS Alabama manages over 100 units of affordable housing throughout the state.

The funding source for each of these four federal programs (CDBG, ESG, HOME, and HOPWA) is the United States Department of Housing and Urban Development (HUD).

**3. Consolidated Plan Public Contact Information:**

Mr. Shabbir A. Olia, Unit Chief, CED Programs

Alabama Department of Economic and Community Affairs (ADECA)

Community and Economic Development Division

401 Adams Avenue, Room 500; Post Office Box 5690

Montgomery, Alabama 36103-5690

Phone: 334-242-5468

Email: [Shabbir.olia@adeca.alabama.gov](mailto:Shabbir.olia@adeca.alabama.gov)

**PR-10 Consultation [see 24 CFR 91.110, 91.300(b), 91.315(l)]**

**1. Introduction:**

See the narrative in the sections below.

**Provide a concise summary of the State’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies [see 24 CFR 91.215(l)]:**

ADECA’s CDBG and ESG Programs work with the Alabama Housing Finance Authority, AIDS Alabama, and local governments (cities and counties) to enhance service provisions within the bounds of the CDBG and ESG Programs. In terms of coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies, the ESG Program case managers seek to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible. Case managers will refer program participants to mainstream housing, health, mental health, education, employment, food and meal assistance, and youth programs. For the HOPWA Program, the AIDS Service Organizations (ASOs) in Alabama coordinate with the local medical, mental health, and service agencies in their respective areas to assure that services are available to all persons living with HIV/AIDS. AIDS Alabama coordinates with local public housing authorities to provide Shelter plus Care vouchers where eligible applicants present and assist in the provision of supportive services. Each ASO coordinates with and/or provides direct services for persons with substance abuse diagnosis. A number of persons living with HIV/AIDS present with a dual diagnosis, often mental health issues or substance abuse, and we provide services in coordination with other local providers as needed.

Additionally, ADECA, AHFA, and AIDS Alabama conducted information-gathering and planning activities through a community needs survey and a fair housing survey developed for Alabama’s updated (2014-2015) Analysis of Impediments to Fair Housing Choice. Participants in those activities included Alabama’s 144 Public Housing Authorities; 123 members of the Alabama Public Housing Authority Director's Association; 12 Regional Planning Commissions; 15 grant management firms who administer ADECA’s CDBG grant projects for non-entitlement cities and counties; 154 banking and mortgage-lending institutions that are members of the Alabama Bankers Association and are chartered by the Alabama State Banking Department; all of ADECA's CDBG, ESG, HOME, and HOPWA grant funds recipients; other state agencies with whom ADECA conducts grant research work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales agencies and rentals professionals; nonprofit organization directors; private citizens; private sector consultants; and continuum of care staff, all of whom were part of the information-gathering process. Information was also collected from ADECA conducting two public forums on "impediments to fair housing" in November 2014 in Orange Beach, Alabama, and the public hearing on this Plan in February 2015 in Montgomery, Alabama; and from the AHFA conducting a public hearing on the HOME Program's PY2015 plan in November 2014.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness:**

The State maintains a close working relationship with the continuum of care groups in its jurisdiction. ADECA staff members frequently communicate with continuum of care staff via email, phone, and formal letters. To ensure that its subrecipients maintain a relationship with the continuum of care groups, the State has incorporated into its ESG application that applicants and agencies funded through the applications must be members of the local continuum of care group. Applications are scored based on the agencies’ membership and participation in the local continuum of care group. The continuum of care groups gather information on the homeless in the local area during the annual point in time homeless counts. The chronically homeless and other subpopulations of homeless persons are identified during the point in time counts. Once homeless persons are identified, they can be referred to mainstream social service or housing agencies. Case managers are available to assess the needs of homelessness individuals and persons at risk of homelessness. Once the needs are identified, the case managers make referrals for mainstream social service agencies and housing agencies in the local area.

The AIDS Service Organizations (ASOs) in Alabama coordinate with their local Continuums of Care (CoC) to provide services to homeless and chronically homeless HIV/AIDS persons in their respective service area. ASO must coordinate with the CoC to take advantage of funding available through the Department of Housing & Urban Development provided through the CoC to service the homeless and chronically homeless, especially given the correlation between linkage to care for persons living with HIV/AIDS and affordable housing. The National AIDS Housing Coalition states that housing assistance is a cost effective HIV health care intervention. Each new HIV infection prevented through more stable housing saves countless life years and over $400,000 in lifetime medical costs according to the Centers for Disease Control and Prevention.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of Homeless Management Information Systems (HMIS):**

The State and the continuums of care (CoC) in its jurisdiction mutually agreed to maintain the following outcomes developed in 2012 for the ESG program.

1. Determining how to allocate ESG funds for eligible activities:

a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.

b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.

c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.

d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.

e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.

2. Developing the Performance Standards for activities funded under ESG:

a. Agencies funded with ESG funds must utilize written intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry and program exit.

b. Funded agencies must report client data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.

c. Funded agencies must set measurable targets to be accomplished throughout the life of the program.

d. Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

1. Impact of ESG-funded projects.

2. Number of persons served by ESG-funded projects.

3. Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid.

3. Developing funding, policies, and procedures for the operation and administration of the HMIS *PromisSE,* a web-based data management system, serves as a multi-implementation of HMIS. Every continuum in the state, with the exception of the Homeless Care Council of Northwest Alabama, utilizes *PromisSE*. *PromisSE* is operated under a Steering Committee which consists of members of each continuum across the states of Alabama and Florida. *PromisSE* has established policies and procedures. Funding for HMIS and related activities and costs will be limited to up to five percent of the grant award to individual subrecipients.

**2. Describe agencies, groups, organizations, and others who participated in the process, and describe the State’s consultations with housing, social service agencies, and other entities:**

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Agency/Group/**  **Organization** | **Agency/Group/Organization Type** | **What section of the Plan was addressed by consultation?** |
| 1 | Organization Name:  Alabama Department of Economic and Community Affairs (ADECA)  City: Montgomery  State: Alabama  DUNS #: 062620604  EIN/TIN#: 63-6000619 | 🞎 Housing  🞎 Public Housing Authority  (PHA)  🞎 Services – Housing  🞎 Services – Children  🞎 Services – Elderly Persons  🞎 Services – Persons with  Disabilities  🞎 Services – Persons with  HIV/AIDS  🞎 Services – Victims of  Domestic Violence  🞎 Services – Homeless  🞎 Services – Health  🞎 Services – Education  🞎 Services – Employment  🞎 Services – Fair Housing  🞎 Services – Victims  🞎 Health Agency  🞎 Child Welfare Agency  🞎 Publicly Funded  Institution/System of Care  🞎 Other Government –  Federal  🗹 Other Government –  State  🞎 Other Government –  County  🞎 Other Government –  Local  🞎 Regional Organization  🞎 Planning Organization  🞎 Business Leaders  🞎 Civic Leaders  🞎 Business & Civic Leaders  🞎 Other: \_\_\_\_\_\_\_\_\_\_  **Optional Designation(s):**  🞎 Community Development  Financial Institution  🞎 Foundation  🞎 Grantee Department  🞎 Major Employer  🞎 Neighborhood  Organization  🞎 Private Sector Banking /  Financing | 🗹 Housing Needs  Assessment  🞎 Public Housing Needs  🗹 Homeless Needs –  Chronically Homeless  🗹 Homeless Needs –  Families with Children  🗹 Homeless Needs –  Veterans  🗹 Homeless Needs –  Unaccompanied Youth  🗹 Homelessness Strategy  🗹 Non-Homeless Special  Needs  🗹 HOPWA Strategy  🗹 Market Analysis  🗹 Economic Development  🗹 Lead-Based Paint  Strategy  🗹 Anti-Poverty Strategy  🗹 Other: Disaster Response |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?**  ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties, local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space. | | | |

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| **#** | **Agency/Group/**  **Organization** | **Agency/Group/Organization Type** | **What section of the Plan was addressed by consultation?** |
| 2 | Organization Name:  Alabama Housing Finance Authority  City: Montgomery  State: Alabama  DUNS #: 836723106  EIN/TIN#: 63-0980480 | 🗹 Housing  🞎 Public Housing Authority  (PHA)  🗹 Services – Housing  🗹 Services – Children  🗹 Services – Elderly Persons  🗹 Services – Persons with  Disabilities  🞎 Services – Persons with  HIV/AIDS  🞎 Services – Victims of  Domestic Violence  🞎 Services – Homeless  🞎 Services – Health  🞎 Services – Education  🞎 Services – Employment  🗹 Services – Fair Housing  🞎 Services – Victims  🞎 Health Agency  🞎 Child Welfare Agency  🞎 Publicly Funded  Institution/System of Care  🞎 Other Government –  Federal  🞎 Other Government –  State  🞎 Other Government –  County  🞎 Other Government –  Local  🞎 Regional Organization  🞎 Planning Organization  🞎 Business Leaders  🞎 Civic Leaders  🞎 Business & Civic Leaders  🞎 Other: \_\_\_\_\_\_\_\_\_\_  **Optional Designation(s):**  🞎 Community Development  Financial Institution  🞎 Foundation  🞎 Grantee Department  🞎 Major Employer  🞎 Neighborhood  Organization  🞎 Private Sector Banking /  Financing | 🗹 Housing Needs  Assessment  🞎 Public Housing Needs  🞎 Homeless Needs –  Chronically Homeless  🞎 Homeless Needs –  Families with Children  🞎 Homeless Needs –  Veterans  🞎 Homeless Needs –  Unaccompanied Youth  🞎 Homelessness Strategy  🞎 Non-Homeless Special  Needs  🞎 HOPWA Strategy  🞎 Market Analysis  🞎 Economic Development  🞎 Lead-Based Paint  Strategy  🞎 Anti-Poverty Strategy  🞎 Other: \_\_\_\_\_\_\_\_\_\_ |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?**  ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties, local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space. | | | |

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| **#** | **Agency/Group/**  **Organization** | **Agency/Group/Organization Type** | **What section of the Plan was addressed by consultation?** |
| 3 | Organization Name:  AIDS Alabama  City: Birmingham  State: Alabama  DUNS #: 834432999  EIN/TIN#: 581727755 | 🗹 Housing  🞎 Public Housing Authority  (PHA)  🗹 Services – Housing  🞎 Services – Children  🞎 Services – Elderly Persons  🞎 Services – Persons with  Disabilities  🗹 Services – Persons with  HIV/AIDS  🞎 Services – Victims of  Domestic Violence  🗹 Services – Homeless  🗹 Services – Health  🗹 Services – Education  🞎 Services – Employment  🗹 Services – Fair Housing  🞎 Services – Victims  🞎 Health Agency  🞎 Child Welfare Agency  🞎 Publicly Funded  Institution/System of Care  🞎 Other Government –  Federal  🞎 Other Government –  State  🞎 Other Government –  County  🞎 Other Government –  Local  🞎 Regional Organization  🞎 Planning Organization  🞎 Business Leaders  🞎 Civic Leaders  🞎 Business & Civic Leaders  🞎 Other: \_\_\_\_\_\_\_\_\_\_  **Optional Designation(s):**  🞎 Community Development  Financial Institution  🞎 Foundation  🞎 Grantee Department  🞎 Major Employer  🞎 Neighborhood  Organization  🞎 Private Sector Banking /  Financing | 🗹 Housing Needs  Assessment  🞎 Public Housing Needs  🗹 Homeless Needs –  Chronically Homeless  🗹 Homeless Needs –  Families with Children  🗹 Homeless Needs –  Veterans  🗹 Homeless Needs –  Unaccompanied Youth  🗹 Homelessness Strategy  🞎 Non-Homeless Special  Needs  🗹 HOPWA Strategy  🞎 Market Analysis  🞎 Economic Development  🞎 Lead-Based Paint  Strategy  🞎 Anti-Poverty Strategy  🞎 Other: \_\_\_\_\_\_\_\_\_\_ |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?**  ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties, local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space. | | | |

**Identify any Agency Types not consulted and provide rationale for not consulting:**

ADECA has made many attempts to be inclusive of as many individuals and groups as possible in Alabama and its neighboring states who are interested in the subjects of fair housing choice, community needs, and community development, as is stated in the previous sections. If entities were not involved, the reason is because they were notified by ADECA but chose not to be involved in this Plan’s development process. As described in the sections above, ADECA consulted with many entities who are in addition to its CDBG clientele seeking funds under the CDBG Program, and also contracted with a private consultant (Western Economic Services, LLC in Portland, Oregon) to conduct the State's 2014-2015 "Analysis of Impediments to Fair Housing Choice," through which research, data collection, and public outreach/public hearing processes many agency types were consulted. The AHFA consulted with its applicants seeking funds under the HOME Program. The ADECA ESG Program Manager consulted with the entities that receive funding under the ESG program. AIDS Alabama consulted with the entities whom it serves under the HOPWA Program. And Continuums of Care located across the state were also consulted by ESG and HOPWA program managers, as the ESG and HOPWA Program managers partner with the local CoCs throughout the State.

**Describe other local/regional/state/federal planning efforts considered when preparing the Plan: (optional)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each Plan? | Action |
| 1 |  |  |  |  |

**CDBG**: ADECA relies heavily on the numerous community development providers in the state to assist in the provision of community development services via the expenditure of CDBG funds. Working relationships with cities, counties, local grant administrators, regional planning commissions, etc. are continually evolving based on the CDBG project applications that ADECA receives and selects to be awarded grant funding. Program managers and their local counterparts (administrators, engineers, construction companies, local advocates, etc.) who are involved in the implementation of community development projects (housing rehabilitation, water/sewer/road development/improvement, community enhancement services, economic development projects, planning services, etc.) are consulted on a regular basis to determine the pertinent issues in areas most in need of addressing those issues. ADECA will continue to work with its local communities in the State's non-entitlement areas to assess and address the needs of the local communities.

**HOME**: In its local/regional/state/federal planning efforts considered when preparing this Plan, the HOME Program followed its Citizen Participation process that is included as part of the AHFA's 2015 Housing Credit Qualified Allocation Plan and 2015 HOME Action Plan. In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2015 HOME Action Plan and 2015 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. AHFA emailed more than 1,051 notices of the draft Plans’ availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 7, 2014. During the designated commenting period, AHFA received 23 written comments, prepared formal responses to them, and revised the Plans where deemed appropriate.

**ESG**: Alabama relies heavily on the numerous housing and social service providers in the state to assist in the provision of services. Working relationships vary based on the applications received and selected for funding. Program directors and others involved in the implementation of housing and social services are consulted on a regular basis to determine the greatest needs and the best way to address them. ADECA will work with all of the Continuums of Care, interested Community Action Agencies, the Alabama Alliance to End Homelessness, and other groups to assess and address the needs of homeless persons.

**HOPWA**: The Alabama Department of Public Health (ADPH) provided statistical input to AIDS Alabama for this plan, in that AIDS Alabama obtained supplemental information from the ADPH’s 2014 HIV/AIDS Statistics, HIV and AIDS by Demographics Group, and Exposure Category and the Southern HIV/AIDS Strategy Initiative, HIV Infrastructure Study, Birmingham, AL December 2014, which state, “At the end of 2012, a total of 11,815 Alabama residents were known to be living with HIV and 4,838 (41%) had an AIDS diagnosis.” Approximately 14,000 people in Alabama currently have HIV/AIDS. Recent incidence data indicate that the HIV/AIDS population is becoming less concentrated in the 25-44 age category and is extending into a broader array of race/ethnic groups. African-American males reporting sex with another male represent the majority of new HIV cases occurring among adolescents and young adults aged 15 to 29 years. The CDC estimates 18% of persons infected with HIV are unaware of their status. Applying this percentage to the prevalence suggests 14,426 Alabama residents may have been infected with HIV at the end of 2012. The State of Alabama HIV Surveillance 2012 Annual Report, completed through ADPH, states that the State of Alabama continues to experience an HIV epidemic of moderate magnitude when contrasted to the experience of other states. As of December 31, 2012, a cumulative total of 17,903 infections had been diagnosed among Alabama residents. During 2012, 661 newly-diagnosed HIV infections were reported among Alabama residents. The proportion of persons living with HIV infection increased 21% between 2008 and 2012. This trend is largely due to the introduction of effective drug treatment and therapies, which can often delay the progression from HIV to AIDS, and from AIDS to death. ADPH reports that African-Americans continue to be disproportionately affected by HIV in Alabama. African Americans comprise 26% of Alabama’s population, but 68% of Alabama’s newly-diagnosed HIV infections occurred in African-Americans during 2012. African-American males were 6.5 times as likely to be diagnosed with HIV as white males, while the rate of HIV in African-American females was 12.5 times that of white females. HIV rates are also increasing in Hispanics. Alabama is experiencing a downward shift in the age distribution of newly-diagnosed HIV infections as adolescents and young adults (ages 15-29) emerged as the most affected age group. While male-to-male sexual activity continues to be the predominant mode of exposure for HIV infection, heterosexual contact is the second most common mode of exposure. It is important to note that the HIV population is aging as a result of effective use of drug treatment and therapies. This trend will eventually impact the State of Alabama’s ability to provide adequate medical and social services (i.e. Ryan White and Medicaid) for the aging population.

**Describe cooperation and coordination among the State and any units of general local government in the implementation of the Consolidated Plan [see 24 CFR 91.315(l)]:**

**CDBG**: ADECA’s CDBG grantees cooperate and coordinate with the State and the other units of general local government in the implementation of this Consolidated Plan. These entities include counties, large cities, and small cities located in Alabama’s non-entitlement areas, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Annually, these units of local government apply for, and a portion of them are awarded, CDBG grant funds to expend on one or more activities designed to address single or multiple needs within their jurisdictions. The CDBG projects can take a comprehensive scope designed to revitalize an identified project area, or they can be a stand-alone activity to address a specific need, or they may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons. Two communities may also come together to do a joint project using CDBG funds. To assist the local governments with designing their respective individual or joint CDBG projects, ADECA utilizes its annual grant application workshop and training materials to refer the local governments to the Consolidated Plan and the Annual Action Plan for use as tools that will assist the localities with focusing the scope of their projects within the parameters of the Plans. Also, in June-July, 2014, as part of the five year planning process for this Plan and the conduct of the 2014-2015 "Analysis of Impediments to Fair Housing Choice," ADECA distributed a “Community Needs Survey” and an “Impediments to Fair Housing Choice Survey” to entities including all chief elected officials in Alabama, regional planning and development commissions, community action agencies, continuum of care groups, non-profit organizations and private grant consultants, and professionals in housing and community development. These efforts resulted in ADECA receiving 429 responses to the “Community Needs Survey” and 332 responses to the “Impediments to Fair Housing Choice survey. The results of these two surveys were incorporated into the direction of this Five-Year Consolidated Plan and the One-Year Annual Action Plan.

**HOME**: The AHFA worked with its clientele and ADECA's clientele and other entities identified herein the sections above to in the implementation of this Plan.

**ESG**: Subrecipients that are units of general local government were asked to provide information regarding the development of the Consolidated Plan. Units of general local government provided information regarding availability and access to services, gaps in service delivery, and program strengths.

**HOPWA**: AIDS Alabama worked with its clientele (described above) and ADECA's clientele and other entities identified herein the sections above to in the implementation of this Plan.

**Narrative:**

See the discussion in the sections herein above.

**PR-15 Citizen Participation [see 24 CFR 91.115, 91.300(c)]**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation:** See the discussion below.

**Summarize citizen participation process and how it impacted goal-setting:**

**CDBG**: This Plan’s citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan. This is also described herein above at Section **ES-05 Executive Summary**. Briefly, this process and these efforts are as follows:

"*Introduction: Citizen Participation is strongly encouraged in the development of all elements of the Consolidated Plan, any substantial amendments to the Plan elements, and the Performance Reports. This shall be accomplished through public hearings in times and places accessible to low and moderate-income residents and through coordination of data and people from various agencies representative of affected citizens. All materials and meetings will be accessible to persons with disabilities and persons with Limited English Proficiency, upon request, where practicable. The Plan, as well as any amendments to that plan, will be presented for review and comment in a statewide public hearing. Chief elected officials, citizens groups, and citizens will be notified by electronic mail of the hearing. The hearing will also be advertised in major newspapers of general circulation. Upon request, it will be provided in a format accessible to persons with disabilities and Limited English Proficiency.*

*Development of the Consolidated Plan and Plan Elements: The State will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the State expects to receive and the range of activities that may be undertaken. This shall include the estimated amount that will benefit persons of low and moderate-income as well as plans to minimize displacement of persons and to assist any persons displaced. This will be accomplished through a statewide advertisement in the nonlegal section of one or more newspapers of general circulation. Notices will also be electronically sent to chief elected officials of local governments, state agencies, and other interested parties. The State will publish a summary of the proposed Plan in one or more newspapers of general circulation. It will also make copies of the proposed plan available on the State’s website as well as at the State’s office. The summary will describe the contents and purpose of the Plan and will include a list of locations where copies of the entire proposed Plan may be examined. The State will also provide a reasonable number of free copies of the plan to citizens and groups that request it. The State will conduct at least one public hearing on housing and community development needs before the proposed Plan is published for comment. The State will publish a notice of the hearing in the nonlegal section of one or more newspapers of general circulation two weeks prior to conducting the hearing. The notice will include adequate information to permit citizen comments on housing and community development needs. The hearing will be held at a public facility accessible to persons of low and moderate-income, as well as persons with disabilities. Time will be determined based on previous attendance. The State has adopted a Language Access Plan which provides guidance for the State and its sub-grantees so that persons with Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs.* *Persons with Limited English Proficiency will be asked to contact the State if an interpreter is needed. Should a significant number of requests result, then an interpreter will be provided. The State will receive comments on the proposed Consolidated Plan for a period of 30 days. The State will consider any comments or views of citizens and units of general government received in writing or orally at the public hearing, in preparing the final Plan. A summary of these comments or views will be included in the final Plan. Reasons will be given for comments or views not accepted.*

*Amendments: The State will make every effort to obtain viable citizen input when Plan amendments are made which substantially impact the program. In such cases a public hearing will be held and Notices will be given through the nonlegal section of one or more newspapers of general circulation. Two weeks notice will be given for a public hearing and a 30 day comment period will be provided. The State will consider all comments or views and will give reasons for those not accepted. A summary will be attached to the final amendment. Substantial amendments are viewed as those which alter the Action Plan elements in one of the following ways:*

*1. Add or delete funding categories;*

*2. Change evaluation criteria;*

*3. Change thresholds for eligibility;*

*4. Change grant ceilings or minimums; or*

*5. Shift money from one fund category to another so that the cumulative shift is greater than 5 percent of the State allocation, except that in the HOPWA Program budget, line item shifts may be made as long as the cumulative shift is not greater than 10 percent of the total State HOPWA allocation.*

*Amendments not covered by the thresholds above may be made at the discretion of the State and notice will be given through normal programmatic communications to elected officials and other persons having an interest in HUD Action Plan programs. Further, the State may adopt other public notification methods and comment periods necessary to meet program requirements in unique circumstances, i.e., natural disasters, emergency allocations of funds, or other opportunities. Similarly, funds recaptured from current or prior program years will be directed to the Fund deemed appropriate by the State, and allocated according to the Action Plan criteria in effect at the time of the allocation.*"

Additionally, this Plan’s citizen participation, community engagement, and public involvement process followed the second portion of ADECA's Citizen Participation Plan, which pertains to the local governments' input into the Consolidated Plan. Briefly, this is described as follows:

"*Citizen Participation Requirements for Local Governments: The following will serve as the State’s citizen participation requirements for units of general local government receiving CDBG funds from the State in accordance with 24 CFR 570.486. The primary goal of a community’s Citizen Participation Plan will be to provide all citizens of the community with an adequate opportunity to participate in an advisory role in the planning, implementation, and assessment of the community’s Action Plan programs [which are then manifested in the form of CDBG applications submitted by the local governments to ADECA]. The Plan shall set forth policies and procedures for citizen participation which are designed to maximize the opportunity for citizen participation in the community development process. Special emphasis will be placed on encouraging participation by persons of low and moderate-incomes, residents of blighted neighborhoods, and residents of areas where community development funds are utilized. Citizens will be encouraged to participate in all phases of the CDBG Program(s) and will be provided full access to program information. Local officials will make every effort to involve citizens in all phases of the development,**implementation and assessment of**community development programs including, but not limited to the following phases:*

*a. Identification and assessment of housing and community development needs;*

*b. Determination of CDBG projects and the development of CDBG applications;*

*c. Changes and/or amendments to approved CDBG projects; and*

*d. Assessment of CDBG program performance.*

*All phases of the community development process will be conducted by local officials in an open manner. Citizens of the community will be encouraged to participate at all levels and will be given access to program information during each phase of any CDBG program as outlined herein. Communities shall provide technical assistance to individual citizens and citizen groups, especially low and moderate-income groups.*

*Citizen participation in the community development process will be conducted on a community wide basis and will actively involve the views and proposals of all citizens, especially low and moderate-income persons and residents of areas where CDBG activities are proposed or ongoing. Public hearings will be held during all phases of the community development process to allow citizens to voice opinions and offer proposals concerning the development and performance of CDBG programs. All public hearings will be held at times and locations which will be accessible to all citizens, especially persons of low and moderate-incomes and residents of blighted neighborhoods and CDBG project areas.*

*Public hearings will be scheduled for convenient times as determined by the local governing body. Public hearings may be held at any site which, in the opinion of the community provides adequate access for citizens to participate.*

*At least one hearing shall be held during any CDBG program fiscal year prior to the submission of an application to ADECA for CDBG assistance. The primary purposes of the hearing shall be to assess community needs and problems in an effort to determine the most critical needs to be addressed by the CDBG program; and also to present, for public comment and review, the program activities which have been selected by the community to resolve the identified needs.*

*Citizens will be provided with information concerning the CDBG program at this hearing. Such information shall include, but not necessarily be limited to: the goals and objectives of the CDBG program; the total amount of CDBG funds available; the role of citizens in program planning, implementation, and assessment; the range of activities which may be undertaken; the process to be followed in developing an application; the application timetables; the application rating process; the schedule of meetings and hearings; activities previously funded in the community through the CDBG program; and, an identification of projects which could result in the relocation of area residents or businesses, and the actions that would be undertaken if such relocation were necessary.*

*Communities will assure the opportunity for citizen participation during the implementation of any CDBG programs when changes to the project are under consideration by the community. Citizen participation shall be obtained and considered in any amendments to a CDBG program which involves changes in dollar amounts spent on any activity, changes in program beneficiaries, changes in the location of approved activities and major budget shifts between approved activities.*

*To ensure adequate opportunity for citizen participation during CDBG programs, the community shall hold a public hearing on all formal amendments which require ADECA approval. For local amendments(as defined by ADECA)and changes for which ADECA approval is not required, input from citizens concerning the changes may be received at regularly scheduled local governing body meetings where such changes or amendments are considered.*

*Citizens of communities will be provided with the opportunity to comment on the performance of local officials, the community’s staff, consultants, engineers and contractors, and the actual use of CDBG funds during the implementation of CDBG program. Citizens will also be requested to assess the performance of the community in addressing identified community development and housing needs, and to assess the performance in achieving its goals and objectives in those areas. Ongoing community assessment of the effectiveness of the process is considered essential to the success of the CDBG program.*

*At the conclusion of each CDBG project, a hearing will be held to review program activities and to assess program performance. This hearing shall be held prior to the submission of the PAR and any other required closeout documents to ADECA for a CDBG project. This required hearing will be used to ensure community wide participation in the evaluation of the CDBG program.*

*Other hearings may be held as deemed necessary by the community in order to inform citizens of community development projects and activities, and to solicit citizen opinion and comments. All additional hearings shall comply with the requirements set forth in this Plan.*

*Local officials will follow the guidance provided in the State’s Language Access Plan to determine the need to undertake reasonable actions to facilitate the participation of persons with Limited English Proficiency in federally assisted programs.**Such actions may include the provision of an interpreter when needed and provision of materials in the appropriate language or format.*

*Notice of public hearings will be published in a newspaper of general circulation in the locality at least seven days prior to the hearing date. The community may waive hearing notice requirements in cases where unusual circumstances justify alternative means of notifying the general public. In such cases, shorter notice may be given, and public notices posted in public places may be used in place of a notice published in a newspaper. Each notice of a hearing shall include the time, date, place and topics and procedures to be discussed. Notices for public hearings may be run or posted, separately or together, as may be deemed necessary by the governing body.*

*The procedures outlined herein are designed to promote participation by low and moderate-income citizens, as well as residents of blighted areas and CDBG project neighborhoods in any public hearing(s). Local officials may take additional steps to further promote participation by such groups, or to target program information to these persons should officials feel that such people may otherwise be excluded, or should additional action be deemed necessary. Activities to promote additional participation may include: posting of notices in blighted or Limited English Proficiency neighborhoods and in places frequented by low and moderate-income persons, and holding public hearings in low and moderate-income neighborhoods or areas of existing or proposed CDBG project activities.*

*The locations of all hearings as described herein shall be made accessible to persons with disabilities. Also, the community shall provide a sign language interpreter whenever the community is notified in advance that one or more deaf persons will be in attendance.*

*Citizens will be provided full access to CDBG program information during all phases of the project. Local officials of the community shall make a reasonable effort to assure that CDBG program information is available to all citizens, especially those of low and moderate-incomes and those in project areas.*

*CDBG program information and materials concerning specific projects will be available and distributed to the public at regularly scheduled hearings. Materials to be made available shall include, but are not limited to: The Citizen Participation Plan; records of hearings, mailings and promotional materials, prior CDBG program applications; letters of approval; grant agreements; the environmental review record; financial and procurement records; project design and construction specifications; performance and evaluation reports; other reports required by ADECA; proposed and approved CDBG applications for the current year or project; written comments or complaints received concerning the program, and written responses from the community; and, copies of the applicable federal and state rules, regulations, policies, requirements and procedures governing the CDBG program.*

*The public hearings scheduled, as described in the Plan, are designed to facilitate public participation in all phases of the community development process. Citizens are encouraged to submit their views and proposals on all aspects of a community development program at the hearings. However, to ensure that citizens are given the opportunity to assess and comment on all aspects of the community development program on a continuous basis, citizens may at any time submit written comments or complaints to the community.*

*Any citizen or citizens group desiring to comment or object to any phase of the planning, development, or approval of the application for CDBG funds, or to the implementation of any CDBG program, should submit such comments or objections in writing to the chief elected official. Should, after a reasonable period, a party believe that his comment or complaint has not been properly addressed or considered by the elected official, then the aggrieved party may appeal their case to the local governing body.*

*Local officials shall make every effort to provide written responses to citizen proposals or complaints within fifteen working days of the receipt of such comments where practicable. Should the local governing body be unable to resolve an objection or complaint, it may be forwarded by the aggrieved party to ADECA.*

*Citizens may, at any time, contact ADECA and HUD directly to register comments, objections or complaints concerning the community’s CDBG application and program. Citizens are encouraged, however, to attempt to resolve complaints at the local level as outlined above prior to contacting ADECA or HUD.*

*Records of all comments, objections and/or complaints by the citizens concerning the community’s CDBG program and subsequent action taken in response to those comments shall be maintained on file at the local government’s office and shall be made available for public inspection upon request.*

*The communities may, from time to time, modify the provisions of their Citizen Participation Plan. It shall be the policy of the community to periodically review and discuss the effectiveness of the Plan in allowing citizen participation in the community development process and in helping to meet the community development needs and goals identified by the citizens. To this end, the effectiveness of the Plan will be discussed at the public hearings held in conjunction with the community development program as discussed herein, and potential amendments to the Plan will be reviewed at this time.*

*Amendments to the Plan will be made as necessary. All amendments shall be approved by resolution of the local governing body and shall be incorporated into this Plan.*

*Availability to the Public: The Consolidated Plan, Citizen Participation Plan and substantial amendments will be made available to the public through copies provided at regularly scheduled public hearings throughout the process. Copies will also be provided in reasonable numbers to citizens and to associations representing citizens upon request. These materials will also be made available in a format or language accessible to persons with disabilities or Limited English Proficiency upon request, where practicable.*

*Access to Records: Citizens, public agencies, and other interested parties may have access to public information, documents and records during regularly scheduled working hours of the agencies administering the affected programs.*

*Complaints: The State will provide a substantive written response to every written complaint concerning the Consolidated Plan, Citizen Participation Plan, Amendments, and Performance Reports within fifteen working days where practicable.*"

These Citizen Participation Plan procedures were followed to impact this Plan's goal-setting process. Additional goal-setting input was obtained via ADECA's 2014-2015 "Analysis of Impediments to Fair Housing Choice," as described in the sections herein above, and the "Community Needs Survey" and "Impediments to Fair Housing Choice Survey" that were conducted by ADECA in June-August 2014. All of these processes were utilized to gather input from a broad swath of people and communities in Alabama and surrounding states, and such input was utilized to set the goals contained in this Plan.

**HOME**: The HOME Plan’s citizen participation, community engagement, and public involvement process followed the AHFA's Citizen Participation Plan, which is as follows:

“***CITIZEN PARTICIPATION PROCESS AND SIGNIFICANT CHANGES***

***2015 HOUSING CREDIT QUALIFIED ALLOCATION PLAN AND***

***2015 HOME ACTION PLAN:***

*In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2015 HOME Action Plan and 2015 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. The Alabama Housing Finance Authority (AHFA) emailed more than 1,051 notices of the draft Plans’ availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 7, 2014. During the designated commenting period, AHFA received 23 written comments, AHFA has prepared formal responses to these comments and has revised the Plans where deemed appropriate. Please see the attached Citizen Participation Summary of Substantial Comments Received and Responses by AHFA. When the Plan revisions have been finalized and approved, the Plans will be available for review in their entirety on www.ahfa.com, and the comments will be available for review in their entirety at* [*http://www.ahfa.com/multifamily.aspx*](http://www.ahfa.com/multifamily.aspx)*.*

*AHFA wishes to thank the many individuals and organizations who provided comments during the commenting period. As the administrator of the Plans, AHFA’s goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding.*

*To that end, please keep in mind that certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, please consider that the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards that significantly exceed AHFA standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project’s costs exceed AHFA’s definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come, first served basis, and subject to the criteria and requirements of the applicable Plan*.”

**ESG**: The ESG Plan’s citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan.

**HOPWA**: The HOPWA Plan’s citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan.

**Citizen Participation Outreach:**

|  |  |  |
| --- | --- | --- |
| **#** | **Mode of Outreach:** | **Target of Outreach:** |
| 1 | 🞎 Public Meeting  🗹 Public Hearing  🞎 Newspaper Ad  🞎 Internet Outreach  🞎 Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 🞎 Minorities  🞎 Non-English Speaking (specify other  language = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)  🞎 Persons with Disabilities  🗹 Non-targeted/broad community  🞎 Residents of Public and Assisted Housing  🞎 Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Summary of response/attendance** | | For the CDBG, ESG, and HOPWA Programs, following these points of community engagement, a public hearing for this 2015-2019 Five-Year Consolidated Plan, which includes the PY2015 One-Year Annual Action Plans, was conducted at ADECA's headquarters office in February 2015. Attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 11, 2015, as well as a notice posted on the ADECA website at www.adeca.alabama.gov, and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, other interested parties, and members of the public. In response, forty (40) persons attended the February 2015 public hearing. |
| **Summary of Comments Received** | | Zero comments were received concerning the CDBG, ESG, and HOPWA Programs. |
| **Summary of comments not accepted and reasons** | | Not applicable, as zero comments were received concerning the CDBG, ESG, and HOPWA Programs. |
| **URL if applicable** | |  |

|  |  |  |
| --- | --- | --- |
| **#** | **Mode of Outreach:** | **Target of Outreach:** |
| 2 | 🞎 Public Meeting  🗹 Public Hearing  🞎 Newspaper Ad  🞎 Internet Outreach  🞎 Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 🞎 Minorities  🞎 Non-English Speaking (specify other  language = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)  🞎 Persons with Disabilities  🗹 Non-targeted/broad community  🞎 Residents of Public and Assisted Housing  🞎 Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Summary of response/attendance** | | For the HOME Program, the AHFA conducted its public hearing on the HOME Program in November 2014. The AHFA's staff also attended the CDBG, ESG, and HOPWA public hearing in February 2015, and participated as a presenter during that hearing. |
| **Summary of Comments Received** | | For the HOME Program, the comments from the HOME Program's November 2014 public hearing are attached hereto under Section AD-25 Administration of the Consolidated Plan, at Attachments - Citizen Participation Comments, in the document entitled "2015 HOME Summary of Comments and AHFA Responses - Chart Plans (Scanned).pdf". |
| **Summary of comments not accepted and reasons** | | See the comments from the HOME Program's November 2014 public hearing that are attached hereto under Section AD-25 Administration of the Consolidated Plan, at Attachments - Citizen Participation Comments, in the document entitled "2015 HOME Summary of Comments and AHFA Responses - Chart Plans (Scanned).pdf". |
| **URL if applicable** | |  |

**NEEDS ASSESSMENT**

**NA-05 Overview**

**Needs Assessment Overview:**

In terms of housing, to prepare for this five-year strategy and one-year action plan, the State poured over every conceivable set of statistical tables from the 2010 U. S. Census, plus the American Community Survey estimates and special tabulations furnished by HUD. Furthermore, advocates for almost every type of special interest group was contacted for comments and recommendations. The opportunities to contribute were widespread, though not all advocates took the time to respond or get involved. What developed however was a familiar pattern of needs, not unlike efforts made over the years to properly assess how the administrators of these HUD CPD programs would utilize funding to create the most meaningful results.

Advocates for the poor told us that they desired more housing for extremely low-income Alabamians or those with ≤30% median family incomes. Advocates for the mentally ill requested single family, scattered site housing for those receiving supportive services. This agency also requested that homes be made available for people with intellectual or developmental disabilities and others with long-term care needs. Another agency pointed out the difficulties of finding safe and affordable units for their low-income clientele, particularly those with disabilities. For someone with only SSI-disability income, even a one-bedroom rental unit is out of reach. Public housing professionals and advocates made their case as well for a number of improvements including the critical need for restoration and revitalization of existing units.

The State of Alabama HOME Program is designed to create rental housing needed by families, the elderly, and those with special needs. Under no circumstances could all of the housing needs that are brought to the State’s attention be addressed. Ultimately, the challenge is stewardship of precious federal funding designed to impact as many Alabamians as is possible. Since 1992, the challenge has been met and thousands of Alabama households have benefitted from new or rehabilitated rental housing that is safe, sanitary, and affordable.

AIDS Alabama conducts its comprehensive state wide needs assessment of HIV-positive individuals approximately every three years. In 2015, AIDS Alabama is starting the interview process for the new needs assessment. However this data is targeted to needs that AIDS Alabama has for securing funding, research, and data that are specific to HIV-positive individuals.

**NA-10 Housing Needs Assessment [see 24 CFR 91.305(a), (b), and (c)]**

**Summary of Housing Needs:**

The following provides an analysis of the current status of housing in Alabama, with particular attention devoted to the condition of housing and housing affordability. Data utilized in the analysis derives from the 2010 U. S. Census, the 2008-2012 American Community Survey 5-year estimate, and from special tabulations supplied by HUD. The findings indicate that a significant number of individuals, families, and households in all parts of the state are in need of housing assistance. Those with the greatest need are concentrated at the lowest income levels, as would be expected. Housing need is shared by owners and renters, and across all races and ages. Altogether, there were almost 130,000 households in Alabama in 2010 wherein the household income was less than 30% of the median, but the housing cost burden was 50% of the median income level or more. Over half (60%) of these households contained renters. While this large number represents only 7% of total Alabama households, it is still a telling statistic – scores of Alabamians spend most of their meager incomes on a place to live and constitute the greatest need for affordable housing.

**Owners:** Approximately 70% of Alabama households are owner-occupied, somewhat higher than the national average. This is reflective of core values in certain parts of the U. S. where home ownership is most prized and is traditionally considered as a culmination of the *American Dream*. A contributing feature of states such as Alabama is also that land is relatively plentiful, sprawl is allowable, and even urban dwellers in Alabama (statistically at over 55%) do not typically reside in highly concentrated locales. Even Pike County, with the lowest percentage of owner-occupied homes, is at nearly 60%. Washington County in SW Alabama has the highest percentage of owner-occupied dwellings at almost 85%. Home prices in Alabama are generally below the national average as well, but ownership is still out of range for many in our state. The majority of owner-occupied homes in Alabama are 1-unit detached houses – some 68.3%. The next largest segment of owned structures is mobile homes – over 14%. The percentage of Alabama households in mobile homes is much higher in certain counties; as much as 35% in Lowndes County, for example. More often than not, Alabama counties with the largest percentage of mobile home owners are typically those with the smallest median incomes. Bottom line: Mobile homes cost less and usually represent a more affordable choice for the homeowner. And, in the context of home equity and wealth creation, these owned units typically have a smaller median value. The gap of median value of owner-occupied homes in 2010 ranged from nearly $200,000 in Shelby County to just $54,200 in Wilcox County. Overall, the median value of owner-occupied housing units in Alabama at $122,000 is considerably less than the national figure of $181,400. In Alabama, 60% of owned homes have a mortgage and 40% do not. The median monthly owner costs for housing units with a mortgage is $1160. For an owner-occupied home without a mortgage, the median monthly owner cost is $346. By definition, monthly owner costs include mortgage payment, taxes, insurance, and utilities. For homeowners with a mortgage, almost a third (30.1%) is cost-burdened because they spend more than 30% of their income on housing costs. For homeowners without a mortgage, a much smaller percentage (14%) is considered cost-burdened.

**Renters:** Approximately 30% of Alabama households are renter-occupied, somewhat less than the national rate of 34.5%. Median gross rents range from $855 in Shelby County to $381 in Wilcox County. The wide disparity is income-driven for the most part and is indicative of economic conditions such as jobs and educational attainment. Some 16% of all housing units in Alabama are considered *multi-unit housing*, meaning structures with two or more units. Tuscaloosa County, with its large population of college students, has the highest rate of multi-unit structures at 26.5%. Coosa County, on the other hand, has the lowest rate of multi-unit structures at 1.9%. Renting a place to live in certain areas of Alabama is therefore challenging if traditional multi-unit structures are not prevalent. Median gross rent in Alabama is $691. More than half (51.6%) of all Alabama renter households would be considered cost-burdened, as they spend more than 30% of their income on housing costs (rent paid plus utilities).

**Race/Ethnicity:** 70% of Alabamians are white, 27% are black, and the remaining 3% are typically Asian or Native American. Nearly 4% of all Alabamians, regardless of race, identify themselves as *Hispanic* or *Latino*. 98.6% of state residents are classified as one race, while 1.4% are two or more races. For the record, the U. S. rate for persons of two or more races is nearly twice as high – 2.7%. Roughly 13% of white Alabamians live below the poverty level, while the rate for black Alabamians is almost 31%. This wide disparity of incomes accounts for a number of economic hardships, including the means to afford adequate housing. Over 54% of whites in Alabama are married and just over 28% of blacks are married. And, perhaps predictably, some 59% of all black family households are headed by an unmarried female. The absence of an additional breadwinner in a household naturally limits the affordability of a suitable housing unit and often leads to shared housing or other substandard living conditions.

**Age:** Nearly 31% of all Alabama residents are 62 years or older, which defines HUD’s definition of *elderly*. The rapidly aging population in Alabama and elsewhere presents some unique housing challenges. While poverty and affordability are the challenges most closely aligned to the Consolidated Plan process, other factors such as substandard housing, access to healthcare, and living alone are critical as well. Approximately 84% of Alabamians over 65 live in owner-occupied housing, while 16% of that age group are renters. Almost one-fourth of over 65 owners spend more than 30% of their monthly household income for housing costs. A much larger figure, nearly 43%, represents over 65 renters who spend more than 30% of their monthly household income for housing costs. Slightly over half of over 65 Alabamians are married and another third are widowed. Over 80% of Alabamians over 65 are white and 18% are black. (NOTE: Given the black/white population ratios for Alabama plus the relatively similar life expectancy-by-race – 76 for whites v. 73 for blacks – these figures seem about right). Also, for the over 65 set in Alabama, about 42% are male and 58% are female. Almost 44% claim some type of disability. 12% of all households in the 0-30% median family income in Alabama contain at least one person 62 years or older. 17% of the 30-50% median family income contains at least one ≥62 and 20% of the 50-80% median family income contains at least one over 65 as well. All in all, close to half of low-income homes in Alabama have at least one person considered elderly. The median age in Alabama is just shy of 38 years.

**Condition of Housing:** About half of housing units in Alabama were built during or after 1980, and the other half were built prior to 1980. Given the prevalence of lead based paint in older homes (those built prior to 1978), there exists large numbers of potentially hazardous dwellings across Alabama, particularly if children are present. Only 0.5% of occupied housing units in Alabama lack complete plumbing facilities, and only 0.8% lack complete kitchen facilities. While those numbers have improved dramatically over the last few U. S. Census exercises, the fact remains that several thousand Alabamians lack some of the most basic needs of a suitable dwelling. 1.3% of Alabama housing units are considered *overcrowded* as they contain more than one person per room. An additional 0.5% of Alabama housing units contain more than 1.5 persons per room and are considered *severely overcrowded*. Again, this is a marked improvement over previous Census figures, but is still unacceptable in 2014 in Alabama.

**Households and Families:** According to the 2010 Census (Households and Families, QT-P11), there are 1,883,791 total households in Alabama. Family households account for more than two-thirds of the total (67.8%), and non-family households number 32.2%. Among the non-family households are householders who live alone. Some 12.2% of the 1-person households are male and 15.2% are female. All in all, over one-half million households in Alabama (516,696) – more than one-fourth of all Alabama households – are 1-person households. Another one-third of all Alabama households are 2-person households. It represents the largest single size group at 33.6%. Smaller percentages of Alabama households are for larger numbers of residents. The two largest groups – 1-person and 2-person – represent 61% of all 1,883,791 households in the state. Bottom line: Most households in Alabama, both single family homes and apartment units, have only one or two residents. This would seem to negate the need for great numbers of new or refurbished housing units with more than three bedrooms. While this would not hold true across the board in all areas of the state, it appears that fewer Alabamians are living in large family (over five person) households than was previously the case. The average household size is 2.48 and the average family size is 3.02.

**Summary:** To recap housing needs as they relate to the previous narrative, Alabama faces shortages of affordable housing, particularly rental units. While affordability is the key criteria, lower income Alabamians also need housing that is safe, sanitary, and in good repair. Furthermore, a great need exists for housing that is free of lead-based paint (LBP). Measures that can be taken to increase available housing stock of units built after 1978 should be taken (i.e. new construction of rental units financed by HOME funds). Clearly, much of the statistical evidence gathered in the Consolidated Plan process refers to low median incomes, cost burden, low educational attainment, persons living below the poverty level, persons with disabilities, overcrowding, unemployment, and the like. The State also recognizes certain disproportionate levels of these negative conditions. Blacks in Alabama, for example, are much more likely to experience these types of poverty-related hardships. In any case, the State plans to create as much affordable housing with HOME funds over the next five years to mitigate some of these issues.

**Demographics:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** | | **Base Year: 2000** | | **Most Recent Year: 2011** | **% Change** |
| Population | | 4,447,100 | | 4,74724 | 7% |
| Households | | 1,737,080 | | 1,831,269 | 5% |
| Median Income | | $34,135 | | $42,934 | 26% |
|  | **Displayed** | | **Used in Report:**  **Yes or No** |  | |
| Data Source: | Default Data | | Yes | 2000 Census (Base Year) 2007-2011 American Community Survey (Most Recent Year = \_\_\_\_) | |
|  | Alternate Data | | No | Notes: | |

**Number of Households:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Item** | | **0-30% Housing Area Median Family Income (HAMFI)** | | **Greater than**  **30-50% HAMFI** | **Greater than**  **50-80% HAMFI** | **Greater than**  **80-100% HAMFI** | **Greater than**  **100% HAMFI** |
| Total Households | | 239,535 | | 226,995 | 299,285 | 175,585 | 889,870 |
| Small Family Households | | 85,850 | | 77,755 | 114,480 | 75,285 | 507,875 |
| Large Family Households | | 12,885 | | 14,435 | 22,345 | 14,255 | 65,245 |
| Household contains at least one person 62-74 years of age | | 35,190 | | 49,230 | 64,375 | 37,715 | 169,060 |
| Household contains at least one person age 75 or older | | 29,810 | | 43,515 | 46,175 | 21,080 | 62,915 |
| Households with one or more children 6 years old or younger | | 46,750 | | 35,845 | 47,515 | 27,905 | 100,220 |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**Housing Needs Summary Tables:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problems 1 (Households with one of the listed needs)** | **Renter** | | | | | | | **Owner** | | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | | **Greater than**  **80-100%**  **AMI** | **Total** | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Greater than**  **80-100%**  **AMI** | **Total** |
| Substandard Housing - lacking complete plumbing or kitchen facilities | 3,420 | | 1,900 | 2,175 | | 705 | 8,200 | 1,520 | 1,220 | 1,140 | 780 | 4,660 |
| Severely Overcrowded - with greater than 1.51 people per room (and complete kitchen & plumbing) | 1,935 | | 980 | 950 | | 290 | 4,155 | 435 | 525 | 755 | 360 | 2,075 |
| Overcrowded - with 1.01-1.5 people per room (and none of the above problems) | 3,325 | | 3,575 | 3,080 | | 1,550 | 11,530 | 1,205 | 1,580 | 2,630 | 1,480 | 6,895 |
| Housing cost burden greater than 50% of income (and none of the above problems) | 79,435 | | 27,370 | 5,145 | | 450 | 112,400 | 51,655 | 30,585 | 20,455 | 5,400 | 108,095 |
| Housing cost burden greater than 30% of income (and none of the above problems) | 16,900 | | 39,765 | 37,135 | | 5,860 | 99,660 | 16,425 | 32,130 | 45,230 | 25,715 | 119,500 |
| Zero/negative Income (and none of the above problems) | 14,120 | | 0 | 0 | | 0 | 14,120 | 10,700 | 0 | 0 | 0 | 10,700 |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)** | **Renter** | | | | | | | **Owner** | | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | | **Greater than**  **80-100%**  **AMI** | **Total** | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Greater than**  **80-100%**  **AMI** | **Total** |
| Having 1 or more of four housing problems | 88,115 | | 33,830 | 11,350 | | 2,995 | 136,290 | 54,820 | 33,910 | 24,980 | 8,020 | 121,730 |
| Having none of four housing problems | 42,545 | | 69,900 | 97,995 | | 46,920 | 257,360 | 29,235 | 89,350 | 164,960 | 117,650 | 401,195 |
| Household has negative income, but none of the other housing problems | 14,120 | | 0 | 0 | | 0 | 14,120 | 10,700 | 0 | 0 | 0 | 10,700 |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cost Burden Greater than 30%** | **Renter** | | | | | | | **Owner** | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | | **Greater than**  **50-80%**  **AMI** | **Total** | | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Total** |
| Small Related | 43,820 | | 31,350 | | 18,630 | 93,800 | | 21,610 | 22,185 | 30,040 | 73,835 |
| Large Related | 6,960 | | 5,550 | | 2,725 | 15,235 | | 3,705 | 4,130 | 4,865 | 12,700 |
| Elderly | 13,110 | | 11,135 | | 5,810 | 30,055 | | 27,960 | 26,670 | 19,445 | 74,075 |
| Other | 38,390 | | 23,065 | | 16,865 | 78,320 | | 16,920 | 11,115 | 12,400 | 40,435 |
| Total need by income | 102,280 | | 71,100 | | 44,030 | 217,410 | | 70,195 | 64,100 | 66,750 | 201,045 |
|  | | **Displayed** | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | | |
| **Data Source:** | | Default Data | | Yes | | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | | |
|  | | Alternate Data | | No | | |  | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cost Burden Greater than 50%** | **Renter** | | | | | | | **Owner** | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | | **Greater than**  **50-80%**  **AMI** | **Total** | | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Total** |
| Small Related | 37,010 | | 11,670 | | 1,725 | 50,405 | | 17,470 | 11,700 | 8,690 | 37,860 |
| Large Related | 5,735 | | 1,860 | | 185 | 7,780 | | 2,775 | 1,860 | 965 | 5,600 |
| Elderly | 8,540 | | 4,725 | | 1,655 | 14,920 | | 19,000 | 11,105 | 6,390 | 36,495 |
| Other | 32,830 | | 10,240 | | 2,200 | 45,270 | | 13,920 | 6,315 | 4,575 | 24,810 |
| Total need by income | 84,115 | | 28,495 | | 5,765 | 118,375 | | 53,165 | 30,980 | 20,620 | 104,765 |
|  | | **Displayed** | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | | |
| **Data Source:** | | Default Data | | Yes | | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | | |
|  | | Alternate Data | | No | | |  | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Crowding (More than one person per room)** | **Renter** | | | | | | | **Owner** | | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | | **Greater than**  **80-100%**  **AMI** | **Total** | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Greater than**  **80-100%**  **AMI** | **Total** |
| Single family households | 4,570 | | 3,705 | 3,140 | | 1,415 | 12,830 | 1,190 | 1,465 | 2,665 | 1,005 | 6,325 |
| Multiple, unrelated family households | 615 | | 810 | 905 | | 375 | 2,705 | 445 | 650 | 755 | 835 | 2,685 |
| Other, non-family households | 195 | | 105 | 125 | | 75 | 500 | 4 | 0 | 10 | 8 | 22 |
| Total need by income | 5,380 | | 4,620 | 4,170 | | 1,865 | 16,035 | 1,639 | 2,115 | 3,430 | 1,848 | 9,032 |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Households with children present** | **Renter** | | | | | | | **Owner** | | | |
| **Number of Households** | **0-30%**  **AMI** | | **Greater than**  **30-50%**  **AMI** | | **Greater than**  **50-80%**  **AMI** | **Total** | | **0-30%**  **AMI** | **Greater than**  **30-50%**  **AMI** | **Greater than**  **50-80%**  **AMI** | **Total** |
|  |  | |  | |  | 0 | |  |  |  | 0 |
|  | | **Displayed** | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | | |
| **Data Source:** | | Alternate Data | |  | | |  | | | | |

**Describe the number and type of single person households in need of housing assistance:**

The 2010 Census showed 516,696 1-person households or 27.4% of total households. Over half (55%) of Alabama’s one-person households were female. For persons over 65 years old, 43.7% live alone. For many Alabamians, living alone is a personal choice. For others, it is the result of a divorce or the death of a spouse. Whatever the reason, the expenses of running a household alone are naturally high as there are no combined incomes, no incoming rents, and no economies of scale for efficient living. The Census indicates that, from 2007 to 2011, the number of “shared” households in Alabama grew by about 24,000 or just over 1%. A shared household is one that accommodates at least one additional adult who is not the householder or a spouse or a cohabitating partner. Shared housing frequently occurs when the costs associated with living alone are not sustainable. The counties in Alabama with the highest percentage of 1-person households are also among the poorest. In fact, virtually all of the Black-Belt counties in Alabama – some of the most poverty-stricken counties in the entire United States – have in excess of 30% of all households which are one-person. The highest percentage is Macon County with more than a third (35%) of all households made up of one-person only. Because the majority of these counties are also majority black, the incidence of 1-person black households is extremely high and the likelihood that housing problems and severe housing problems exist is to be expected. While the Census lacks specific information about the numbers and types of single person households in need of housing assistance, it can be inferred that, in Alabama, the greatest needs would occur for those households who are poor and/or elderly. According to the 2006-2010 ACS 5-year estimates, the median household income for 1-person households in Alabama is $21,146. The costs associated with home ownership with a mortgage, home ownership without a mortgage, or renting makes it very difficult for a 1-person household to get by.

38% of households occupied by renters are 1-person. 1-person households are the largest category of renters by far; the next largest category is 2-person households at 26%. For owners, 24% are 1-person households, second only to 2-person households at 38%. Again, it can be inferred that renters are substantially more inclined to live alone than owners. Renters make up about 30% of total households, but represent about 40% of 1-person households. For occupied housing units (owned) with a mortgage, 30% of Alabama households spend more than 30% of household income for monthly housing costs. For occupied housing units (owned) without a mortgage, only 14% of Alabama households spend more than 30% of household income for monthly housing costs. For occupied housing units which are rented, the numbers are dramatically higher; over half (52%) of Alabama renter households spend over 30% of household income for monthly gross rent. These figures are not household size-specific, but it is logically assumed that 1-person, 1-income households are quite likely to be cost-burdened.

The HOPWA Program’s estimates obtained from the Alabama Department of Public Health indicate that over 3,600 HIV-positive/AIDS individuals are in need of some form of housing assistance in any given year. The group with the most need is primarily single households with very low income. Female head of households with children are the next highest group in need. African American individuals and families are at a much higher percentage for this need than any other racial or ethnic group.

For CDBG Disaster funds (CDBG-DR), the number and type of single person households in need of housing assistance are stated in the following chart: “**Single Person Households in Need of Housing Assistance.**”

**Describe the number and type of single person households in need of housing assistance:**

**CDBG Disaster (CDBG-DR)**: See the table below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Single Person Households in Need of Housing Assistance** | | | | | | |
| **Dwelling Type** | **Counties Sustaining Damage** | **Destroyed Units** | **Major Damage** | **Minor Damage** | **Affected Units** | **Total**  **Units** |
| **Single Family** | 42 | 6,234 | 5,026 | 4,470 | 4,117 | 19,847 |
| **Multi-Family**  **(Apartments)** | 18 | 295 | 162 | 103 | 139 | 699 |
| **Mobile Home** | 39 | 1,272 | 607 | 578 | 550 | 3,007 |
| **All Dwelling Types** | 45 | 7,801 | 5,795 | 5,151 | 4,806 | 23,553 |

Source: American Red Cross

**Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault, and stalking:** **CDBG, HOME, and ESG**: The data on these characteristics is often not accurate or even available for the reason that many persons who are "disabled or victims of domestic violence, dating violence, sexual assault, and stalking" do not care to identify themselves with such labels. The U.S. Census, the American Community Survey, and the Alabama Department of Public Health do not collect, nor do they publish such data. The Centers for Disease Control and Prevention (CDC) likewise does not publish this data, but the CDC's "National Intimate Partner and Sexual Violence Survey" states that "intimate partner violence, sexual violence, and stalking are important and widespread public health problems in the United States. On average, 20 people per minute are victims of physical violence by an intimate partner in the United States. Over the course of a year, that equals more than 10 million women and men. Those numbers only tell part of the story - nearly 2 million women are raped in a year and over 7 million women and men are victims of stalking in a year." For sexual violence, the CDC states, "Sexual Violence is a significant problem in the United States. SV refers to sexual activity where consent is not obtained or freely given. Anyone can experience SV, but most victims are female. The person responsible for the violence is typically male and is usually someone known to the victim. The person can be, but is not limited to, a friend, coworker, neighbor, or family member. The CDC uses a 4-step approach to address public health problems like sexual violence: (1) define the problem, (2) identify risk and protective factors, (3) develop and test prevention strategies, and (4) assure widespread adoption. The ultimate goal is to stop sexual violence before it begins." Thus, at this time, the data are not available to estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault, and stalking.

**HOPWA**: For HOPWA funds, it is common for clients who suffer domestic abuse to return home to the abuser, particularly when children are present, in order to provide a roof for their children. There are few shelters which can handle victims with children, particularly older teenaged children, as these facilities are not equipped to manage this type of domestic violence victim.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): The Unmet Needs Assessment in the State of Alabama’s HUD-approved Action Plan did not contain this data due to the unavailability of credible estimates.

**What are the most common housing problems?**

Among the most common housing problems found in Alabama are: age and condition of housing, including the resources to repair or upgrade; cost burden; overcrowding; location; age of householder. While the list above is hardly conclusive, it represents an easy-to-understand observation that a great many Alabamians, including virtually all of those living in poverty, experience housing problems and not all of those problems are necessarily quantified by traditional U. S. Census questionnaires.

Age and Condition of Housing: Alabama has roughly 1.8 million occupied housing units; 70% are owner-occupied and 30% are renter-occupied. About half of the owned units and half of the rental units were built prior to 1980, meaning that the existence of lead-based paint (LBP) is a possibility and should be considered in the context of safe housing, particularly for children. Info from the Alabama Department of Public Health confirms that just less than half (1,069,528 or 49.1%) of Alabama’s housing stock *may* contain a lead-based paint hazard.

Two of the traditional criteria used by the Census Bureau and HUD to measure housing conditions are “lacks complete plumbing facilities” and “lacks complete kitchen facilities”. While every single Alabama household has not overcome this status from 2010 to present, the percentages for both are in the 1% range and these negative housing characteristics are increasingly less common. Aside from 1) lacks complete plumbing facilities and 2) lacks complete kitchen facilities, the other two traditional criteria for measuring the existence of housing problems are 3) more than one person per room, and 4) cost burden greater than 30%. Twenty-four percent (24%) of owner households have 1 of 4 housing problems; more than 300,000 households statewide. Forty-six percent (46%) of renter households have 1 of 4 housing problems; some 244,000 households statewide. In all, over one-half million (550,000) households in the State of Alabama report having one of four of the housing problems as measured by HUD and the U. S. Census. In that half of Alabama’s total housing stock is at least 35 years old, it stands to reason that all manner of repairs are inevitable; roofs, HVAC, foundations, plumbing, electrical, energy efficiency-related, structural, etc. For lower-income owners, repairs and upgrades are often postponed or shelved because of budgetary issues. For low-income renters, frequently at the mercy of landlords, repairs may or may not occur and may or may not be sufficient. While home rehabilitation needs abound throughout Alabama, it remains a challenge for state federal funding administrators to favor this activity over so many others.

Cost Burden: Of the four housing problem conditions, all of which are very real and impactful across the state, only one (cost burden greater than 30%) is not improving. Fewer Alabama owner and renter homes lack complete plumbing and kitchens and, at least statistically, more than one person a room or overcrowding has improved. Cost burden is however more of a housing problem than ever before. According to affordable housing data found on statista.com, the wages earned and wages necessary to afford a two-bedroom apartment at Fair Market Rent (FMR) in Alabama in 2011 is as follows:

Annual Area Median Income: $55,139

Income needed to afford a two-bedroom unit at FMR: $26,554

Rent affordable at 30% of Area Median Income: $414

Two-Bedroom at FMR: $664

Hourly wage necessary to afford a two-bedroom apartment at FMR: $12.77

Estimated mean-renter hourly wage: $10.52

The illustration above is indicative of problems faced by thousands of Alabama households. A family with one full-time worker earning the minimum wage cannot afford the local FMR for a two-bedroom apartment anywhere in the US, including Alabama where rents are considerably less expensive than in many states. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. According to 2006-2010 CHAS data, there are 207,650 renter households in Alabama who are cost-burdened greater than 30% and 200,205 owner households in Alabama who are cost-burdened greater than 30%. Because the totals are so similar for each category, it is clear that rental households are disproportionately in greater need because less than one-third (29%) of total Alabama households are occupied by renters. With regards to Alabama households who would be considered extremely cost-burdened, the CHAS data indicates that 113,370 renter households are cost-burdened greater than 50% and 103,325 owner households who are cost-burdened greater than 50%. Again, the totals are quite similar and rental households are disproportionately in greater need.

Since the housing problem identified as cost burden over 30% is closely related to poverty rates, the following inferences can be made: Whites in Alabama represent about 70% of the population, but only 51% of those living below the poverty level. Contrastingly, only 26% of Alabamians are black, but this group represents 45% of those living below the poverty level. In all, about 13% of whites are impoverished and 31% of blacks are impoverished. This disproportionate need clearly affects the demographics of total Alabamians who are cost burdened over 30% or 50%. It is also important to note that almost 33% of Hispanic/Latino residents of any race in Alabama also live below the poverty level. At roughly 4% of the total population, a disproportionate number of Hispanics are poor.

Overcrowding: The 2009-2013 American Community Survey (ACS) 5-Year Estimate showed that 98.2% of Alabamians had one or less occupants per room of their home, indicating the absence of a technically overcrowded condition. For those households who were considered overcrowded, 1.3% had 1.01 to 1.50 occupants per room and 0.5% had 1.51 or more occupants per room. Translated, slightly over one percent of Alabama’s 1.8 million occupied housing units were considered overcrowded and one-half percent were considered severely overcrowded. Owner-occupied housing was dramatically less likely to be overcrowded than renter-occupied housing. For owned units, 0.8% were considered overcrowded and 0.3% were severely overcrowded. For rented units, 2.4% were considered overcrowded and 1.2% were severely overcrowded. With an estimated 1,281,604 owner-occupied housing units, about 14,000 meet the definition of overcrowded or severely overcrowded. With an estimated 557,079 renter-occupied housing units, about 20,000 meet the definition of overcrowded or severely overcrowded. There are, in fact, a disproportionate number of renter-occupied housing units in need. In an effort to bolster the evidence, a comparison was made between the 2005 ACS and the 2009-2013 ACS 5-Year Estimate. The numbers of renter households considered severely overcrowded (1.51 or more occupants per room) went up dramatically – from 0.4% in 2005 to 1.2% for the 2009-2013 estimate. As the percentage of owner-occupied housing units actually decreased slightly on the newer estimate, it is clear that low-income renters in Alabama have the greatest need in terms of housing occupancy. With more and more households and families “doubled up” to avoid homelessness, the numbers of occupants per room are naturally increased. Furthermore, as households split up and traditionally intact families now require more than one housing unit, the price, size, and availability of housing is affected.

Location: Location may not be considered a housing problem as such, but there are a number of issues faced by lower income Alabamians which are affected by where they reside. This observation will not completely embrace a “quality of life” tone, but will more closely follow economic realities and circumstances not easily resolved. Only 55.4% of Alabamians were considered “urban dwellers” in 2010. That means almost half of the state population resides in rural locales. A sizeable number of Alabama counties do not, in fact, even have a city with as many as 2500 residents. While not necessarily a precursor for problems associated with housing, rural dwellers in Alabama, especially renters, are much more likely to be living in older and more substandard housing and have a much greater poverty rate. To paraphrase commentary from the National Rural Housing Coalition, substandard housing conditions contribute to significant health problems, including infectious and chronic diseases, injuries, and poor childhood development. From an economic perspective, one of the more negative aspects of living in isolated, low population areas of Alabama is lack of local jobs and employment opportunities. Even if willing, able, and qualified, a rural worker may not be able to secure employment in a reasonable proximity to their place of residence. And, should training be an issue for achieving qualified status, the location of the training may be prohibitively far away. If the local tax base is anemic and meaningful local economic development is rare, many poor households face what amounts to generational underachievement; they cannot afford to move to the city and they cannot make any headway with the few jobs that are available. The bottom line is often a long-term poverty status and a perpetual cost burden for housing. Lower-income Alabamians have far fewer housing choices available. Housing that is clean, decent, and affordable may well be out of reach in rural Alabama, as supplies have historically been limited. As markets dictate, new rental housing in rural Alabama will remain a priority. Whether rural or urban, another criterion frequently tied to location is transportation. In rural areas, transportation-related problems may be distance oriented. A person’s residence may be far away from their place of employment and the costs associated with operating a vehicle for long commutes are great. In non-rural settings, including urban cities and metro areas, the costs associated with operating a vehicle still remain high even if the total daily mileage is less. Over 84% of employed Alabamians drove to work alone, according to the 2008-2012 ACS 5-year Estimates. Just over 10% carpooled and less than one-half percent (0.4%) used public transportation. The number of Alabama households with no vehicle available was 6.5% and the number of households with just one vehicle was about a third of total households (32.6%). The future would not appear to offer any permanent transit solutions, but perhaps public transportation (bus, rail, shuttle, other) should be on the drawing board for cost-effective community planning efforts.

Age of Householder: One-third of Alabamians in 2010 were over 50 years old. About 14% were over 65 and this percentage will continue to grow as the baby boomer generation reaches retirement age and life expectancies in the US continue to lengthen. 83.8% of the over-65 crowd are home owners and 16.2% are renters. Whether owned or rented, about half (43.7%) of over-65 Alabamians live alone. These elderly one-person households are extremely common, as people of every demographic cling to the independent notion that they can maintain a household with or without help. According to the 2013 ACS however, 41.4% of Alabamians over 65 claim a disability of one sort or another. 10.1% claim a self-care difficulty and 17.7% claim a difficulty with independent living. Furthermore, 27.4% claim an ambulatory difficulty. Bottom line: Almost half of those over 65 in Alabama live alone and more than half of them (statistically) have difficulties with their one-person household status. And, the figures will almost surely get worse as more and more Alabamians get older and live longer. Creating housing for seniors that combine some element of assistance could be considered an affordable housing goal.

**HOPWA**: For HOPWA, the most common issue in housing is affordability. With the high cost of medication, persons living with HIV/AIDS struggle to be able to afford decent, safe housing as well as their medication.

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): Rehabilitation/reconstruction is needed for housing units that were damaged or destroyed by the tornadoes/storms that occurred in April 2011.

**Are any populations/household types more affected than others by these problems?**

Traditionally-defined household problems -- 1) lacks complete plumbing facilities, 2) lacks complete kitchen facilities, 3) more than one person per room, and 4) cost burden greater than 30% -- are experienced by thousands of lower-income Alabamians of all races, ages, and household types. According to the 2006-2010 CHAS data, close to half of Alabama households (758,815 or 41.7%) have incomes less than 80% of HAMFI (Housing Area Median Family Income) and would be considered low/mod by any standard. 237,885 are in the lowest category of income – 0-30%. For those Alabama households with the lowest median incomes, each of the housing problems are, and will continue to be, more evident. For Cost Burden greater than 30%, a total of 207,650 renter households with incomes less than 80% AMI are in need. Almost 100,000 or nearly one half of those renter households in need are in the 0-30% AMI category. There are also an almost equal number of owner households – 200,205 – that are in need because of a cost burden greater than 30%. For owners, the actual numbers of households are split evenly between the 0-30%, 30-50%, and 50-80% groups. Considering the overall numbers of renter and owner households in Alabama, the greatest needs are clearly experienced by low and extremely low renter households. For cost burden greater than 50%, a total of 113,370 renter households with incomes less than 80% AMI are in need. 82,215 or nearly three-fourths of those renter households in need are in the 0-30% AMI category. There are also an almost equal number of owner households – 103,325 – that are in need because of a cost burden greater than 30%. For owners, 52,940 or about half of the total are in the 0-30% category. Considering the overall numbers of renter and owner households in Alabama, the greatest needs are again clearly experienced by low and extremely low renter households. For overcrowding (more than one person per room), 12,970 renter households with incomes less than 80% AMI are in need. Predictably, the income category most affected is the 0-30% AMI with about 39% of the total. For owners, there are 7099 households in need and the highest percentage is in the 50-80% AMI range. Once again the greatest needs in terms of overcrowding are for renter households in all of the income categories less than 80% AMI. For the 0-30% of Area Median Income group, 186,176 households have one or more of the traditional housing problems. An almost equal number of white households and black households fall into this category – 89,129 are white and 88,760 are black. Because of the disparity of total population by race in Alabama – about 70% white and 27% black – the numbers of 0-30% AMI black households in need are disproportionately higher than whites. For the 30-50% of Area Median Income group, 131,667 households have one or more of the traditional housing problems. More white households than black households fall into this category – 70,500 are white and 53,754 are black. Again, because of the disparity of total population by race in Alabama – about 70% white and 27% black – the numbers of 30-50% AMI black households in need are disproportionately higher than whites. For the 50-80% of Area Median Income, 106,162 households have one or more of the traditional housing problems. Nearly twice as many white households fall into this category – 64,531 are white and 35,777 are black. But because of the disparity of total population by race in Alabama, the numbers of 50-80% AMI black households in need are disproportionately higher than whites.

With regards to Severe Housing Problems, indicating more than 1.5 persons per room or with a cost burden greater than 50%, the figure by income and by race are similar. For households at 0-30% AMI, 144,932 households have one or more severe housing problems, and an almost equal number of whites and blacks are affected – 68,556 for white households and 69,682 for black households. The conclusion is consistent with previous observations; Black households in the 0-30% income range experiencing severe housing problems are disproportionately in need. For Alabama households in the 30-50% AMI range, 59,380 experience severe housing problems. 31,196 are white and 24,539 are black. Given the disparity of total population, black households in the 30-50% AMI are disproportionately in need. NOTE: The same is true for households in the 50-80% AMI range. About twice as many affected households are white (18,581 v. 8,646), but the total population disparity affords a disproportionate share of blacks in need as it relates to those experiencing severe housing problems.

**HOPWA**: For HOPWA, persons living with HIV/AIDs are more affected by the high cost of medication in addition to the high cost of housing – more so than any other group.

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): The tornadoes/storms that occurred in Alabama in April 2011 affected victims without regard to populations and household types.

**Describe the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered [see 24 CFR 91.205(c), 91.305(c)]. Also, discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance:**

**CDBG, HOME, and ESG**: For these Programs' funds, the problems of these groups are handled outside of the purview of the State’s CDBG Program, HOME Program, and ESG Program, by the Continuum of Care agencies.

**HOPWA**: For HOPWA, persons living with HIV/AIDS need jobs that pay a decent wage to allow for the high cost of decent, safe housing. The high cost of affordable housing is exacerbated by the high cost of HIV medications. In Alabama, a person working at minimum wage must work 69 hours just to be able to afford the cost of an apartment. This number increases as the size of the family increases. Alabama does not have ample affordable housing for its citizens.

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): The problems of these groups are handled outside of the purview of the State’s CDBG Program by the Continuum of Care agencies.

**If a State provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:**

**CDBG, HOME, ESG, and HOPWA**: The State of Alabama does not provide estimates of at-risk populations.

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): The State of Alabama does not provide estimates of at-risk populations.

**Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness:**

The housing characteristics most likely to be linked with instability and an increased risk of homelessness are cost burden, including severe cost burden, and overcrowding, including severe overcrowding. Lower incomes and living in some definition of poverty is always a main determinant in why people lose their homes. Whether loss of employment, medical conditions, change of relationship status (i.e. divorce), or many other reasons, lots of Alabama households are just a car repair or a late payment away from becoming homeless. A state of what would be considered instability may, in fact, be commonplace. Unemployment or underemployment prevents households from achieving financial stability. Cost burden over 30% of household income and especially over 50% household income is the primary housing characteristic leading to homelessness. With the median gross rent in Alabama at $691 monthly, it is easy to imagine how certain households (i.e. single parent, one-income families) struggle with cost burden.

Overcrowding may be more of a byproduct of instability and homelessness than a characteristic that leads to those conclusions. More than 34,000 Alabama households have in excess of 1 person per room and are considered overcrowded. According to the 2009-2013 ACS 5-Year Estimate, only 1.1% of owner-occupied housing units are statistically overcrowded and more than 3 times that many (3.6%) renter-occupied housing units are overcrowded. Furthermore, there are 331,121 shared households in Alabama, representing 18% of all households. A shared household is one defined by the presence of an additional adult who is not the householder, nor the householder’s spouse or cohabitating partner. A shared household is certainly not, by definition, an overcrowded household or one in which two or more families are “doubled up”. It could however be inferred that a certain percentage of shared households are, in fact, the result of former householders now living with a friend or relative. Bottom line: the greatest needs as it relates to particular housing characteristics are associated with renters who pay more than 30%, and in particular, 50% of their income on rent.

**HOPWA**: For HOPWA, particular housing characteristics that have been linked with instability and an increased risk of homelessness include the high cost of safe, decent, and sanitary housing, coupled with the high cost of purchasing HIV/AIDS medications.

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR): The State of Alabama’s HUD-approved Unmet Needs Assessment did not address housing characteristics that linked instability and increased risk of homelessness due to the unavailability of credible estimates.

**Discussion:**

See the discussion contained in the sections herein above.

**NA-15 Disproportionately Greater Need: Housing Problems [see 24 CFR 91.305(b)(2)]**

[Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in category as a whole.]

**Introduction:**

According to HUD’s eCon Planning Suite Desk Guide, “A disproportionately greater need exists when members of racial or ethnic group at an income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole”. It should be noted that Alabama’s population is 70% white and 26% black, with smaller percentages of Asians, Native Americans, and those identified as two or more races. Also, nearly 4% are identified as Hispanic or Latino origin of any race. For what it’s worth, it appears that 65% of Hispanics in Alabama identify themselves as white and 35% as black according to *Form S1701 Poverty Status in the Past 12 Months, 2008-2012 ACS 5-Year Estimates*. The same form shows a remarkably similar number of whites and blacks who live below the poverty level – 420,872 v. 374,133. What stands out however is the actual percentage by race -- 12.9% for whites and 30.9% for blacks. Furthermore, 32.9% of those identified as Hispanic (of any race) are below the poverty level. With no regard for housing problems generally, there exists a disproportionate number of blacks and Hispanics in Alabama who are poor. For households in Alabama at 0%-30% of Area Median Income with one or more of the four housing problems, an almost equal number of whites and blacks are affected – 89,129 v. 88,760. Because 70% of all Alabamians are white, there is a major disproportion of greater need for black households. For households in Alabama at 30%-50% of Area Median Income with one or more of the four housing problems, a good many more whites than blacks are affected – 70,500 v. 53,754. Because 70% of all Alabamians are white however, there still exists a disproportionate greater need for black households. For households in Alabama at 50%-80% of Area Median Income with one or more of the four housing problems, a good many more whites than blacks are affected – 64,531 v. 35,777. Because 70% of all Alabamians are white however, there still exists a disproportionate greater need for black households. For households in Alabama at 80%-100% of Area Median Income, the proportions are normal and are consistent with the actual percentages of white and black households.

For HOPWA, according to the Southern HIV/AIDS Strategy Initiative completed through Duke University, southern states have been disproportionately affected by HIV disease, and they share characteristics such as overall poorer health, high poverty rates, an insufficient supply of medical care providers, and a cultural climate that likely contributes to the spread of HIV. The majority of HIV diagnoses in targeted southern states were among blacks or African Americans each year from 2008 through 2011, at a range of 56-58%. In addition, the racial disparity in HIV diagnosis rates has been consistent in the targeted states and throughout the United States, with more African Americans per 100,000 population being diagnosed each year than Caucasians. For example, in 2011, for every 100,000 African Americans in the southern states, 68 more African Americans were diagnosed with HIV than there were for every 100,000 Caucasians. Additionally, a large disparity in diagnosis rates between African American and Caucasian females continues to exist. In 2011, the HIV diagnosis rate for African American women was 42.8 per 100,000 population.

**0%-30% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of the four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 186,176 | | 49,715 | | 22,550 |  |
| White | | 89,129 | | 28,808 | | 12,009 |  |
| Black /African American | | 88,760 | | 19,004 | | 9,176 |  |
| Asian | | 1,128 | | 179 | | 461 |  |
| American Indian, Alaska Native | | 1,085 | | 298 | | 130 |  |
| Pacific Islander | | 74 | | 60 | | 0 |  |
| Hispanic | | 3,678 | | 525 | | 533 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**30%-50% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 131,667 | | 103,083 | | 0 |  |
| White | | 70,500 | | 72,441 | | 0 |  |
| Black /African American | | 53,754 | | 27,310 | | 0 |  |
| Asian | | 929 | | 505 | | 0 |  |
| American Indian, Alaska Native | | 651 | | 563 | | 0 |  |
| Pacific Islander | | 125 | | 0 | | 0 |  |
| Hispanic | | 4,156 | | 1,413 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**50%-80% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 106,162 | | 202,750 | | 0 |  |
| White | | 64,531 | | 141,001 | | 0 |  |
| Black /African American | | 35,777 | | 53,616 | | 0 |  |
| Asian | | 1,098 | | 1,400 | | 0 |  |
| American Indian, Alaska Native | | 610 | | 1,197 | | 0 |  |
| Pacific Islander | | 30 | | 45 | | 0 |  |
| Hispanic | | 2,781 | | 3,674 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**80%-100% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 35,320 | | 146,970 | | 0 |  |
| White | | 24,306 | | 105,559 | | 0 |  |
| Black /African American | | 8,976 | | 35,129 | | 0 |  |
| Asian | | 390 | | 1,185 | | 0 |  |
| American Indian, Alaska Native | | 149 | | 828 | | 0 |  |
| Pacific Islander | | 0 | | 54 | | 0 |  |
| Hispanic | | 1,151 | | 2,879 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**Discussion:**

See the discussion contained in the sections herein above.

**NA-20 Disproportionately Greater Need: Severe Housing Problems [see 24 CFR 91.305(b)(2)]**

[Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in category as a whole.]

**Introduction:**

According to HUD’s eCon Planning Suite Desk Guide, “A disproportionately greater need exists when members of racial or ethnic group at an income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole”. Also, severe housing problems are characterized by 1) Overcrowded households with more than 1.5 persons per room and 2) Households with cost burdens of more than 50% of income. It should be noted that Alabama’s population is 70% white and 26% black, with smaller percentages of Asians, Native Americans, and those identified as two or more races. Also, nearly 4% are identified as Hispanic or Latino origin of any race. For what it’s worth, it appears that 65% of Hispanics in Alabama identify themselves as white and 35% as black according to *Form S1701 Poverty Status in the Past 12 Months, 2008-2012 ACS 5-Year Estimates*. The same form shows a remarkably similar number of whites and blacks who live below the poverty level – 420,872 v. 374,133. What stands out however is the actual percentage by race -- 12.9% for whites and 30.9% for blacks. Furthermore, 32.9% of those identified as Hispanic (of any race) are below the poverty level. With no regard for housing problems generally, there exists a disproportionate number of blacks and Hispanics in Alabama who are poor. For households in Alabama at 0%-30% of Area Median Income with severe housing problems, a slightly greater larger number of blacks than whites are affected – 69,682 v. 68,556. Because 70% of all Alabamians are white overall, this clearly shows a disproportionately greater need for black households. For households in Alabama at 30%-50% of Area Median Income with severe housing problems, more whites than blacks are affected – 31,196 v. 24,539. Because 70% of all Alabamians are white however, there still exists a disproportionate greater need for black households. For households in Alabama at 50%-80% of Area Median Income with severe housing problems, a good many more whites than blacks are affected – 18,581 v. 8,646. Because 70% of all Alabamians are white however, there still exists a disproportionate greater need for black households. For households in Alabama at 80%-100% of Area Median Income and with severe housing problems, the proportions are normal and are consistent with the actual percentages of white and black households.

For HOPWA, according to the Southern HIV/AIDS Strategy Initiative completed through Duke University, southern states have been disproportionately affected by HIV disease, and they share characteristics such as overall poorer health, high poverty rates, an insufficient supply of medical care providers, and a cultural climate that likely contributes to the spread of HIV. The majority of HIV diagnoses in targeted southern states were among blacks or African Americans each year from 2008 through 2011, at a range of 56-58%. In addition, the racial disparity in HIV diagnosis rates has been consistent in the targeted states and throughout the United States, with more African Americans per 100,000 population being diagnosed each year than Caucasians. For example, in 2011, for every 100,000 African Americans in the southern states, 68 more African Americans were diagnosed with HIV than there were for every 100,000 Caucasians. Additionally, a large disparity in diagnosis rates between African American and Caucasian females continues to exist. In 2011, the HIV diagnosis rate for African American women was 42.8 per 100,000 population.

**0%-30% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Severe Housing Problems:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than 1.5 persons per room;**  **4. Cost burden greater than 50%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 144,932 | | 91,016 | | 22,550 |  |
| White | | 68,556 | | 49,368 | | 12,009 |  |
| Black /African American | | 69,682 | | 38,048 | | 9,176 |  |
| Asian | | 1,005 | | 298 | | 461 |  |
| American Indian, Alaska Native | | 769 | | 603 | | 130 |  |
| Pacific Islander | | 74 | | 60 | | 0 |  |
| Hispanic | | 3,050 | | 1,159 | | 533 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**30%-50% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 59,380 | | 175,525 | | 0 |  |
| White | | 31,196 | | 111,792 | | 0 |  |
| Black /African American | | 24,539 | | 56,538 | | 0 |  |
| Asian | | 394 | | 1,035 | | 0 |  |
| American Indian, Alaska Native | | 373 | | 847 | | 0 |  |
| Pacific Islander | | 70 | | 55 | | 0 |  |
| Hispanic | | 1,976 | | 3,604 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**50%-80% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 29,636 | | 279,388 | | 0 |  |
| White | | 18,581 | | 186,974 | | 0 |  |
| Black /African American | | 8,646 | | 80,790 | | 0 |  |
| Asian | | 530 | | 1,981 | | 0 |  |
| American Indian, Alaska Native | | 200 | | 1,609 | | 0 |  |
| Pacific Islander | | 30 | | 45 | | 0 |  |
| Hispanic | | 1,176 | | 5,290 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**80%-100% of Area Median Income:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Problem:**  **1. Lacks complete kitchen facilities;**  **2. Lacks complete plumbing facilities;**  **3. More than one person per room;**  **4. Cost burden greater than 30%** | | **Has one or more of four housing problems** | | **Has none of the four housing problems** | | **Household has no / negative income, but has none of the other housing problems** | **Action** |
| Jurisdiction as a whole | | 9,126 | | 173,099 | | 0 |  |
| White | | 5,867 | | 123,886 | | 0 |  |
| Black /African American | | 2,215 | | 41,873 | | 0 |  |
| Asian | | 144 | | 1,426 | | 0 |  |
| American Indian, Alaska Native | | 63 | | 910 | | 0 |  |
| Pacific Islander | | 0 | | 54 | | 0 |  |
| Hispanic | | 728 | | 3,297 | | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | | No | |  | | |

**Discussion:**

See the discussion contained in the sections herein above.

**NA-25 Disproportionately Greater Need: Housing Cost Burdens [see 24 CFR 91.305(b)(2)]**

[Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in category as a whole.]

**Introduction:**

For the 1.3 million households in Alabama of all races facing a cost burden less than or equal to 30% (the lowest category), about 76% are white and roughly 20% are black. These figures would clearly indicate that white households are more likely to not be cost burdened, but the ratios are relatively close to the race breakdown overall – about 70% white and 26% black. For this demographic, the need is not quite disproportionate. For the 264,463 households in Alabama of all races facing a cost burden from 30%-50%, about 60% are white and roughly 35% are black. These figures indicate a narrowing gap between the overall state breakdown by race and could be considered a disproportionately greater need for black households. For the 221,455 households in Alabama of all races facing a cost burden greater than 50%, about 52% are white and roughly 43% are black. This ratio shows strong evidence that black households are much more likely to be affected by severe cost burdens and that a disproportionately greater need exists.

For HOPWA, persons living with HIV/AIDS, in addition to experiencing the same types of problems as other lower income individuals and families, have the added burden of affording and purchasing medication necessary to their health and well-being. While there are programs that assist in the payment of medication costs, the lack of Medicaid expansion in Alabama has greatly exacerbated the financial burden on Alabama’s persons living with HIV/AIDS. Medication costs often exceed $10,000 per month for individuals without health insurance coverage. And the cost of medication depends on what is prescribed; however, none of the medications would be considered affordable – yet they are an absolute necessity. Having to pay for medication adds weight to the burden of finding affordable housing.

**Housing Cost Burden:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Housing Cost Burden** | | **Less than or equal to 30%** | | **30%-50%** | | **Greater than 50%** | **No / negative income (not computed)** | **Action** |
| Jurisdiction as a whole | | 130,9851 | | 264,463 | | 221,455 | 23,835 |  |
| White | | 100,1465 | | 160,926 | | 115,983 | 12,267 |  |
| Black /African American | | 259,485 | | 91,665 | | 95,057 | 10,065 |  |
| Asian | | 10,436 | | 1,920 | | 2,016 | 486 |  |
| American Indian, Alaska Native | | 6,588 | | 1,236 | | 1,225 | 134 |  |
| Pacific Islander | | 278 | | 110 | | 89 | 0 |  |
| Hispanic | | 20,434 | | 5,892 | | 4,024 | 630 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | | Yes | | 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) | | | |
|  | Alternate Data | | No | |  | | | |

**Discussion:**

See the discussion contained in the sections herein above.

**NA-30 Disproportionately Greater Need: Discussion [see 24 CFR 91.305(b)(2)]**

Statistics furnished by HUD for the Consolidated Plan exercise (CHAS data 2006-2010) indicates that black households in Alabama in the three lowest income categories – Extremely Low (0-30% AMI), Low (31-50% AMI), and Moderate (51-80% AMI) have a disproportionately greater need than the income category as a whole. Specifically, the needs are related to Housing Problems and Severe Housing Problems. While not having the data to precisely pinpoint the nature of those housing problems in each case, it is the prevalence of cost burden, including severe cost burden, which affects black households in Alabama so profoundly. The three other traditionally defined housing problems -- lacking complete kitchens, lacking complete plumbing, and overcrowding – are still being experienced by far too many lower income households, but it is cost burden that fuels the disproportionately greater needs.

**Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?**

See NA-30 Disproportionately greater Need Discussion.

**If they have needs not identified above, what are those needs?**

See NA-30 Disproportionately greater Need Discussion.

**Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?**

It has been determined that black households in the three lowest income groups (0-30% AMI, 31-50% AMI, and 51-80% AMI) display disproportionately greater needs than other racial or ethnic groups in Alabama. According to the 2010 U. S. Census, Alabama’s population was approximately 27% black. The greatest numbers of this population reside in large urban counties – Jefferson, Mobile, Montgomery, Madison, and Tuscaloosa. The greatest percentages of black residents are in the poor rural counties of the Black Belt – Macon, Greene, Sumter, Lowndes, Wilcox, and several others.

**NA-35 Public Housing**

**Introduction:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not expended on Alabama’s public housing, as the Public Housing Authorities in Alabama receive their annual appropriations directly from HUD. Therefore, this is not applicable.

**Totals in Use:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Totals in Use** | | | | | | | | | | | | |
| **Program Type** | | | | | | | | | | | | |
| **Vouchers** | | | | | | | | | | | | |
| **Special Purpose Vouchers** | | | | | | | | | | | | |
|  | **Certificate** | | **Mod-Rehab** | **Public Housing** | | **Total** | | **Project-based** | **Tenant-based** | **Veterans Affairs Supportive Housing** | **Family Unification Program** | **Disabled**  **(includes Non-elderly disabled, Mainstream 1-year, Mainstream 5-year, and Nursing home transition)** |
| **Number of units / vouchers**  **in use** |  | |  | 1,355 | | 2,709 | |  | 2,660 | 30 |  |  |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | PIC (Public and Indian Housing Information Center or PIH Information Center) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

**Characteristics of Residents:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Characteristics of Residents** | | | | | | | | | | | | |
| **Program Type** | | | | | | | | | | | | |
| **Vouchers** | | | | | | | | | | | | |
| **Special Purpose Vouchers** | | | | | | | | | | | | |
|  | | **Certificate** | **Mod-Rehab** | | **Public Housing** | **Total** | | **Project-based** | **Tenant-based** | **Veterans Affairs Supportive Housing** | **Family Unification Program** |
| **Number of homeless at admission** | |  |  | | 0 | 0 | |  | 0 | 0 |  |
| **Number of elderly program participants (older / greater than 62)** | |  |  | | 158 | 139 | |  | 139 | 0 |  |
| **Number of disabled families** | |  |  | | 229 | 553 | |  | 527 | 19 |  |
| **Number of families requesting accessibility features** | |  |  | | 1,355 | N/A | | N/A | N/A | N/A | N/A |
| **Number of HIV / AIDS program participants** | |  |  | |  |  | |  |  |  |  |
| **Number of domestic violence victims** | |  |  | |  |  | |  |  |  |  |
|  | **Displayed** | | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | | | |
| **Data Source:** | Default Data | | | Yes | | | PIC (Public and Indian Housing Information Center or PIH Information Center) | | | | | |
|  | Alternate Data | | | No | | |  | | | | | |

**Race of Residents:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Race of Residents** | | | | | | | | | | | | |
| **Program Type** | | | | | | | | | | | | |
| **Vouchers** | | | | | | | | | | | | |
| **Special Purpose Vouchers** | | | | | | | | | | | | |
| **Race** | **Certificate** | | **Mod-Rehab** | **Public Housing** | | **Total** | | **Project-based** | **Tenant-based** | **Veterans Affairs Supportive Housing** | **Family Unification Program** | **Disabled**  **(includes Non-elderly disabled, Mainstream 1-year, Mainstream 5-year, and Nursing home transition)** |
| **White** |  | |  | 11 | | 25 | |  | 22 | 2 |  |  |
| **Black / African-American** |  | |  | 1,343 | | 2,680 | |  | 2,634 | 28 |  |  |
| **Asian** |  | |  |  | | 1 | |  | 1 |  |  |  |
| **American Indian, Alaska Native** |  | |  |  | | 1 | |  | 1 |  |  |  |
| **Pacific Islander** |  | |  | 1 | | 2 | |  | 2 |  |  |  |
| **Other** |  | |  |  | |  | |  |  |  |  |  |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | PIC (Public and Indian Housing Information Center or PIH Information Center) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

**Ethnicity of Residents:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Ethnicity of Residents** | | | | | | | | | | | | |
| **Program Type** | | | | | | | | | | | | |
| **Vouchers** | | | | | | | | | | | | |
| **Special Purpose Vouchers** | | | | | | | | | | | | |
| **Ethnicity** | **Certificate** | | **Mod-Rehab** | **Public Housing** | | **Total** | | **Project-based** | **Tenant-based** | **Veterans Affairs Supportive Housing** | **Family Unification Program** | **Disabled**  **(includes Non-elderly disabled, Mainstream 1-year, Mainstream 5-year, and Nursing home transition)** |
| **Hispanic** |  | |  | 43 | | 80 | |  | 80 |  |  |  |
| **Not Hispanic** |  | |  | 1,312 | | 2,629 | |  | 2,580 | 30 |  |  |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | | |
| **Data Source:** | | Default Data | | | Yes | | PIC (Public and Indian Housing Information Center or PIH Information Center) | | | | | |
|  | | Alternate Data | | | No | |  | | | | | |

**Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not expended on Alabama’s public housing, as the Public Housing Authorities in Alabama receive their annual appropriations directly from HUD. Therefore, this is not applicable.

**What are the number and type of families on the waiting lists for public housing and Section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not expended on Alabama’s public housing, as the Public Housing Authorities in Alabama receive their annual appropriations directly from HUD. Therefore, this is not applicable.

**How do these needs compare to the housing needs of the population at large?:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not expended on Alabama’s public housing, as the Public Housing Authorities in Alabama receive their annual appropriations directly from HUD. Therefore, this is not applicable.

**Discussion:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not expended on Alabama’s public housing, as the Public Housing Authorities in Alabama receive their annual appropriations directly from HUD. Therefore, this is not applicable.

**NA-40 Homeless Needs Assessment [see 24 CFR 91.305(c)]**

**Introduction:**

Eight continuum of care groups exist in the State of Alabama. Each continuum of care conducted a point-in-time count of the homeless in its service area during the last week of January 2014. The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The point-in-time counts also showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. Data from seven of the continua are documented in the first table below (Homeless Needs Assessment). Data from the eighth continuum is documented in the second table below (Rural Homeless Needs Assessment).

For CDBG Disaster funds (CDBG-DR): Homeless needs assessments are not performed by the State.

**Homeless Needs Assessment:**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Population** | | **Estimate of the number of persons experiencing homelessness on a given night**  **Unsheltered │ Sheltered** | | | **Estimate the number experiencing homelessness each year** | | **Estimate the number becoming homeless each year** | **Estimate the number exiting homelessness each year** | **Estimate the number of days persons experience homelessness** |
| **Persons in households with adult(s) and child(ren)** | | 175 | | 949 | 1,047 | |  |  |  |
| **Persons in households with only children** | | 3 | | 13 | 15 | |  |  |  |
| **Persons in households with only adults** | | 693 | | 2,012 | 2,753 | |  |  |  |
| **Chronically homeless individuals** | | 364 | | 232 | 661 | |  |  |  |
| **Chronically homeless families (\*number of persons in families)** | | 63 | | 20 | 72 | |  |  |  |
| **Veterans** | | 85 | | 384 | 470 | |  |  |  |
| **Unaccompanied youth** | | 3 | | 1 | 4 | |  |  |  |
| **Persons with HIV** | | 14 | | 72 | 83 | |  |  |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | | No | | |  | | | |
|  | Alternate Data | | Yes | | | U.S. Department of Housing and Urban Development and 2014 Point in Time Counts: Florence/Northwest AL CoC (AL-502), Gadsden/Northeast AL CoC (AL-505), Mobile City and County/Baldwin County CoC (AL-501), Montgomery City and County CoC (AL-504), Huntsville/North AL CoC (AL-503), Birmingham/Jefferson, St. Clair, and Shelby Counties CoC (AL-500), Tuscaloosa City and County CoC (AL-506) | | | |

**Indicate if the homeless population is:**

All rural homeless ✓ Partially Rural Homeless\_\_\_\_\_ Has no rural homeless \_\_\_\_\_

**Rural Homeless Needs Assessment:**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Population** | | **Estimate of the number of persons experiencing homelessness on a given night**  **Unsheltered │ Sheltered** | | | **Estimate the number experiencing homelessness each year** | | **Estimate the number becoming homeless each year** | **Estimate the number exiting homelessness each year** | **Estimate the number of days persons experience homelessness** |
| **Persons in households with adult(s) and child(ren)** | | 126 | | 196 | 328 | |  |  |  |
| **Persons in households with only children** | | 0 | | 0 | 33 | |  |  |  |
| **Persons in households with only adults** | | 46 | | 348 | 450 | |  |  |  |
| **Chronically homeless individuals** | | 9 | | 13 | 36 | |  |  |  |
| **Chronically homeless families (\*number of persons in families)** | | 10 | | 18 | 29 | |  |  |  |
| **Veterans** | | 7 | | 66 | 57 | |  |  |  |
| **Unaccompanied youth** | |  | |  |  | |  |  |  |
| **Persons with HIV** | | 0 | | 0 | 5 | |  |  |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | | No | | |  | | | |
|  | Alternate Data | | Yes | | | U.S. Department of Housing and Urban Development and 2014 Point in Time Count: Alabama Balance of State CoC (AL-507) | | | |

**For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:**

Homelessness is difficult to document in the rural areas of the state. A limited number of emergency shelters exist throughout the rural areas of the state. Existing shelters serve specific populations such as victims of domestic violence. Therefore, homeless persons or persons at risk of homelessness in rural areas are often doubled-up with friends or relatives and not included in the point it time count. Aside from the need for housing and case management, the extent of specific services needed for doubled-up homeless persons is not known. The most basic needs of unsheltered persons in rural areas are shelter and food. Other needs identified by outreach workers include health and mental health services, employment, and substance abuse treatment. Assistance in applying for mainstream resources is also needed. Most sheltered persons in rural areas are housed in facilities which serve victims of domestic violence. The facilities provide specific services such as emergency shelter, food, and case management. If not provided by the staff members of the facility, referrals are made for court advocacy, legal services, educational and job training, counseling, and safety planning. Other services include child care, assistance applying for mainstream resources such as food assistance and financial benefits such as disability and veterans’ benefits, if applicable.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**If data is not available for the categories “number of persons becoming and exiting homelessness each year,” and “number of days that persons experience homelessness,” describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):**

Chronically homeless individuals and families: It is estimated that 798 persons experience chronic homelessness each year in Alabama. Chronically homeless persons tend to suffer from behavioral health problems. These problems include substance abuse disorders and severe mental illness. Lack of or limited financial resources diminish the option of preventive health care. When chronically homeless persons do seek health care, it is for emergency situations. They often endure longer episodes of homelessness because of the difficulty in finding suitable housing which supports their health care needs.

Families with children: Data on homeless families with children is very limited. At least one shelter exists in the state that serves homeless families. Most emergency shelters that serve women will not allow teenage boys or men to reside in the facilities. Teenage boys and men must seek overnight shelter at a facility that serves homeless men. Therefore, many homeless families choose to remain homeless to keep the family unit together. Homeless families will double-up with family or friends when possible. When that isn’t possible, they often seek shelter in places not meant for human habitation or at camp grounds. Homeless families often move frequently to find employment or for fear of family separation.

Veterans and their families: Approximately 12% (542) of those identified in the 2014 point in time counts were homeless veterans. Some veterans suffer from post traumatic stress disorder and substance abuse. They find it difficult to obtain employment once their military service ends. Military occupations are not always transferable to the civilian workforce. This places veterans at a disadvantage when competing for civilian jobs. Therefore, the number of veterans becoming homeless, exiting homelessness, and the number of days they experience homelessness depends on the existence and strength of their family and support systems when they exit the military. The degree and effects of homelessness experienced by veterans also depend on access to and availability of services in the veterans’ local area.

Unaccompanied youth: Less than one percent of the homeless identified in the 2014 point in time counts were unaccompanied youth. This estimate of the population of homeless youth is likely to be an undercount. Homeless youth typically do not congregate in areas frequented by older persons. They often do not disclose the fact that they are homeless or identify themselves as homeless. This makes it more difficult to get a true representation of the number of homeless youth. However, the National Alliance to End Homelessness estimates that single youths and youths up to age twenty-four (24) experience an episode of homelessness of longer than one week.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**Nature and Extent of Homelessness (Optional):**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Race:** | | | | **Sheltered** | **Unsheltered (optional)** |
| **White** | | | |  |  |
| **Black / African-American** | | | |  |  |
| **Asian** | | | |  |  |
| **American Indian or Alaska Native** | | | |  |  |
| **Pacific Islander** | | | |  |  |
| **Ethnicity:** | | | |  |  |
| **Hispanic** | | | |  |  |
| **Not Hispanic** | | | |  |  |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | | |
| **Data Source:** | Default Data | No |  | | |
|  | Alternate Data | Yes |  | | |

**Estimate the number and type of families in need of housing assistance for families with children and the families of veterans:**

Veterans and their families: Approximately 12% (542) of those identified in the 2014 point in time counts were homeless veterans. Some veterans suffer from post traumatic stress disorder and substance abuse. They find it difficult to obtain employment once their military service ends. Military occupations are not always transferable to the civilian workforce. This places veterans at a disadvantage when competing for civilian jobs. Therefore, the number of veterans becoming homeless, exiting homelessness, and the number of days they experience homelessness depends on the existence and strength of their family and support systems when they exit the military. The degree and effects of homelessness experienced by veterans also depend on access to and availability of services in the veterans’ local area.

The point in time counts for 2014 identified 457 homeless households with at least one adult and one child. Data does not detail if these are one-parent or two-parent households. Data does not describe the households by the number of children. 542 homeless veterans were identified in the 2014 point in time counts. Documentation regarding the types of veteran families is unavailable.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**Describe the nature and extent of homelessness by racial and ethnic group:**

Not applicable – the information is not reported.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**Describe the nature and extent of unsheltered and sheltered homelessness:**

The point in time counts for 2014 documented 1,043 (23%) unsheltered homeless persons across the state. Unsheltered homeless persons often do not take advantage of the services available to them. Unsheltered homelessness persons may not be in contact with an outreach worker or a case manager. In such cases, they often do not receive needed services for which they may qualify. Urgent physical needs such as food, clothes, and medical attention may not be met. The point in time counts for 2014 documented 3,518 (77%) sheltered homeless persons across the state. Sheltered homeless persons are required to have a needs assessment conducted once they enter the shelter facility. The needs assessment helps to identify any unmet needs so referrals can be made to mainstream housing and social services agencies. Persons in shelter are more likely to have their urgent physical needs met more readily than unsheltered homeless persons.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**Discussion:**

See the narrative contained in the responses to the questions above.

**NA-45 Non-Homeless Special Needs Assessment [see 24 CFR 91.305(b), and (d)]**

**Introduction:**

The special needs of the non-homeless population in Alabama are described in the sections below.

**Housing Opportunities for Persons With AIDS (HOPWA):**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Current HOPWA formula use:** | | | | |
| **Cumulative cases of AIDS reported** | | | | 11,539 |
| **Area incidence of AIDS** | | | | 289.9 |
| **Rate per population** | | | | 9.8% |
| **Number of new cases prior year (3 years of data)** | | | | 786 |
| **Rate per population (3 years of data)** | | | | 7.21% |
| **Current HIV surveillance data:** | | | | |
| **Number of persons living with HIV (PLWH)** | | | | 11,815 |
| **Area prevalence (PLWH per population)** | | | | 326.48 |
| **Number of new HIV cases reported last year** | | | |  |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data |  | CDC HIV Surveillance | |
|  | Alternate Data |  |  | |

**HIV Housing Need (HOPWA Grantees Only):**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of HOPWA Assistance:** | | | | **Estimates of Unmet Needs** |
| Tenant-based rental assistance | | | | 1,082 |
| Short-term rent, mortgage, and utility | | | | 1,887 |
| Facility-based housing (permanent, short-term, or transitional) | | | | 1,936 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | Housing Opportunities for Persons With AIDS (HOPWA) Consolidated Annual Performance and Evaluation Report (CAPER), and HOPWA Beneficiary Verification Worksheet | |
|  | Alternate Data | No |  | |

**Describe the characteristics of special needs populations in your community:**

The HIV epidemic affects persons in all gender, age, race, ethnicity, and socioeconomic groups in every county in Alabama. However, the effect has not been the same for all groups. At the beginning of the epidemic, the majority of HIV infections occurred in white men who have sex with men (MSM). Recent trends suggest a shift in the HIV epidemic toward African-Americans, both MSM and persons experiencing high-risk heterosexual activity. With the number of deaths among people diagnosed with HIV continuing to decline and the number of people living with HIV continuing to increase, the importance of identifying populations most affected and at risk for HIV infection is paramount. Alabama must be diligent in planning effective HIV prevention and care efforts with the allocation of limited resources. The Alabama Department of Public Health reports that at the end of 2012, 11,815 persons were known to be living with HIV/AIDS. It is important to note that the Centers for Disease Control and Prevention (CDC) estimate that 18% of HIV positive individuals are unaware of their infection. Taking this prevalence estimate into consideration, an additional 3,000 Alabama residents are likely infected and unaware of their positive HIV status.

**What are the housing and supportive service needs of these populations and how are these needs determined?**

The National AIDS Housing Coalition estimates that approximately 3,621 Alabama households have unmet housing needs. Present funding levels do not fill demand for housing assistance for persons living with HIV/AIDS. In addition to housing needs, persons living with HIV/AIDS are responsible for large medical expenses to pay for the medication, treatment, and co-pays and deductibles necessary to treat the virus. Without medication and treatment, the end result is death. Funding levels do not adequately meet the need. Persons living with HIV/AIDS frequently have a dual diagnoses, often mental health or substance abuse problems. Many needs, including temporary assistance with unexpected expenses, housing expenses, transportation needs, medication assistance, counseling services, and many other challenges, also accompany the need spectrum for HIV/AIDS consumers. Dental services, nutritionist services, mental health, liver care, diabetes care, and opportunities to participate in HIV/AIDS research are additional common needs.

**Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:**

At the end of 2012, 11,936 Alabama residents were known to be living with HIV and 4,869 (41%) had progressed to AIDS. The CDC estimates 18% of persons infected with HIV are unaware of their status. Application of this prevalence estimate suggests 14,574 Alabama residents may be infected with HIV. Originally, when the epidemic first began, the majority of affected persons where white men, but this is no long true. HIV/AIDS affects African American men and women at higher percentages than ever before. African Americans continue to be disproportionately affected by HIV in Alabama. Comprising 26% of the population, 68% of newly-diagnosed HIV infections occurred in African Americans during 2012. African American males were seven times as likely to be diagnosed with HIV as White males, while the rate of HIV in African American females was 10 times that of White females, and twice that of White males.

**Discussion:**

The special needs of the non-homeless population in Alabama are discussed in the sections above.

**NA-50 Non-Housing Community Development Needs [see 24 CFR 91.315(f)]**

**Describe the jurisdiction’s need for public facilities:**

**For CDBG funds**, Alabama’s non-entitlement jurisdictions are the local governments that are eligible to apply for the State’s CDBG funds. The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These local governments are requested to annually submit to ADECA their funding applications wherein they determine their needs for public facilities. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs. Frequent and common needs for which communities apply for this funding include a jurisdiction’s need for infrastructure projects that include new water systems or improvements/expansions to be made to existing water systems – which can include rehabilitation or replacement of existing water tanks, fire hydrants, and even water filtration plants; new sewer systems or improvements/expansions to be made to existing sewer systems; street/road improvements that can also involve construction of new drainage systems adjacent to the roadways; and community enhancement projects that include construction of senior centers, community centers, boys and girls clubs, parks and recreational facilities, new fire stations and the purchase of new fire trucks/rescue equipment, and emergency 911 call centers. ADECA’s annual CDBG funding information is posted to the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov), and more particularly at <http://adeca.alabama.gov/Divisions/ced/cdp/CDP%20News/CDBG%20FY%202014%20Funding%20Results.pdf>.

**For CDBG Disaster funds (CDBG-DR):** Alabama’s local governments were requested to submit funding applications to determine the need for public facilities. This information is available at the following website: <http://adeca.alabama.gov/Divisions/ced/cdp/Pages/CDBG-Disaster.aspx>.

**How were these needs determined?**

**For CDBG funds**, Alabama’s non-entitlement areas (defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile) have their own local governments annually submit to ADECA their CDBG grant funding applications wherein they determine their own needs for public facilities. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs for public facilities. The needs are determined through local surveys and public hearings that are conducted by these local governments. Assisting with these determinations are ADECA’s public hearings, and the “Community Needs Survey” and “Impediments to Fair Housing Choice Survey” that are conducted periodically - the most recent of which were conducted in June-August 2014.

**For CDBG Disaster funds (CDBG-DR):** The non-housing community development needs for public facilities were determined by Alabama’s individual localities that were affected by the tornadoes/storms of April 2011, and these needs were then presented in the form of grant applications submitted to the State for disaster funding assistance.

**Describe the jurisdiction’s need for public improvements:**

**For CDBG funds**, Alabama’s non-entitlement jurisdictions (those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile) have their local governments annually submit to ADECA their funding applications wherein they determine their needs for public improvements. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs. Frequent and common needs for which communities apply for this funding include a jurisdiction’s need for infrastructure projects that include new water systems or improvements/expansions to be made to existing water systems – which can include rehabilitation or replacement of existing water tanks, fire hydrants, and even water filtration plants; new sewer systems or improvements/expansions to be made to existing sewer systems; street/road improvements that can also involve construction of new drainage systems adjacent to the roadways; community enhancement projects that include construction of senior centers, community centers, boys and girls clubs, parks and recreational facilities, new fire stations and the purchase of new fire trucks/rescue equipment, emergency 911 call centers; housing rehabilitation and/or demolition projects that address run-down, vacant, and abandoned buildings within the jurisdiction’s geographic/town limits; planning projects that are intended to assist community efforts at developing community use and improvement plans; and revitalization projects that are designed to revitalize downtown areas in efforts to attract businesses, jobs, people, and economic development that will improve the residents’ quality of life. ADECA’s annual CDBG funding information is posted to the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov), and more particularly at:

<http://adeca.alabama.gov/Divisions/ced/cdp/CDP%20News/CDBG%20FY%202014%20Funding%20Results.pdf>.

**For CDBG Disaster funds (CDBG-DR):** Alabama’s local governments were requested to submit funding applications to the State in order to determine the need for such public improvements. This information is available at the following website: <http://adeca.alabama.gov/Divisions/ced/cdp/Pages/CDBG-Disaster.aspx>.

**How were these needs determined?**

**For CDBG funds**, Alabama’s non-entitlement areas (defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile) have their own local governments annually submit to ADECA their CDBG grant funding applications wherein they determine their own needs for public improvements. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs for public improvements. The needs are determined through local surveys and public hearings that are conducted by these local governments. Assisting with these determinations are ADECA’s public hearings, and the “Community Needs Survey” and “Impediments to Fair Housing Choice Survey” that are conducted periodically - the most recent of which were conducted in June-August 2014.

**For CDBG Disaster funds (CDBG-DR):** The non-housing community development needs for public improvements were determined by Alabama’s individual localities that were affected by the tornadoes/storms of April 2011, and these needs were then presented in the form of grant applications submitted to the State for disaster funding assistance.

**Describe the jurisdiction’s need for public services:**

**For CDBG funds**, Alabama’s non-entitlement jurisdictions (those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile) have their local governments annually submit to ADECA their funding applications wherein they determine their needs for public services. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs. Frequent and common needs for which communities apply for this funding include a jurisdiction’s need for infrastructure projects that include new water systems or improvements/expansions to be made to existing water systems – which can include rehabilitation or replacement of existing water tanks, fire hydrants, and even water filtration plants; new sewer systems or improvements/expansions to be made to existing sewer systems; street/road improvements that can also involve construction of new drainage systems adjacent to the roadways; and community enhancement projects that include construction of senior centers, community centers, boys and girls clubs, parks and recreational facilities, new fire stations and the purchase of new fire trucks/rescue equipment, and emergency 911 call centers. ADECA’s annual CDBG funding information is posted to the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov), and more particularly at:

<http://adeca.alabama.gov/Divisions/ced/cdp/CDP%20News/CDBG%20FY%202014%20Funding%20Results.pdf>.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), Public services were not a part of the State’s Disaster Recovery Program.

**How were these needs determined?**

**For CDBG funds**, Alabama’s non-entitlement areas (defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile) have their own local governments annually submit to ADECA their CDBG grant funding applications wherein they determine their own needs for public services. Thus, it is left up to each local government (county, large city, or small city) to determine what are its individual needs for public services. The needs are determined through local surveys and public hearings that are conducted by these local governments. Assisting with these determinations are ADECA’s public hearings, and the “Community Needs Survey” and “Impediments to Fair Housing Choice Survey” that are conducted periodically - the most recent of which were conducted in June-August 2014.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), this is not applicable.

**MARKET ANALYSIS**

**MA-05 Overview**

**Market Analysis Overview:**

According to the 2006-2010 ACS data, Alabama’s total number of residential properties by number of units was 2,146,513. This includes a vast majority (68%) which was single detached units, plus various percentages of attached structures, multifamily buildings, mobile homes, etc. With the number of actual households at 1,821,210, representing about 84% of total units, the market for available residential units appears to be promising. A deeper analysis will reveal the truer picture. Referencing the actual 2010 Census DP-1 Profile, there were 288,062 vacant housing units in Alabama. Roughly 12% of that figure (35,903) was available for sale and just 27% (79,265) was available for rent. The remainder of 172,894 (61% of total vacancies) were deemed “other vacant” and were not on the market. These other vacant units are a mixture of seasonal, recreational, or occasional use homes, plus a larger number (close to 100,000) that have no classification or status. Even if these units were available, they may or may not be affordable to lower-income Alabamians. In any case, they impact the market because they exist and are counted, but are not technically available for sale or rent.

**MA-10 Number of Housing Units [see 24 CFR 91.310(a)]**

**Introduction:**

According to the 2008-2012 ACS data, Alabama’s total number of residential properties by number of units was 2,172,647. This includes a vast majority (68%) which was single detached units, plus various percentages of attached structures, multifamily buildings, mobile homes, etc. 342,790 or 16% was multi-family housing and included structures of all sizes – from two-unit duplexes to large multi-floored buildings. Another 14% or over 300,000 was mobile homes. With the U. S. percentage of mobile home residential units at approximately 6.5%, it is clear that less expensive/more affordable housing is an important part of the overall housing landscape in Alabama. An almost equal number of housing units in Alabama was built from 1980-present and from 1979 or earlier. The housing stock in Alabama is somewhat newer than in the U. S. as a whole; closer to 60% of the nation’s housing units was built prior to 1980. The significance of 1980 is tied to the possible evidence of lead-based paint hazards. According to the Alabama Department of Public Health, no real numbers are available, but as much as 49.1% of Alabama’s housing stock “may contain a lead-based paint hazard”. About half of Alabama’s 2,172,647 total housing units have three bedrooms and the median number of rooms statewide is 5.7. And, as mentioned previously, 70% of Alabama’s housing units are owner-occupied and 30% are renter-occupied. About half of householders moved into their units from year 2000-2009. 6.5% of Alabama households have no vehicles available; 32.6% have 1-vehicle available; 37.4% have 2 vehicles available; and almost a fourth (23.5%) has 3 or more vehicles available.

The median value of an owner-occupied unit in Alabama is $122,000. In an effort to again stress the great numbers of housing units in the more affordable categories, approximately 41% of all owner-occupied units in Alabama have a value of less than $100,000. The figure nationwide is just 23.8%, but that percentage is skewed because of the much higher housing markets across the United States. The median home value in the U. S. at $181,400 is, in fact, 48.3% higher than in Alabama. It is worth noting that the U. S. Census Quickfacts show the median household income from 2008-2012 was $53,046 in the U. S. and $43,160 in Alabama. A difference of only 22.9% exists in median household income, but the difference in housing value is 48.3%. The significance of that comparison would appear to reflect a softer housing market with regard to price, but that would not benefit large numbers of low and extremely low-income Alabamians. Lower housing prices help some, but not all. For owner-occupied units, 60% of housing units has a mortgage and 40% do not. The median monthly owner costs in Alabama were $1160 as compared to $1559 nationwide. Monthly housing costs as a percentage of household income were less in Alabama as well – 30% of Alabama homeowners paid 30% or more of their household income on “owner costs” as compared to 36% nationwide. Obviously, the percentage of household income paid by homeowners without a mortgage was dramatically less. For rental units, the median household rent in Alabama was $691 as compared to $889 in the United States. In the context of cost burden, 52% of Alabamians spent more than 30% of household income on gross rent. Interestingly, the numbers of renters in the U. S. that spend more than 30% of their household income on gross rent is identical to that of Alabama; about 52%. Given that median gross rent is 28.7% less in Alabama than in the U. S., the amount of household income in Alabama is quite low and cheaper rent does not equate with household self-sufficiency. Both low-income renters and owners are in need.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**All residential properties by number of units:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **All residential properties by number of units:** | | | | | |
| **Property Type:** | | | | **Number** | **Percent (%)** |
| **1-unit, detached structure** | | | | 1,476,409 | 68% |
| **1-unit, attached structure** | | | | 37,864 | 2% |
| **2-4 units** | | | | 109,325 | 5% |
| **5-19 units** | | | | 155,762 | 7% |
| **20 or more units** | | | | 70,930 | 3% |
| **Mobile home, boat, RV, van, etc.** | | | | 310,957 | 14% |
| Total | | | | 2,161,247 | 100% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | | |
| **Data Source:** | Default Data | Yes | 2007-2011 American Community Survey (ACS) Data | | |
|  | Alternate Data | No |  | | |

**Unit Size by Tenure:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Unit Size by Tenure** | | | **Owners**  **Number** | | **Percent (%)** | **Renters**  **Number** | **Percent (%)** |
| No bedroom | | | 2,914 | | 0% | 10,698 | 2% |
| 1 bedroom | | | 15,031 | | 1% | 91,375 | 17% |
| 2 bedrooms | | | 192,944 | | 15% | 215,994 | 40% |
| 3 or more bedrooms | | | 1,083,668 | | 84% | 218,645 | 41% |
| Total | | | 1,294,557 | | 100% | 536,712 | 100% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | Yes | | 2007-2011 American Community Survey (ACS) Data | | | |
|  | Alternate Data | No | |  | | | |

**Describe the number and targeting (income level / type of family served) of units assisted with federal, state, and local programs:**

With regards to the State of Alabama HOME Program, the HUD-allowed beneficiaries are those households who make less than 80% median family income and the actual income criteria, as administered by AHFA, is no more than 50%. Targeted populations will include low-income Alabamians, both urban and rural, family and elderly, from around the entire state. More specifically, the households/families who will be residing in HOME-financed rental housing will be those whose incomes cause them to be cost-burdened or severely cost-burdened and for whom affordable monthly rent, as restricted by HOME Program requirements, are necessary. NOTE: Multifamily developers, both for-profit and non-profit/CHDO, who are successful in securing State of Alabama HOME funding, must keep all HOME-assisted rental units affordable for an extended, agreed-upon time frame, usually 20 years or more. Preference points in the competitive funding process are actually gained by committing to longer affordability periods. A thorough annual compliance check is conducted for every state HOME development, so the availability of decent affordable housing remains consistent throughout the state. Ultimately, the availability of rental units is market-driven and developers/managers are required to rent only to qualified tenants, but not targeted tenants. Some developments however may be specifically designed for older Alabamians or for residents with special needs. In all cases, compliance with all fair housing laws and standards is required.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts:**

The state is generally unaware of any appreciable number of affordable units which may be lost over the next five years. Because the complete operation of public housing and Section 8 administration is out of the purview of the State of Alabama (as it relates to the Consolidated Plan, the HOME Program, CDBG, etc), we cannot address this topic with clarity. Our consultations with the Alabama Association of Housing and Redevelopment Authorities (AAHRA) did however produce some meaningful insight. The following is an excerpt from their response to a request for information:

“The biggest threat to the Public Housing inventory is chronic underfunding by HUD. Virtually all HUD funding streams for public housing have been significantly reduced. Many Section 8 Vouchers are going non-renewed or un-utilized due to reductions in administrative fees and subsidies. The Public Housing program uses Operating Fund monies to administer, maintain and subsidize rents for hard units. Currently, the PHA Operating Fund is funded at 87% of the **HUD specified** need and has been routinely funded below 90% of need year after year.” With regards to affordable housing units which are not tied to public housing authorities, it is significant to point out that several of the earliest HOME-funded rental units (from the early 1990s) have reached their affordability period commitment. Because these early HOME developments around the State also have Low Income Housing Tax Credits (LIHTC) included in the financing, these vulnerable units typically remain affordable for ten to fifteen additional years. NOTE: LIHTC- income thresholds are slightly higher than HOME-income thresholds – 60% v. 50% MFI – but the rents are still much lower than market-rate units. It is also significant that many HOME projects over the years have extended affordability periods as the result of incentives in the competitive funding process. All in all, a great deal more new affordable HOME units are created each year than older HOME units which are lost from the rental housing stock.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Does the availability of housing units meet the needs of the population?**

According to the 2013 ACS (1-year), there are approximately 360,000 vacant units in Alabama. About 10% (36,000) of available units are for sale and about 17% (60,000) units are for rent. By far the largest segment of vacant housing units (almost three fourths total) is classified as “Other Vacant” and those units are not on the market. Across the spectrum of large metro areas and small rural communities in Alabama, the availability of housing is diverse and frequently unpredictable. If a local economy is thriving and people need housing because of jobs, the number of vacant units that may be considered affordable to buy or rent is probably low. For cities and towns that are economically dormant or have recently lost job opportunities, the availability of affordable housing may be high and the demand may be non-existent. Bottom line: There is a shortage of affordable housing throughout the state, both for sale and especially for rent, and all units newly constructed or rehabilitated each year that add to the affordable housing stock is welcomed.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Describe the need for specific types of housing:**

Of Alabama’s 1.8 million households, the household sizes are approximately as follows: 1-person = 28%, 2-person = 34%, 3-person = 17% and 4-person = 13%. *Small families* are the norm and that definition even includes households with up to four members (i.e. two adults and two children). Less than 9% of state households have 5-or more members. So, almost 90% of Alabamians live in these smaller households and a similar percentage – about 80% -- live in a two- or a three-bedroom housing unit. Regardless of atypical demands around the state for large, 4+ bedroom units, the need for housing that is amenable in size to the average household size of 2.48 or the average family size of 3.02 is greatest. The most pressing need from year to year or Census to Census is affordability however. Housing that is not affordable to lower income, cost-burdened households in Alabama does not meet the needs of the state’s most vulnerable citizens. Rental units are typically more desirable/needed than for-sale housing as well. Homeownership is a great thing, but is not exactly feasible on a large scale for less affluent households.

Additionally, other types of housing that round out the “need” category would include:

*Housing for Seniors* – as Alabama’s population continues to age, the need for housing that is single story and/or outfitted with accessibility features is evident. And, because senior citizens are often on fixed incomes and have high medical expenses, the need for affordable housing is great.

*Urban Housing* – while Alabama is often characterized as a rural state because of the many counties without even one defined urban area, more than half (55% according to the 2010 Census) of the state is considered urban. People live in cities because of jobs and other opportunities and there will always be a need for affordable units. If public transportation is available, the demand for such units would be even greater.

*Rural Housing* – Often, small towns in Alabama have not had a new rental housing development in decades. And, for a large percentage of rural residents, setting up a household may well involve the acquisition of a mobile home. In any case, affordable units to rent or to buy remain scarce in most locations around the state. Local economic conditions, supply and demand, and other factors will dictate availability.

*Special Needs Housing --*  There is never enough affordable housing for Alabama households affected by a myriad of disabilities including physical, intellectual and developmental. Comments received from The Alabama Department of Mental Health specify a need for single occupancy, scattered site units for their clients with supportive housing needs. On a related note, the Alabama Medicaid Agency indicated that private housing was more desirable and less expensive than nursing facilities, but that finding safe and affordable units was challenging. For a disabled person on SSI, even monthly rent for an efficiency unit or a 1-bedroom unit is out of reach.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Discussion:**

See the discussion contained in the above sections.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**MA-15 Cost of Housing [see 24 CFR 91.310(a)]**

**Introduction:**

The Alabama Housing Finance Authority (AHFA), which administers the HOME Program in Alabama, provided the information that follows in the sections below.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Cost of Housing:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Cost of Housing** | | | **Base Year:**  **2000** | | **Most Recent Year: 2011** | **Percent (%) Change** |
| **Median Home Value** | | | 76,700 | | 120,800 | 57% |
| **Median Contract Rent** | | | 339 | | 469 | 38% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | Yes | | 2000 Census (Base Year), 2007-2011 American Community Survey/ACS (Most Recent Year) | | |
|  | Alternate Data | No | |  | | |

**Rent Paid:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rent Paid** | | | | **Number** | **Percent (%)** |
| **Less than $500** | | | | 322,388 | 60% |
| **$500 - $999** | | | | 187,025 | 35% |
| **$1,000 - $1,499** | | | | 19,586 | 4% |
| **$1,500 - $1,999** | | | | 4,491 | 1% |
| **$2,000 or more** | | | | 3,222 | 1% |
| **TOTAL** | | | | 536,712 | 100% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | | |
| **Data Source:** | Default Data | Yes | 2007-2011 American Community Survey (ACS) | | |
|  | Alternate Data | No |  | | |

**Housing Affordability:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Percent (%) of Units affordable to Households earning:** | | | | **Renter** | **Owner** |
| **30% HUD Area Median Family Income (HAMFI)** | | | | 55,130 | No Data |
| **50% HAMFI** | | | | 175,405 | 145,610 |
| **80% HAMFI** | | | | 370,285 | 339,740 |
| **100% HAMFI** | | | | No Data | 475,385 |
| **TOTAL** | | | | 600,820 | 960,735 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | | |
| **Data Source:** | Default Data | Yes | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | |
|  | Alternate Data | No |  | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Monthly Rent ($)** | | **Efficiency (no bedroom)** | | **1 Bedroom** | | **2 Bedroom** | **3 Bedroom** | **4 Bedroom** |
| **Fair Market Rent** | |  | |  | |  |  |  |
| **High HOME Rent** | |  | |  | |  |  |  |
| **Low HOME Rent** | |  | |  | |  |  |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | | No | |  | | | |
|  | Alternate Data | | Yes | |  | | | |

**Is there sufficient housing for households at all income levels?**

Almost two-thirds (63%) of Alabama renters pay less than $500 per month for rent. While that seems like an encouragingly small amount during tough economic times, it remains a hardship for thousands of Alabamians looking for decent, affordable housing. According to the 2006-2010 CHAS data, there are only 55,890 total rental units considered affordable for households earning 30% HUD Area Median Family Income (HAMFI). As this figure does not account for the percentage of units currently occupied, the sum of affordable *and* available rental units for the 30% group is extremely small. No data is available for owner units affordable to the 30% group, but it is safe to assume that virtually none exist. Just over one-half million rental units are statistically affordable to the 50%-80% HAMFI groups but, again, that figure does not speak to units that are currently occupied. A similar number of owner units are affordable to the 50%-80% HAMFI groups; most of those (340,365) only affordable at 80% HAMFI. When the entire geography of Alabama is considered and both urban and rural markets are included, it is safe to say that there is an insufficiency of affordable housing throughout Alabama for lower income households.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**How is affordability of housing likely to change considering changes to home values and/or rents?**

The 2000 Census indicated a median home value in Alabama of $76,700. By 2010, that figure had risen 53% to $117,600. Also, in year 2000, median contract rent in Alabama was $339. By the year 2010, a 33% increase had occurred and the new median rent was $452. Those dollar figures remain quite low as compared to the rest of the country, but the economic impact is just as critical because median incomes in Alabama are less than the U. S. generally. The percentages of rising values of homes and of median rents are closely related to those nationwide. Housing costs are on the rise and incomes are not universally keeping up. For those parts of the state where employment is high and a competitive housing market exists, the affordability crisis is less impactful. For much of rural Alabama, in particular, and in many urban/suburban markets, the rise in home values and median rent may be slow and steady but economic conditions may not be favorable to overall affordability. All in all, it does not seem likely that a significant change in affordability will occur in Alabama over the next five years. Through the use of HOME funds, Low Income Housing Tax Credits, and other subsidies, new or rehabilitated affordable rentals units will be made available around the state. These will not however alleviate the affordability crisis on a large scale, but will be welcomed and will be in high demand in those markets.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?**

The 2008-2012 ACS indicates a median gross rent in Alabama of $691. About a third of renters pay less than $500 monthly for rent and another third pay between $500-$750. The most recent published Final FAIR MARKET RENTS FOR EXISTING HOUSING (Schedule B – FY2015 FMR for Alabama) shows fifteen metropolitan FMR areas representing 28 counties, along with 39 nonmetropolitan counties. Forty-five (45) of Alabama’s 67 counties have an FMR for a 2BR units at less than the median gross rent of $691 as shown on the 2008-2012 ACS.

For purposes of this question, the state has used the median gross rent figure of $691 as the chief reference for *area median rent*. With that in mind, it seems like HOME rents/Fair Market Rents are not out of line and do not impact the State’s strategy of producing or preserving affordable housing.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Discussion:**

See the discussion provided by the AHFA in the sections above.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**MA-20 Condition of Housing [see 24 CFR 91.310(a)]**

**Introduction:**

According to the 2006-2010 ACS, about 23% of owner-occupied housing units in Alabama had one selected condition, along with 42% of renter-occupied housing units. The four (4) conditions, in Census and HUD terminology, are 1) lacks complete plumbing facilities, 2) lacks complete kitchen facilities, 3) more than one person per room, and 4) cost burden greater than 30%. Because of lessening numbers overall of plumbing and kitchen deficiencies and overcrowding since the 2000 U. S. Census, it can be inferred that, of the four conditions, the one most relevant to the percentages above is cost burden greater than 30%. Other sections of this document have discussed, in detail, the plight of cost burden and its particular effect on renters. Cost burden greater than 30% is devastating to lower income home owners as well, but the figures above reveal that almost twice as many renters are affected by housing conditions.

The numbers of Alabama households, both owner and renter, that have two or more housing conditions are relatively small. 6435 or 0% of owner-occupied households report having two of the four defined housing conditions. 10,917 or 2% of renter households report having two conditions. Again, renters fare worse than owners. Other notable conditions for this section are age of housing, particularly as it relates to a lead-based paint (LBP) hazard, and vacant units, both suitable and unsuitable for rehabilitation. Alabama’s housing stock is somewhat newer than the U. S. as a whole; 42.5% of housing units in the U. S. was built after 1980 versus 50% for Alabama. The significance of this date is the possible presence of lead-based paint, banned as a paint additive in 1978. As might be expected, renter-occupied housing units in Alabama are statistically more susceptible to LBP because a greater percentage of those units – 55% v. 49% -- were built prior to 1980. According to info received from the Alabama Department of Public Health (ADPH), the extent of existing housing stock in Alabama, both single-family homes and rental units, which may contain a lead-based paint hazard is 1,069,528, or 49.1% (2013 ACS, 5-year estimates). This figure includes all housing structures built from 1939 or earlier through 1978. With regards to actions being taken, the ADPH administers the Alabama Childhood Lead Poisoning Prevention Program (ACLPPP) which provides public outreach and education, case investigation, and case management services to help prevent further lead exposure in Alabama’s children. Additional remediation efforts include a statewide program called the Alabama Lead Contractors Certification Program which establishes the procedures for certification of contractors or firms that perform LBP inspections, risk assessments, abatement, and renovation activities in target housing (pre-1978) and child-occupied facilities. The bottom line for Alabama’s housing stock with possible LBP contamination is that no one or no organization is sure how many owned or rented housing units actually exist. Clearly all units newly constructed or rehabbed with State HOME funds since the inception of the program in 1992 are LBP-free. The same would be true for all new or rehabbed Low Income Housing Tax Credit units in Alabama since that program’s inception in 1987. Large scale remediation efforts are unlikely to occur in the private sector because of the great costs involved, but it is safe to say that any housing created with the use of federal funding for at least 35 years is safe for children as it pertains to lead paint. The next section will deal with substandard condition of housing stock in Alabama and the percentage of housing that is vacant.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Describe the jurisdiction’s definition for “substandard condition” and “substandard condition but suitable for rehabilitation”:**

The State residential building code is currently an endorsement of prevailing International Code Council (ICC) terminology. There are a few cities in Alabama however with written enforceable local codes as well. For the purposes of this section, the State will speak in fairly general terms about what dwellings in Alabama are considered substandard and which may be suitable for rehabilitation. Almost 100,000 housing units in Alabama, or 4.4% of the total housing stock, are identified as “all other vacant” on the 2010 U. S. Census DP-1 file. “All other vacant” housing units represent total vacant units (288,062) less those 1) for rent, 2) rented, not occupied, 3) for sale only, 4) sold, but not occupied, and 5) for seasonal, recreational, or occasional use. The State is not presuming that any particular percentage of these other vacant units is uninhabitable, but it is believed that some blight is involved with the high number. For all locations, both rural and urban, where housing is not being used for shelter and its very existence poses a risk to the health, safety, or physical well-being of humans, the problem of blight is serious. Elevating this issue to the point of receiving dedicated funding is trickier however, as paying to tear down dilapidated housing rarely trumps the creation of new affordable housing. A housing unit could be considered substandard if there is considerable physical deterioration, if building codes have been violated, or if the unit has any number of known conditions or defects that render the unit as unlivable or unsafe. Areas commonly considered as vital, and with their own unique standards, are Sanitation, Structural, Wiring, Plumbing, HVAC, Weather-related, and Fire-related. Again, the State references ICC code terminology and is not able to offer Alabama-specific definitions of the topics involved. With that in mind, the definition for “substandard condition but suitable for rehabilitation” would be those housing units, both owned or rented, which may have fallen out of repair, but could be brought up to code. This category would not likely include those housing units which would be impractical or prohibitively expensive to repair.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Condition of Units:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Condition of Units** | | | **Owner-Occupied**  **Number │ Percent (%)** | | | **Renter-Occupied**  **Number │ Percent (%)** | |
| **With one selected Condition** | | | 297,971 | | 23% | 230,057 | 43% |
| **With two selected Conditions** | | | 7,104 | | 1% | 12,652 | 2% |
| **With three selected Conditions** | | | 603 | | 0% | 1,510 | 0% |
| **With four selected Conditions** | | | 0 | | 0% | 102 | 0% |
| **No selected Conditions** | | | 988,879 | | 76% | 292,391 | 54% |
| **TOTAL** | | | 1,294,557 | | 100% | 536712 | 99% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | Yes | | 2007-2011 American Community Survey (ACS) | | | |
|  | Alternate Data | No | |  | | | |

**Year Unit Built:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Year Unit Built** | | | **Owner-Occupied**  **Number │ Percent (%)** | | | **Renter-Occupied**  **Number │ Percent (%)** | |
| **2000 or later** | | | 211,687 | | 16% | 65,901 | 12% |
| **1980-1999** | | | 458,597 | | 35% | 180,671 | 34% |
| **1950-1979** | | | 498,711 | | 39% | 225,309 | 42% |
| **Before 1950** | | | 125,562 | | 10% | 64,831 | 12% |
| **TOTAL** | | | 1,294,557 | | 100% | 536,712 | 100% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | Yes | | 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) | | | |
|  | Alternate Data | No | |  | | | |

**Risk of Lead-Based Paint Hazard:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk of Lead-Based Paint Hazard** | | | **Owner-Occupied**  **Number │ Percent (%)** | | | **Renter-Occupied**  **Number │ Percent (%)** | |
| **Total number of units built before 1980** | | | 624,273 | | 48% | 290,140 | 54% |
| **Housing units built before 1980 with children present** | | | 111,200 | | 9% | 54,025 | 10% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | Yes | | 2007-2011 American Community Survey (ACS) (Total Units);  2007-2011 Comprehensive Housing Affordability Strategy (CHAS) (Units with children present) | | | |
|  | Alternate Data | No | |  | | | |

**Vacant Units:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item** | | | **Suitable for rehabilitation** | **Not suitable for rehabilitation** | **Total** | |
| **Vacant Units** | | |  |  | 0 | |
| ***Abandoned Vacant Units*** | | |  |  | 0 | |
| **REO Properties** | | |  |  | 0 | |
| ***Abandoned REO Properties*** | | |  |  | 0 | |
| **Data Source:** | Alternate Data | Notes: | | | |

**Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction’s housing:**

The State definitely acknowledges a need for owner and rental rehabilitation throughout Alabama. While no specific numbers exist, there are numerous inferences which can be made based on statistics found in the 2010 Census and the numerous American Community Survey estimates. Roughly half of all housing units in Alabama were built prior to 1980. That, in itself, would infer a notable number of owned and renter units with possible lead-based paint contamination. Plus, homes and apartments older than 35 years would naturally face repair issues; some maintained accordingly and others at or near substandard condition. Since about one-third of owners (32%) are considered Low-Income (household income less than 80% HAMFI) and many are statistically cost-burdened, it seems likely that thousands of owned housing units are in need of rehabilitation. On a similar note, about two-thirds of renters (66%) are considered Low-Income and they are usually dependent upon a landlord to keep their dwelling in good repair. This is a mixed bag, as some landlords and management agencies are extremely conscientious about maintenance while others charge relatively low rents and return virtually no upkeep. Whether owned or rented, all housing repairs run headlong into funding matters. The lack of adequate resources to prevent a housing unit from becoming substandard is very real. Along with the owner units in need already mentioned, a need clearly exists for rental units in Alabama which are in need of rehabilitation.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Estimate the number of housing units within the jurisdiction that are occupied by low and moderate income families that contain lead-based paint hazards [see 24 CFR 91.205(e), 91.405]:**

The State acknowledges a lack of expertise in estimating the number of housing units in Alabama which may contain a LBP hazard. Moreover, providing some clarity with regards to the incomes of families residing in those housing units is even more difficult. That being said, the following Census/ACS statistics may provide some basis for discussion. [Please note that the Alabama Department of Public Health weighed-in on this topic and other commenters also had opportunities to guide the State’s response. Please also refer to other sections of the 2015-2109 State of Alabama Consolidated Plan which address the topic of lead-based paint]. According to the 2008-2012 American Community Survey - DP02, it is estimated that Alabama households contain roughly 4.66 million people. Just less than one-third (30.3% or about 1.4 million) of those are children. This figure represents children under the age of 18. Additional estimates (see 2008-2012 ACS – S0901 Children Characteristics) break down the age of children into three categories; under 6 years, 6 to 11 years, and 12 to 17 years. The percentages of children in all three categories are statistically even in terms of total population of children overall. 32.3% are under 6 years, 33.4% are 6 to 11, and 34.3% are 12 to 17. It is safe then to estimate the total number of children in each age category at less than one-half million – we’ll use 465,000 for the purposes of this estimate. The S0901 ACS reports that 64.3% of children under 18 reside in owner-occupied housing units, while 35.7% reside in renter-occupied housing units. And, according to the S2504 ACS report (Physical Housing Characteristics for Occupied Housing Units, 2008-2012), the percentage of owner-occupied housing units built prior to 1980 was 47.5% and the percentage of renter-occupied housing units built prior to 1980 was 52.7%. All in all, it is reasonably accurate to infer that half of all housing units, whether owned or rented, are at least statistically candidates for LBP contamination. On a related note, Census data also shows, predictably, that the highest concentrations of truly old housing (built before 1970) are found in Alabama’s largest metro area – Jefferson County – and in certain other counties, most of which are economically stagnant. The fastest growing, most economically healthy counties, like Shelby and Baldwin, have the fewest number of old housing units. The CHAS data sets, as found on the HUD.gov website, show that 32% of owners in Alabama are considered Low Income (≤80% HAMFI) and 66% of renters in Alabama are considered Low Income. Median household income for owners stands at a $50,000 threshold, while the median for renters is about half, or $24,000. As it pertains to the presence of children, especially young children, in the home, we can infer that those in rental housing are more likely to be living in poverty. While numbers of Alabamians considered Moderate Income fare better and suffer far less “housing conditions”, they too are often found in older housing. One of the primary stumbling blocks to accurately estimating numbers of housing units in Alabama with LBP is the completely unknown number of units which have undergone even a moderately successful LBP removal. It does not seem likely that any appreciable number of units, either owned or rented, have been involved in a lengthy and costly removal exercise. It does seem relatively plausible however that efforts made over the last 30-40 years to educate the public about LBP (i.e. paint chips in the proximity of toddlers) has lessened the occurrence, though perhaps not the severity, of LBP poisoning.

As a wrap-up, a greater number of children in Alabama live in owner-occupied housing, but the poorest children are found in rental housing. Because renters must, by default, rely upon others to provide maintenance and upkeep, they are more naturally vulnerable to conditions with their unit which may need attention. There is no implication whatsoever that rental companies, landlords, and managing agents are, across the board, inattentive or negligent with regards to making repairs for tenants. The reality is simply that renters and, in particular lower income renters, are less likely to successfully demand and expect costly, time consuming activities like LBP remediation. In any case, all households, even those without children present, exposed to lead additives in paint live in a dangerous toxic environment. The State will not attempt to formally estimate the number of housing units that contain LBP hazards and are occupied by Low Income or Moderate Income families. The following analysis is very sketchy, may not be reliable, and should definitely not be cited. It does however represent an effort to address the topic within the context of the Consolidated Plan template: We know there are roughly 1.8 million occupied housing units in Alabama and about half were built before LBP was outlawed. This leaves us a figure of roughly 900,000 units; 931,041 according to the 2006-2010 ACS. Statistically speaking, about 70% of these units should be owner occupied and about 30% should be renter occupied, so our figures are 639,895 owner units and 291,146 renter units. Utilizing the 2007-2011 ACS as referenced in one of the HUD.gov data sets under “Income Distribution Overview”, the number of owners considered Low Income (≤80 HAMFI) was 31.5% and those owners considered Moderate Income (80-100% HAMFI) was 9.7%. The number of renters considered Low Income was 66.7% and those renters considered Moderate Income was 9.3%. With those percentages in mind, the inferences are as follows: Total Housing Units occupied by Low Income families could be 31.5% of 639,895 owned units plus 66.7% of 291,146 rental units or 395,760 TOTAL. Total Housing Units occupied by Moderate Income families could be 9.7% of 639,895 owned units plus 9.3% of 291,146 rental units or 89,146 TOTAL. It should be noted that these estimates are NOT based on actual families with or without children, but actually households in a general sense. To the extent that the presence of children, including children under 6, is considered, the estimates above are exceedingly high. A great number of Alabama households – nearly 30% -- are single person households.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Discussion:**

See the discussion contained in the sections herein above.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**MA-25 Public and Assisted Housing** (Optional)

**Introduction:** See the narrative contained in the sections herein below.

**Total Number of Units:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Program Type** | | | | | | | | | | | | |
| **Vouchers** | | | | | | | | | | | | |
| **Special Purpose** | | | | | | | | | | | | |
| **Total number of units** | **Certificate** | | **Mod-Rehab** | **Public Housing** | | **Total** | **Project-based** | | **Tenant-based** | **Veterans Affairs Supportive Housing** | **Family Unification Program** | **Disabled (includes non-elderly disabled, mainstream 1-year, Mainstream 5-year, and Nursing Home Transition)** |
| **Number of units / vouchers available** |  | |  | 1,705 | | 2,667 |  | |  | 268 | 0 | 0 |
| **Number of accessible units** | N/A | | N/A |  | | N/A | N/A | | N/A | N/A | N/A | N/A |
|  | | **Displayed** | | | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | | |
| **Data Source:** | | Default Data | | | Yes | | | PIC (Public and Indian Housing Information Center or PIH Information Center) | | | | |
|  | | Alternate Data | | | No | | |  | | | | |

**Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not allocated to Alabama’s Public Housing Authorities (PHAs) nor are these funds expended for public housing purposes. The PHAs receive their funding directly from HUD. Therefore, this section is not applicable.

**Describe the restoration and revitalization needs of public housing units in the jurisdiction:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not allocated to Alabama’s Public Housing Authorities (PHAs) nor are these funds expended for public housing purposes. The PHAs receive their funding directly from HUD. Therefore, this section is not applicable.

**Describe the public housing agency’s strategy for improving the living environment of low- and moderate-income families residing in public housing:**

Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not allocated to Alabama’s Public Housing Authorities (PHAs) nor are these funds expended for public housing purposes. The PHAs receive their funding directly from HUD. Therefore, this section is not applicable.

**Discussion:** Alabama’s CDBG, ESG, HOME, and HOPWA grant program funds are not allocated to Alabama’s Public Housing Authorities (PHAs) nor are these funds expended for public housing purposes. The PHAs receive their funding directly from HUD. Therefore, this section is not applicable.

**MA-30 Homeless Facilities [see 24 CFR 91.310(b)]**

**Introduction:**

A portion of Emergency Solutions Grants (ESG) funding supports the operations of emergency shelter and transitional housing facilities. ESG funds cover emergency shelter costs such as rent, food, utilities, insurance, salaries, and security. Permanent supportive housing operational costs are not eligible ESG expenses. However, both ESG and permanent supportive housing programs provide shelter to the homeless population. An inventory of emergency shelter, transitional housing and permanent supportive housing beds appears in the table below.

**Facilities and Housing Targeted to Homeless Households:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Facilities and Housing Targeted to Homeless Households** | | | | | | | | |
| **Emergency Shelter Beds** | | | | | | **Transitional Housing Beds** | **Permanent Supportive Housing Beds** | |
| **Year-round Beds**  **(Current and New)** | | | | **Voucher / Seasonal / Overflow Beds** | | **Current & New** | **Current & New** | **Under Development** |
| **Households with adult(s) and child(ren)** | | 540 | | 440 | | 854 | 1,206 |  |
| **Households with only adults** | | 1,276 | | 440 | | 984 | 1,685 |  |
| **Chronically homeless households** | |  | |  | |  | 976 |  |
| **Veterans** | | 313 | |  | | 142 | 837 |  |
| **Unaccompanied youth** | | 47 | |  | | 25 | 0 |  |
|  | **Displayed** | | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | | No | |  | | | |
|  | Alternate Data | | Yes | | HUD’s 2014 Continuum of Care Homeless Assistance Programs Housing Inventory Count Report | | | |

**Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons:**

Case managers work individually with program participants to determine needed services. Once needs have been identified, the case managers refer the participants to agencies that may be able to provide assistance. These agencies include county health departments, departments of human resources, and mental health and substance abuse services providers. Participants may be referred to Legal Services Alabama to resolve legal issues. Case managers also work with participants to help them apply for local, state, and federal government assistance. The case managers refer participants to local unemployment offices and provide assistance with online job searches. Case managers also make referrals regarding educational training opportunities.

**List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Instructional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations:**

The State awards its ESG funds to various local units of government and private nonprofit organizations. The subrecipients vary from year to year depending on the applications received. Therefore, specific facilities are unknown at this time. However, subrecipients may enter into agreements with other local agencies to provide services. Subrecipients or other local agencies may provide services directly or refer the program participants to mainstream social services or housing agencies. Services include emergency shelter, transitional housing, case management, day shelter, counseling, provision of food, clothing, and toiletries, child care, job search and placement, educational training, transportation, and dental care, prescriptions, emergency medical services, and assistance in obtaining benefits offered by the local, state, or federal government.

**MA-35 Special Needs Facilities and Services [see 24 CFR 91.310(c)]**

**Introduction:**

See the narrative below that was provided by AIDS Alabama, which administers the HOPWA Program in Alabama.

**Housing Opportunities for Persons With AIDS (HOPWA) Assistance Baseline:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **HOPWA Assistance Baseline** | | | | |
| **Type of HOPWA Assistance** | | | | **Number of Units Designated or Available for People with HIV/AIDS and their families** |
| **Tenant-Based Rental Assistance (TBRA)** | | | | 53 |
| **Permanent Housing (PH) in Facilities** | | | | 78 |
| **Short-term Rent, Mortgage, and Utility (STRMU) Assistance** | | | | 65 |
| **Short Term or Transitional Housing Facilities (ST or TH Facilities)** | | | | 85 |
| **Permanent Housing (PH) Placement** | | | | 0 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | Housing Opportunities for Persons With AIDS (HOPWA) Consolidated Annual Performance and Evaluation Report (CAPER), and HOPWA Beneficiary Verification Worksheet | |
|  | Alternate Data | No |  | |

**To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing:**

AIDS Alabama states that the National AIDS Housing Coalition estimates that approximately 3,621 Alabama households have unmet housing needs. Present funding levels do not fill demand for housing assistance for persons living with HIV/AIDS. In addition to housing needs, persons living with HIV/AIDS are responsible for large medical expenses to pay for the medication, treatment, and co-pays and deductibles necessary to treat the virus. Without medication and treatment, the end result is death. Funding levels do not adequately meet the need. Persons living with HIV/AIDS frequently have a dual diagnoses, often mental health or substance abuse problems. Many needs, including temporary assistance with unexpected expenses, housing expenses, transportation needs, medication assistance, counseling services, and many other challenges, also accompany the need spectrum for HIV/AIDS consumers. Dental services, nutritionist services, mental health, liver care, diabetes care, and opportunities to participate in HIV/AIDS research are additional common needs.

To address this situation, Alabama has AIDS Service Organizations serving each part of the state. The AIDS Service Organization Network of Alabama (ASONA) is a statewide network of AIDS Service Organizations that provide and deliver services to persons living with HIV/AIDS, many of whom are homeless and/or chronically homeless. They regularly partner with the Alabama Department of Mental Health to provide mental health and substance abuse services, statewide Continuum of Care organizations for HUD-funded homeless programs, public housing authorities administering Shelter Plus Care vouchers, and countless other agencies. Housing is also provided through HUD-funded 811 affordable housing properties. Each ASO typically maintains a wait list for programs because there are shortages of available affordable housing programs statewide.

**Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing:**

The Alabama Department of Public Health and the Alabama Department of Mental Health provide public and mental health services, including substance abuse services. The AIDS Service Organization Network of Alabama (ASONA) partners with the ADMH to provide and deliver services to persons living with HIV/AIDS, many of whom are homeless and/or chronically homeless. ASONA also partners with statewide Continuum of Care organizations to provide HUD-funded homeless programs, with public housing authorities administering Shelter Plus Care vouchers, and with countless other agencies. Housing is also provided through HUD-funded 811 affordable housing properties. Each AIDS Service Organization typically maintains a wait list for programs because there are shortages of available affordable housing programs statewide.

**Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 24 CFR §91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals [24 CFR §91.315(e)]:**

**ESG**: The Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct housing for some persons who are not homeless but may have other special needs. While AHFA does not specify what may be needed or desired in certain markets, they generally approve high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance. Information specific to the needs of non-homeless persons who may require supportive services or housing assistance is currently not reported to the State. However, to address these needs, the following steps will be taken. Where applicable, the continuum of care groups in the State will work towards expanding their membership to include agencies that provide services to the following persons who are non-homeless: elderly, persons with HIV/AIDS, persons with disabilities, persons with alcohol or other drug addictions, and public housing residents. At a minimum, each continuum will coordinate with these agencies in its service area regarding the supportive services and housing needs of these persons. The continuums will summarize and prioritize these needs. Once this information is available, the continuums, service providers, and other interested agencies can begin to plan activities and coordinate efforts to address these needs.

**HOPWA**: As well as collaborating with state and federal entities, AIDS Alabama will work diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others will allow AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups will also be used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama will be used to leverage additional funding from other sources to expand the scope of that grant funding. AIDS Alabama is a proven leader in the field of HIV/AIDS prevention, education, and housing assistance. It will administer over 100 units of affordable housing through a variety of programs. It will effectively and efficiently manage each grant awarded to the agency, and its auditing and grant review records will document the facts. In addition, AIDS Alabama was the only ASO in the country to receive a state wide Navigator grant in 2014 designed to educate and enroll eligible citizens in a marketplace plan through the Affordable Care Act. Its program *Enroll Alabama* reached over 10,000 people at community events, and it conducted over 500 outreach education events. In the first enrollment period, *Enroll Alabama* enrolled 7,500 Alabamians in an Affordable Care Act marketplace plan, and it had 60 adult volunteers to take the Navigator training and become Enroll Alabama volunteers - further evidence of its ability to administer a grant program from the ground up, from outreach to implementation. AIDS Alabama will also provide culturally relevant primary prevention education to populations at greatest risk for HIV infection. ***Birmingham Many Men, Many Voices (B3MV)***, funded by the Centers for Disease Control and Prevention (CDC), includes both group and individual-level interventions for African-American Men who have Sex with Men (MSM), ages 13-29, in the Greater Birmingham area, and this program is designed to serve that same targeted client base. AIDS Alabama has the experience necessary to, and will, assist the chronically homeless young adults to find housing and then to wrap them in supportive services to assure their success so that they become independent. Additionally, AIDS Alabama, as an approved Medicaid provider, will access and leverage dollars by billing Medicaid for targeted case management related to access to medical treatment, mental health, and substance abuse treatment. It will bill Medicaid for targeted case management related to obtaining and maintaining stable permanent housing using detailed housing case assessment and planning tools focusing on defining every possible obstacle to housing and measurable goals with concrete action steps and target dates. It will bill Medicaid where appropriate for mental health services related to basic living skills and rehabilitative day treatment services offered to outpatient as well as to specific housing programs. Billings can include psychiatric assessment by an M.D. and individual or family group therapy. It will also bill Medicaid where appropriate for substance abuse services for intensive outpatient services, targeted case management, housing case assessment, and planning and provision of services. Each of its Continuum of Care grants will leverage at minimum the required amount to receive funding, and in almost every case in excess of what is required. During PY2015, AIDS Alabama will also conduct a comprehensive Needs Assessment with HIV-positive persons across the State of Alabama. The assessment interviews will be conducted by each AIDS Service Organization in the State, and the results will be made available later in 2015.

**For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 24 CFR §91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals [24 CFR §91.220(2)]:**

Not applicable. Alabama’s grant funds are expended in Alabama’s non-entitlement areas of the State, which areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile.

**MA-40 Barriers to Affordable Housing [see 24 CFR 91.310(d)]**

**Describe any negative effects of public policies on affordable housing and residential investment:**

Alabama provides the following outline of barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: Land use regulations have been recognized for some time as a possible impediment to affordable housing. Landmark cases addressing “exclusionary zoning” were undertaken where suburban cities were cited for in engaging in land use practices that would effectively eliminate the poor, and thereby disproportionately minorities, from their jurisdictions. Thus, the potential for misuse of land use regulations is usually on any list of items to be scrutinized for negative impact on housing affordability or accessibility. Generally, the most important land use regulations are the zoning ordinance and the subdivision regulations. Land use regulations in Alabama can impose additional cost to housing in a variety of ways.

2. Building Codes: Similar to land use regulations, over the years a number of builders and advocates of affordable housing have stated that building and housing codes were housing affordability impediments. The codes are often lumped together with zoning ordinances and other land use regulations and it can be unclear to some as where one begins and the other ends. Governmental building codes are often expressed in terms of rigid specifications that can be difficult or costly to comply with. New or different construction techniques and architectural innovations would be satisfactory in terms of safety, comfort, and other measurable standards but are not in compliance unless they meet strict code specifications. Arbitrary and inconsistent building code enforcement has also been cited as a source of additional expense for builders who can be unduly delayed in their construction and/or forced to undertake costly redesigns. As with the land use regulations, building codes in Alabama are adopted and practiced for the most part in the entitlement communities and much of the rural areas in the state are devoid of building code adoption and enforcement.

3. Absence of Land Use Regulation: The absence of certain land use regulations or codes can be as big a problem for those seeking affordable low cost housing as the existence or misapplication of certain codes and regulations.

4. Credit Environment: With the exception of “bubble” years that occurred in the past, lending institutions have historically been conservative and restrictive in their lending practices.

5. Fair Housing Issues/Discrimination: Some Alabama counties and cities have continued to note that discrimination exists as a barrier to affordable housing, but fortunately there are many signs of progress on this front.

6. The NIMBY Syndrome: The NIMBY barrier can be viewed as a classic “haves versus the have-nots” situation where low and moderate income households suffer due to an instinctive response from established communities and neighborhoods. Neighbors affected by the proposed development often have fears and concerns about their property values, crime, traffic congestion, loss of open space, new neighbors and design compatibility.

7. Land Ownership Patterns: Much of the suitable land for development is owned or controlled by a few owners or developers. In these areas owners can generally dictate the extent of housing activity to be carried out on their land. They can also be more selective in dealings to ensure maximum profitability, usually diminishing or precluding affordable housing opportunities for lower income households.

8. Costs Associated With Accessibility Compliance: Accessible housing units can be more costly to construct and the required renovations to existing structures can be especially costly for older structures.

9. Fire Protection Costs: Due to a lack of fire protection in some rural counties, a homeowner’s insurance rates are much higher than typical urban areas thereby causing an overall increase in the cost of housing, or at least negating the usual lower monthly mortgage cost found in most rural areas.

10. Transportation Costs: The cost of and availability of transportation to work, shopping and services is a factor that most definitely affects housing choice and affordability. Outside of urban areas, there has traditionally been very little readily available public transit in Alabama and that which is accessible has often been irregular in the times and patterns of service. As the population continues to age and as fuel consumption issues become more crucial this will be an issue that will likely impact housing opportunity more and more.

Also, the research, data collection, and public outreach processes that the State of Alabama undertook to produce the State’s 2014-2015 “Analysis of Impediments to Fair Housing Choice” yielded findings that included the following: (1) banks and mortgage lenders chartered in Alabama have policies in place to govern how home mortgages are approved and issued by those institutions based on the applicants’ credit ratings, financial history, affordability of the property that is the subject of the mortgage, ability to contribute their own funds as a down-payment on the property, and ability to repay the home loan based on job status and other income, but a result of those policies is that not all residents who might want to seek financial assistance to purchase affordable housing are not eligible to obtain such mortgages due to their inability to comply with those financial institutions’ policies as well as afford the taxes and the upkeep on the property; (2) so-called “predatory” lending is not illegal under Alabama’s statutory laws, and a result of their business is that persons who might want to seek financial assistance from a chartered bank or mortgage lender to purchase and invest in affordable housing and residential property are unable to acquire such credit due to their reliance on predatory lending and the financial commitment they incur as a result of using the predatory lenders in lieu of banks; (3) many citizens in Alabama cannot afford to purchase site-built or brick-and-mortar homes due to the costs of housing and the real estate values that are governed by the market, so they instead rely on leasing apartments or renting/purchasing mobile homes which does not allow them to acquire and build-up equity in a home situated on real property; (4) people live where they are able to find steady employment, but when businesses close or relocate to a different area, many residents are left unemployed as a result and are unable to gain affordable housing or make residential investments because the employer(s) have gone, the jobs no longer exist, and the State and local government officials are unable to attract new businesses in those locations; and (5) detrimental environmental conditions might exist/persist in certain locations that have the effect of preventing potential developers from coming into an area to construct affordable homes which could house potential home buyers. The State’s 2014-2015 “Analysis of Impediments to Fair Housing Choice” is posted on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov).

**MA-45 Non-Housing Community Development Assets [see 24 CFR 91.315(f)]**

**Introduction:**

See the discussion in the sections herein below.

**Economic Development Market Analysis:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Business Activity** | | | | | | | | |
| **Business by Sector** | | | **Number of Workers** | | **Number of Jobs** | **Share of Workers**  **%** | **Share of Jobs**  **%** | **Jobs less Workers**  **%** |
| **Agriculture, Mining, Oil & Gas Extraction** | | | 16,564 | | 16,414 | 2% | 3% | 1% |
| **Arts, Entertainment, Accommodations** | | | 97,642 | | 69,653 | 12% | 12% | 0% |
| **Construction** | | | 55,028 | | 36,709 | 6% | 6% | 0% |
| **Education and Health Care Services** | | | 124,978 | | 80,764 | 15% | 14% | -1% |
| **Finance, Insurance, and Real Estate** | | | 51,452 | | 27,606 | 6% | 5% | -1% |
| **Information** | | | 13,240 | | 6,098 | 2% | 1% | -1% |
| **Manufacturing** | | | 177,383 | | 139,325 | 21% | 24% | 3% |
| **Other Services** | | | 27,363 | | 17,298 | 3% | 3% | 0% |
| **Professional, Scientific, Management Services** | | | 65,021 | | 28,464 | 8% | 5% | -3% |
| **Public Administration** | | | 2 | | 2 | 0% | 0% | 0% |
| **Retail Trade** | | | 142,440 | | 101,728 | 17% | 18% | 1% |
| **Transportation & Warehousing** | | | 32,087 | | 22,127 | 4% | 4% | 0% |
| **Wholesale Trade** | | | 45,141 | | 28,113 | 5% | 5% | 0% |
| **Grand Total** | | | 848,341 | | 574,301 |  |  |  |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | | | |
| **Data Source:** | Default Data | No | | 2007-2011 American Community Survey (ACS) (Workers), 2011 Longitudinal Employer-Household Dynamics Data | | | | |
|  | Alternate Data | Yes | | Notes: | | | | |

**Labor Force:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Labor Force** | | | | |
| **Total Population in the Civilian Labor Force** | | | | 1,332,953 |
| **Civilian Employed Population 16 years and over** | | | | 1,204,115 |
| **Unemployment Rate** | | | | 9.67 |
| **Unemployment Rate for Ages 16-24** | | | | 26.64 |
| **Unemployment Rate for Ages 25-65** | | | | 5.45 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | 2007-2011 American Community Survey (ACS) | |
|  | Alternate Data | No |  | |

**Occupations by Sector:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Occupations by Sector** | | | | |
| **Management, business and financial** | | | | 218,738 |
| **Farming, fisheries and forestry occupations** | | | | 43,779 |
| **Service** | | | | 113,538 |
| **Sales and office** | | | | 293,377 |
| **Construction, extraction, maintenance and repair** | | | | 149,930 |
| **Production, transportation and material moving** | | | | 110,263 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | 2007-2011 American Community Survey (ACS) | |
|  | Alternate Data | No |  | |

**Travel Time:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Travel Time** | | | **Number** | | **Percent (%)** |
| **Less than 30 minutes** | | | 723,242 | | 63% |
| **30-59 minutes** | | | 346,205 | | 30% |
| **60 or more minutes** | | | 86,085 | | 7% |
| **Total** | | | 1,155,532 | | 100% |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | | 2007-2011 American Community Survey (ACS) | |
|  | Alternate Data | No | |  | |

**Education:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Educational Attainment by Employment Status (Population 16 and Older)** | | | | | | |
| **In Labor Force │** | | | | | | |
| **Educational Attainment** | | | **Civilian Employed** | | **Unemployed** | **Not in Labor Force** |
| **Less than High School Graduate** | | | 113,516 | | 20,225 | 124,198 |
| **High School Graduate (includes equivalency)** | | | 319,633 | | 30,264 | 153,378 |
| **Some college or Associate Degree** | | | 332,511 | | 23,920 | 108,513 |
| **Bachelors degree or higher** | | | 237,468 | | 8,861 | 47,581 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | **Name of Data Source** | | |
| **Data Source:** | Default Data | Yes | | 2007-2011 American Community Survey (ACS) | | |
|  | Alternate Data | No | |  | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Educational Attainment by Age** | | | | | | | | |
| **Age** | | | | | | | | |
| **18-24 years** | | | | **25-34 years** | | **35-44 years** | **45-64 years** | **65 years +** |
| **Less than 9th Grade** | | | 7,327 | 16,728 | | 17,030 | 42,712 | 61,486 |
| **9th to 12th Grade, no diploma** | | | 49,665 | 46,640 | | 42,938 | 91,998 | 72,558 |
| **High School graduate, GED, or alternative** | | | 84,748 | 100,467 | | 125,427 | 278,568 | 143,697 |
| **Some college, no degree** | | | 89,117 | 87,483 | | 89,522 | 167,001 | 64,057 |
| **Associate degree** | | | 10,546 | 28,619 | | 36,482 | 60,330 | 13,017 |
| **Bachelors degree** | | | 12,121 | 51,224 | | 55,308 | 91,053 | 29,301 |
| **Graduate or professional degree** | | | 857 | 17,287 | | 26,011 | 56,244 | 22,510 |
|  | **Displayed** | **Used in Report:**  **Yes or No** | | | **Name of Data Source** | | | |
| **Data Source:** | Default Data | Yes | | | 2007-2011 American Community Survey (ACS) | | | |
|  | Alternate Data | No | | |  | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Median Earnings in the Past 12 Months** | | | | |
| **Educational Attainment** | | | | **Median Earnings in the Past 12 Months** |
| **Less than High School Graduate** | | | | $ |
| **High School Graduate (includes equivalency)** | | | | $ |
| **Some college or Associates degree** | | | | $ |
| **Bachelors degree** | | | | $ |
| **Graduate or Professional degree** | | | | $ |
|  | **Displayed** | **Used in Report:**  **Yes or No** | **Name of Data Source** | |
| **Data Source:** | Default Data | Yes | 2007-2011 American Community Survey (ACS) | |
|  | Alternate Data | No |  | |

**Based on the Business Activity table above, what are the major employment sectors within the State of Alabama?**

ADECA’s Workforce Development Division reports on [www.adeca.gov](http://www.adeca.gov) as follows:

As of 2012, from the Appalachian foots hills to the Gulf of Mexico, Alabama offers a diversity of demographics and industries. Alabama is home to three major international auto manufacturers (Mercedes, Honda and Hyundai) and with more than 711,000 cars and light trucks manufactured in 2010, Alabama continues to grow as a major automotive hub. Putting a man on the moon was largely accomplished in Huntsville, where NASA built the Saturn V rocket. Boeing, Lockheed Martin, Raytheon and Teledyne Brown are among 280 aerospace-defense-related companies calling Alabama home. The University of Alabama at Birmingham (UAB) is an international hub in life sciences. As the state’s largest employer, with 18,000 people, UAB is a global leader in healthcare and medical research. Huntsville’s Hudson-Alpha Institute for Biotechnology is among the research leaders in the Human Genome Project, the international scientific project to determine the sequence of DNA. The steel industry is alive and well in Alabama. German-based ThyssenKrupp Steel chose a site near Mobile for a $5 billion steel-making plant that will employ 2,700. Alabama’s chemical manufacturing industry is the second largest exporter in the state with $1.4 billion output in 2009. More than 9,000 Alabamians are employed by some 200 chemical companies. Food processing is vibrant. Alabama ranks second nationally in catfish sales and is the third-largest broiler producer in the country. Alabama forests are equal to the size of Massachusetts, Connecticut, Rhode Island, New Hampshire, and Delaware – combined (28.3 billion cubic feet of standing timber.) With 850 companies statewide, forestry is a leading manufacturing sector posting $15 billion annually in products and directly employing 70,000 with an annual payroll of $2.2 billion. Alabama boasts of three major tire manufacturing plants employing 3,500; B.F. Goodrich, Goodyear, and Michelin. Birmingham and Mobile are two of the 50 Most Logistics Friendly Cities ranked by Material Handling & Logistics magazine. At the crossroads of the Sunbelt with a major ocean port in Mobile, five interstates and abundant rail, Alabama has more than ample distribution and warehousing capabilities.

The State’s seasonally adjusted unemployment rate, at 7.8 percent in June 2012, was up from May’s rate of 7.4 percent and was below the year-ago rate of 9.3 percent; the national rate was 8.2 percent. Nonagricultural Wage and Salary Employment saw a decrease of 4,800 in June. The declines occurred primarily in Government and Educational and Health Services. Over the year, there was a decrease of 200 jobs. The losses occurred mainly in Government, Construction, and Information. The Goods Producing sector gained 900 jobs in June 2012 with increases concentrated mainly in Manufacturing. There was a decrease of 3,500 jobs over the year. Annual losses occurred chiefly in Construction. The Durable Goods Manufacturing sector gained 1,100 jobs from May 2012 due to some increases in Wood Product and Transportation Equipment Manufacturing. There was a gain of 5,000 jobs over the year with the majority of the increases occurring in Transportation Equipment Manufacturing and Primary and Fabricated Metal Manufacturing. Non-Durable Goods employment lost 100 jobs in June 2012. Most published industries experienced only slight changes, while Paper Manufacturing led the way. Over the year, the sector lost 1,500 jobs with declines occurring primarily in Apparel Manufacturing and Textile Mills. The Service-Providing sector lost 5,700 jobs in June 2012 due mainly to decreases in Government and Educational and Health Services. Annually, the gain of 3,300 jobs was centered in Leisure and Hospitality; Professional and Business Services; Trade, Transportation, and Utilities; Educational and Health Services; Other Services; and Financial Activities. In June 2012 Alabama’s nonfarm employment totaled 1,875,200, still 151,500 below the nonfarm employment peak of 2,026,700 that occurred in December, 2007. Over the 12 month period ending in June 2012, the state lost a total of 200 jobs. Goods producing businesses lost 3,500 while the service providing sector gained 3,300 jobs. Among good producers, manufacturing added 3,500 jobs, and construction lost 7,000 jobs. Construction had losses in construction of buildings (3,000), heavy and civil engineering construction (1,000), and specialty trade contractors (3,000). Over the last 12 months the sectors that saw gain in Manufacturing were primary and fabricated metal manufacturing (900), transportation equipment manufacturing (500). Several Manufacturing sectors had noticeable losses over the last 12 months. These include wood product manufacturing (500), furniture and related product manufacturing (600), textile mills (600), and apparel manufacturing (800). The rest of the sectors were either constant or had small loses over the last 12 months.

Among service providing firms, employment gains between June 2011 and June 2012 were primarily associated with leisure and hospitality (6,600), professional and business services (4,300), educational and health services (2,300), trade, transportation, and utilities (2,600), and other services (1,600). Although these sectors gained overall, some industries within these sectors had considerable job losses; merchant wholesalers, nondurable goods (800), department stores (1,600), general freight trucking (800), insurance carriers (700), architectural and engineering services (2,000), and computer systems design and related services (700). While information lost 400 jobs, most of the losses occurring in service providing occurred in Government with a loss of 13,900 jobs from June 2011 to June 2012. State government saw a decline of 9,900 jobs, while local government had a loss of 2,600 jobs. Of the state and local job losses, 6,300 were in education. Federal government saw a loss of 1,400 jobs over the year. From June 2011 to June 2012, five of the state metropolitan areas saw increases in employment. These include Anniston-Oxford (300), Decatur (500), Dothan (300), Florence-Muscle Shoals (600), and Gadsden (700). Metro area declines over the last 12 months include Auburn-Opelika (2,300), Birmingham-Hoover (1,900), Huntsville (3,300), Montgomery (1,600), and Tuscaloosa (2,400). Unemployment rates increased across the board during the same period, largely due to labor force increases; only Tuscaloosa saw its civilian labor force decline. As of June 2012, Mobile had the highest metro area unemployment rate at 10.0 percent, while Huntsville had the lowest unemployment rate at 7.6 percent. From May to June 2012 all counties experienced an increase in unemployment rate, and in the last 12 months all counties except Barbour, Butler, Chambers, and Lowndes had a decline in unemployment rates. June unemployment rate ranged from 18.7 percent in Wilcox County down to 6.1 in Shelby County.

Additionally, the Alabama Department of Labor’s Labor Market Information Division reports that Alabama’s statewide population and employment outlook is as follows:

The population in Alabama is expected to increase from just over 4.6 million in 2008 to close to 5.1 million by the year 2018. Industry employment in Alabama is proposed to increase over 10.5% for this period, for an annual average increase of 1.01 percent. Alabama’s economy is expected to provide an estimated 233,930 new jobs by 2018. Around 65% of all projected employment opportunities over this 10-year period will be due to employee turnover and retirements, and the remainder should be attributed to growth.

With regard to Alabama’s employment in major industries, the term “net change” is the difference between the 2008 and 2018 employment levels for the 2008-2018 ten year projection period, and the term “percent change” represents the share of “net change” to Alabama’s 2006 employment level. Industries that provide “services” are expected to add 199,750 jobs, and this translates to an employment change of just under 12.5%. Within the “service jobs” providing group, the “healthcare and social assistance” job sector is anticipated to have the most new jobs with 44,510. That is followed by the “accommodation and food service” job sector with 23,640 additional jobs, and the “administrative and support” and “waste management and remediation services” job sectors with an addition of 22,620 job openings by 2018. The “goods producing” industries are anticipating 20,440 new jobs, with 5% change in the employment level. Within the “goods producing” sector, “construction” is expected to have 15,290 job openings. The “manufacturing” job sector follows, with a net change of 5,500 in employment. This small change in employment/job openings is due to the difference in “durable goods” with 17,260 jobs and “nondurable goods” with a loss of 11,760 jobs that are predicted through 2018.

As for employment by occupation, Alabama’s total job openings represent openings due to job growth as well as employee replacement needs due to attrition. The “sales and related occupations” job sector is expected to provide the highest number of 10,825 total job openings per year through 2018. Annually, approximately 2,425 job openings are predicted due to “job growth,” with the remaining 7,720 job openings a result of “employee replacement.” The “office and administrative support occupations” sector follows closely, with 9,855 jobs as its total average annual job openings; and the “food preparation and serving-related occupations” sector is next with 7,310 job openings. The “office and administrative support occupations” sector expects 2,680 new job openings and 7,165 replacement job openings. However, the “food preparation and serving-related occupations” sector should expect 2,455 new job/job growth openings and 4,855 replacement job openings annually through 2018.

For the fastest growing occupations in Alabama from 2008-2018, in terms of *high growth*, the “healthcare support occupations” sector is expected to grow the most, at an annual average rate of 2.11%. The “computer and mathematical occupations” sector is expected to grow an average 2.03% annually, with 825 new jobs and 830 replacement jobs needed. Through 2018, half of Alabama’s top 25 fastest-growing occupations are expected to be in either

Health-related or computer-related occupations. Of the top 25, the “bill and account collector” sector is expected to have the smallest employment gain of just over 27% from 2008 to 2018. Ranked fifth on the fast-growing list is the “home health aides” sector that is projected to add the greatest quantity of jobs over this ten-year period, with 3,900 jobs, climbing from 10,530 in 2008 to 14,430 in 2018. Topping the fast-growing list is the “veterinary technologists and technicians” sector, which is a somewhat small occupation in Alabama that has only 800 employees; however, this is expected to grow 47.5% over this ten-year period, which will add 380 jobs. Although fast growing occupations offer new employment opportunities because of growth, they likewise may not provide the high number of annual job openings in comparison to *high demand* occupations.

Alabama’s occupations that are classified as *high demand* are selected based on growth rate, annual openings, and wage criteria. Thirteen of the top forty occupations are health-related. These occupations include pharmacists, physical therapists, registered nurses, dental hygienists, veterinarians, medical and public health social workers, medical assistants, pharmacy technicians, physical therapist assistants, home health aides, occupational therapists, dental assistants, and anesthesiologists. Of all of the occupations on this list, only registered nurses are expected to have the most job openings, with 1,525 job openings predicted per year. There are six “computer and mathematical occupations” that met the *high demand* criteria, and four of these appear at the top of the list: (1) computer software engineers for applications, (2) network systems and data communications analysts, (3) computer systems analysts, and (4) computer software engineers for systems software.

The “computer software engineers for applications” is the number one occupation overall on the *high demand* list, with an average of 190 job openings per year. The “computer systems analyst” segment is anticipated to have the most job openings within the “computer and mathematical occupations” job sector, with an average of 380 new jobs per year predicted through 2018. Three of the occupations making the *high demand* list over this ten-year period include “production occupations” that are high-skilled jobs requiring up to and including a two-year college degree. These occupations include “welding, solderers, and brazing machine setters,” “team assemblers,” and “aircraft structure, surfaces, rigging, and systems assemblers.” Of these three occupations, the “team assemblers” segment is expected to experience the largest number of average annual openings with 1,460 jobs per year.

For the years 2008-2018, occupations classified as *declining* in Alabama are selected based on the net loss of jobs anticipated over this period, as well as a minimum of a 10 percent decline through 2018. Half of the 20 jobs listed are in the “production occupations” sector, which are jobs directly involved in creating new goods. “Sewing machine operators” is the number one occupation on the *declining* list, with a net loss of 1,760 jobs. Seven out of the 20 fastest *declining* jobs over the period are expected in the “office and administrative support” sector. These occupations include file clerks, order clerks, computer operators, switchboard

operators, mail clerks and mail machine operators, postal service mail sorters, and new accounts clerks. Of these office jobs, file clerks are projected to decrease by 960 jobs over this 10 year period.

**Describe the workforce and infrastructure needs of business in the State of Alabama:**

Workforce needs include employee recruiting, screening, and training services that are provided at little or no cost to companies seeking to locate, begin, or expand their businesses in Alabama. Infrastructure needs for such businesses include adequate plant location sites, well-developed and interconnected roadways, water systems and port facilities, airport facilities, and computer/information technology and communication systems for use in manufacturing and transporting goods and products.

Alabama has addressed these needs to the point that, in 2013, Alabama was ranked by the magazine *Area Development Site and Facility Planning* as the fourth top State for doing business, based on the categories of (1) business environment, which considers costs, taxes and regulations, incentives, etc., (2) labor climate, which considers diversity, costs, development programs, etc., and (3) infrastructure and global access factors, which includes rail/highway access, shovel-ready sites, utility rates, and logistics access. Alabama’s chief attribute is having a proven track record in economic development in that companies in the fields of aerospace, defense, automotive, agricultural products, food production, steel/metal products, forestry products, and chemicals have located and expanded within the State. Alabama’s State and local leaders implement “*Accelerate Alabama*,” the long-range economic development plan that is based on three components: recruitment of new business and industry to the State, retention and expansion of existing businesses and industry within the State, and creating new jobs through innovation, entrepreneurship, research, development, and commercialization. Alabama’s skilled work force is partly due to the Alabama Industrial Development Training (AIDT) Division within the Alabama Department of Commerce, as AIDT is a key component of the State’s workforce development infrastructure that manages a recruitment, screening, and training services program assisting new and expanding businesses, especially manufacturers, at no cost to the businesses. Alabama’s community college system offers more than 150 career technical programs. Another asset is Alabama’s extensive transportation and shipping infrastructure developed to serve economic development, as Alabama is situated within one day’s drive to one-half of the United States’ population. On Alabama’s Gulf Coast, there are over 4,000 acres of ocean port facilities, including the Port of Mobile that is an intermodal facility comprising the sixth-busiest port in the world. Alabama’s ocean ports connect to a 3,000-mile railroad system and six interstate highways. Companies involving aerospace, automotive, bioscience, advanced manufacturing, distribution, information technology, and chemicals comprise Alabama’s high-growth industries. Investments by Mercedes, Honda, Hyundai, Toyota, and Volkswagen drive the automotive job sector. The shipbuilder Austal USA produces next-generation warships for the U.S. Navy near the Port of Mobile. And Airbus’s assembly facility in Mobile will produce the A320 family of passenger jets starting in 2015, as that site maintains an airport, ocean port, and an adequate amount of land while the work force is trained in skills similar to that of aircraft assembly.

Also, in July 2011, Alabama’s Governor issued an Executive Order creating the Alabama Economic Development Alliance, which was tasked with developing direction for Alabama’s future economic development efforts. The Alliance produced the economic development strategic plan for the State, termed *Accelerate Alabama*. The “Accelerate Alabama” plan reveals that Alabama needs to diversify its efforts by emphasizing (1) recruitment, (2) retention, and (3) renewal as tools to accelerate economic development. For (1) recruitment to attract new business and industry, Alabama needs to focus on providing a workforce with skills that are aligned with prospective companies’ employment needs; ensuring that geographic sites with infrastructure suitable for business and industry are available to meet these companies’ operating criteria; determining the availability and competitiveness of financial aid that will assist companies with product research and development, and business development and expansion; reaching out to prospective businesses in a proactive manner; and building capacity for the State to recruit diverse industries – that will also include entertainment-related productions (such as production companies to film movies and television shows in the State). For (2) the retention and expansion of existing businesses and industries, Alabama needs to focus on aligning its workforce services so that education and training of employees, communication with and among businesses and industries, and fulfillment of evolving technological needs flow as collaborative and productive efforts; strengthening its training capabilities for the existing labor pool so as to develop skills that can translate to evolving business requirements; developing initiatives to assist business growth in rural areas; increasing exports so as to expand the customer base and increase profits that will translate into further investment; and support military bases and defense contractors as assets to - and vital partners in - the State’s economy. For (3) the renewal of interest in business and industry, Alabama needs to develop a statewide legislative agenda for creating government and organizational capability to assist in business innovation (such as creating State agencies to focus solely on economic development assisting business and industry, and offering tax credits and financial incentive packages to business and industry); build the State’s research and development capacity (such as through school/university and business partnerships); coordinate and increase efforts to commercialize resources (such as developing additional uses for the State’s raw materials and natural resources; and generating tourism for the State’s rivers, beaches, and waterways, the State Parks’ nature/hiking trails and camping facilities, local public golf courses, etc.); support downtown revitalization for business, residential, and transportation growth; and proffer sustainability and renewable resource efforts (to include forestry and paper product development, solar and wind power diversification to accompany fossil fuel and hydroelectric power use, etc.) that can drive this development potential.

**Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create:**

In addition to the Alabama Economic Development Alliance’s economic development strategic plan for the State, termed *Accelerate Alabama*, described in the section above, the University of Alabama Center for Business and Economic Research (CBER) issued the “State of the Workforce Report V: Alabama” in June 2011, which report details the skill and educational requirements in a projected labor market where those seeking jobs outnumber the available jobs. These details are as follows:

Skill and education requirements for jobs keep rising. Educational and training requirement of high-demanded, fast-growing, and high-earning occupations demonstrate the importance of education in developing the future workforce. In the future, more jobs will require postsecondary education and training at a minimum. The importance of basic skills generally and for high-demand, high-growth, and high-earning jobs indicates a strong need for training in these skills. The pace of training needs to increase for technical and systems skills, while the scale of training is raised for basic and social skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills. Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps. From a 2008 base, a worker surplus of about 116,880 for 2018 and a worker shortfall of almost 73,317 for 2025 are expected. This will demand a focus on worker skills through 2018, after which both skills and the expected shortfall must be priorities for 2025. Worker shortfalls for critical occupations will need to be addressed continuously. Strategies to address skill needs and worker shortfalls might include:

a. Improvements in education and its funding;

b. Continuation and enhancement of programs to assess, retrain, and place dislocated workers;

c. Focus on hard-to-serve populations (e.g. out-of-school youth);

d. Lowering of the high school dropout rate;

e. Use of economic opportunities to attract new residents;

f. Facilitation of in-commuting, and

g. Encouragement of older worker participation in the labor force.

Workforce development must view all of education and other programs (e.g. adult education, career technical training, worker retaining, career readiness, etc.) as one system. Funding to support workforce development may require tax reform at state and local levels and should provide for flexibility as workforce needs change over time and demand different priorities. Publicizing both private and public returns to education and encourage individuals to raise their own educational attainment levels, while also promoting public and legislative support for education. Higher incomes that come with improved educational attainment and work skills will help to increase personal income for the state as well as raise additional tax revenues for the state and local (county and city) tax jurisdictions. This is especially important for a state that has a low population and labor force growth rates. Together, workforce development and economic development can build a strong, well-diversified Alabama economy. Indeed, on cannot achieve success without the other.

In light of the above information, the workforce development system has been trying to ensure (and continues to work toward) that those seeking job training are only enrolled into programs that have a good change of providing a positive outcome (sustainable) employment for those who successfully complete training to include graduation from a postsecondary institution.

Among current and future economic trends, an assessment of the current situation and projected trends of the state’s economy, industries and occupations, including major economic regions and industrial and occupational sectors is as follows. The population in Alabama is expected to increase from just over 4.6 million in 2008 to close to 5.1 million by the year 2018. Industry employment in the state will increase over 13% for 2010-2020, for an average increase of 1.4 percent. Alabama’s economy is expected to provide an estimated 282,000 new jobs by 2020. Approximately 62% of all projected employment openings over the 10-year period will be due to employee turnover and retirements, and the remainder should be attributed to growth.

Net change is the difference between the 2010 and 2020 employment levels for the 10 year projection period. Percent change represents the share of net change to the 2010 base year to the 2020 projected year. Industries that provide services are expected to add 235,000 which translates to an employment change of over 15%. Within the service providing group, Healthcare and Social Assistance is anticipated to have the most new jobs with 77,000. Industries that produce goods are anticipated to produce just at 42,300 new jobs with a 7% change in employment. Within Manufacturing Durable goods are expected to add new jobs around 23,000; whereas Nondurable Goods are expected to lose close to 3,000 jobs over the period. In terms of high growth, healthcare support occupations are expected to grow the most, at an annual average rate of 2.11%. Computer and mathematical occupations are expected to grow an average 2.03% annually with 825 new jobs and 830 needed for occupational replacement.

As *Alabama Fastest Growing Occupations 2010-2020* depicts, over half of Alabama’s top 20 fastest growing occupations are expected to be in health related occupations. Additionally, Home Health Aides is projected to add the greatest quantity of jobs over the period with 7,860, climbing from 11,370 in 2010 to 19,230 in 2020. Topping the fast-growing list is Personal and Home Care Aides which is projected to increase by 71% through 2020, adding 2,990 jobs by 2020. Although fast growing occupations offer new employment opportunities because of growth, they may not provide the high number of annual job openings in comparison to high demand occupations. Occupations classified as high demand are selected based on growth rate, annual openings, and wage criteria; these can be found in *Alabama High Demand Occupations 2010-2020*. Twenty-one of the top forty occupations are health related; Registered Nurse, Physical Therapists, Dental Hygienists, Physical Therapist Assistant, Medical and Public Health Social Worker, Occupational Therapists, Anesthesiologists, Pharmacists, Family and General Practitioners, Medical and Health Service Managers, Radiologic Technologists and Technicians, Diagnostic Medical Sonographers, Home Health Aides, Dentists, Physician Assistants, Medical Secretaries, Surgeons, Medical Assistants, Personal and Home Care Aides, Licensed Practical and Licensed Vocational Nurses, and Dental Assistants. Of all the occupations on the entire list, Registered Nurses are expected to have the most openings with 1,990 per year. Seven computer and mathematical occupations met the high demand criteria and four appear at the top of the list; Software Developers/Systems Software, Software Developers/ Applications, Computer Systems Analysts, and Network and Computer Systems Architects and Administrators. Computer Systems Analysts are anticipated to have the most openings for the computer and mathematical occupations group with an annual average 320 jobs through 2020.

**How do the skills and education of the current workforce correspond to employment opportunities in the State of Alabama?**

According the Census figures collected from 1990-2009, Alabama citizens’ educational attainment reflects an increase in school completion rates. In 1990, 75.2 percent of the nation’s adults age 18 and over reported that they had graduated from high school, and Alabama’s figure was 66.9 percent. In 2000, 80.4 percent of the nation’s adults reported they had graduated from high school, and Alabama’s figure was 75.3 percent. And in 2009, 85.3 percent of the nation’s adults reported they had graduated from high school, and Alabama’s figure was 82.1 percent. In 1990, 20.3 percent of adults reported that they had earned a Bachelor’s degree, and Alabama’s figure was 15.7 percent. In 2000, 24.4 percent of the nation’s adults reported that they had earned a Bachelor’s degree, and Alabama’s figure was 19 percent. And in 2009, 27.9 percent of the nation’s adults reported that they had earned a Bachelor’s degree, and Alabama’s figure was 22 percent. In 1990, 7.2 percent of the nation’s adults reported they had earned an advanced college degree, and Alabama’s figure was 5.5 percent. In 2000, 8.9 percent of the nation’s adults reported they had earned an advanced college degree, and Alabama’s figure was 6.9 percent. And in 2009, 10.3 percent of the nation’s adults reported they had earned an advanced college degree, and Alabama’s figure was 7.7 percent.

Alabama’s *Integrated Workforce Plan 2012-2016* reports that in June 2012, Alabama’s nonfarm employment totaled 1,875,200. In general, high-earning occupations require high educational attainment levels; all but two of the high-earning occupations require a bachelor’s or higher degree. Twenty-seven (66 percent) of the 41 high-demand occupations require an associate degree at the minimum and 23 (56 percent) require a bachelor’s or higher degree. Twenty-one (52 percent) of the 40 fast-growing occupations require an associate degree at the minimum and 16 (40 percent) require a bachelor’s or higher degree. The 2010 to 2020 occupational projections indicate that future jobs will require postsecondary education and training at a minimum. Job ads are increasingly requiring a high school diploma or GED at a minimum. Of the state’s 905 occupations and occupational categories, 117 are expected to decline over the period and education and training for these should slow accordingly.

Alabama’s *Integrated Workforce Plan 2012-2016* also reports that skill and education requirements for jobs keep rising. Educational and training requirements of high-demand, fast-growing, and high-earning occupations demonstrate the importance of education in developing the future workforce. Alabama expects that in the future, more jobs will require postsecondary education and training at a minimum. The importance of basic skills generally and for high-demand, high-growth, and high-earning jobs indicates a strong need for training in these skills. The pace of training needs to increase for technical and systems skills while the scale of training is raised for basic and social skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills. Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

From a 2008 base, a worker surplus of about 116,880 for 2018 and a worker shortfall of almost 73,317 for 2025 are expected for Alabama. This will demand a focus be placed on worker skills through 2018, after which both skills and the expected shortfall must be priorities for 2025. Worker shortfalls for critical occupations will need to be addressed continuously. The strategies to address skill needs and worker shortfalls can include:

a. Improvements in education and its funding;

b. Continuation and enhancement of programs to assess, retrain, and place dislocated workers;

c. Focus on hard-to-serve populations (e.g. out-of-school youth);

d. Lowering of the high school dropout rate;

e. Use of economic opportunities to attract new residents;

f. Facilitation of in-commuting, and

g. Encouragement of older worker participation in the labor force.

Alabama’s workforce development is starting to view all of education and other programs (e.g. adult education, career technical training, worker retaining, career readiness, etc.) as one system. Funding to support workforce development is going to require tax increases at the State and local levels, but would provide for flexibility as workforce needs change over time and demand different priorities. Publicizing both the State’s private and public returns to education encourages individuals to raise their own educational attainment levels while also promoting public and legislative support for education. Also, higher incomes that come with improved educational attainment and work skills will help to increase personal income for the State as well as raise additional tax revenues for the State and local levels. This is especially important for a State that has a low population and labor force growth rates. Together, workforce development and economic development can build a strong, well-diversified Alabama economy. Indeed, one cannot achieve success without the other. In light of the above information, the workforce development system has been trying to ensure (and continues to work toward) that those seeking job training are only enrolled into programs that have a good change of providing a positive outcome (sustainable) employment for those who successfully complete training, to include graduation from a postsecondary institution.

Coupled with its current stage of increased education completion rates, Alabama is at a pivotal point in time where workforce development is critical to the success and continued growth of its citizens and businesses. Because job skills, education, and training are the tools individuals need to obtain a job and enjoy the quality of life they desire, ADECA’s Workforce Development Division receives funding from the U.S. Department of Labor to expend in preparing individuals with the occupational skills necessary for work, to recruit, place, mentor, and counsel potential employees, and to combine the State’s education, employment, and job training efforts. Alabama's workforce development system works to manage persistent labor shortages, increase the business community's satisfaction with education and training in the State, ensure that workforce development is equivalent to economic development, and integrate special populations into the economic mainstream.

Alabama has been very successful with industrial recruitment through its agencies’ combined efforts. However, the State must also continue to focus on retaining and expanding jobs of existing industries by ensuring the workforce is well trained, and that the training needs of businesses and industry are met. Other areas that are important to the retention and expansion of jobs in the State include providing continual support for export development and for contractors working in the State. The Alabama Community College System (ACCS), which is comprised of 22 comprehensive community colleges and four technical colleges, the Alabama Industrial Development Training (AIDT), and the Alabama Technology Network (ATN), all work under the umbrella known as the Alabama Workforce Training System (AWTS). The AWTS is part of the State’s plan to coordinate workforce training efforts within the state, as formally aligning these efforts will result in better training for employees and better services for companies in Alabama. The entities that comprise AWTS are represented on the Alabama Workforce Investment Board, which is in place to ensure that a well-educated and trained workforce for Alabama’s existing business and industry is essential, resulting in their long-term growth, development, and retention within the State.

To accomplish these objectives, the State’s plans include developing and implementing a program to communicate education and workforce services that are available to businesses, workers, and students. The State is working to build a more efficient and more collaborative alignment of workforce programs through oversight by the Alabama Workforce Investment Board. Additional major initiatives include developing programs (high school, and two-year and four-year college programs) to produce qualified workers with skills that are in urgent demand, such as industrial maintenance technicians, industrial and electrical engineers, IT professionals, welders, sheet metal workers, robotic technicians, etc. The State also has plans to utilize technology (such as long-distance learning) to extend education and training resources in the State to more Alabamians, and to develop strategies for enhancing awareness of opportunities by way of Alabama’s two-year community college system. Additionally, Alabama wants to ensure that industry is aware of the State’s workforce training initiates that meet those industries’ skill shortage requirements. The State is utilizing its governmental workforce development resources to provide a workforce whose skills are aligned with the needs of future prospects. It is also putting the “Training for Existing Business and Industry” (TEBI) programs in the community colleges through a “re-engineering” and “re-focus” process so as to update them for modern-day effectiveness. The State is also developing and implementing the Governors Small Business Assistance Initiative through the community colleges and TEBI programs. And it is developing a strategic plan that is based on business and student needs so that they are aligned with current and future job opportunities across the state.

**Describe current workforce training initiatives supported by the State of Alabama. Describe how these efforts will support the State’s Consolidated Plan.**

Alabama’s *Integrated Workforce Plan 2012-2016* reports that the vision for Alabama’s workforce development is to provide a market-driven system that delivers services to customers using an innovative and comprehensive approach. To facilitate this effort, Alabama's Governor Robert Bentley issued Executive Order Number 21 creating the Alabama Economic Development Alliance to more effectively and efficiently utilize the job creation and workforce development assets of the State of Alabama. The Alabama Economic Development Alliance consisting of State agencies, the Alabama Community College System, University and research organizations and local economic development agencies led the economic development strategic plan for the State known as “*Accelerate Alabama*.” This plan is as follows:

*1. State Workforce System Strategic Direction:*Eleven targeted business sectors, along with areas of focus for each, have been identified for the state of Alabama to focus its recruitment, retention and renewal efforts over the next three years. The determination of the targets identified for “Accelerate Alabama” involved thorough research, including the review of the current business/industry base in Alabama, current targeted sectors of state, regional and local economic development organizations in Alabama, as well as the various power providers, recent project activity, and other emerging sectors that have shown growth at the national, state and possibly local level. The strengths of Alabama, related to each sector, have also been considered. These targeted sectors are:

a. Advanced Manufacturing industries which include aerospace defense, automotive, agricultural products/food production, steel/metal, forestry products, chemicals;

b. Technology including; biosciences, information technology, enabling technologies (nano, photonics, robotics);

c. Corporate Operations; and

d. Distribution/Logistics.

*2. Workforce Preparation, Skill Development, Education, & Training Investments:*Alabama has been very successful with industrial recruitment through combined efforts, which rival that of any state. The state must also continue to focus on retaining and expanding jobs of existing industries by ensuring the workforce is well trained and training needs of business and industry are met. Other areas, important to the retention and expansion of jobs in the state, include continuing support for export development and contractors in the state. The Alabama Community College System (ACCS), which is comprised of 22 comprehensive community colleges and four technical colleges, Alabama Industrial Development Training (AIDT), and the Alabama Technology Network (ATN); under the umbrella known as the Alabama Workforce Training System (AWTS). The AWTS is part of Governor Bentley’s plan to coordinate workforce training efforts in the state. Formally aligning these efforts will result in better training for employees and services for companies in Alabama. These entities which comprise AWTS are represented on the Alabama Workforce Investment Board. A well-educated and trained workforce for Alabama’s existing business/industry is essential, resulting in their growth and development in the state long-term.

a. Develop and implement a program to communicate education and workforce services available to business, workers, and students.

b. Build a more efficient and more collaborative alignment of workforce programs through oversight by the Alabama Workforce Investment Board.

*3. Major Initiatives:*The major initiatives in these efforts are as follows:

a. Develop programs (high school, two-year, four-year) to produce qualified workers with skills that are in urgent demand, such as industrial maintenance technicians, industrial and electrical engineers, IT professionals, welders, sheet metal workers, robotic technicians, etc.

b. Utilize technology, long-distance learning, etc. to extend education and training resources in the state to more Alabamians and develop strategies for enhancing awareness of opportunities. This is being accomplished via ADOL Community College TAACT discretionary grant.

c. Ensure industry is aware of workforce training initiates that meet skill shortage requirements.

d. Evaluate existing studies to identify, by region, the infrastructure projects that would have the greatest impact on economic development recruitment.

e. Determine what transportation (water, rail and air) or community infrastructure (water, sewer, and telecom) investments can create opportunities in the state, including in rural, underserved regions.

f. Provide a workforce whose skills are aligned with the needs of future prospects.

g. Strengthen the Training for Existing Business and Industry (TEBI) programs in Alabama Community colleges through a “re-engineering” and “re-focus” process.

h. Develop and implement the Governors Small Business Assistance initiative through the ACCS, AWTS and TEBI programs.

i. Develop a strategic plan based on business and student needs aligned with current and future job opportunities across the state.

*4. Workforce Development Partner Alignment:* The Governor’s vision for aligning efforts among workforce development partners so as to achieve accessible, seamless, integrated, and comprehensive services is as follows:

a. Alabama’s vision is to provide a workforce whose skills are aligned with the needs of current and future employers. This will be accomplished by coordinating the various state, federal, and local workforce educational programs and assessing the programs at two-year community colleges to determine the alignment with the eleven targeted sectors. Use of available labor market information and existing industry input to asses current workforce needs; identify skill sets; and job classifications that are in the greatest demand. The goal of “*Accelerate Alabama*” is to ensure the formal alignment of workforce services within the workforce system. This will be accomplished by:

i. Implement common strategies that are business focused to stay current and meet the needs of existing industry.

ii. Build a more efficient and collaborative alignment of workforce partner programs.

iii. Ensure that designated staff in the system are trained at the appropriate levels for maximum knowledge of all training services to assist companies and individuals.

iv. Develop user-friendly and easier access to workforce training services.

v. Create a database that indicates services a company has received or needs.

vi. Integrate WIA and other federal and private workforce funds and services.

*5. Economic Development Needs:* The programs and activities that will support the state’s economic development needs are as follows:

a. The Governor’s vision for aligning efforts among workforce development programs to achieve accessible integrated and comprehensive services was expressed by creating the Alabama Economic Development Alliance through Executive Order 21 in July 2011. The purpose of the Alliance is to promote economic development by working in collaboration to ensure the recruitment, retention, and renewal of business and industry in Alabama. The Alabama Economic Development Alliance developed the strategic economic plan for the State, known as “*Accelerate Alabama*”. This plan was formally embraced by Gov. Bentley in January 2012. The Plan is centered on three economic development drivers to address Alabama’s economic development and workforce needs for the next three years. Recruitment will consist of programs that focus on the attraction of new business and industry. The Alabama Department of Commerce and Alabama Marketing Allies will lead statewide recruitment efforts. Retention will consist of programs the focus on the retention and expansion of existing businesses and industry. The Alabama Workforce Training System, the Alabama Workforce Investment Board, and the Alabama Career Center System will assist in statewide retention efforts. Renewal will consist of programs that focus on job creation through innovation, entrepreneurship, research and development, and commercialization. The University and Research Organization will lead statewide renewal efforts.

b. Consider support for a Rural Infrastructure or Development Fund targeted to Alabama’s favored geographic areas that provides financial assistance for infrastructure and other activities that enhance economic growth and development.

c. Partner with the Center for Rural Entrepreneurship to develop other programs in Alabama to support small business/entrepreneurs.

d. Alabama’s economic development goals for attracting, retaining, and growing business and industry within the State, as expressed by the Alabama Department of Commerce, are as follows:

i. Enhance Alabama’s national and international branding

ii. Identify growth sectors and business sectors that are of importance to Alabama’s economy

iii. Identify, recruit, and develop investment projects of Statewide and regional significance resulting in new job creation

iv. Improve Alabama’s competitiveness as a world-class film industry business and production destination

v. Assist and support local and regional economic development organizations in their missions to attract new businesses, retain existing industry and expand existing businesses

vi. Identify and coordinate with local and regional economic development partner’s business retention projects of Statewide significance

vii. Increase export sales of Alabama products and services

viii. Support and encourage job creation in non-established, non-traditional regions

These efforts will support the State’s Consolidated Plan in that current economic development and workforce education and training initiatives - as the ones described above supported by the State of Alabama - will subsequently reflect upon and trickle down to the population's ability to obtain education and retain gainful employment in business sectors wherein positive future growth within communities will ensure continued employment, which then positively impacts citizen's abilities to provide for their own basic needs (such as housing) and the needs of their families and communities. Because "a rising tide floats all boats," the gains through such economic, education, and workforce development efforts will assist the State in implementing this Plan that is ultimately designed to expend federal HUD funds so as to enhance communities' housing efforts, assist with local planning efforts, expand economic development so that jobs are created/retained, and so that other quality of life amenities - in addition to decent and affordable housing - can be made available to community residents.

**Describe any other State efforts to support economic growth:**

The Governor works with the Legislature, the ADECA Director, the Chambers of Commerce, and others to formulate annual legislation and initiatives that will assist the State in its efforts to support economic growth. Such efforts typically remain unannounced until they have come to fruition, and a State plan of legislation is actually passed and signed into law. But on January 21, 2015, the Alabama Governor’s Office announced that leaders of Alabama’s economic development team are working with the Governor and other top officials to overhaul Alabama’s incentive laws, enhancing the state’s competitiveness as it pursues new jobs and investment. The Governor and Alabama’s Secretary of Commerce outlined the on-going initiative to members of the [Economic Development Association of Alabama](http://www.edaa.org/)(EDAA) in January 2015. The approach, still in a formative stage, is called the Accelerate Alabama Jobs Incentives Package. Named after the state’s strategic economic development growth plan, [Accelerate Alabama](mailto:http://www.madeinalabama.com/assets/2013/03/AccelerateAlabamaPlan.pdf), the package would provide a new credit for job creation while reducing the state’s reliance on debt to fund incentives. Work on the incentives update has been a collaborative effort, and feedback has been sought from seasoned site selectors, the EDAA, the state’s senior economic development recruiters, the [Economic Development Partnership of Alabama](http://www.edpa.org/), legislative leaders, and others. This new incentives platform is intended to make Alabama more competitive in recruiting new companies and spurring job creation. Since 2011, Alabama created 63,000 new and future jobs, which number includes highly skilled and high-paying jobs. The Accelerate Alabama Jobs Incentive Package features six legislative bills that update the state’s outmoded approach to incentives, which remain a factor in industrial recruitment. An analysis by CBRE Economic Incentives Group found that Alabama is not considered as aggressive as neighboring Southern states when it comes to available incentives for projects. A centerpiece of the Accelerate Alabama Jobs Incentive Package focuses on a job credit that would allow a company making a new investment in the state to collect a cash rebate of 3 percent of the previous year’s gross payroll. Rebates would end after 10 years. This represents a “pay-as-you-go” approach, meaning new revenues flow to state coffers from construction activity, sales and property taxes, and withholding before the incentive is paid out. The Accelerate Alabama Jobs Incentive Package would also extend a credit of 1.5 percent against qualified capital investment expenses for a project that meets designated guidelines, each year for 10 years. This credit could be used to reduce income tax, business privilege taxes, and taxes on utility services. A number of safeguards are built into the package; for example, to receive these incentives, a project must create jobs and its tax payments must exceed the tax incentives being sought. In addition, contractual clawbacks, which allow the state to pursue reimbursements if a project fails to meet promised milestones, would have to be part of every incentives agreement. Also, the Governor would have the power to reduce incentives to ensure that a project’s economic benefits exceed its incentives. The Accelerate Alabama Jobs Incentive Package would also provide additional incentives for companies locating projects in the state’s most rural counties and for those employing Alabama’s military veterans.

**Discussion:**

See the discussion contained in the sections herein above.

**MA-50 Needs and Market Analysis Discussion**

See the discussion contained in the sections herein below.

**Are there areas where households with multiple housing problems are concentrated? (include a definition of “concentration”):**

Concentration, as it pertains to the Consolidated Plan process and to poverty in particular, denotes clustering in certain neighborhoods rather than being evenly distributed across geographic areas. While the State, as a participating jurisdiction, will not attempt to provide any neighborhood-level detail to a much larger narrative, an effort will surely be made to bring some definition to the topic as it relates to Alabama. To borrow some language from a 2011 ACS brief, measuring a concentration of poverty is important “because researchers have found that living in areas with many other poor people places burdens on low-income families beyond what the families’ own individual circumstances would dictate. Many argue that this concentration of poverty results in higher crime rates, underperforming public schools, poor housing and health conditions, as well as limited access to private services and job opportunities”. While the actual topic concerns the traditional four housing problems, it is important to recognize the pervasiveness of poverty and how income, employment, and economic well-being affect owners and renters in Alabama. Overcrowding (more than one resident per room) and severe overcrowding (more than 1.5 residents per room) affect 1.9% of Alabama households according to the 2010 Census. The highest percentages of crowded households are found in a mix of somewhat dissimilar counties across the State. DeKalb County in NE Alabama had the most at 5.6% and four Black Belt counties (Dallas, Lowndes, Perry and Greene) made the top ten as well. The remaining counties were scattered around the state. The least crowded counties – Geneva, Monroe, Conecuh, Fayette, Coffee, and Lauderdale – were also geographically scattered. One factor to be considered is that overcrowding-related statistics do not always portray a true picture. Many poor families in Alabama are doubled up with friends and family and may not be counted in the data made available. The lack of complete plumbing and complete kitchens, as previously mentioned in this document, is statistically improving when the 2000 Census is compared to the 2010 Census. That being said, these are still serious problems to many low-income Alabama renters and owners. Several Alabama counties are more or less equal in the population of households with these housing problems. Virtually all are rural counties with very low median incomes and aging housing stock. Cost burden at ≥30% MFI and Severe Cost Burden at ≥50% MFI remain the most pervasive of the four traditional housing problems. These problems are predictably concentrated in those Alabama counties with the lowest median household incomes and the greatest numbers of residents who live below poverty level. The Black Belt counties, often classified as some of the poorest counties in the United States, have the largest percentages of cost-burdened residents and represent the most visible concentrations of multiple housing problems in Alabama. It is not surprising that the Black Belt counties also have the highest percentages of black residents – as high as 82.6% in Macon County. Blacks in Alabama represent a disproportionate share of poor residents across the state, so struggles associated with poverty such as multiple housing problems are often found in those counties with high numbers of black residents. Jefferson County, for example, with more than one-quarter million black residents, could also be considered an area with a concentration of households with multiple housing problems. That would also be true of any urban area across the state with low-income neighborhoods.

**CDBG Disaster (CDBG-DR):** For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of “concentration”):**

The highest numbers of black residents are found in the following ten counties (in order): Jefferson, Mobile, Montgomery, Madison, Tuscaloosa, Lee, Dallas, Houston, Talladega, and Calhoun. Since seven of these ten counties are also in the top ten in total population, it’s safe to say that urban settings offer the largest concentration of blacks. The highest percentages of black residents are found in the following ten counties (in order): Macon, Greene, Sumter, Lowndes, Wilcox, Bullock, Dallas, Perry, Hale, and Montgomery. All of these counties are considered Black Belt counties except Montgomery, and the State is aware of at least one definition of “the Black Belt” that includes Montgomery. It should be noted that Dallas County and Montgomery County are in the top ten of both rankings – number of blacks and percentage of blacks.

The rankings above infer that blacks are concentrated in urban areas and across rural Alabama, particularly in the geographic center of the state in the dozen or so counties that make up the Black Belt. The only sizeable ethnic minority in Alabama are Hispanics (of any race). While the state has had a steady influx of other ethnic minorities over the last 25 years – Asians in particular – the Hispanic population is the one that has grown the fastest and the one with the highest level of lower income households. The highest numbers of Hispanic residents are found in the following ten counties (in order): Jefferson, Madison, Shelby, Marshall, Mobile, DeKalb, Morgan, Montgomery, Baldwin, and Tuscaloosa. The highest percentages of Hispanic residents are found in the following ten counties (in order): Franklin, DeKalb, Marshall, Blount, Chilton, Morgan, Bullock, Coffee, Shelby, and Dale. Please note that four counties made both lists and they would represent the highest concentration of Hispanics. Those counties are Shelby, Marshall, DeKalb, and Morgan. All are in the northern part of the state and, in most cases, represent large-scale industry-specific employment opportunities. With regard to concentrations of low income families, it is fair to state that no Alabama county is spared. Only two counties – Shelby and Autauga – have a single digit percentage of residents below the poverty level. The state median is 17.4% at poverty level and Alabama’s Black Belt counties have poverty rates at roughly twice the state median. At the risk of overgeneralizing, there are virtually no urban areas in Alabama without some concentration of low income families. For rural Alabama, and in particular those counties that have been left behind in terms of economic and educational progress, there are certainly concentrations of low income families; the concentrations are just less dense than in the larger urban areas.

**CDBG Disaster (CDBG-DR):** For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**What are the characteristics of the market in these areas/neighborhoods?**

The State again acknowledges a lack of resources and skill in addressing this topic at the neighborhood level or at any level of localized interest. The housing markets in concentrated areas of low income families are a mixed bag. Even if properties are available, there is no guarantee that they will be safe, sanitary and suitable for a family, or affordable.

The affordability of homes for sale throughout Alabama is well documented. The median value of owner-occupied housing units in Alabama (2008-2012) was $122,000, an amount 32.6% less than the national median of $181,400. And to place this in the context of a median income comparison, Alabama’s Median Household Income of $43,160 (2008-2012) was only 18.6% less than the national median of $53,046. The bottom line: There are great numbers of low income families who cannot afford to buy a home in Alabama under any circumstances. The “for sale” housing market is however more family friendly in Alabama than in the nation as a whole. It should also be noted that homeownership across Alabama is not necessarily associated with affluence. Close to half (40.9%) of the 1,289,324 owner-occupied units in Alabama are valued at less than $100,000. This high figure likely represents a great many mobile homes (over 300,000 in Alabama overall) and a large percentage of older housing units that have lost value over the decades and are no longer in high demand. With regards to the rental housing market in concentrated areas of low-income housing, availability is most often driven by simple supply and demand. If an area is economically sound, then rental units considered affordable will be in high demand. Localities, whether urban or rural, with more stagnant economies will likely have more vacancies at any given time. Of Alabama’s 67 counties, all of which have at least some concentration of low income families, about half (34 or 51%) have between 2% and 3% rental vacancies, based on the 2010 Census. Counties with larger percentages of rental vacancies are often those counties with large numbers of seasonal/vacation units or counties with large numbers of college students.

**CDBG Disaster (CDBG-DR):** For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Are there any community assets in these areas/neighborhoods?**

The State cannot properly address this topic. It has been clearly stated that areas of concentration of low income families are pervasive throughout both urban and rural Alabama and the State has neither the resources nor the skill to localize a proper response. For what it is worth, the State of Alabama HOME Program, with additional funding from the Low Income Housing Tax Credit Program, has created thousands of units of affordable rental housing for the past 22 years across the entire state (every county).

**CDBG Disaster (CDBG-DR):** For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**Are there other strategic opportunities in any of these areas?**

The State cannot properly address this topic. It has been clearly stated that areas of concentration of low income families are pervasive throughout both urban and rural Alabama and the State has neither the resources nor the skill to localize a proper response. It should be noted that Alabama stands in the middle of the pack among states in population growth (27th fastest growing overall), so there are clearly some existing industries, like automobile manufacturing, that are continuing to produce job opportunities and some burgeoning industries, like aircraft manufacturing, that also hold great potential. When compared to the U. S. as a whole, Alabama fares less well in some other areas. The education index for example, which shows an educational attainment level in years, reveals that Alabama is the 6th least educated state overall. All in all, Alabama seems to have a fairly unpredictable future with regards to strategic opportunities in the poorer areas of the state. Some of these neighborhoods will be positively affected by economic growth, while many others will hold their course or, in some cases, continue to decline.

**CDBG Disaster (CDBG-DR):** For CDBG Disaster funds (CDBG-DR), State grantees do not have access to this type of local information.

**STRATEGIC PLAN**

**SP-05 Overview**

**Strategic Plan Overview:**

**CDBG:** The State's strategic plan for its CDBG Program is to allocate annual CDBG funds to the following seven categories: (1) County Fund, (2) Large City Fund, (3) Small City Fund, (4) Community Enhancement Fund, (5) Planning Fund, (6) Economic Development Fund, and (7) Section 108 Loan Guarantee Program. Eligible activities are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities.

(1) - (3) The County Fund, Large City Fund, and Small City Fund, also known as Competitive Funds, will be distributed through a competitive grant application process. Eligible communities may submit one competitive application, and the competitive application may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, may be a stand-alone activity to address a specific need, or may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons.

(4) The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. This Fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner that is beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligibleapplicants for the fund are all non-entitlement local governments who meet applicable Thresholds. Applications for this Fund must be submitted by the announced cut-off date.

(5) The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of 20 percent of the project cost will be required*.* However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census), the match may be waived when the applicant lacks the financial capacity. Applications will be considered on a continual basis until the cut-off date.

(6) The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2014 money allocated for the ED Fund, approximately $30,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 Loans Guarantees. Also, ED Float Loans will be covered in this section, since ED Float Loans will be used only for economic development. However, funds used for short-term grants, or ED Float Loans, will come from all categories of grants. The ED Fund projects will be funded under the following four distinct categories:

(a) ED Grants: Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for grants to assist a public, private, nonprofit, or such other entity including a business in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, a loan, or a deferred payment loan, and may pay for activities eligible under the CDBG Program including day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an "as needed" basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project or the results of past projects, or on considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State.

(b) ED Incubator Projects: The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the State program, an “Incubator” is “a building and program operated either by a private entity, a nonprofit organization, or a unit of local government for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State.” Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project, depending on the quality and/or certainty of the proposal.

(c) ED Loans: Eligible applicants may apply for ED Loans anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. ED Loans made from the Revolving Loan Fund will be governed by the same requirements as ED Loans made from the ED Fund. ED Funds used by communities to make ED Loans to private businesses will have a payback requirement. The determination as to the local government’s disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act of 1974, as amended, the State will, as part of all application reviews, recognize the applicant’s right to retain Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions/councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loans, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period, depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. Threshold requirements for ED Loans are listed as follows, and are in addition to overall Thresholds listed earlier in this PY2015 One-Year Annual Action Plan.

(d) ED Float Loans: ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all Fund categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all Funds from which the monies initially came, while the interest will generally be used to increase the State's CDBG ED Fund. As is indicated above under the Section on ED Loans, the State will recognize the local government's right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for the ED Float Loan program will be determined by careful monitoring of the fund flow needs of the CDBG program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined, to the maximum extent possible, that the amount and term of any ED Float Loan will not commit the State's letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year's funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet eligibility Thresholds listed previously herein this PY2015 One-Year Annual Action Plan.

(7) The purpose of the Section 108 Loan Guarantee Program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2015 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

**HOME**: For the HOME Program, it is the State’s intentions at this time to continue to allocate HOME funds for the production of residential rental housing for low-income households and for other uses deemed necessary by the HOME administrator (Alabama Housing Finance Authority) over the next five years as long as the use is consistent with the Consolidated Plan. By combining HOME funds with Low Income Housing Tax Credits, the State has successfully financed the production of thousands of quality affordable rental housing units across the state and in every county since the inception of the HOME Program in 1992. The combination of these two federal programs enables Alabama to expend HOME funds in the most efficient manner – allocating only the amount needed to render a rental housing project financially feasible.

**ESG**: The ESG Program's strategic plan is to provide assistance to all areas of the state wherein ESG funds can be used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities. The ESG Program's funds will be used for the following activities: (1) street outreach, (2) emergency shelter, (3) homelessness prevention, (4) rapid re-housing, and (5) the Homeless Management Information System.

(1) Street Outreach: Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of (a) 60 percent of that fiscal year’s total ESG grant award, or (b) the amount of the State’s FY2010 grant funds committed to street outreach and emergency shelter activities. Eligible costs can include engagement, case management, emergency health services, emergency mental health services, transportation, and services to special populations.

(2) Emergency Shelter: The types of assistance include providing essential services to homeless individuals or families in emergency shelters, operating costs for emergency shelters, costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Staff costs related to carrying out emergency shelter activities are eligible. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of (a) 60 percent of that fiscal year’s total ESG grant award, or (b) the amount of the State’s FY2010 grant funds committed to street outreach and emergency shelter activities. Eligible costs include essential services, shelter operations, renovation (conversion, major rehabilitation, other renovation), and assistance required under URA.

(3) Homelessness Prevention: Assistance may be provided to individuals and families who meet HUD’s definition of at risk or at imminent risk of homelessness. Individuals and families must have an income below 30% of Area Median Income. Staff salaries related to service provision are eligible. Eligible costs include rental assistance, housing relocation, and stabilization services.

(4) Rapid Re-Housing: Assistance may be provided to individuals and families who meet HUD’s definition of being literally homeless. Staff salaries related to service provision are eligible. Eligible costs are the same as those for Homelessness Prevention.

(5) Homeless Management Information System (HMIS): HMIS is a statutory requirement of the HEARTH Act. Victim service providers cannot participate in HMIS. Legal services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated reports. Eligible costs include purchasing or leasing equipment or computer hardware; purchasing software licenses; obtaining technical support; leasing office space; overhead charges such as electricity, phone, water, gas, and high-speed data transmission necessary to operate the HMIS; salaries necessary to operate the HMIS; travel to attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; travel costs to conduct intake; and paying participation fees charged by the HMIS Lead Agency designated by the Continuum of Care to operate the area’s HMIS.

**HOPWA**: The HOPWA Program's strategic plan is for AIDS Alabama to administer five types of housing programs geared toward persons living with HIV and AIDS. The HOPWA Program's funds will be used for the following activities: (1) rental assistance, (2) emergency shelter, (3) transitional housing and the "Living in Balance Chemical Addiction Program", (4) permanent housing, and (5) service enriched housing. These five housing programs are available to all eligible persons throughout the State:

(1) Rental Assistance: To provide a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists (a) short-term rent, mortgage, and utility assistance, (b) tenant-based rental assistance, and (c) project-based rental assistance.

(2) Emergency Shelter: To provide emergency shelters with beds dedicated to HIV/AIDS consumers operating in Alabama as a means of offering emergency housing to this population.

(3) Transitional Housing and the Living in Balance Chemical Addiction Program: To provide transitional housing to homeless, HIV-positive individuals by way of providing beds in apartments congruently with providing treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem.

(4) Permanent Housing: To provide permanent housing that is available to homeless, HIV-positive individuals.

(5) Service Enriched Housing: To provide this housing to homeless, HIV-positive individuals.

**SP-10 Geographic Priorities [see 24 CFR 91.315(a)(1)]**

**Geographic Area**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Geographic Area** | | | | |
| **Sort #** | **Area Name** | **Area Type** | **Include** | **Action** |
| 1 | CDBG: Alabama's non-entitlement eligible communities | Units of local government | 🞎 |  |
| 2 | HOME: Alabama statewide | Not applicable | 🞎 |  |
| 3 | ESG: Alabama statewide | Not applicable | 🞎 |  |
| 4 | HOPWA: Alabama statewide | Not applicable | 🞎 |  |

**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama:**

**CDBG**: The CDBG Program's funds may only be expended in the State of Alabama's non-entitlement areas. These areas are those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile.

**HOME**: For the HOME Program, the State will conduct an annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2015 and through 2019:

* Projects that add to the affordable housing stock;
* Projects, which, without HOME funds, would likely not set aside units for lower income tenants;
* Projects which use additional assistance through federal, state, or local subsidies; and
* Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

**ESG**: The ESG Program may provide funding assistance to all areas of the State of Alabama.

**HOPWA**: AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

**SP-25 Priority Needs [see 24 CFR 91.315(a)(2)]**

**Priority Needs Defined:**

**CDBG**: Each CDBG-funded activity must address at least one of the three National Objectives of the CDBG program. These are as follows:

1. Benefit low and moderate income persons, of which at least 51% must be from low and moderate income households; and for single family housing activities, these must benefit 100% low and moderate income households;

2. Aid in the prevention or elimination of slums and blight; or,

3. Meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available.

In addition to meeting at least one of these three National Objectives, activities must meet one of the following three performance goals:

1. Create suitable living environments;

2. Provide decent affordable housing; or

3. Create economic opportunities.

Further, the selected activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services;

2. Improve affordability of housing or other services; and/or

3. Improve sustainability by promoting viable communities.

Based on these HUD and State mandates, the CDBG program allows Alabama's non-entitlement communities to establish - and select for submitting funding applications - their own local priorities that are based on their own local community needs assessments. ADECA has found that, based on previous years’ applications submitted from local governments seeking CDBG Program funds, most of the priorities focus on the following commonly-funded eligible activities: water system improvements, sewer system improvements, road improvements, housing rehabilitation, community enhancement/quality of life improvement projects, economic development projects that create new jobs or retain existing jobs, local government planning projects, downtown planning or revitalization projects, and urgent need projects.

**HOME**: The State recognizes a wide range of needs, encompassing individuals, families, and households of every possible age, race, physical location, and socio-economic status. As administrators of HOME for nearly 25 years, Alabama Housing Finance Authority has a proven track record of exemplary stewardship and countless opportunities have been created for thousands of low-income Alabamians to live, often for the first time in their life, in housing that is new and clean and well-managed and, most importantly, affordable.

Under *Affordable Housing*, the applicable activities and needs are as follows:

**ACTIVITY PRIORITY ACTION**

Rental Assistance Low None Planned

Production of new units High Certainty

Rehabilitation of existing units Medium Possibility\*

Acquisition of existing units Medium Possibility\*

\*While the primary activity for State HOME funds has historically been new construction, some funding sources (HOME, Housing Credits, Multifamily Bonds, etc.) have been used for the acquisition/rehabilitation of certain existing projects, such as older Farmer’s Home (USDA Rural Development) properties. It is a strong possibility that HOME funding will again be allocated for this purpose.

**Narrative (optional):**

The 2010 U. S. Census, along with the multiple variations of the American Community Survey in one, three, or five-year estimates, clearly show statistical evidence of widespread poverty in Alabama that is both alarming and predictable. Poverty, most often characterized by low median household or family income, certainly plays into the ability of Alabamians to reside in housing that is safe, sanitary, and affordable. With regards to the State of Alabama HOME Program, the creation of housing to meet those needs is the chief priority. Portions of the Consolidated Plan have indicated the great numbers of renters and owners with one or more housing problems. Of the four traditionally defined housing problems, the one that is the most pervasive and the one most difficult to mitigate is cost burden. Over 400,000 owners and renters in Alabama whose median income is less than 80% AMI carry a cost burden greater than 30%. An additional 216,000 owners and renters in the 0-80% AMI carry a cost burden greater than 50%. The actual numbers of renters who are cost-burdened at all levels is greater than the number of owners; 321,020 renters v. 303,530 owners. And because only 30% of Alabama households are renters overall, a large disproportionate need exists for renters. The top priority for the use of State HOME funds in 2015-2019 will be the production of affordable rental housing.

**ESG**: The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities (street outreach, emergency shelter, homelessness prevention, and rapid re-housing).

**HOPWA**: Through the most recent needs assessment completed for the HOPWA Program (2010), AIDS Alabama has identified four priority needs to be addressed:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

**SP-30 Influence of Market Conditions [see 24 CFR 91.315(b)]**

|  |  |
| --- | --- |
| **Affordable Housing Type** | **Market Characteristics that will influence the use of funds available for housing type** |
| **Tenant-Based Rental Assistance (TBRA)** | \*See explanation below. |
| **TBRA for non-homeless special needs** | \*See explanation below. |
| **New unit production** | \*See explanation below. |
| **Rehabilitation** | \*See explanation below. |
| **Acquisition, including preservation** | \*See explanation below. |

For the allocation of HOME funds, the State has listed one activity – New Unit Production – as the top and most certain priority and two additional activities – Rehabilitation and Acquisition – with a medium priority. Home developments are funded throughout the state in both urban and rural settings. One of the cornerstones of the HOME application is the section named *Selection Criteria*. It is in this section where the required market study is described in great detail. Under no circumstances will a HOME application be successful without a market study that demonstrates an adequate market for the proposed units. Additionally, proposed HOME projects must not adversely impact any existing AHFA projects or create excessive concentration of multifamily units. All in all, the characteristics of the jurisdiction’s housing market is an integral part of every funding decision and the chief influencer of how HOME funds are ultimately allocated each year.

**SP-35 Anticipated Resources [see 24 CFR 91.315(a)(4), 91.320(c)(1), and (2)]**

**Introduction:**

See the discussion contained in the sections herein below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source of Funds** | **Source** | **Uses of Funds** | **Expected Amount Available: Year 1** | **Expected Amount Available: Remainder of Con Plan** | **Narrative Description** | **Action** |
| **CDBG** | public-federal | Acquisition  Admin & Planning  Economic Development  Housing  Public Improvements  Public Services | Annual Allocation: $21,529,262  Program Income:  $30,000  Prior Year Resources: $1,000,000  Total: $22,559,262 | $0 | CDBG Funds will be expended among the following Fund Categories:  County Fund =  $2,500,000;  Large City Fund =  $4,658,385;  Small City Fund =  $5,200,000;  Economic Development Fund = $4,850,000;  Planning Fund = $125,000;  Community Enhancement  Fund = $3,450,000;  State Administration = $530,585;  State Technical Assistance = $215,292.  The amounts allocated to each Fund category are determined by the amounts requested in the applications received each year.  Funds are awarded based on the quality of applications received.  Each applicant estimates the amounts needed for each activity. | **CDBG** |
| **HOME** | public-federal | Acquisition  Homebuyer Assistance  Homeowner Rehab  Multifamily Rental New Construction  Multifamily Rental Rehab  New Construction for Ownership  Tenant-Based Rental Assistance (TBRA) | Annual Allocation: $7,819,900  Program Income:  $0  Prior Year Resources: $0  Total: $7,819,900 | $0 | The HOME Program's description is contained herein the AP Section - First Year Annual Action Plan, and in the HOME Plan attached hereto at Attachment 1. |  |
| **HOPWA** | public-federal | Permanent Housing in Facilities  Permanent Housing Placement  Short-term Rent, Mortgage, and Utility Assistance (STRMU)  Short Term or Transitional Housing Facilities  Supportive Services  Tenant-Based Rental Assistance (TBRA) | Annual Allocation: $1,483,651  Program Income:  $0  Prior Year Resources: $0  Total: $1,483,651 | $0 | The HOPWA Program's description is contained herein the AP Section - First Year Annual Action Plan. |  |
| **ESG** | public-federal | Conversion and Rehab for Transitional Housing  Financial Assistance  Overnight Shelter  Rapid Re-housing (rental assistance)  Rental Assistance  Services  Transitional Housing | Annual Allocation: $2,524,294  Program Income:  $0  Prior Year Resources: $0  Total: $2,524,294 | $10 million | The amounts allocated to each activity are determined by the amounts requested in the applications received each year. Funds are awarded based on the quality of applications received. Each applicant estimates the amounts needed for each activity. |  |
| **Other:**  **CDBG-DR**  **(Disaster)** | public-federal | Admin & Planning  Economic  Development  Homebuyer Assistance  Homeowner Rehab  Housing  Multifamily Rental  New  Construction  New Construction  for Ownership  Overnight Shelter  Public  Improvements | $28,875,022 | $14,281,621 | The CDBG Disaster Funds are used for tornadoes that occurred in Alabama during April 2011. |  |

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied:**

**CDBG:** This information is also stated in section AP-15 herein below.

The State plans to leverage CDBG funds with the applicant local governments' matching funds if those respective local governments are able to commit their own financial resources to their CDBG projects. The State encourages its non-entitlement local governments to contribute their own funds in the CDBG application process, even if the project is a joint project to be administered via a collaboration between two participating jurisdictions. The satisfaction of match requirements is explained in the CDBG Program's One-Year Annual Action Plan section of this 2015-2019 Five Year Consolidated Plan.

The matching funds requirement will be more specifically satisfied as follows:

1. For the County Fund, Large City Fund, and Small City Fund, up to 20 points on the application's score will be available for communities providing a local match. The points will be awarded based on the percent of local funds divided by the total amount of requested CDBG dollars, as follows: 2 points will be awarded for a 1 percent match, 4 points will be awarded for a 2 percent match, up to 20 points awarded for a 10 percent match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in the County Fund, Large City Fund, or Small City Fund category.

2. The Community Enhancement Fund will require a specific local match equal to or exceeding 10 percent of the amount of CDBG funds requested in the application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match.

3. The Planning Fund will require a cash match of 20 percent of the project cost. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match.

4. For ED Grants, the project must include a local match of at least 20 percent of the amount requested in the ED Grant application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

5. For ED Incubator Projects, the factors to be considered in evaluating the worthiness of such proposals include evidence of local support (financial, professional, or other).

6. For ED Loans, applications for ED Loans will be reviewed for conformance with the thresholds and other factors such as the leverage ratio (private dollars as compared to CDBG dollars).

7. For ED Float Loans, applications for ED Float Loans will be considered based on a thorough review of the project, and the funding decisions will be based on the factors that include loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State.

**HOME**: This information is also stated in section AP-15 herein below.

The State plans to leverage HOME funds with Low Income Housing Tax Credits for the creation of rental housing. Additional funding sources are encouraged in the application process including, but not limited to, Federal Home Loan Bank affordable housing program funds, collaborations with other Participating Jurisdictions in Alabama, and/or the use of bond financing. The satisfaction of match requirements is explained in the Annual Plan section of the Consolidated Plan (see 2015 HOME Action Plan under *VI. COMPLIANCE, E. Matching*). More specifically, the match,

“. . . may be derived from several possible sources including the donation of land by

localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax

exempt bond proceeds, the value waived of property taxes by localities, cash injections

by localities, and any other source which may be determined at a later date. Additionally,

a number of AHFA programs…provide financial assistance to HOME-eligible Alabama

households and a portion of this funding may count as match . . .”

**ESG**: This information is also stated in section AP-15 herein below.

ESG Program funds will provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. Based on the previous year’s (PY2014) allocation, Alabama estimates the PY2015 allocation to be $2.3 million in ESG funds. The State will allocate the funds based on the quality of applications received from local units of government and private nonprofit organizations. ESG funds will be used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities. There are very limited resources at the State level to serve as match for the ESG funds. ESG funding used for the State’s administration of the program is matched by the State. All other ESG dollars must be matched on a dollar for dollar basis by the State’s subrecipients. Cash, donations, or in-kind services may be used as match. Donated property, space, equipment, and materials may also be used to satisfy the matching requirements. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

**HOPWA**: This information is also stated in section AP-15 herein below.

AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is also used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding.

**If appropriate, describe publically-owned land or property located within the State of Alabama that may be used to address the needs identified in the Plan:**

**CDBG**: For the CDBG Program, this information is also stated in section AP-15.

Alabama’s CDBG-funded community development and public improvement project activities typically involve construction or reconstruction that is carried out on the respective local government’s publically-owned land, and such work often involves water system projects (including new or expansion of water pipes, new or rehabilitation of water tanks, and water filtration plants), sewer system projects (new or expansion of sewer pipes, and drainage systems), fire protection projects (including fire stations and fire trucks, and new fire hydrants and flush valves), road projects (for new streets/roads or existing street/road improvement projects), improvements to public facilities that will benefit more than one business (such as railroad spurs), and community enhancement/quality of life projects (including construction of community centers, senior centers, parks and recreational areas, homeless shelters, emergency/ storm shelters), and similar activities. If and when this type of local publically-owned land or property in Alabama is used to address a community’s needs that are authorized by/identified in the PY2015 One-Year Annual Action Plan, then the State requires that such land/property is to be geographically situated within the jurisdiction of the applicant community (county, large city, or small city), and such land/property be the location of, and thus subject to, the CDBG grant application’s approved project activities. And the local governments applying for CDBG Program funds often involve their own publically-owned land or property located within their jurisdictions as the subject of the CDBG project's need that they intend to address via their application for said funds.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Discussion:**

See the discussion contained in the sections herein above.

**SP-40 Institutional Delivery Structure [see 24 CFR 91.315(k)]**

**Introduction:**

The CDBG, HOME, ESG, and HOPWA program administrator groups communicate as needed to coordinate strategies to the greatest extent possible. The creation and coordination of the statewide homeless coalition as well as the continuum of care efforts have aided the State’s ability to provide services in a coordinated manner. Every reasonable effort will be made to pursue the "consolidated" concept and to attempt to make it work in Alabama. In most cases, the four programs serve different clientele. The needs in Alabama are so great that the State’s strategy has been to let each program work to serve one set of needs. There is absolutely no duplication of effort.

Alabama relies heavily on the numerous housing and social service providers in the state to assist in the provision of services. Units of local government, program directors, and others involved in the implementation of housing and social services are consulted on a regular basis to determine the greatest needs and the best way to address them. ADECA will work with all local homeless coalitions, the Alabama Coalition Against Domestic Violence, the Continuums of Care, Community Action Agencies, the Alabama Alliance to End Homelessness and all other groups to assess and address the needs of homeless persons. ADECA, AHFA, and the Governor’s Office have successfully identified the parties interested in the implementation of the housing and non-housing programs addressed in this plan. Further, ADECA, AHFA, and the Governor’s office have developed productive communication channels with these groups. Alabama intends to continue this course in order to maximize the effectiveness of the programs. In regard to HOPWA services, ADECA will continue to work with AIDS Alabama, the State’s most experienced HIV housing provider. AIDS Alabama has administered the statewide HOPWA program for more than eighteen years. AIDS Alabama reports that approximately 14,000 people in Alabama currently have HIV/AIDS. Recent incidence data indicate that the HIV/AIDS population is becoming less concentrated in the 25-44 age category and is extending into a broader array of race/ethnic groups. African-American males reporting sex with another male represent the majority of new HIV cases occurring among adolescents and young adults aged 15 to 29 years. AIDS Alabama provided supplemental information from the Alabama Department of Public Health (ADPH) (2014) HIV/AIDS Statistics, HIV and AIDS by Demographics Group and Exposure Category and the Southern HIV/AIDS Strategy Initiative , HIV Infrastructure Study, Birmingham, AL December 2014 stating, “At the end of 2012, a total of 11,815 Alabama residents were known to be living with HIV and 4,838 (41%) had an AIDS diagnosis.” The CDC estimates 18% of persons infected with HIV are unaware of their status. Applying this percentage to the prevalence suggests 14,426 Alabama residents may have been infected with HIV at the end of 2012. The State of Alabama HIV Surveillance 2012 Annual Report completed through ADPH states that the state of Alabama continues to experience an HIV epidemic of moderate magnitude when contrasted to the experience of other states. As of December 31, 2012, a cumulative total of 17,903 infections have been diagnosed among Alabama residents. During 2012, 661 newly diagnosed HIV infections were reported among Alabama residents. The proportion of persons living with HIV infection increased 21% between 2008 and 2012. This trend is largely due to the introduction of effective drug treatment and therapies, which can often delay the progression from HIV to AIDS, and from AIDS to death. ADPH reports that African Americans continue to be disproportionately affected by HIV in Alabama. African Americans comprise 26% of the state’s population, yet 68% of newly diagnosed HIV infections occurred in African Americans during 2012. African-American males were 6.5 times as likely to be diagnosed with HIV as white males, while the rate of HIV in African-American females was 12.5 times that of white females. HIV rates are also increasing in Hispanics. Alabama is experiencing a downward shift in the age distribution of newly diagnosed HIV infections as adolescents and young adults (15-29) emerged as the most affected age group. While male-to-male sexual activity continues to be the predominant mode of exposure for HIV infection, heterosexual contact is the second most common mode of exposure. It is important to note that the HIV population is aging as a result of effective use of drug treatment and therapies. This trend will eventually impact the State of Alabama’s ability to provide adequate medical and social services (i.e. Ryan White and Medicaid) for the aging population.

AIDS Alabama provides nights of safe, decent, and affordable HIV housing throughout the State, even with the ending of the HPRP program in March of 2012 and the ending of the SAMHSA program in 2013. AIDS Alabama prevents additional HIV-positive individuals and affected family members from becoming homeless through its statewide rental assistance programs. In addition to properties owned and managed by AIDS Alabama, the organization works with eight partnering AIDS Service Organizations to ensure that HOPWA resources are available in all 67 counties of the state. The partners are:

* AIDS Action Coalition – Huntsville;
* Health Services Center – Anniston
* Unity Wellness Center – Auburn;
* Medical AIDS Outreach of Alabama – Montgomery;
* Birmingham AIDS Outreach;
* Selma AIDS Information & Referral;
* AIDS Alabama South (formerly South Alabama CARES) – Mobile; and
* West Alabama AIDS Outreach – Tuscaloosa.

Through this network of experienced providers, HOPWA services are available throughout the entire state; every county is covered by at least one of the AIDS Service Organizations. These agencies maximize HOPWA dollars by coordinating delivery of services with each other and with other funding streams, such as Ryan White, Veterans Administration, McKinney-Vento homeless programs, and other federal and local programs. The greatest gaps faced by these organizations are not the delivery of HOPWA services, but the lack of additional resources to expand housing stock and supportive services available to HIV-positive persons. Extreme poverty and need, inadequate or non-existent transportation systems, and the continuing stigma associated with persons living with HIV serve to increase the challenge of identifying and stabilizing these individuals and families.

As to the strengths and gaps in the delivery system of these programs, the State’s greatest strength is the experience of the entities who administer the Consolidated Plan programs. Both ADECA and AHFA have competent and responsible staffs to carry out the necessary details of the programs. In addition, the capacity to reach more interested parties, including non-profit groups and other community-based organizations, has increased dramatically over the last few years with technical assistance workshops, training sessions, etc. Other strengths include the ability to layer different sources of subsidy to maximize eligible activities. The combination of city funds and state funds, or the layering of HOME dollars and Low Income Housing Tax Credits, are examples of this strength. Among the gaps encountered are the myriad of regulations and red tape inherent with federal programs. The largest gap thus far has been the lack of financial resources to carry out each program to its full potential.

The primary obstacle to service delivery in Alabama is the sheer volume of need. Alabama has some of the poorest counties in the nation. Alabama has incredible employment, medical, educational, and housing needs in the Black Belt counties. However, the Delta Region and the Appalachian Region also have severe needs. Alabama will continue to coordinate efforts between state agencies and individual service providers to ensure the most efficient use of limited federal dollars. When possible, multiple funding sources will be utilized to maximize the impact of individual projects or initiatives. However, Alabama’s current priority is to prevent the duplication of efforts so as to spread resources among the areas with the greatest needs.

Continued review of the competitive rating systems of some of the State’s grant funds will also help to ensure the equitable and efficient distribution of funds. Annual reviews of the CDBG grant process have been effective in improving service delivery.

**Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sort #** | **Responsible Entity** | **Responsible Entity Type** | **Role** | **Geographic Area Served (optional)** | **Action** |
| 1 | Alabama Department of Economic and Community Affairs | Government  If Other, specify: \_\_\_\_\_ | Affordable Housing  🞎 Ownership  🞎 Rental  🞎 Public Housing  🗹 Homelessness  🞎 Non-homeless special  needs  Community Development  🗹 Public facilities  🗹 Neighborhood  improvements  🞎 Public services  🗹 Economic  Development  🞎 Planning | State  If Other, specify: \_\_\_\_\_ |  |
| 2 | Alabama Housing Finance Authority | Public institution | Affordable Housing  🞎 Ownership  🗹 Rental  🞎 Public Housing  🞎 Homelessness  🞎 Non-homeless special  needs  Community Development  🞎 Public facilities  🞎 Neighborhood  improvements  🞎 Public services  🞎 Economic  Development  🞎 Planning | State |  |
| 3 | AIDS Alabama | Non-profit organization | Affordable Housing  🞎 Ownership  🞎 Rental  🞎 Public Housing  🗹 Homelessness  🞎 Non-homeless special  needs  Community Development  🞎 Public facilities  🞎 Neighborhood  improvements  🞎 Public services  🞎 Economic  Development  🞎 Planning | State |  |

**CDBG**: The State awards its CDBG funds to the various units of local government situated in Alabama's non-entitlement communities (cities and counties). The grant recipients can vary from year to year, depending on (i) the eligibility of the local government to apply for said funds, (ii) the number of grant applications submitted to ADECA each year, and (iii) the amount of CDBG Program funds that the State of Alabama is allocated from HUD. Depending on the type of grant application that is submitted, the funded project could be implemented solely by the local government, or by two local governments as a joint project, or by the local government in concert with a business or industry that is seeking to locate in that community and is promising to create or retain jobs within that community. Therefore, specific organizations such as private industry, non-profit organizations, and public institutions, are unknown at this time.

**HOME**: For the HOME Program and the institutional structure through which the AHFA will carry out its consolidated plan including private industry, non-profit organizations, and public institutions, please see the 2015 HOME Action Plan attached hereto as it relates to this question.

**ESG**: The State awards its ESG funds to various local units of government and private nonprofit organizations. The subrecipients vary from year to year depending on the applications received. Therefore, specific organizations are unknown at this time. However, subrecipients may enter into agreements with other local agencies to provide services. Subrecipients or other local agencies may provide services directly or refer the program participants to mainstream social services or housing agencies.

**HOPWA**: The institutional structure through which AIDS Alabama will carry out its HOPWA plan, including the use of private industry, non-profit organizations, and public institutions, is through the use of individual service providers throughout the State of Alabama who are identified as follows:

In the Rental Assistance program, AIDS Alabama pays funds to a tenant’s landlord to cover the difference between market rents and what the tenant can afford to pay. Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

In the Emergency Shelter program, one emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama, and is managed by the Health Services Center of Anniston. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. Additionally, AIDS Alabama operates one emergency bed, which is located in the Transitional Housing Program. AIDS Alabama is in the process of converting a Transitional Housing Program housed in the Rectory into an emergency shelter based program.

In the Transitional Housing and the Living in Balance Chemical Addiction Program, the program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem, and LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

In the Permanent Housing program, permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following: (a) Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS, and there are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes; (b) Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit; (c) The Mustard Seed triplex offers three one-bedroom units in Birmingham;

(d) Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS, and as a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate; (e) Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA; an additional house in Dadeville is also used for the project; and (f) the Le Project is AIDS Alabama’s newest housing program, and it offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families in that, while a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

In the Service Enriched Housing Program, Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following: (a) JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses, all occupants are low-income, the project is funded through HUD as a HOPWA Competitive grant, and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

Additional private industries, non-profit organizations, and public institutions are identified in the HOPWA Program's PY2015 One-Year Annual Action Plan described in the "**AP**" portion of this Plan herein below.

**Assess strengths and gaps in the institutional delivery system:**

**CDBG**: The Strengths: The CDBG grant recipients are the entities who determine what their needs are at the local level. They also have the ability to plan their budgets so as to coordinate contributing and paying the matching funds to the project. With the development and implementation of ADECA's centralized grant application system, the local government grant applicants are better able to coordinate with their grant administrators what are the projects for which funding has been applied for and received, and the timelines for completing those projects and expending the CDBG funds. The Gaps: The ability of local governments in Alabama's non-entitlement areas to apply for CDBG funds and to subsequently implement the funded projects in a timely manner vary greatly, due to their economic situations, political leadership, and ability to administer the grant if their project is selected to be awarded funding. The rural areas of the state are less affluent and are underserved by grant administrators when compared to more populated and metropolitan areas.

**HOME**: For the strengths and gaps in the AHFA’s institutional delivery system for the HOME Program, please see the 2015 HOME Action Plan attached hereto as it relates to this question.

**ESG**: The Strengths: The subrecipients are better able to determine the needs at the local levels. They have the ability to plan their budgets to coordinate delivery of services to the most vulnerable populations. With the development and implementation of the centralized coordinated assessment system, the subrecipients will be better able to coordinate services with other local agencies and avoid duplication of services. The Gaps: The availability of service agencies vary across the state. The rural areas of the state are underserved when compared to metropolitan areas. Where services are available, they may not be accessible to the persons who need them. Public transportation is often unavailable or nonexistent in rural parts of the state.

**HOPWA**: The Strengths: As stated in the section herein above, the institutional structure through which AIDS Alabama will carry out the HOPWA Program is its strength. It has the ability to draw on private industry, non-profit organizations, and public institutions all throughout the State to assist in implementing its plan for the HOPWA funds.

The Gaps: AIDS Alabama works to provide and make available service delivery to homeless, HIV-positive individuals throughout Alabama. However, there have never been more people living in Alabama with HIV disease than today. With this growing population comes the need for additional service providers to work with/provide services to this increasing population. And the needs of the population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. The decline in their income levels, coupled with their HIV status, leads to their need for no-cost or low-cost services for which they often have limited resources to draw from when accessing said services.

**Availability of services targeted to homeless persons and persons with HIV and mainstream services:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Availability of services targeted to homeless persons and persons with HIV and mainstream services** | | | |
| **Homelessness Prevention Services** | **Available in the Community** | **Targeted to Homeless** | **Targeted to People with HIV** |
| Counseling / Advocacy | 🗹 | 🗹 | 🗹 |
| Legal Assistance | 🞎 | 🞎 | 🞎 |
| Mortgage Assistance | 🞎 | 🞎 | 🞎 |
| Rental Assistance | 🗹 | 🗹 | 🗹 |
| Utilities Assistance | 🗹 | 🗹 | 🗹 |
| **Street Outreach Services** | | | |
| Law Enforcement | 🞎 | 🞎 | 🞎 |
| Mobile Clinics | 🞎 | 🞎 | 🞎 |
| Other Street Outreach Services | 🗹 | 🗹 | 🗹 |
| **Supportive Services** | | | |
| Alcohol & Drug Abuse | 🞎 | 🞎 | 🞎 |
| Child Care | 🞎 | 🞎 | 🞎 |
| Education | 🞎 | 🞎 | 🞎 |
| Employment & Employment Training | 🞎 | 🞎 | 🞎 |
| Healthcare | 🞎 | 🞎 | 🞎 |
| HIV / AIDS | 🗹 | 🗹 | 🗹 |
| Life Skills | 🞎 | 🞎 | 🞎 |
| Mental Health Counseling | 🞎 | 🞎 | 🞎 |
| Transportation | 🗹 | 🗹 | 🗹 |
| Other | 🞎 | 🞎 | 🞎 |
| If Other, specify: | | | |

**Describe the extent to which services targeted to homeless persons and persons with HIV and mainstream services, such as health, mental health, and employment services, are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons with HIV within the jurisdiction:**

**ESG**: To some degree, all services identified in the table above are available in communities across the state. However, all services may not be available in the same community. Therefore, services targeted to homeless persons depend on the availability of services in that community. Homeless persons tend to migrate to larger cities. Social services agencies are more prevalent in metropolitan areas. Therefore, metropolitan areas are better able to provide the majority of services.

**HOPWA**: In Alabama, there is the AIDS Service Organizations serving each part of the state. The AIDS Service Organization Network of Alabama (ASONA) is a statewide network of AIDS Service Organizations that provide and deliver services to persons living with HIV/AIDS, many of whom are homeless and/or chronically homeless. It regularly partners with the Alabama Department of Mental Health to provide mental health and substance abuse services, statewide Continuum of Care organizations for HUD-funded homeless programs, public housing authorities administering Shelter Plus Care vouchers, and countless other agencies. Housing is also provided through HUD-funded 811 affordable housing properties. Each ASO typically maintains a wait list for programs because there are shortages of available affordable housing programs statewide.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above:**

**ESG**: The Strengths: The Montgomery area benefits from a new mobile health clinic. Health care services previously unavailable or inaccessible to the homeless population are now both available and accessible. The Mobile area benefits from the implementation of the continuum’s centralized coordinated assessment system. Program participants are able to undergo one needs assessment and move quicker through the continuum’s established members to receive assistance. The Gaps: The availability of service agencies vary across the state. The rural areas of the state are underserved when compared to metropolitan areas. Where services are available, they may not be accessible to the persons who need them. Public transportation is often unavailable or nonexistent in rural parts of the state. The decrease in funds available to operate the service agencies results in fewer persons receiving assistance. Most rental and housing relocation and stabilization services assistance provided through the ESG program is administered by private nonprofit agencies. The requirement to match rental and housing relocation and stabilization services assistance on a dollar for dollar basis causes hardship on agencies. Many agencies choose not to provide this assistance or reduce the amount of assistance provided because they simply cannot meet the match requirement. Homeless families and unaccompanied youth are usually undercounted. Homeless families tend to double-up with family or friends. Homeless youth tend not to congregate in areas frequented by other homeless subpopulations.

**HOPWA**: The CDC released a first of its kind analysis in July 2010 showing that 2.1 percent of heterosexuals living in high-poverty urban areas in the United States are living with HIV. Research demonstrates a direct and independent relationship between improved housing status and reduction in HIV risk behaviors. Homeless or unstably housed persons are up to six times more likely to use hard drugs, share needles, or exchange sex than stably-housed persons with the same personal and service characteristics. Through the many partnerships developed by ASOs in Alabama, we efficiently expend dollars received to help the maximum number of persons living with HIV/AIDS. Unfortunately there is not enough money to meet the need we see on a daily basis.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs:**

**ESG**: Increased funding for programs would narrow the gap in provision of services. Until such time as this happens, agencies will continue to serve reduced numbers of clients. Reduction in the amount of match or elimination of the match requirement for rental and housing relocation and stabilization services assistance would enable agencies to assist more program participants with these services. Better methods to locate homeless youth and homeless families would ensure that these groups are more accurately reported during the annual point in time counts. Locating these groups requires increased conversation between various local entities such as the school systems and police departments and the local continuum of care groups.

**HOPWA**: Presently a bill is before congress to modernize the HOPWA funding allocation to more equitably distribute funding based on living HIV/AIDS cases. Modernization would mean that Alabama would receive nearly twice our current level of HOPWA funding and would allow us to dramatically expand available housing and programs to persons living with HIV/AIDS. Until that happens, limited growth on dollars received by ASOs means agencies must look at other means of finding funding or providing services. In order to overcome the shortages of available affordable housing, AIDS Service Organizations are looking to expand and grow our facilities as well as partnering with mainstream resources to find suitable affordable housing and programs where our funding is not sufficient to meet need. AIDS Alabama and our partners must continually search for alternative and/or new sources of funding to meet the growing need of persons living with HIV/AIDS who, because of advances in available medications, are living longer, healthier, and more productive lives.

**SP-45 Goals [see 24 CFR 91.315(a)(4)]**

**Goals:**

**CDBG**: The overall goals of Alabama’s CDBG Program focus on expending the allocated funds to address the program’s three National Objectives within Alabama’s non-entitlement communities, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These goals are as follows:

Each CDBG-funded project must address at least one of the Program’s three National Objectives:

1. the activity must benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;

2. the activity must aid in the prevention or elimination of slums and blight; or

3. the activity must meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

Each CDBG-funded project must meet one of the following three performance goals:

1. the project must create suitable living environments;

2. the project must provide decent affordable housing; or

3. the project must create economic opportunities.

Each CDBG-funded project must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. the project must improve availability or accessibility of units or services;

2. the project must improve affordability of housing or other services; and/or

3. the project must improve sustainability by promoting viable communities.

The statutory goals “to establish and maintain a suitable living environment, and expand economic opportunities for every American, particularly for very low-income and low-income persons”, are reinforced by the State of Alabama’s long-term objectives:

1. To provide important community facilities that address all aspects of community development.
2. To provide economic development that creates new jobs, retains existing employment, and expands the local tax base.
3. To meet the affordable housing needs of low-, and moderate-income Alabamians.

Additionally, in accordance with the Housing and Community Development Act, the State of Alabama requires that each CDBG funded activity meet at least one of the following three objectives:

1. Benefit principally low- and moderate-income persons; or
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

With respect to short-term objectives, the State of Alabama has identified the following:

1. Allow communities to address the community development needs perceived to be the most important at the local level.
2. Encourage communities to plan for the future.
3. Assist communities in responding to economic development needs in a timely manner primarily through infrastructure assistance.
4. Provide a vehicle to deal with health hazards or urgent needs so that communities can readily respond to crises.
5. Provide a vehicle to address a wide variety of community development needs including housing rehabilitation.

Lastly, the State of Alabama’s CDBG program is to provide a guide for administrating and effectively blending the annual federal allocation of CDBG dollars with local initiatives, both public and private, to address those needs identified in this strategic planning process. To attain this overall goal, CDBG funding will be targeted to a variety of purposes, including community development needs, community planning, economic development needs through infrastructure and loan programs, health hazard or other urgent crises management, job creation, housing rehabilitation, and the Black Belt region initiative implemented back in 2005.

These goals are designed to serve the needs of local non-entitlement communities by distributing the funds in an equitable manner per the federal and state regulations and guidelines. They are designed to assist Alabama’s non-entitlement communities in their immediate efforts to address important community development needs arising at the local level by encouraging these communities to develop plans for implementing infrastructure projects that will allow them to timely address and accommodate economic and development opportunities. They can also include providing health hazard and urgent need/emergency management assistance for these communities to access and activate when responding to disasters and crises, and providing mechanisms for them to use when addressing other development needs which can include housing rehabilitation, and infrastructure replacements and upgrades. They can provide for important community facilities that are intended or designed to address improving the residents’ quality-of-life within the community, promote economic development that can expand the local tax base by creating new jobs and/or retaining existing employment, and meet the long-term affordable housing needs of low- and moderate-income Alabamians.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's CDBG Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🗹 | | |
| Other | | 🞎 | | |
| If Other, specify: | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create economic opportunities | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | | $21,529,262 | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $21,529,262 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **UoM** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | | 100 | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | | 100 | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | | 10 | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | | 10 | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | | 10 | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**HOME**: For the HOME Program, the goals are to create as many new or rehabilitated rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant is carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. The State's goals are to fund 8-12 HOME projects with 350-600 units with the first year's funding under this Five-Year Consolidated Plan, designate 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

As the administrator of the Plans, AHFA’s goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA’s greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA’s standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project’s costs exceed AHFA’s definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan.

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| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's HOME Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🗹 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Affordability | | |
| **Objective:** | | Provide decent affordable housing | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | | $7,819,900 | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $7,819,900 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **UoM** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | | 100 | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | | 100 | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**ESG**: The ESG Program's goals are to provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State went about identifying additional housing resources and case management services, and designated them as priority needs in this Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment, with the outcome being availability/ accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing, with the outcome being affordability. These objectives will be achieved through the following goals:

ESG Program Goal #1: Reducing and ending homelessness through reaching outto homeless persons (especially unsheltered persons) and assessing their individual needs.

The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The State’s goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

b. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

c. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

ESG Program Goal #2: Reducing and ending homelessness through addressing the emergency shelter and transitional housing needs of homeless persons.

The point-in-time counts for 2014 showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. The State’s goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

b. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

ESG Program Goal #3: Reducing and ending homelessness through helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The State’s goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

ESG Program Goal #4: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions.

The State’s goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. ESG subrecipients and second-tier subrecipients will inform those publicly-funded institutions of the available housing options in their service area. This information will be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

ESG Program Goal #5: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are receiving assistance from public and private agenciesthat address housing, health, social services, employment, education, or youth needs.

The State’s additional goal is that ESG subrecipients’ and second-tier subrecipients’ case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. In doing so, case managers will be able to work more closely with mainstream service providers and private agencies which address these needs, and then provide this information to their clients and assist them in obtaining other eligible assistance.

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| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's ESG Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🗹 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create suitable living environments | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | | $2,524,294 | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $2,524,294 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **UoM** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | | 100 | Households Assisted |
| 13 | Homeless Person Overnight Shelter | | 100 | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | | 100 | Beds |
| 15 | Homelessness prevention | | 100 | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**HOPWA**: The HOPWA Program's goals are to address the following four public policy imperatives:

1. Make subsidized, affordable housing - including supportive housing for those who need it - available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

To attain these goals, AIDS Alabama will use the PY2015 HOPWA funds for the following programs:

1. Rental Assistance

2. Supportive Services that include case management, support staff, housing outreach, and transportation

3. Operations of existing housing

4. Master Leasing

5. Resource Identification

6. Housing Information

7. Technical Assistance

8. Administration.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's HOPWA Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🗹 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Provide decent affordable housing | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | | $1,483,651 | | |
| Other - CDBG-DR | |  | | |
| Total: | | $1,483,651 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **UoM** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | | 100 | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | | 100 | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), the goal is to assist as many LMI families who received tornado / storm damage to receive housing assistance as the CDBG-DR funds will allow.

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| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's Disaster / CDBG-DR Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🗹 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create Economic Opportunities | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | | $28,875,022 | | |
| Total: | | $28,875,022 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **UoM** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | | 15,000 | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | | 15,000 | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | | 150 | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | | 10 | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | | 300 | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | | 10 | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | | 200 | Jobs |
| 17 | Businesses assisted | | 25 | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | | 1 | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME [see 24 CFR §91.315(b)(2)]:**

**HOME:** An analysis of the last four\* CAPER *Exhibit C – Summary of Housing Accomplishments* tables shows the following breakdown of HOME beneficiaries by income group:

**Program Year 2013**

0-30% MFI 16% Extremely Low-Income

31-50% MFI 52% Low-Income

51-80% MFI 32% Moderate Income

**Program Year 2012**

0-30% MFI 20% Extremely Low-Income

31-50% MFI 52% Low-Income

51-80% MFI 28% Moderate Income

**Program Year 2011**

0-30% MFI 25% Extremely Low-Income

31-50% MFI 52% Low-Income

51-80% MFI 23% Moderate Income

**Program Year 2010**

0-30% MFI 13% Extremely Low-Income

31-50% MFI 63% Low-Income

51-80% MFI 24% Moderate Income

\*NOTE: The Program Year 2014 CAPER is due to be submitted to HUD by June 30, 2015.

The preceding statistics indicate that, historically, the bulk of HOME units that go into service each year are rented by Low-income Alabamians, or families at 31-50% MFI. Smaller percentages of Extremely Low-Income and Moderate-Income renters also benefit from the use of State HOME funding. If the annual HOME allocation from HUD allows the production of 500 units of affordable rental housing, it is estimated that 20% or 100 will be extremely low-income, 53% or 265 will be low-income, and 27% or 135 will be moderate-income. The actual number of beneficiaries will depend upon the amount of HOME funds the State will receive over the next five years (2015-2019).

**CDBG Disaster (CDBG-DR)**: 3,000 families.

**SP-50 Public Housing Accessibility and Involvement [see 24 CFR 91.315(c)]**

**Need to increase the number of Accessible Units (if required by a Section 504 Voluntary Compliance Agreement):**

Not applicable.

**Activities to Increase Resident Involvement:**

Not applicable.

**Is the public housing agency designated as troubled under 24 CFR Part 902?**

Yes \_\_\_\_ No \_\_\_\_ N/A \_\_X\_\_\_

**Plan to remove the troubled designation:**

Not applicable.

**SP-55 Barriers to Affordable Housing [see 24 CFR 91.315(h)]**

**Barriers to Affordable Housing:**

**CDBG**: Alabama provides the following outline of barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: Land use regulations have been recognized for sometime as a possible impediment to affordable housing. Landmark cases addressing “exclusionary zoning” were undertaken where suburban cities were cited for in engaging in land use practices that would effectively eliminate the poor, and thereby disproportionately minorities, from their jurisdictions. Thus, the potential for misuse of land use regulations is usually on any list of items to be scrutinized for negative impact on housing affordability or accessibility. Generally, the most important land use regulations are the zoning ordinance and the subdivision regulations. Land use regulations in Alabama can impose additional cost to housing in a variety of ways. 2. Building Codes: Similar to land use regulations, over the years a number of builders and advocates of affordable housing have stated that building and housing codes were housing affordability impediments. The codes are often lumped together with zoning ordinances and other land use regulations and it can be unclear to some as where one begins and the other ends. Governmental building codes are often expressed in terms of rigid specifications that can be difficult or costly to comply with. New or different construction techniques and architectural innovations would be satisfactory in terms of safety, comfort, and other measurable standards but are not in compliance unless they meet strict code specifications. Arbitrary and inconsistent building code enforcement has also been cited as a source of additional expense for builders who can be unduly delayed in their construction and/or forced to undertake costly redesigns. As with the land use regulations, building codes in Alabama are adopted and practiced for the most part in the entitlement communities and much of the rural areas in the state are devoid of building code adoption and enforcement.

3. Absence of Land Use Regulation: The absence of certain land use regulations or codes can be as big a problem for those seeking affordable low cost housing as the existence or misapplication of certain codes and regulations.

4. Credit Environment: With the exception of “bubble” years that occurred in the past, lending institutions have historically been conservative and restrictive in their lending practices.

5. Fair Housing Issues/Discrimination: Some Alabama counties and cities have continued to note that discrimination exists as a barrier to affordable housing, but fortunately there are many signs of progress on this front.

6. The NIMBY Syndrome: The NIMBY barrier can be viewed as a classic “haves versus the have-nots” situation where low and moderate income households suffer due to an instinctive response from established communities and neighborhoods. Neighbors affected by the proposed development often have fears and concerns about their property values, crime, traffic congestion, loss of open space, new neighbors and design compatibility.

7. Land Ownership Patterns: Much of the suitable land for development is owned or controlled by a few owners or developers. In these areas owners can generally dictate the extent of housing activity to be carried out on their land. They can also be more selective in dealings to ensure maximum profitability, usually diminishing or precluding affordable housing opportunities for lower income households.

8. Costs Associated With Accessibility Compliance: Accessible housing units can be more costly to construct and the required renovations to existing structures can be especially costly for older structures.

9. Fire Protection Costs: Due to a lack of fire protection in some rural counties, a homeowner’s insurance rates are much higher than typical urban areas thereby causing an overall increase in the cost of housing, or at least negating the usual lower monthly mortgage cost found in most rural areas.

10. Transportation Costs: The cost of and availability of transportation to work, shopping and services is a factor that most definitely affects housing choice and affordability. Outside of urban areas, there has traditionally been very little readily available public transit in Alabama and that which is accessible has often been irregular in the times and patterns of service. As the population continues to age and as fuel consumption issues become more crucial this will be an issue that will likely impact housing opportunity more and more.

Also, during the research, survey, data collection, and focus group/committee outreach, and public forum participation processes that were conducted during 2014-2015 when the State of Alabama worked on producing its 2014-2015 "Analysis of Impediments to Fair Housing Choice," several factors were identified as impediments considered to be barriers to fair housing and affordable housing in Alabama’s local communities. The research revealed that Alabama’s residents seeking housing in the real estate rental market and/or in the real estate sales/purchasing market can face a myriad of barriers when attempting to obtain and maintain affordable housing. Such barriers include:

1. Their ability to rent apartments/homes due to real or perceived discrimination against them (or a member of their family with whom they are associated) emanating from the housing provider based on the renter’s race, color, religion, gender, disability, familial status, or national origin (discriminatory refusal to rent);

2. Their ability to afford decent and affordable housing in their geographic area – based on their income level, employment status, and/or other economic situations;

3. Their ability to apply for/be qualified for/be approved for a mortgage from a financial lending institution that issues mortgages to qualified home buyers – based on their credit history, FICO score, and financial obligations, which can then lead to more frequent denials of home purchase loans;

4. Their ability to possess enough funds with which to use for a down payment on a home;

5. Their ability to speak English – even as a second language – to communicate and understand the requirements with which they have to comply in order to obtain and maintain such mortgage and housing;

6. Their ability to obtain financial loans from a non-predatory lender, and/or at an interest rate, wherein they are not put into a predatory lending cycle from which they will find it difficult to escape;

7. Their knowledge and understanding of their rights and obligations under Alabama’s Fair Housing laws – the enforcement of which is the responsibility of ADECA (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD;

8. The lack of knowledge on the part of the housing provider to not discriminate against prospective renters or owners in providing housing and information on housing that is available;

9. The ability of the housing provider to make affordable housing available to disabled persons due to the housing provider’s failure to make a reasonable accommodation or modification to the property;

10. The insufficient amount of “fair housing testing” and enforcement of the fair housing laws being conducted in Alabama’s non-entitlement areas by the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) as a means of detecting fair housing abuses in the rural areas of the State; and

11. The local communities’ overall ability/inability to attract business and industry to locate therein which would provide residents with employment opportunities and good-paying jobs so that they could improve their – and the community’s – economic situation, with affordable housing being one of the results of such economic improvement.

**HOME**: See the discussion under CDBG above.

**ESG**: See the discussion under CDBG above.

**HOPWA**: See the discussion under CDBG above.

**Strategy to Remove or Ameliorate the Barriers to Affordable Housing:**

**CDBG**: Alabama provides the following outline of strategies designed to address and overcome barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: While in the poor principally rural state like Alabama, land use regulations are unlikely to be adopted and/or enforced, the State’s strategy will be to:

**●** Encourage land use practices that maximize housing affordability and accessibility for low and moderate persons.

**●** Research the feasibility of establishing zoning and minimum housing standards for Alabama’s rural areas.

**●** Implementintelligent and strategic expansion of the level of infrastructure to serve suitable development, especially that which expands housing opportunity for lower and moderate income persons.

2. Building Codes: Given the opportunity, the State will:

●Modify or improve building codes where appropriate with an emphasis on affordability and energy conservation.

●Encourage the development of new building technologies and methods where feasible.

3. Absence of Land Use Regulation: The State will:

**●** Promote the development of planned mobile home parks, particularly in rural and small town areas.

●Take actions to remove substandard structures that are eyesores and which deter development in moderate income neighborhoods.

4. Credit Environment: While the lending practices may have been vindicated by the recent housing crisis resulting from loose lending practices, the strategy would be to:

● Ease down payment burden in cases where other credit qualification factors are strong and the down payment appears to be the only difficulty in facilitating the applicant’s purchase of a home.

●Encourage Alabama banks to pursue Community Reinvestment Act activities.

● Maintain a certain amount of flexibility and creativity in mortgage lending practices where possible and appropriate.

● Promote in-kind services by lenders.

● Promote lending practices that balance the interest of financial institutions versus those of people seeking affordable housing.

5. Fair Housing Issues/Discrimination: The strategy would be to:

● Continue to monitor – and educate – financial institutions about possible discriminatory practices.

●Promote and legitimize quality education and advocacy efforts whose objectives are to overcome impediments or barriers.

6. The NIMBY Syndrome: The strategy would be to:

●Prevent the proliferation of poorly planned developments that tend to perpetuate stereotypical images of lower income housing.

7. Land Ownership Patterns: The strategy would be to:

●Take measures toimpact local land ownership patterns when possible.

● Support local code enforcement programs that put pressure on negligent landlords but also weigh the costs of mandated repairs.

8. Costs Associated With Accessibility Compliance: The strategy would be to:

●Continue present policy and enforcement.

● Monitor changing regulations, realities, and technologies that affect this issue.

9. Fire Protection Costs: The strategy would be to:

●Consider revenue enhancements, when needed to upgrade rural fire protection.

●Consider use of HUD program funds when eligible and feasible to address fire protections needs of rural areas which improve quality of life, safety, health, and help lower housing costs.

● Maintain awareness of potential partner programs that might help the State address the needs of rural areas.

10. Transportation Costs: The strategy would be to:

● The State continually reviews options to use programs to help address transportation costs such as strategic funding of street and road improvements, rural transit systems, and funding of local or regional studies to enhance economical rural transit.

● The state plans to pay particular attention to rural and small town options that allow elderly persons to have a more viable option of remaining in the affordable dwelling they have instead of having to move to managed care housing.

While so many of the priorities that form barriers to affordable housing are essentially local practices, the State will take the steps that it can to encourage and promote this goal. The State will continue to work to upgrade its Fair Housing Law to one that is equivalent to the national law. The State will use its programs (such as the CDBG Enhancement Fund), when possible, to address factors like transportation that often hamper the cause of affordable housing. The State will emphasize that down payment assistance programs are an option under the Community Enhancement Program as well as through the other programs indicated under the preceding Institutional / Financial Constraints section.

Also, the State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" suggested several strategies that could be employed by the State of Alabama (meaning ADECA as the recipient of CDBG Program funds) so as to remove or ameliorate the barriers to fair housing and affordable housing. These strategies are as follows:

1. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama – both housing providers and housing consumers – concerning the State’s Fair Housing laws (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD, and their rights and obligations under those State and federal laws, particularly actions that would be in violation of fair housing laws.

2. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning how prospective housing consumers can acquire and maintain good credit – as part of their effort to afford a home purchase or rent for an apartment.

3. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning the characteristics and attributes of a predatory lending style of loan.

4. The State of Alabama, through ADECA, could identify lenders in Alabama who have disproportionately engaged in predatory-style lending within the State, and then publish the findings so that consumers could more easily obtain this information about these lenders.

5. The State of Alabama, through ADECA, could conduct audit testing to determine the number of properties currently in violation of the fair housing laws, and in particular the disability/accessibility standards concerning housing.

6. The State of Alabama, through ADECA, could contract with the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) or other entities to conduct audit testing and track enforcement activities, particularly in the non-entitlement areas of the State, as a means of detecting fair and affordable housing abuses, determining the extent of existing affordable housing barriers, determining the success of strategies implemented to remove or ameliorate the identified barriers to affordable housing, and determining the extent of enforcement of the fair housing laws within the State.

7. The State of Alabama, through ADECA, could form a task force to devise and oversee methods for positively affecting the identified barriers to affordable housing, and provide reports to ADECA on the task force’s activities.

8. ADECA could post on its website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)) information on fair housing, affordable housing, and related information concerning how to file a complaint under the State’s fair housing laws.

9. The State of Alabama, through ADECA, could work in tandem with other State agencies, local governments, and prospective business and industry when recruiting economic development at the local level so that all parties involved would be aware of affordable housing news and issues in those locations.

**HOME**: See the discussion under CDBG above.

**ESG**: See the discussion under CDBG above.

**HOPWA**: See the discussion under CDBG above.

**SP-60 Homelessness Strategy [see 24 CFR 91.315(d)]**

**Describe how the jurisdiction’s strategic plan goals contribute to:**

**1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:**

The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The State’s goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken:

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

**2. Addressing the emergency shelter and transitional housing needs of homeless persons:**

The point-in-time counts for 2014 showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. The State’s goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

**3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again:**

The State’s goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

**4. Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families, and those who are being discharged from publicly-funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions), or receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs:**

The State’s goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability. The State’s goal is that ESG subrecipients’ and second-tier subrecipients’ case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

**SP-65 Lead-based Paint Hazards [see 24 CFR 91.315(i)]**

**Actions to address lead-based paint (LBP) hazards and increase access to housing without LBP hazards:**

**CDBG**: About half of the housing units in Alabama were built during or after 1980, and the other half were built prior to 1980. Given the prevalence of lead based paint in older homes (those built prior to 1978), there exist large numbers of potentially hazardous dwellings across Alabama, particularly if children are present. It has been estimated that approximately 745,000 to 911,000 of all housing units in Alabama, or from 38% to 46%, pose a lead-based paint hazard. An estimated 308,000 of the housing units with a potential lead-based paint hazard are occupied by extremely low-, low-, and moderate-income householders. Housing units occupied by those with less than 80% percent of the median family income where lead paint may be present are concentrated in the State’s most populous metropolitan counties. For the extremely low-income category, 30.5% of all dwellings estimated to contain lead-based paint were located in just two counties: Jefferson and Mobile. Likewise, in the low-income category, Jefferson and Mobile counties total 28.2% of the estimated housing units containing lead. Jefferson, Mobile, Madison, and Montgomery counties dominate in the moderate income group, comprising 40% of the State’s total.

Currently, Alabama’s CDBG program is the program most likely to be used for a project involving lead-based paint hazards. The State encourages all persons engaged in CDBG-funded housing rehabilitation projects to presume lead is present if the house were constructed prior to 1979; therefore, no risk assessment or prior testing is required. The CDBG program has issued recommendations, rather than requirements, in order to maintain program flexibility. Alabama’s CDBG program lead-based paint hazard recommendations are summarized below:

1. Prepare local housing rehabilitation policies and implement lead abatement requirements for units for which rehabilitation costs exceed $25,000.

2. Unless otherwise specified in an approved application, the local housing rehabilitation policies should specify that the standard treatment option per 24 CFR Part 35 et. al., will be used.

3. Have the housing rehabilitation inspector and a representative for all potential contractors take the University of Alabama course entitled “Lead Safe Work Practices for Renovators and Remodelers.” If the housing rehabilitation inspector will serve as a Lead Sampling Technician, then the inspector should take the University of Alabama course (or an equivalent course which has been approved by DHUD) entitled “Lead Sampling Technician Course”.

4. Determine if *de minims* levels are involved. If so, then safe work practices are not required, and clearance testing is not required.

5. Provide the proper notices to occupants.

6. Determine what work (involving standard treatments and basic rehabilitation that will not impact painted surfaces) will need to be done and identify a plan to work room-by-room with the occupants. Outside construction work will need to be performed prior to any soil treatments. Treatment of any potentially contaminated soils will need to be done with either impermeable surface coverings or land use controls.

7. Avoid relocation of occupants, if at all possible, because of budgetary constraints. Sealing the work area and use of a 10 foot containment area will likely be sufficient as long as access to the bath, kitchen and adequate sleeping areas are provided after work is completed on a daily basis. Note that the project will have to be completed within five days.

8. Perform clearance examination per procedures and use appropriate procurement practices to identify a qualified Accredited Inspector or Risk Assessor as per accreditation provided by Safe State. It should be noted that Safe State maintains a list of qualified firms that can provide these services.

9. Additionally, typical procedures and housing standards, per the adopted rehabilitation policies, should be followed. Many of the standard treatments prescribed by 24 CFR Part 35 are already being used because they are necessary to correct code violations and to create safe and sanitary living spaces.

The overall goal of the recommendations listed above is to reduce lead-based paint hazards in CDBG-funded housing rehabilitation projects over the next five years. The strategy has been broken into four parts listed below:

1. Coordinate state and local jurisdictions with public and private efforts to address and rectify the problem of reducing lead-based paint hazards and protecting young children from lead poisoning.

2. Integrate lead hazard evaluation and reduction activities into existing housing programs.

3. Develop technical capacity to ensure that the technical aspects of assessment and lead hazard reduction are managed properly.

4. Increase knowledge of lead safe practices among parents, property owners, and renovators of CDBG rehabilitated homes.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**How are the actions listed above integrated into housing policies and procedures?**

**CDBG**: As stated in the previous section herein above, the State's CDBG program has issued recommendations, rather than requirements, in order to maintain program flexibility. Alabama’s CDBG program lead-based paint hazard recommendations are summarized below:

1. Prepare local housing rehabilitation policies and implement lead abatement requirements for units for which rehabilitation costs exceed $25,000.

2. Unless otherwise specified in an approved application, the local housing rehabilitation policies should specify that the standard treatment option per 24 CFR Part 35 et. al., will be used.

3. Have the housing rehabilitation inspector and a representative for all potential contractors take the University of Alabama course entitled “Lead Safe Work Practices for Renovators and Remodelers.” If the housing rehabilitation inspector will serve as a Lead Sampling Technician, then the inspector should take the University of Alabama course (or an equivalent course which has been approved by DHUD) entitled “Lead Sampling Technician Course”.

4. Determine if *de minims* levels are involved. If so, then safe work practices are not required, and clearance testing is not required.

5. Provide the proper notices to occupants.

6. Determine what work (involving standard treatments and basic rehabilitation that will not impact painted surfaces) will need to be done and identify a plan to work room-by-room with the occupants. Outside construction work will need to be performed prior to any soil treatments. Treatment of any potentially contaminated soils will need to be done with either impermeable surface coverings or land use controls.

7. Avoid relocation of occupants, if at all possible, because of budgetary constraints. Sealing the work area and use of a 10 foot containment area will likely be sufficient as long as access to the bath, kitchen and adequate sleeping areas are provided after work is completed on a daily basis. Note that the project will have to be completed within five days.

8. Perform clearance examination per procedures and use appropriate procurement practices to identify a qualified Accredited Inspector or Risk Assessor as per accreditation provided by Safe State. It should be noted that Safe State maintains a list of qualified firms that can provide these services.

9. Additionally, typical procedures and housing standards, per the adopted rehabilitation policies, should be followed. Many of the standard treatments prescribed by 24 CFR Part 35 are already being used because they are necessary to correct code violations and to create safe and sanitary living spaces.

These recommendations were issued because their overall goal is to reduce lead-based paint hazards in CDBG-funded housing rehabilitation projects over the next five years. The strategy has been broken into four parts listed below:

1. Coordinate state and local jurisdictions with public and private efforts to address and rectify the problem of reducing lead-based paint hazards and protecting young children from lead poisoning.

2. Integrate lead hazard evaluation and reduction activities into existing housing programs.

3. Develop technical capacity to ensure that the technical aspects of assessment and lead hazard reduction are managed properly.

4. Increase knowledge of lead safe practices among parents, property owners, and renovators of CDBG rehabilitated homes.

**HOME**: See the discussion under CDBG above.

**ESG**: See the discussion under CDBG above.

**HOPWA**: See the discussion under CDBG above.

**SP-70 Anti-Poverty Strategy [see 24 CFR 91.315(j)]**

**Jurisdiction Goals, Programs, and Policies for reducing the number of poverty-level families:**

**CDBG, HOME, and ESG**: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, as these problems are outside of the purview of the State’s CDBG Program, HOME Program, and ESG Program.

Be that as it may, according to the Alabama Department of Labor, the estimated unemployment rate for the State of Alabama in December 2014 was 5.7 percent. This rate is down from the State's November 2012 unemployment rate of 6.7 percent, and down from the State's 2000 estimate of 6.4 percent. The U.S. unemployment rate as of December 2014 was 5.6%. This rate is down from the U.S. unemployment rate of 7.4 percent in November 2012, but both rates are up from the U.S. unemployment rate of 5.3 percent in 2000. According to the American Community Survey data, the 2010-2011 estimate for the percentage of Alabamians living below the poverty level is 19 percent. This is up from the 2009 estimate of 17.5 percent. In 2005, the estimate was 17 percent. The estimate for the nation as a whole for 2011 was 15.9 percent, for 2010 it was 15.3 percent, and for 2009 it was 14.3 percent. All of these rates are up from 13.3 percent in 2005. Because poverty is affected by so many factors, particularly the economy, it is impossible to predict what the poverty rate will be from year to year. Furthermore, the State of Alabama continues to experience a shift in its economic base. The State has successfully created thousands of new jobs through an aggressive economic development program. At the same time however, the State has been losing textile and other manufacturing jobs at a disturbing rate.

Consequently, the State’s current goals regarding poverty are to maintain the status quo by striving to keep the unemployment rate within two percentage points of the national unemployment rate, and striving to keep the percentage of the population living below poverty level within five percent of the national average. The State’s primary tool in achieving this goal is its aggressive economic development strategy. Of this Plan's programs described herein above, the CDBG program is the one most directly utilized for economic development purposes. Certainly, the quality of life for people living below the poverty level is improved by the other programs. Additionally, large construction projects generated by these programs contribute jobs to the State's economy.

The following is a summary of Alabama’s anti-poverty strategy for 2015:

1. Continue to fund CDBG economic development projects that create large numbers of jobs and have the potential for spin-off jobs.

2. Continue to provide affordable housing by rehabilitating the existing housing stock through the CDBG program and building new affordable homes with HOME program funds.

3. Design and implement more affordable housing programs.

4. Through the CDBG, HOME, ESG, and HOPWA programs, continue to provide funding to programs that improve the quality of life of those living below the poverty level.

5. When and where possible, fund projects which address a multitude of problems and which utilize more than one source of funding.

6. Continue to collaborate with USDA, ARC, DRA, EDA, and EPA to efficiently fund projects that have the potential to positively affect the poverty level and improve the quality of life of those living below the poverty level.

7. Foster collaboration with poverty programs that are funded through the Alabama Department of Human Resources (such as its Child Support Enforcement Program, the Job Opportunities and Basic Skills Training/JOBS Program, etc.) and Community Service Block Grants (community action agencies).

8. Continue to utilize CDBG funds for programs that provide enhanced educational and social opportunities.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: For HOPWA, persons living with HIV/AIDS need jobs that pay a decent wage to allow for the high cost of decent, safe housing. The high cost of affordable housing is exacerbated by the high cost of HIV medications. In Alabama, a person working at minimum wage must work 69 hours just to be able to afford the cost of an apartment. This number increases as the size of the family increases. Alabama does not have ample affordable housing for its citizens.

**How are the Jurisdiction poverty-reducing goals, programs, and policies coordinated with this affordable housing plan:**

**CDBG, HOME, and ESG**: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, as these problems are outside of the purview of the State’s CDBG Program, HOME Program, and ESG Program.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**SP-80 Monitoring [see 24 CFR 91.330]**

**Describe the standards and procedures that the State of Alabama will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements:**

**CDBG**: The CDBG Program’s compliance monitoring procedures are as follows:

**CDBG Compliance Monitoring Plan:**

Purpose: This plan establishes standards and provides guidance for monitoring CDBG and other projects funded by the Alabama Department of Economic and Community Affairs (ADECA) through the Community Development Block Grant (CDBG) and other HUD grant programs.

Objectives:ADECA’smonitoring strategy is a management control technique for ongoing assessment of the quality of grantee performance over a period of time. Monitoring provides information about a grantee’s program effectiveness and management efficiency. It also helps in identifying instances of fraud, waste and abuse. It is the principal means by which ADECA:

1. ensures that programs are carried out efficiently, effectively, and in compliance with applicable laws and regulations;

2. assists grantees in improving their performance, capacity, and management and technical skills; and

3. determines its own effectiveness and that of its programs and policies in meeting the community development needs of the grantees.

Applicability: This plan applies to monitoring strategies for the following program funds and compliance areas:

A. Programs:

1. Competitive Funds (Small City, Large City and County Funds);

2. Community Enhancement Fund;

3. Economic Development Funds (ED Infrastructure, Float Loans, Section 106, and Incubator projects);

4. Planning Grant Funds (desk review);

5. Neighborhood Stabilization Program Funds;

6. Disaster Recovery Assistance Funds; and

7. Others programs funded through HUD to be administered through the CDBG or other programs.

B. Compliance Areas:

1. National Objective and Eligibility;

2. Citizen Participation;

3. Environment;

4. Fair Housing and Equal Opportunity (FHEO);

5. Professional Services Procurement and Contract Management;

6. Financial Management and Common Rule Compliance;

7. Bidding and Contracting;

8. Labor;

9. Housing Rehabilitation and Lead Hazards;

10. Uniform Act and Section 104(d) (demolition, acquisition and relocation); and

11. Close-Outs.

C. High-risk Assessment

1. All grantees are considered to have some risk factors; therefore, all grantees will receive at least one compliance monitoring review.

2. Additional risk factors may be identified as discussed in the “Approach” section below.

D. Remedies

1. The overriding goal of monitoring is to determine compliance, prevent/identify deficiencies, and provide technical assistance to enhance grantee performance. However, when findings are made, ADECA will determine appropriate corrective actions to address the finding or deficiency.

2. In cases of serious findings, additional sanctions and penalties may be necessary up to and including debarment and suspensions of grantees and/or their contractors. The most recent version of the ADECA debarment and suspension policy is available from ADECA’s Legal Section.

Approach:As stated above, ADECA staff view monitoring, not as a one-time compliance review, but as an ongoing process involving continuous communication and evaluation. Such a process involves frequent telephone/email contacts, written communications, analysis of reports and submitted documents, and compliance monitoring reviews. The overriding goal of monitoring is to determine compliance, prevent/identify deficiencies, and provide technical assistance to enhance grantee performance. As part of this process, ADECA staff will also be alert for fraud, waste and mismanagement or situations with potential for such abuse. Additionally, monitoring will be used as an opportunity to identify program participant accomplishments, acknowledge successful management, and recognize implementation techniques that might be replicated by other grantees. Finally, the monitoring process will be used by ADECA as outreach and customer service to our grantees. The following, from Alabama’s current Consolidated Plan, is the basis for ADECA’s monitoring strategy:

On behalf of the State of Alabama, ADECA does an on-site monitoring review of all CDBG and other HUD program construction grants at least once during the life of the project. Areas reviewed for compliance include adherence to one or more of the program’s national objectives, eligibility, financial management, civil rights, environmental concerns, citizen participation, timeliness, procurement, contract management, labor standards enforcement, acquisition, relocation, job creation, and housing as appropriate.

For the CDBG program, the State utilizes a computerized tracking system to initiate each monitoring visit at the point when a reasonable percent of the grant funds has been drawn. Currently, most monitoring visits are scheduled at the time at least 30 percent of the funds have been drawn. The system also tracks the resulting resolution of any findings made in a timely manner. For other programs, appropriate tracking systems are developed/modified and utilized to ensure that the project is monitored at least once.

After each monitoring visit, a report is written to the grantee to explain the results of the review. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, reimbursement of disallowed costs, or other sanctions which limit the grantee’s future participation in the program. Furthermore, no grant can be closed until all monitoring findings have been satisfactorily resolved.

In addition to the stated strategies in the Consolidated Plan, ADECA maintains the flexibility to schedule additional monitoring visits as may be necessitated by problems identified in a preliminary monitoring visit, projects of a particularly complex nature, inexperienced grantees and/or administrators, grantees and/or administrators with recent compliance problems, or when project conditions demonstrate a need for additional ADECA oversight. Further, a grantee may request additional monitoring and/or technical assistance visits if necessary.

In addition to maintaining flexibility in numbers and frequencies of monitoring reviews, ADECA will also maintain flexibility regarding the type of monitoring review. In other words, monitoring reviews may take the form of on-site visits or desk reviews. All projects that include construction activities will receive at least one on-site review. However, subsequent monitoring reviews may be conducted without returning to the site. Further, planning-only projects generally will not require an on-site monitoring review.

Conclusion: ADECA has a long history of effectively administering the CDBG program. Part of that administration success stems from a diligence in monitoring. The preceding is meant to provide guidelines to ensure that CDBG and other HUD program funds are spent appropriately and that ADECA meets the needs of the grantees in the State of Alabama. However, ADECA may incorporate monitoring and review techniques not listed in order to ensure program compliance and to meet grantee needs.

In addition, for purposes of ADECA’s **Neighborhood Stabilization Program**, the following compliance monitoring procedures became effective March 11, 2009:

**NSP Compliance Monitoring Plan:**

ADECA strives to work in partnership with its grantees to ensure successful program implementation. Monitoring visits are considered an opportunity to assist grantees in carrying out their program responsibilities. To this end, monitoring serves as one aspect of several coordination and compliance strategies which result in an on-going review of program progress. These strategies include frequent communication through telephone and e-mail contact, written correspondence, and technical assistance meetings as well as reviews of payment requests, quarterly progress reports, beneficiary reports, and additional documentation or reports which may be voluntarily submitted or requested by ADECA.

For purposes of the Neighborhood Stabilization Program (NSP), ADECA’s monitoring approach will generally follow the strategy outlined in the State’s Grantee Monitoring Plan. The Plan states “for other programs, appropriate tracking systems are developed/modified and utilized to ensure that the project is monitored at least once”.

ADECA staff will monitor each NSP grant on-site at least once prior to project close-out. Areas reviewed for compliance include adherence to the program’s national objective and eligibility requirements, progress and timeliness, citizen participation, environmental, fair housing, equal employment opportunity, procurement, appraisal and acquisition, tenant protection requirements, housing rehabilitation, labor standards enforcement (if applicable), demolition, disposition, homebuyer counseling, continued affordability, 25% set-aside requirement, and financial management.

A combination of factors will be used as guidance for determining when the on-site monitoring should take place. These factors include progress toward acquiring foreclosed properties, progress toward rehabilitation of the acquired properties, and progress toward final occupancy of the properties. Projects requiring a significant amount of technical assistance or receiving a program complaint may receive a higher monitoring review priority if deemed necessary. Progress toward meeting obligation and expenditure deadlines will also be considered. Additionally, grantees receiving substantial grant awards and activities involving large multi-family projects may be considered a monitoring priority.

After each monitoring visit, written correspondence is sent to the grantee describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs.

If the grantee has not responded within 30 days after the date of ADECA’s letter, ADECA staff will work with the grantee through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved.

ADECA maintains a “NSP Grantee Progress” spreadsheet which is used as a tracking system to ensure each NSP grant is monitored at least once prior to close-out. This spreadsheet is also used to track whether or not any requested responses have been received.

ADECA retains the ability to schedule additional monitoring visits as may be necessitated by problems identified in the monitoring visit or when grant conditions demonstrate a need for additional ADECA review. Further, ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

**HOME**: The HOME Program’s compliance monitoring procedures, requirements and penalty criteria are as follows:

**HOME Compliance Monitoring Procedures, Requirements and Penalty Criteria:**

The AHFA’s Compliance department will conduct monitoring procedures and requirements to ensure owner and project are in compliance with the HOME regulations. These procedures apply to all buildings placed in service in Alabama which have received an allocation of HOME funds from AHFA. A complete outline of AHFA’s compliance requirements is located in AHFA Compliance Manual available at [www.ahfa.com](http://www.ahfa.com).

**I. Compliance Monitoring Procedures and Requirements:**

A. AHFA will verify that each owner of a HOME project is maintaining records for each qualified HOME building in the project. These records must show, for each year in the affordability period, the information required by the record-keeping provisions contained in the HOME regulations, incorporated herein by reference.

B. AHFA will verify that the records documenting compliance with the HOME regulations for each year as described in Paragraph A above are retained for the entire affordability period.

C. By April 1of each year, AHFA must receive from the owner of each HOME funded project combined with Housing Credits or each HOME only funded project, the applicable Annual Owner’s Certification (AOC), under penalty of perjury, as provided in Section 1.42-5(c)(1) of the Treasury Regulations. The AOC package will include the signed Owner Certification and rent roll as of December 31 of the previous year. Each owner must also enter all required tenant data into the AHFA Online Data Management System (AHFA DMS) by April 1 of each year. The required tenant data must be for all tenant events including all move-in and move-out occurrences, income recertification, and transfer of tenants through the previous year ended December 31. Penalty points as described in Section II (A) of Addendum E will be applied if an owner fails to provide an AOC package by April 1 of each year. Continued failure to submit the AOC package to AHFA within thirty (30) days after written notification of non-receipt by AHFA will result in a fee as referenced in Section I (D) (15) of the HOME Action Plan.

D. By April 1of each year, the owner or owner’s management company must also submit an updated Capital Maintenance Plan (CMP) to AHFA. Each CMP must be completed in the manner as defined specified by AHFA per the following requirements:

During the term of each HOME Loan, the owner must maintain a written CMP for each project that complies with 24 C.F.R. Section 92.251. This documentation will be submitted to AHFA annually and must be available for AHFA review at any time, upon request. At a minimum, and without limiting the foregoing, the CMP must include the following components:

1. **Annual Physical Needs Summary**: This summary shall provide an estimate of all the planned and anticipated repairs, replacements, and significant deferred and other maintenance items that will need to be addressed within the next 12 months. It should take into consideration anticipated unit turn-over, physical assessment of grounds/amenities/common areas, and any deferred maintenance items (including reason for deferment). Funding sources for this work must be identified. This summary serves as the short-term action plan for the property management and as a reporting tool for AHFA and the owner. Documentation of repairs (e.g. receipts, before/after photos, completed work orders, etc.) must be maintained through the course of the year. Any additional repairs, replacements, or maintenance completed during the course of the year should also be documented. In addition to the current summary, a copy of the previous year’s summary must be provided to AHFA. The previous year’s summary must include all repair, replacement, or maintenance performed with the funding source identified or current status of outstanding items with planned remedy, estimated timeline for completion, and funding source identified.

2. **Long-Term Physical Needs Summary**: This summary shall provide an estimate of the repairs and replacement items beyond the first year which are required to maintain the development’s physical integrity over the term of the HOME Loan. Items to be addressed include major structural systems (e.g. stairs, balconies, pavements, sidewalks, etc.) and interior components (e.g., appliances, flooring, lighting/plumbing fixtures, etc.) which, based on the expected useful life (EUL), require replacement during this period. Prior to the Loan closing, the owner shall present to AHFA, for review and approval, a sample version of the capital maintenance tracking system intended for use over the term of the HOME Loan. This maintenance tracking system should be continually updated by management and should address units during turn over as well as units occupied by long-term tenants. Sources of funding for the planned replacements must be identified.

3. **Analysis of Reserves for Replacement**: This analysis will provide an estimate of the initial and monthly deposit to the Replacement Reserve Account needed to fund the development’s long-term physical needs during the term of the HOME Loan. This plan will account for inflation, the existing Replacement Reserve balance, and the Expected Useful Life (EUL) of major building systems. This analysis should include the costs of twelve (12) month annual physical needs, but not any work items that would be considered an operating expense.

E. AHFA will inspect each active HOME project on an annual basis. AHFA will also review the income certification, the documentation the owner has received to support that certification and the rent records in those projects for at least twenty-five percent (25%) of the HOME units. AHFA will also conduct a physical inspection of at least twenty percent (20%) of the HOME units in each project selected for tenant file review. Additional household files and/or units may be inspected up to one-hundred percent (100%) if deemed necessary by AHFA’s compliance team.

F. The owner must allow AHFA or its designated representative to perform additional on-site inspections of any HOME building in a project through the end of the affordability period. These additional inspections are separate from any review of tenant files or units under Paragraph E. Inspections performed outside of Paragraph E will be at the expense of the owner. Each unit or building inspection will be performed using the Uniform Physical Condition Standards (UPCS) guidelines established by HUD. The UPCS standards and related definitions provided by HUD at <http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf> provide guidance for at least five hundred twenty (520) compliance protocols.

G. AHFA will promptly notify the owner in writing if AHFA does not receive the AOC, or is not permitted to inspect and review as described in Paragraphs E and F, or otherwise discovers that the project does not comply with the HOME regulations. In such event, the owner will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.

H. AHFA may notify HUD of an owner’s noncompliance or failure to certify no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period, whether or not the noncompliance or failure to certify is corrected.

I. During the affordability period, the owner will furnish to AHFA, within sixty (60) days of the close of each fiscal year, a consolidated statement of financial position, an income and expense statement, and a rent roll of the project for that fiscal year. These items are to be certified by the owner.

J. Compliance with requirements of the HOME regulations is the responsibility of the owner of the building for which HOME funds are loaned or granted. AHFA’s obligation to monitor for compliance with the requirements of the HOME regulations does not make AHFA or the State of Alabama liable to any owner or to any shareholder, officer, director, partner, member or manager of any owner or of any entity comprising any owner for an owner’s non-compliance therewith.

K. It is the policy of AHFA to immediately report to the appropriate federal department and the cognizant inspector general of such department any indication of fraud, waste, abuse, or potentially criminal activity pertaining to federal funds.

**II. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria**

Consistent with the monitoring procedures described above, AHFA will assess automatic point deductions to each owner and management company based on the twenty-six (26) items defined in Section II.(E) herein. According to the UPCS standards and related definitions provided by HUD at <http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf>, there are at least five hundred and twenty (520) items that can be subject to compliance penalty point deductions, and the items that AHFA has identified in this Addendum as automatic point deductions were selected from the list of penalty point deduction items listed in the UPCS standards. AHFA expects, at minimum, that each owner and management company will develop a routine inspection protocol to ensure the items defined in Section II.(E) are regularly inspected by their respective staff on an ongoing basis. The automatic point deduction categories address health and safety concerns, sanitary nature and habitable living conditions of each unit and project, and AHFA standards for minimal record-keeping practices. Since AHFA will generally provide up to a seven day notice with regard to scheduling compliance inspections, no cure period will be allowed for items defined under Section II.(E). All penalty points will be assessed to both the owner and the management company for the current cycle as follows:

A. One (1) penalty point will be deducted for each project for which the owner does not submit the correct and complete AOC form to the AHFA’s Compliance Department by April 1 of each year. Please be aware the AOC must be completed using the AHFA DMS. Failure to submit the AOC to AHFA within thirty (30) days after written notification of non-receipt will result in a fee as referenced in Section I.(D) (15) of the HOME Action Plan.

B. AHFA will review all results of third party inspection reports it receives from any local, state, federal or financial entity or institution with an interest in the project which contains noncompliance issues as defined in the HOME Action Plan. AHFA will apply applicable point deductions for items of noncompliance found in any third party report in accordance with Section II.(E) of this Addendum.

C. Two (2) additional penalty points will be assessed per occurrence to each owner for each project with uncorrected noncompliance issues from the project’s most recent AHFA audit.

D. AHFA will suspend or permanently ban any owner from applying for funding or any management company from participating in an application according to the following criteria:

a. If an owner or management company is assessed a minimum cumulative total of twenty (20) penalty points or more for all AHFA projects audited and/or inspected as of December 31, the owner will be suspended from applying for any AHFA funded multifamily program for the current plan year’s application cycle.

b. If an owner or management company is assessed a minimum cumulative total of twenty (20) penalty points or more for five(5) consecutive application cycles, the owner or management company will be permanently banned from applying for any AHFA funded multifamily programs.

E. The following point deductions discussed in Subsections a, b, and c below are not intended to supplant or usurp applicable local or other building codes. Penalty points will be deducted if the owner or management company’s approved and/or active projects are deemed by AHFA not to be in compliance with the applicable guidelines and regulations for any of the following: Section 42 of the Internal Revenue Code, the HOME program, AHFA Housing Credit Qualified Allocation Plan (QAP) and HOME Action Plan, the Tax Credit Assistance Program (TCAP) or the Exchange Program. Point deductions will be based on AHFA’s QAP and HOME Action Plan for the applicable year and will cover audits and inspections conducted May 1 through December 31 of the year preceding the current HOME Action Plan Year. If an applicant has not had at least one AHFA-funded property audited and inspected during the applicable period, then AHFA will perform an audit of an existing property owned by the applicant during the application cycle in accordance with AHFA’s established policies and practices for onsite audits, and applicable point deductions for non-compliance, if any, will be determined based upon this audit. Points will be assessed to the owner or management company of record at the time of inspection unless ownership or management company changes have occurred within the last six (6) months. Point deductions for the HOME Action Plan will be based on the following methodology:

a. Health and Safety Deficiencies - Two (2) penalty points per occurrence (or collectively per project audited if the same deficiency) will be assessed for health and safety deficiencies, if cited as a finding at the time of inspection by AHFA (its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at that time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, four (4) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The health and safety deficiencies that will result in automatic penalty point deductions are as follows (the “Health and Safety Deficiencies”):*

i. Missing, non-charged or empty fire extinguishers (for properties funded under the 1999 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E) (e) herein.

ii. Missing or non-working smoke detectors for more than twenty-five percent (25%) of the total units inspected. A missing or non-working smoke detector is defined as not having at least one operable smoke detector per floor for each apartment unit inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E) (e) herein.

iii. Missing fire canisters above the cooktop surface or temperature limiting plates on the cooktop surface (applies to properties funded under the 2013 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E) (e) herein.

iv. Exposed electrical wiring or electrical hazards including, but not limited to, missing, damaged or improperly installed cover plates or wire guards which leave connections exposed.

v. Insect infestation (based on visible presence, damage or reports), including, but not limited to, owner’s failure to notify AHFA of any bed-bug infestation.

vi. Mold or mildew caused by improper or damaged plumbing in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E) (e) herein.

vii. Severe damage to sidewalks or parking lots including, but not limited to, tripping hazards.

viii. Missing, broken or loose handrails or steps.

ix. Two (2) additional penalty points will be deducted if the same point deduction items listed above (except for items vii and viii) are found in more than fifty percent (50%) of the total units inspected.

b. Unit Deficiencies - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for each of the units inspected for any of the deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at that time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically and regardless of whether or not the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The deficiencies that will result in automatic penalty point deductions under this paragraph are as follows (the “Unit Deficiencies”):*

i. Missing or inoperable plumbing fixtures.

ii. Missing or disconnected stoves, dishwashers, or refrigerators.

iii. Missing, improperly installed, affixed, or damaged cabinetry such as extensive mold or damage which would cause the cabinetry to be replaced in the unit.

iv. A missing or damaged drawer in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E) (e) herein.

v. Boarded, broken or missing exterior windows or doors.

vi. Units which have been vacant for more than thirty (30) days and are not suitable for occupancy or are found to be unsanitary. A unit which is suitable for occupancy should at a minimum include removal of the previous household’s items (furniture, clothing and trash), repairs to the walls and floors completed, cleaned carpets and walls and general maintenance completed to the unit which creates an overall market readiness.

vii. Units unable to be accessed or inspected by AHFA at the time of its inspection/audit due to an owner/owner agent’s inability to unlock the unit’s exterior door locks prior to AHFA inspectors’ exit interview.

viii. Unrepaired damage to a unit which has been vacant for more than thirty (30) days not caused by a fire, storm, vandalism (while vacant) or natural disaster. The ownership is responsible for notifying AHFA when this unforeseen damage occurs.

ix. One (1) additional penalty point will be deducted if the same point deduction items listed above are found in more than fifty percent (50%) of the total units inspected.

c. Site, Exterior or Common Area Deficiencies - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for the site, exterior or common area deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at that time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The site, exterior or common area deficiencies that will result in automatic penalty point deductions under this paragraph are as follows (the “Site, Exterior or Common Area Deficiencies”):*

i. Missing project amenities as approved in owner’s approved application, including all amenities selected by the ownership at the time of application whether points were awarded or not. Ownership must notify AHFA **immediately** if any of their project amenities have been damaged, rendered unusable or subject to replacement upon occurrence, along with a written plan to repair or replace said amenities within a timeframe acceptable to AHFA.

ii. Gutters and downspouts with missing or damaged components which will not allow the gutters and downspouts to function as intended. Ownership must notify AHFA **immediately** if any damage occurs to their property along with a written plan to repair or replace said damage within a timeframe acceptable to AHFA.

iii. Siding and /or exterior trim has rotted and allows water to penetrate behind exterior. Ownership must notify AHFA **immediately** if any damage occurs to their property along with a written plan to repair or replace said damage within a timeframe acceptable to AHFA.

d. Documentation or File Deficiencies - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for the documentation or file deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at that time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The documentation or file deficiencies that will result in automatic penalty point deductions under this paragraph are as follows:*

i. The failure to obtain an updated utility allowance which results in a household’s gross rent being in excess of the applicable gross rent limit.

ii. If over twenty-five percent (25%) of the households in a project are over the applicable income limit. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

iii. If over twenty-five percent (25%) of files selected for audit are missing. Any findings related to this category that is twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

iv. If over twenty-five percent (25%) of files selected for audit indicates that tenants are ineligible households due to student rule violations. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

v. If over twenty-five percent (25%) of the households in a project were charged over the maximum applicable rents. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

e. Other General Deficiencies - Two (2) penalty points per occurrence (or collectively per project audited if the same deficiency is cited) will be assessed for other general deficiencies if cited as a finding at the time of inspection by AHFA (or its designated representative) and is uncured after the end of the written specified timeframe to cure the deficiencies. All timeframes for curing deficiencies will be submitted in writing. General deficiencies include all violations or deficiencies not listed in the preceding paragraphs that are cited as findings during the AHFA onsite audits.

F. Applicant/Owner(s) with less than three (3) projects funded with Housing Credits or HOME funds awarded by AHFA will be subject to the penalty criteria as specified herein in Section II. AHFA will subject the same scoring criteria to any new applications submitted by any owner/applicants with less than three (3) projects funded with Housing or HOME funds awarded by AHFA if any AHFA or non-AHFA units inspected by AHFA (or AHFA’s designated representative) are cited for any Health and Safety Deficiencies, any Occupied or Vacant Deficiencies, or any Site, Exterior or Common Area Deficiencies.

The HOME Program’s minority business outreach compliance monitoring procedures are as follows:

**COMPLIANCE**

**A. Minority and Women’s Business Outreach**

As required in Section 281 of the HOME Investment Partnerships Act, AHFA will work to involve minority and women’s business enterprises whenever possible. In an effort to comply with these requirements, AHFA has obtained from the Alabama Small Business Development Consortium, 1717 11th Avenue South, Suite 419, Birmingham, Alabama 35294, a list of eligible businesses for use by potential recipients of State HOME funds. AHFA will continue to work with this office to update and expand this list for use with the HOME Program. AHFA will maintain a record of reported activities of Minority- and Women-Owned Businesses involved in the HOME Program.

**B. Equal Opportunity and Fair Housing**

Affirmative marketing procedures will be utilized so that no person in the United States shall, on the grounds of race, color, national origin, religion, or sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity funded in whole or in part with funds made available under Alabama’s HOME Program. Recipients of Alabama’s HOME funds must adhere to the requirements of the Fair Housing Act and the Age Discrimination Act of 1975. AHFA will maintain records, whenever possible, of the percentage of low-income units occupied or purchased by minority and single parents. All loan applicants or local units of government applying for Alabama HOME funds must certify in the application that they will adhere to the affirmative marketing procedures (as defined in 24 CFR Section 92.351). Records concerning the characteristics of tenants renting HOME assisted units must be maintained by the owners; and supplied to AHFA on an annual basis. AHFA will analyze this data to assess the success of the owner’s affirmative marketing procedures. AHFA will give additional preference points to those applications, which evidence the participation of minorities in connection with the project.

**C. Section 3 Economic Opportunities for Low – and Very Low-Income Persons**

As required by Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, recipients of HOME funds must ensure that employment and other economic opportunities generated by housing development must be directed toward low- and very low-income persons.

**D. Environmental Review**

AHFA will conform to the Environmental Review requirements of Title II of the Act.

**E. Matching**

The State of Alabama is typically required to match a portion (twelve and one-half percent) of annual HOME funds. This match may be derived from several possible sources including the donation of land by localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax exempt bond proceeds, the value waived of property taxes by localities, cash injections by localities, and any other source which may be determined at a later date. Additionally, a number of AHFA programs (Down Payment Assistance, Habitat for Humanity Partnership) provide financial assistance to HOME-eligible Alabama households and a portion of this funding may count as match. The use of any possible state funds would require an appropriation by the legislature. Specific sources and the amount of possible funds available to meet the matching requirements for a program year will be determined prior to any draw of HOME funds. A HOME recipient may be required to provide a “Match” source to close their project. For 2002, HUD granted a full waiver of the match requirement due to the State of Alabama’s designation as a Participating Jurisdiction in *severe financial distress*. Specific waivers for subsequent program years may also be granted if an Alabama county is listed as a presidentially declared disaster area.

**F. Occupancy and Rent Requirements**

In HOME and Housing Credit residential rental projects, at least 20% of the units must be occupied by households with incomes at or below 50% of median family income, and the rent must be restricted at or below the 50% rent level or Section 8 Fair Market Rent, whichever is less. The remaining units must be occupied with households with incomes at or below 60% of median family income, and the rent must be restricted at or below the 60% rent level or Section 8 Fair Market Rent, whichever is less. HOME income limits and rent limits are calculated annually by HUD’s Office of Policy Development and Research (PDR), once the Section 8 income limits have been issued.

**G. Compliance Monitoring**

The compliance monitoring procedures apply to all buildings placed in service in Alabama, which have received allocations of HOME funds as determined under the HOME Regulations. A complete outline of AHFA’s compliance requirements is located in AHFA Compliance Manual available at [www.ahfa.com](http://www.ahfa.com). And a description of AHFA’s basic compliance monitoring procedures and requirements are described in the section above entitled “**HOME Compliance Monitoring Procedures, Requirements and Penalty Criteria**.”

**ESG**: The ESG Program’s compliance monitoring procedures are as follows:

**ESG Compliance Monitoring Plan:**

ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Areas reviewed for compliance include adherence to the program’s national objective and eligibility requirements, progress and timeliness, citizen participation, environmental, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management. After each monitoring visit, written correspondence is sent to the subrecipient describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs. If the subrecipient has not responded within 30 days after the date of ADECA’s letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved. ADECA maintains an “HESG Projects Schedule” spreadsheet which is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout. ADECA retains the ability to schedule additional monitoring visits as may be necessitated by problems identified in the monitoring visit or when grant conditions demonstrate a need for additional ADECA review. Further, ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

**HOPWA**: Alabama’s PY2015 HOPWA Program will be administered by ADECA through a sub-recipient, AIDS Alabama, located in Birmingham. The State monitors this sub-recipient at least once per year through an on-site monitoring visit to the agency, as well as any of its sub-recipients. Monitoring is designed to assure compliance with applicable laws and regulations. Monitoring also results in helping each contractor to set concrete goals for HOPWA funding. These are highlighted in Goals Spreadsheets which are completed monthly and accompany all invoices. All goals are based on HUD goals set for the HOPWA program. Additionally, AIDS Alabama receives an annual external audit to monitor compliance with Generally Accepted Accounting Principles (GAAP) and with all applicable HUD regulations. AIDS Alabama also monitors each of its sub-recipients across the State via annual site-visits to ensure compliance with all applicable laws and regulations and to monitor compliance with GAAP.

**ANNUAL ACTION PLAN**

**AP-15 Expected Resources [see 24 CFR 91.320(c)(1), and (2)]**

**Introduction:** The State of Alabama’s One-Year Annual Action Plan (AAP) for Program Year 2015 (PY2015) (which is Year One of the Five-Year term) is a collaboration between ADECA (the administrator of the CDBG Program and ESG Program), AHFA (the administrator of the HOME Program), and AIDS Alabama (the administrator of the HOPWA Program). This AAP’s goal is to provide guidance for expending federal dollars that effectively blend with local initiatives, both public and private, that are designed to address needs identified through Alabama’s strategic planning process. CDBG Program funds are expended to address community development, community planning, economic development (inlcuding infrastructure and loan programs), job creation, housing rehabilitation, health hazard situations and disasters/emergency crisis management, and Alabama’s Black Belt Region Initiative (that began implementation in 2005). HOME Program funds are expended on new or rehabilitated multifamily rental housing across the state. HOME tenants typically include families, the elderly, and special needs populations, all of whom are low-income and in need of affordable housing. ESG Program funds are expended on addressing the needs of Alabama’s homeless population and persons at risk of homelessness, and such activities include street outreach, emergency shelter, homelessness prevention, rapid re-housing, and development of local Homeless Management Information System (HMIS) technology solutions for collecting and reporting client-level data and data on the provision of housing and services to the homeless and those at risk of homelessness. HOPWA Program funds are expended on direct housing activites benefitting individuals and households with HIV/AIDS, and on supportive service activities that assist this population with developing skills and accessing resources needed to maintain housing stability and avoid homelessness. The direct housing activities funds cover operational costs of existing HIV/AIDS housing, but also support the cost of rental assistance programs that include Tenant-Based Rental Assistance (TBRA), Project-Based Rental Assistance (PBRA), and Short Term Rent, Mortgage, and Utility Assistance (STRMU). Additional activities include master leasing, housing information, technical assistance, and resource identification services. Housing information and technical assistance services strengthen the efforts of local AIDS Service Organizations (ASOs) to expand the current stock of HIV/AIDS-specific housing. Resource identification activities assist with marketing, planning, and developing affordable housing throughout the state, and include funding for the completion of the Statewide Needs Assessment. Identification of mainstream housing resources and connection to those programs will be delivered through housing information services. HOPWA funds also support other housing development efforts through technical assistance and resource identification categories that have maximized more mainstream housing fund dollars.

The State of Alabama’s Five-Year Consolidated Plan (2015-2019) and companion Annual Action Plan for Program Year One (PY2015) are being submitted together for approval by HUD. This AAP for Program Year One states how implementation of the objectives outlined in the Five-Year Plan will be commenced, and those objectives include providing decent housing, suitable living environments, and economic opportunities. In developing this Program Year One AAP, a public hearing was held in February 2015 for the Five-Year Consolidated Plan (2015-2019) to discuss the CDBG, ESG, and HOPWA Programs, and notices were advertised in the state’s major newspapers, e-mailed to interested parties, and posted on ADECA’s web site. A separate public hearing was held in November 2014 to discuss the HOME Program, and notices were advertised in the state’s major newspapers, e-mailed to interested parties, and posted on AHFA’s web site.

Because the State of Alabama is required to report to HUD the outcomes of a just-completed Program Year’s programs in June of each year, the outcomes for this Program Year One (PY2015) are scheduled to be reported to HUD in June 2016. In addition to quantitative outputs, these outcomes will be reported by the general categories of availability/accessibility, affordability, and sustainability. The documents containing this information will be available for public review by June 30, 2016 on ADECA’s website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov). In addition, the State of Alabama must annually report each Program Year’s outcomes in accordance with the March 7, 2006 Federal Register Notice entitled “Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs” – requiring that such reporting be done by entering individual grant objectives and outcomes into HUD’s online Integrated Disbursement and Information System (IDIS), located on [www.hud.gov](http://www.hud.gov).

**Priority Table:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source of Funds** | **Source** | **Uses of Funds** | **Expected Amount Available:**  **Year 1** | **Expected Amount Available: Remainder of Con Plan** | **Narrative Description** | **Action** |
| **CDBG** | public-federal | Acquisition  Admin & Planning  Economic Development  Housing  Public Improvements  Public Services | Annual Allocation: $21,529,262  Program Income:  $30,000  Prior Year Resources: $1,000,000  Total: $22,559,262 | $0 | CDBG Funds will be expended among the following Fund Categories:  County Fund =  $2,500,000;  Large City Fund =  $4,658,385;  Small City Fund =  $5,200,000;  Economic Development Fund = $4,850,000;  Planning Fund = $125,000;  Community Enhancement  Fund = $3,450,000;  State Administration = $530,585;  State Technical Assistance = $215,292.  The amounts allocated to each Fund category are determined by the amounts requested in the applications received each year.  Funds are awarded based on the quality of applications received.  Each applicant estimates the amounts needed for each activity. | **CDBG** |
| **HOME** | public-federal | Acquisition  Homebuyer Assistance  Homeowner Rehab  Multifamily Rental New Construction  Multifamily Rental Rehab  New Construction for Ownership  Tenant-Based Rental Assistance (TBRA) | Annual Allocation: $7,819,900  Program Income:  $0  Prior Year Resources: $0  Total: $7,819,900 | $0  Unknown at this time | HOME Funds will be expended according to the HOME Plan attached hereto. |  |
| **HOPWA** | public-federal | Permanent Housing in Facilities  Permanent Housing Placement  Short-term Rent, Mortgage, and Utility Assistance (STRMU)  Short Term or Transitional Housing Facilities  Supportive Services  Tenant-Based Rental Assistance (TBRA) | Annual Allocation: $1,483,651  Program Income:  $0  Prior Year Resources: $0  Total: $1,483,651 | $0 | HOPWA Funds will be expended in the manner described in the narrative below. |  |
| **ESG** | public-federal | Conversion and Rehab for Transitional Housing  Financial Assistance  Overnight Shelter  Rapid Re-housing (rental assistance)  Rental Assistance  Services  Transitional Housing | Annual Allocation: $2,524,294  Program Income:  $0  Prior Year Resources: $0  Total: $2,524,294 | $10 million | The amounts allocated to each activity are determined by the amounts requested in the applications received each year. Funds are awarded based on the quality of applications received. Each applicant estimates the amounts needed for each activity. |  |
| **Other:**  **CDBG-DR**  **(Disaster)** | public-federal | Admin & Planning  Economic  Development  Homebuyer Assistance  Homeowner Rehab  Housing  Multifamily Rental  New  Construction  New Construction  for Ownership  Overnight Shelter  Public  Improvements | $28,875,022 | $14,281,621 | The CDBG Disaster Funds are used for tornadoes that occurred in Alabama during April 2011. |  |

**Explain how federal funds will leverage those additional resources (private, State, and local funds), including a description of how matching requirements will be satisfied:**

**CDBG:** This information is also stated in section SP-35 herein above.

Alabama’s CDBG Program will provide financial grants and other assistance to the State’s non-entitlement areas consisting of those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These funds will be disbursed among 8 Fund categories that include County, Large City (cities with 3,001 or more population), Small City (cities with 3,000 or less population), Economic Development, Planning, Community Enhancement, State Technical Assistance, and State Administration, as is authorized under the Housing and Community Development Act of 1974, as amended. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions’ Joint projects. Because grants assist in providing community development, decent housing, suitable living environments, and expansion of economic opportunities that are principally for low- and moderate-income persons, Alabama’s criteria for selecting local governments’ CDBG applications to receive funds rest, in part, on how those federal funds will be leveraged at the State and local levels. The State plans to leverage CDBG funds with the applicant local governments' matching funds. The State encourages its non-entitlement local governments to contribute their own funds in the CDBG application process, even if the project is a joint project to be administered via a collaboration between two participating jurisdictions.

The satisfaction of match requirements is explained more specifically as follows:

Alabama will receive $21,529,262 in PY2015 CDBG funds. For the State Administration Fund, the State will allocate $530,585, and will match its CDBG dollars on a dollar-for-dollar basis, except for the $100,000 that is not required to be matched. That $100,000 is reserved for expenditure on preparing the Five-Year Consolidated Plan, the One-Year Annual Action Plan, and the "Analysis of Impediments to Fair Housing Choice." The State will also allocate $215,292 for State Technical Assistance.

1. For the County Fund, Large City Fund, and Small City Fund categories, Alabama will allocate the following amounts: (1) County Fund = $2,500,000; (2) Large City Fund = $4,658,385; and (3) Small City Fund = $5,200,000. These funds will be allocated based on the quality of grant applications received from eligible non-entitlement communities seeking CDBG assistance. In the grant application rating and selection process, the State will assign up to 20 points to a community’s rating score if its application/project includes the contribution of local matching funds, and these points will be awarded based on the percent of local funds divided by the total CDBG funds requested, as follows: Two points will be awarded for a one percent (1%) matching funds contribution, 4 points will be awarded for a two percent (2%) matching funds contribution, and so forth up to 20 points being awarded for a ten percent (10%) matching funds contribution. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in the County Fund, Large City Fund, or Small City Fund categories.

2. For the Community Enhancement Fund (for which the State will allocate $3,450,000), the State will require a local match amount equal to or exceeding 10 percent (10%) of the community’s requested CDBG amount. However, for these Funds, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community’s application rating score.

3. For the Planning Fund (for which the State will allocate $125,000), the State will require a local match amount of 20 percent (20%) of the community’s CDBG amount requested in the application. However, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community’s application rating score.

4. For the Economic Development Fund (for which the State will allocate $4,850,000), the State will require a local match amount of 20 percent (20%) of the community’s CDBG amount requested in the application. However, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community’s application rating score. More specifically:

a. For ED Grants, the project must include a local match of at least 20 percent of the amount requested in the ED Grant application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

b. For ED Incubator Projects, the factors to be considered in evaluating the worthiness of such proposals include evidence of local support (financial, professional, or other).

c. For ED Loans, applications for ED Loans will be reviewed for conformance with the thresholds and other factors such as the leverage ratio (private dollars as compared to CDBG dollars).

d. For ED Float Loans, applications for ED Float Loans will be considered based on a thorough review of the project, and the funding decisions will be based on the factors that include loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State.

5. Other matching funds involve the Section 108 Loan Guarantee Program, wherein Alabama’s non-entitlement communities can apply for this program’s funds, but the State is the entity that agrees to pledge a necessary amount of its own CDBG funds to secure such a loan.

6. For Urgent Need projects, the State does not require these to be subject to any matching funds requirements. Also, Alabama has put in place an option that is allowed by law and regulations to forgive up to $100,000 in required matching funds when circumstances of extreme need indicate that such action is appropriate. Alabama will consider the urgency, need, and distress of the applying community when making such matching funds decisions.

When each grant recipient has drawn down/received thirty percent (30%) or more of its project’s CDBG funds, the State will monitor that recipient’s grant project and documentation to verify compliance with CDBG Program requirements. Included in this monitoring visit is a review of the recipient’s matching funds contributed to/expended on the project up to that point in the project’s implementation schedule. The State’s matching funds monitoring document is entitled “Common Rule Compliance Checklist,” and the matching funds questions are stated therein at “Section II. Matching Share.”

**HOME**: This information is also stated in section SP-35 herein above.

Based on the PY2015 allocation, Alabama will receive $7,819,900 in HOME funds. The State plans to leverage HOME funds with Low Income Housing Tax Credits for the creation of rental housing. Additional funding sources are encouraged in the application process including, but not limited to, Federal Home Loan Bank affordable housing program funds, collaborations with other Participating Jurisdictions in Alabama, and/or the use of bond financing. The satisfaction of match requirements is explained as follows (also, see the 2015 HOME Action Plan under *VI. COMPLIANCE, E. Matching*). More specifically, the match,

“. . . may be derived from several possible sources including the donation of land by

localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax

exempt bond proceeds, the value waived of property taxes by localities, cash injections

by localities, and any other source which may be determined at a later date. Additionally,

a number of AHFA programs…provide financial assistance to HOME-eligible Alabama

households and a portion of this funding may count as match . . .”

**ESG**: This information is also stated in section SP-35 herein above.

ESG Program funds will provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. Based on the PY2015 allocation, Alabama will receive $2,524,294 in ESG funds. The State will allocate the funds based on the quality of applications received from local units of government and private nonprofit organizations. ESG funds will be used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities. There are very limited resources at the State level to serve as match for the ESG funds. ESG funding used for the State’s administration of the program is matched by the State. All other ESG dollars must be matched on a dollar for dollar basis by the State’s subrecipients. Cash, donations, or in-kind services may be used as match. Donated property, space, equipment, and materials may also be used to satisfy the matching requirements. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

**HOPWA**: This information is also stated in section SP-35 herein above.

Based on the PY2015 allocation, Alabama will receive $1,483,651 in HOPWA funds. AIDS Alabama will work diligently to secure partnerships with private sector organizations. Previous partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding.

**If appropriate, describe publically-owned land or property located within the State of Alabama that may be used to address the needs identified in the Plan:**

**CDBG**: For the CDBG Program, this information is also stated in section AP-15.

Alabama’s CDBG-funded community development and public improvement project activities typically involve construction or reconstruction that is carried out on the respective local government’s publically-owned land, and such work often involves water system projects (including new or expansion of water pipes, new or rehabilitation of water tanks, and water filtration plants), sewer system projects (new or expansion of sewer pipes, and drainage systems), fire protection projects (including fire stations and fire trucks, and new fire hydrants and flush valves), road projects (for new streets/roads or existing street/road improvement projects), improvements to public facilities that will benefit more than one business (such as

railroad spurs), and community enhancement/quality of life projects (including construction of community centers, senior centers, parks and recreational areas, homeless shelters, emergency/ storm shelters), and similar activities. If and when this type of local publically-owned land or property in Alabama is used to address a community’s needs that are authorized by/identified in the PY2015 One-Year Annual Action Plan, then the State requires that such land/property is to be geographically situated within the jurisdiction of the applicant community (county, large city, or small city), and such land/property be the location of, and thus subject to, the CDBG grant application’s approved project activities. And the local governments applying for CDBG Program funds often involve their own publically-owned land or property located within their jurisdictions as the subject of the CDBG project's need that they intend to address via their application for said funds.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-20 Annual Goals and Objectives [see 24 CFR 91.320(c)(3), and (e)]**

**Goals:**

**CDBG**: For the CDBG Program, the allocation to the State of Alabama for the PY2015 CDBG Program equals $21,529,262. With these funds, the overall goals of Alabama’s CDBG Program focus on expending the allocated funds to address the program’s three National Objectives within Alabama’s non-entitlement communities, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These goals are as follows:

Each CDBG-funded project must address at least one of the Program’s three National Objectives:

1. the activity must benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;

2. the activity must aid in the prevention or elimination of slums and blight; or

3. the activity must meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

Each CDBG-funded project must meet one of the following three performance goals:

1. the project must create suitable living environments;

2. the project must provide decent affordable housing; or

3. the project must create economic opportunities.

Each CDBG-funded project must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. the project must improve availability or accessibility of units or services;

2. the project must improve affordability of housing or other services; and/or

3. the project must improve sustainability by promoting viable communities.

The statutory goals “to establish and maintain a suitable living environment, and expand economic opportunities for every American, particularly for very low-income and low-income persons”, are reinforced by the State of Alabama’s long-term objectives:

1. To provide important community facilities that address all aspects of community development.

2. To provide economic development that creates new jobs, retains existing employment, and expands the local tax base.

3. To meet the affordable housing needs of low-, and moderate-income Alabamians.

Additionally, in accordance with the Housing and Community Development Act, the State of Alabama requires that each CDBG funded activity meet at least one of the following three objectives:

1. Benefit principally low- and moderate-income persons; or

2. Aid in the prevention or elimination of slums and blight; or

3. Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

With respect to short-term objectives, the State of Alabama has identified the following:

1. Allow communities to address the community development needs perceived to be the most important at the local level.

2. Encourage communities to plan for the future.

3. Assist communities in responding to economic development needs in a timely manner primarily through infrastructure assistance.

4. Provide a vehicle to deal with health hazards or urgent needs so that communities can readily respond to crises.

5. Provide a vehicle to address a wide variety of community development needs including housing rehabilitation.

The State of Alabama’s PY2015 One-Year Annual Action Plan is to provide a guide for administrating and effectively blending the $21,529,262 in federal PY2015 CDBG dollars with local initiatives, both public and private, to address those needs identified in the strategic planning process. To attain that goal, CDBG funding may be used for a variety of purposes including community development needs, community planning, economic development needs through infrastructure and loan programs, health hazard or other urgent crises management, job creation, housing rehabilitation, and the Black Belt region initiative implemented back in 2005.

Through these goals, the short-term and long-term objectives that the State expects to achieve through expending its PY2015 funds involve serving the needs of those communities’ citizens by distributing the funds in an equitable manner per the federal and state regulations and guidelines. The short-term objectives are designed to assist Alabama’s non-entitlement communities in their immediate efforts to address important community development needs arising at the local level by encouraging these communities to develop plans for implementing infrastructure projects that will allow them to timely address and accommodate economic and development opportunities. Other immediate efforts can include providing health hazard and urgent need/emergency management assistance for these communities to access and activate when responding to disasters and crises, and providing mechanisms for them to use when addressing other development needs which can include housing rehabilitation, and infrastructure replacements and upgrades. The long-term objectives include providing for important community facilities intended/designed to address improving the residents’ quality-of-life within the community; promoting economic development that can expand the local tax base by creating new jobs and/or retaining existing employment; and meeting the long-term affordable housing needs of low- and moderate-income Alabamians.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's CDBG Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🗹 | | |
| Other | | 🞎 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create Economic Opportunities | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | | $21,529,262 | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $21,529,262 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **Use of Money (UoM)** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | | 60,000 | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | | 45 | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | | 20 | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | | 1,000 | Jobs |
| 17 | Businesses assisted | | 10 | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | | 100 | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**HOME**: For the HOME Program, the allocation to the State of Alabama for the PY2015 HOME Program equals $7,819,900. With these funds, the State plans to create as many new or rehabilitated rental housing units across Alabama as is possible. By leveraging HOME funds with Housing Credits, the HOME award per successful applicant is carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. The State estimates possibly funding 8-12 HOME projects with 350-600 units with Program Year 2015 funds, depending on the HUD allocation. Fifteen percent of funding will be designated for CHDOs and the remainder will be awarded to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA’s goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA’s greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA’s standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project’s costs exceed AHFA’s definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's HOME Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🗹 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Affordability | | |
| **Objective:** | | Provide decent affordable housing | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | | $7,819,900 | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $7,819,900 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **Use of Money (UoM)** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | | 350 | Household Housing Unit |
| 8 | Rental Units Rehabilitated | | 350 | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**ESG**: For the ESG Program, the allocation to the State of Alabama for the PY2015 ESG Program equals $2,524,294. With these funds, the ESG Program may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment, with the outcome being availability/ accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing, with the outcome being affordability. These objectives will be achieved through the following goals:

ESG Program Goal #1: Reducing and ending homelessness through reaching outto homeless persons (especially unsheltered persons) and assessing their individual needs.

The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The State’s goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

b. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

c. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

ESG Program Goal #2: Reducing and ending homelessness through addressing the emergency shelter and transitional housing needs of homeless persons.

The point-in-time counts for 2014 showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. The State’s goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

b. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

ESG Program Goal #3: Reducing and ending homelessness through helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The State’s goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

ESG Program Goal #4: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions.

The State’s goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. ESG subrecipients and second-tier subrecipients will inform those publicly-funded institutions of the available housing options in their service area. This information will be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

ESG Program Goal #5: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are receiving assistance from public and private agenciesthat address housing, health, social services, employment, education, or youth needs.

The State’s goal is that ESG subrecipients’ and second-tier subrecipients’ case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. Case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's ESG Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🗹 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create suitable living environments | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | | $2,524,294 | | |
| HOPWA | |  | | |
| Other - CDBG-DR | |  | | |
| Total: | | $2,524,294 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **Use of Money (UoM)** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | | 250 | Households Assisted |
| 13 | Homeless Person Overnight Shelter | | 3500 | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | | 3500 | Beds |
| 15 | Homelessness prevention | | 300 | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | | 250 | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**HOPWA**: For the HOPWA Program, the allocation to the State of Alabama for the PY2015 HOPWA Program equals $1,483,651. With these funds, the HOPWA Program intends to address the following four public policy imperatives as its goals:

1. Make subsidized, affordable housing - including supportive housing for those who need it - available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

To attain these goals, AIDS Alabama will use the PY2015 HOPWA funds for the following programs:

1. Rental Assistance

2. Supportive Services that include case management, support staff, housing outreach, and transportation

3. Operations of existing housing

4. Master Leasing

5. Resource Identification

6. Housing Information

7. Technical Assistance

8. Administration.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's HOPWA Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🗹 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🞎 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Provide decent affordable housing | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | | $1,483,651 | | |
| Other - CDBG-DR | |  | | |
| Total: | | $1,483,651 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **Use of Money (UoM)** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | |  | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | |  | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | |  | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | |  | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | | 50 | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | |  | Jobs |
| 17 | Businesses assisted | |  | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | | 50 | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | | 80 | Household Housing Unit |
| 21 | Buildings Demolished | |  | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**CDBG Disaster funds (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), the State expects to expend $43,156,643 in CDBG-DR disaster funds during the five year period encompassed in this Consolidated Plan. The funds will be used to correct as many issues as possible with regard to housing, economic revitalization, and infrastructure.

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| --- | --- | --- | --- | --- |
| **Name:** | | Alabama's CDBG-DR Disaster Program | | |
| **Category:** | | | | |
| Affordable Housing | | 🞎 | | |
| Public Housing | | 🞎 | | |
| Homeless | | 🞎 | | |
| Non-Homeless Special Needs | | 🞎 | | |
| Non-Housing Community Development | | 🞎 | | |
| Other | | 🗹 | | |
| If Other, specify: Disaster Recovery | | | | |
| **Start Year:** | | PY2015 | | |
| **End Year:** | | PY2019 | | |
| **Outcome:** | | Availability/accessibility | | |
| **Objective:** | | Create Economic Opportunities | | |
| **Geographic Areas Included:** No goal geo area available. | | | | |
| **Priority Needs Addresses:** No goal needs available. | | | | |
| **Funding Allocated:** | | | | |
| CDBG | |  | | |
| HOME | |  | | |
| ESG | |  | | |
| HOPWA | |  | | |
| Other - CDBG-DR | | $28,875,022 | | |
| Total: | | $28,875,022 | | |
| **Goal Outcome Indicator** | | | | |
| **#** | **Goal Outcome Indicator** | | **Quantity** | **Use of Money (UoM)** |
| 1 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | | 15,000 | Persons Assisted |
| 2 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit | | 15,000 | Households Assisted |
| 3 | Public Service Activities other than Low/Moderate Income Housing Benefit | |  | Persons Assisted |
| 4 | Public Service Activities for Low/Moderate Income Housing Benefit | |  | Households Assisted |
| 5 | Façade Treatment / Business Building Rehabilitation | |  | Business |
| 6 | Brownfield Acres Remediated | |  | Acre |
| 7 | Rental Units Constructed | | 150 | Household Housing Unit |
| 8 | Rental Units Rehabilitated | |  | Household Housing Unit |
| 9 | Homeowner Housing Added | | 10 | Household Housing Unit |
| 10 | Homeowner Housing Rehabilitated | | 300 | Household Housing Unit |
| 11 | Direct Financial Assistance to Homebuyers | | 10 | Households Assisted |
| 12 | Tenant-based Rental Assistance / Rapid Rehousing | |  | Households Assisted |
| 13 | Homeless Person Overnight Shelter | |  | Persons Assisted |
| 14 | Overnight / Emergency Shelter / Transitional Housing Beds added | |  | Beds |
| 15 | Homelessness prevention | |  | Persons Assisted |
| 16 | Jobs created / retained | | 200 | Jobs |
| 17 | Businesses assisted | | 25 | Businesses Assisted |
| 18 | Housing for Homeless added | |  | Household Housing Unit |
| 19 | Housing for People with HIV / AIDS added | |  | Household Housing Unit |
| 20 | HIV / AIDS Housing Operations | |  | Household Housing Unit |
| 21 | Buildings Demolished | | 1 | Buildings |
| 22 | Housing Code Enforcement / Foreclosed Property Care | |  | Household Housing Unit |
| 23 | Other | |  | Other |

**AP-35 Projects** (Optional)

**Introduction:**

The projects authorized to be funded under each of Alabama’s HUD-funded Programs (CDBG, HOME, ESG, and HOPWA, as well as the CDBG Disaster funds/CDBG-DR) are further identified and described below.

**Projects:**

**CDBG**: Alabama’s PY2015 CDBG funds in the amount of $21,529,262 will be divided among the following 8 project areas: (1) County funds = $2,500,000 is estimated to be awarded through 7 grants in the amount of $350,000 each; (2) Large City funds (for cities with a population of 3,001 or more) = $4,658,385 is estimated to be awarded through 10 grants in the amount of $450,000 each; (3) Small City funds (for cities with a population of 3,000 or less) = $5,200,000 is estimated to be awarded through 15 grants in the amount of $350,000 each;

(4) Economic Development funds = $4,850,000 is estimated to be awarded through an undetermined number of grants in the amount of $200,000 each; (5) Community Enhancement funds = $3,450,000 is estimated to be awarded through 14 grants in the amount of $250,000 each; (6) Planning funds = $125,000 is estimated to be awarded through an undetermined number of grants in the amount of $40,000 each; (7) Technical Assistance funds = $215,292 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients; and (8) Administration funds = $530,585 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2015 CDBG grant funds.

1. The County Fund is a reservation of money for county governments that is awarded on a competitive basis, and eligible applicants include all counties, except Jefferson and Mobile, which meet the threshold eligibility requirements.

2. The Large City Fund is a reservation of money for larger municipalities that is awarded on a competitive basis, and eligible applicants include all of Alabama’s non-entitlement cities with a 2010 Census population of 3,001 or more, which cities are not members of the Jefferson or Mobile County consortiums, and which meet the threshold eligibility requirements.

3. The Small City Fund is a reservation of money for small cities/towns that is awarded on a competitive basis, and eligible applicants include all of Alabama’s cities or towns with a 2010 Census population of 3,000 or less, which cities are not members of the Jefferson or Mobile County consortiums, and which meet the threshold eligibility requirements.

4. The Economic Development Fund is used to assist activities necessary for economic development projects that are based on job creation or job retention, and these funds are allocated on a continual basis – the grant applications for which may be submitted anytime during the program year. Eligible applicants include all of Alabama’s non-entitlement local governments that meet the threshold eligibility requirements.

5. The Community Enhancement Fund is a reservation of money for eligible CDBG activities which communities consider important to enhance the quality of life for that community’s residents, and eligible applicants include non-entitlement local governments which meet the threshold eligibility requirements.

6. The Planning Fund is a reservation of money for local governments who demonstrate the need for local planning, and eligible applicants include all non-entitlement local governments that meet the threshold eligibility requirements.

7. The Technical Assistance Fund is a reservation of money for ADECA to provide technical assistance to Alabama’s communities to render their effective participation in the CDBG Program, to increase local capacities, and to address other eligible purposes.

8. The Administration Fund is a reservation of money for ADECA’s staff to effectively manage the CDBG program, and these funds will be matched on a dollar-for-dollar basis; the exception being the $100,000 that does not require a match, as that amount is reserved for Planning purposes for ADECA to prepare or to contract for the preparation of a 5-Year Consolidated Plan, a 1-Year Annual Action Plan, and/or an Analysis of Impediments to Fair Housing Choice.

Additionally, ADECA can fund the following 5 types of projects: (9) Section 8 Loan Guarantee projects, (10) Recaptured Funds projects, (11) Black Belt Region projects,

(12) Urgent Need projects, and (13) Joint projects.

9. The Section 8 Loan Guarantee projects allow communities a chance to seek, through the HUD Secretary, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Alabama does not obligate funds for loan guarantees that exceed $10,000,000 per project, nor funds for loan guarantees in excess of the HUD-established limit per year. In instances of exceptional economic impact, a waiver on the loan guarantee ceiling may be granted. Alabama may use the Economic Development Fund, the Recaptured Fund, Program Income funds, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

10. The Recaptured Fund consists of any CDBG funds returned to Alabama during the program year, except Program Income as defined by applicable regulations. ADECA’s Director, at his discretion, may use Recaptured Funds to fund Black Belt Region Projects, and may also use the funds to assist eligible/fundable projects being funded from any of the 8 primary fund categories. Recaptured funds may pay the State’s financial commitments caused by Section 108 Loan underpayments and/or the nonpayment of Float Loans. Money expended from the Recaptured Fund will be awarded by ADECA based on the criteria applicable to each individual fund. Additionally, Recaptured funds may be expended to amend grants from any prior-year grant or current-year grant as and when warranted by the circumstances presented to ADECA in the grantee’s amendment request. Such amendments may cause the original grant amount to exceed formerly-applicable grant ceilings to necessarily and satisfactorily address the amended project’s needs and National Objectives. Factors to be considered when evaluating such requests include (i) the positive impact (on low and moderate income persons or other National Objectives) expected to be realized if the amendment is approved versus the negative impact if the amendment is not approved, (ii) the efforts taken by the grantee to address those circumstances requiring the amendment before requesting such amendment from ADECA, (iii) the economic distress of that grantee as presented in the amendment request, and (iv) other extenuating or unusual circumstances which may have caused the situation necessitating the amendment request.

11. The Black Belt Project Fund assists projects in Alabama’s twelve counties comprising the Black Belt Region of the State: Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter, and Wilcox Counties. The Black Belt Project Fund can include up to $1 million contributed from Recaptured funds as well as transferred balances from the other Funds herein listed that are not required or are not sufficient to fund the entirety of one project or the majority of projects applied for within a respective Fund. No separate grant application is required for Black Belt Project funds; however, those unfunded applications received from the twelve Black Belt counties - including communities within those counties – which unsuccessfully sought money from the other Funds will be considered for funding under the Black Belt Project Fund. And grant award decisions for those particular applications are not constrained by the rating system used to determine awards made from the other Funds, but instead are based upon the benefits or impacts such projects are expected to have on the community and the region. ADECA can also exercise necessary discretion in allowing alterations to designs and grant requests in efforts to maximize the benefits for the affected community/region.

12. The Urgent Need Fund allows eligible communities to apply for grant funds that will address urgent needs resulting from recent disasters/events that are generally not older than 18 months (for example, storms and resulting flooding) that pose serious and immediate threats to the health or welfare of the community. Urgent Need funded projects are not subject to grant ceilings, timing, match requirements, or other limitations. ADECA’s Director can exercise full discretion by transferring into the Urgent Need Fund any available funds from the other Fund categories, making those projects considered as “special fund category” projects.

13. The Joint Project Fund allows two or more communities to jointly carry out activities to address their mutual needs. Joint Project applications will not be considered when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries; in such cases, the additional jurisdiction(s) will not be subject to the applicable thresholds. Also, an application for a single grant can be considered for funding as a Joint Project if two or more communities benefit from that project and each community accounts for 30 percent or more of the beneficiaries; in such cases, the total number of beneficiaries as well as the number of beneficiaries in each community must meet the National Objective, and the community with 50 percent or more beneficiaries will be subject to the State’s thresholds and restrictions. Additionally, each community with 30 percent or more beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates the appropriate responsibilities. A Joint Project application may seek a multi-grant ceiling if the resulting benefits for each community are sufficiently significant to qualify as a separate grant, and such projects will be filed under the joint names of the participating jurisdictions but wherein each community will be separately subject to the State’s threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess the housing and community development needs of low and moderate income persons, become a party to a Memorandum of Understanding that delineates the appropriate responsibilities, and the State to permit one participating community to serve as lead applicant for grant administration purposes. Applicants for Joint Project funds who are seeking multi-grant ceilings must first review their projects with ADECA prior to submitting the grant applications for rating. All Joint Project Fund applications will be rated to ensure maximization of efficiency and materialization of project impacts.

**HOME**: The Alabama Housing Finance Authority (AHFA) is the State entity that serves as a public corporation dedicated to creating housing opportunities for low- and moderate-income citizens in Alabama through affordable financing of safe and sanitary single-family and multi-family housing. AHFA will issues tax-exempt mortgage revenue bonds that provide millions of dollars in financing for first-time home buyers. AHFA will continue to be governed by a Board of Directors whose members are appointed by the Governor (who appoints one member from each of Alabama’s seven congressional districts and consisting of two home builders, two real estate brokers, a lender, a mayor, a county commissioner, and a State-at-large member), the Lieutenant Governor and the Speaker of the House (each of whom appoints two members). The State’s Finance Director, Treasurer, and Superintendent of Banks also serve as members, but in an ex officio role. The Board will continue to provide policy direction, authorize bond issues and program development, and evaluate AHFA’s efforts. AHFA will continue to be responsible for preparing Alabama’s housing needs assessment and strategy under the HOME Program as a prerequisite for Alabama to receive federal dollars for housing. AHFA will continue to prepare and maintain an extensive list of relevant parties from whom to make inquiries and gather information in the form of questionnaires and surveys which AHFA will submit to State agencies, service providers, housing directors, and individuals. Based on the collected information and data, AHFA will compile the blueprint document for creating affordable housing across Alabama.

**ESG**: For the ESG Program, the allocation to the State of Alabama for the PY2015 ESG Program equals $2,524,294. The projects that may be funded with these funds include providing assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assisting with paying operating costs of such facilities, providing essential services to both sheltered and unsheltered homeless persons, helping prevent homelessness, re-housing homeless persons, and assisting in the costs of administering HMIS activities.

The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in this Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the projects are to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the projects are to provide decent affordable housing, with the outcome being affordability.

Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority. However, various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

**HOPWA**: AIDS Alabama will administer five types of housing programs geared toward persons living with HIV and AIDS. These five housing programs are available to all eligible persons throughout the State. These programs are:

1. Rental Assistance: AIDS Alabama provides a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists of three types:

a. Short-Term Rent, Mortgage, and Utility Assistance (STRMU): This assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness.

b. Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant’s landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

c. Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population.

d. Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

2. Emergency Shelter: One emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelter is managed by the Health Services Center of Anniston. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. Additionally, AIDS Alabama operates one emergency bed, which is located in the Transitional Housing Program. AIDS Alabama is in the process of converting a Transitional Housing Program housed in the Rectory into an emergency shelter based program.

3. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

b. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

c. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

d. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

e. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD’s HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

f. The Le Project, AIDS Alabama’s newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

5. Service Enriched Housing: Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. The only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), the projects authorized to be funded under Alabama’s CDBG-DR program are further identified and described at the following website: <http://adeca.alabama.gov/Divisions/ced/cdp/Pages/CDBG-Disaster.aspx>.

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs:**

**CDBG**: Alabama’s allocation priorities for CDBG funds among the eight project areas (County, Large City, Small City, Economic Development, Community Enhancement, Planning, Technical Assistance, and Administration) and the five additional fund categories (Section 108 Loan Guarantees, Recaptured Funds, Black Belt projects, Urgent Need projects, and Joint projects) are based on the reasoning that HUD has entrusted the State with CDBG Program funds to address the Program’s three National Objectives: (1) to be of benefit to persons of low and moderate income, (2) to aid in the prevention or elimination of slums and blight, and (3) to meet urgent community needs that pose a serious and immediate threat to the health or welfare of the community wherein other financial resources are not available. The reasoning for these allocation priorities is that by developing these allocation priorities, ADECA can employ them as a guideline that assists grant applicants in developing local projects that focus on meeting one or more of the Program performance goals that are designed to create suitable living environments, provide decent affordable housing, and/or create economic opportunities for the citizens residing in those communities. And because each funded project is required to demonstrate the ability to improve the availability or accessibility of units or services, improve the affordability of housing or other services, and/or improve the sustainability by promoting viable communities, these allocation priorities will have a positive impact on the State’s plan to expend at least 80 percent (80%) of the PY2015 CDBG funds for activities that will primarily benefit low and moderate income persons, and the remaining 20 percent (20%) of the funds to prevent or eliminate slums and blight and to assist communities with imminent threats to public health and safety. Such allocations will ensure that the State implements this 80%-20% distribution of funds plan.

The major obstacle to addressing underserved needs would be the lack of an appropriate amount of funds that could continually be made available for expenditure on addressing the entirety of CDBG Program’s issues facing Alabama’s non-entitlements areas. There are always more – and evolving – needs than there are moneys available to address those needs. In using taxpayer dollars in concert with private dollars as a continual infusion of funds from all levels of government – federal, state, county, and city – and from affected public and private entities, businesses, and citizens, such accumulation would assist in eliminating this obstacle.

Another major obstacle is the degree of attention that is focused upon these CDBG Program needs. If attention is continually focused upon addressing the targeted activities through to their fruition, then goals and intended results are more likely to be achieved/realized. Conversely, if attention is not continually focused upon addressing the targeted activities through to their fruition – due to numerous interferences that demand immediate attention and action (such as unexpected disasters or other urgent needs), then goals and intended results are less likely to be achieved/ realized and more likely to be supplanted or replaced, or become less important and fade into the background due to other urgent needs and/or changing political leadership and varying priorities that intervene as time passes.

An additional obstacle is the lack of knowledge and understanding of Alabama’s fair housing laws on the part of both housing providers and housing consumers, as was pointed out in the 2014-2015 "Analysis of Impediments to Fair Housing Choice." With one focal point of the CDBG Program being “to affirmatively further fair housing,” the ability to address underserved needs on this point can be improved by expending CDBG funds to conduct outreach and education to both the providers and consumers on the fair housing laws, mortgage and credit-related laws, and consumers' rights under those state and federal fair housing laws.

Finally, what can also be considered as an obstacle would be a local community's inability to apply for CDBG funds - whether it be due to its lack of matching funds to contribute to a project (and subsequent failure to seek and obtain from ADECA a waiver of such matching funds requirement), or its political leadership not wanting to be beholden to HUD funding and all of its accompanying compliance requirements, or the lack of its desire to assist its residents within its borders, or for various other reasons. Even though many local governments exist with Alabama's non-entitlement areas of the State, not all of those local governments - who are eligible - submit applications for annual CDBG funding, so attaining the goals of the established funding priorities will not be accomplished within those locations.

**HOME**: The AHFA's allocation priorities for the PY2015 HOME Program funds include focusing on new or rehabilitated multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new or rehabilitated rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2015 allocation will be able to fund 8-12 HOME projects with 350-600 units. AHFA will also designate 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA’s priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

In attempting to reach varied needs and population types across the state, AHFA’s greatest obstacle is the challenge to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives, which may not be necessarily applicable to other types of organizations. In addition, these Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA’s standards, or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project’s costs exceed AHFA’s definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan.

**ESG**: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

Various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

**HOPWA**: For HOPWA funds, the allocation priorities are based on AIDS Alabama's research conducted for its needs assessment - that includes input from local governments and persons seeking and receiving AIDS Alabama's services. The needs of the target population were primarily determined by five sources of data:

1. The 2010 Comprehensive Statewide Needs Assessment performed by AIDS Alabama (AIDS Alabama will be updating its Needs Assessment in 2015);

2. The 2009, 2010, and 2011 National AIDS Housing Coalition’s (NAHC) North American Housing and HIV/AIDS Research Summits;

3. The Point-in-Time survey completed by One Roof, the local Continuum of Care, and Continuum of Care membership agencies, with the latest data being from January, 2014;

4. The 2013 Central Alabama Ryan White Statewide Coordinated Assessment of Need; and

5. The 2009-2013 Comprehensive Plan for HIV Prevention in Alabama that was conducted by the Alabama Department of Public Health.

There have never been more people living in Alabama with HIV disease than there are now. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. Recent findings from the National AIDS Housing Coalition state that “…3% to 10% of all homeless persons are HIV-positive – ten times the rate of infection in the general population.” This issue becomes more apparent when viewed locally. According to the 2012 Birmingham Area Point In Time Survey, eight percent (8%) of all homeless persons surveyed were HIV-positive. The 2010 AIDS Alabama survey indicated gaps in the availability of housing assistance for homeless persons. Of the 537 HIV-positive persons interviewed, almost 10% indicated that they were homeless or living in temporary housing. An additional 28% indicated that they were doubling up with friends or family. More than half the total persons interviewed felt that their housing situations were unstable. The 2010 Needs Assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care.

The PY2015 HOPWA Program allocation to the State of Alabama equals $1,483,651. Given the preceding statistics and needs represented, AIDS Alabama's allocation priorities for expending those funds are as follows:

1. Rental Assistance

2. Supportive Services (including case management, support staff, housing outreach, and transportation)

3. Operations of existing housing

4. Master Leasing

5. Resource Identification

6. Housing Information

7. Technical Assistance

8. Administration.

The lack of enough funding, the continually-rising population of AIDS and HIV-positive persons who need services, and the lack of more service providers established to address those needs, all comprise AIDS Alabama's obstacles to addressing the remaining underserved needs of the AIDS and HIV- positive population.

**CDBG Disaster (CDBG-DR)**: For CDBG Disaster funds (CDBG-DR), the allocation priorities were based on the State’s Needs Assessment in its HUD-approved Action Plan and from input from local governments and public meetings. The lack of funding is the State’s obstacle to addressing remaining underserved needs.

**AP-25 Allocation Priorities [see 24 CFR 91.320(d)]**

**Introduction:**

See the discussion contained in the sections herein below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Funding Allocation Priorities** | | | | | |
| Program | Alabama's CDBG Program (%) | Alabama's HOME Program (%) | Alabama's HOPWA Program (%) | Alabama's ESG  Program (%) | Total  (%) |
| CDBG | 100% |  |  |  | 100% |
| HOME |  | 100% |  |  | 100% |
| HOPWA |  |  | 100% |  | 100% |
| ESG |  |  |  | 100% | 100% |
| Other  CDBG-DR | 100% |  |  |  | 100% |

**Funding Allocation Priorities:**

**CDBG**: Alabama’s PY2015 CDBG funds in the amount of $21,529,262 will be divided among 8 project areas: (1) County funds = $2,500,000 is estimated to be awarded through 7 grants in the amount of $350,000 each; (2) Large City funds (for cities with a population of 3,001 or more) = $4,658,385 is estimated to be awarded through 10 grants in the amount of $450,000 each; (3) Small City funds (for cities with a population of 3,000 or less) = $5,200,000 is estimated to be awarded through 15 grants in the amount of $350,000 each; (4) Economic Development funds = $4,850,000 is estimated to be awarded through an undetermined number of grants in the amount of $200,000 each; (5) Community Enhancement funds = $3,450,000 is estimated to be awarded through 14 grants in the amount of $250,000 each; (6) Planning funds = $125,000 is estimated to be awarded through an undetermined number of grants in the amount of $40,000 each; (7) Technical Assistance funds = $215,292 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients; and (8) Administration funds = $530,585 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2015 CDBG grant funds.

For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity. Balances in any Fund will be used to either fund the Black Belt Projects or transfer to any other Fund at the discretion of the ADECA Director, but such transfers will not count towards the five percent threshold established in the State’s Citizen Participation Plan. Balances in the State’s Technical Assistance Fund and the State’s Administration Fund for any year may be transferred to the “Recaptured Fund” at the discretion of the ADECA Director. Such transfers will not count towards the five percent threshold established in the State’s Citizen Participation Plan. Also, the State Technical Assistance Fund may be used for State Administration. All recaptured funds (other than Program Income as defined by regulations) will be placed in a "Recaptured Fund.” Any funds awarded via a Governor’s/Director’s award letter which are rescinded due to a grantee’s failure to satisfy a condition in the State’s Letter of Conditional Commitment or a grantee’s inability to implement the project as approved may be considered Recaptured Funds if a significant amount of time has lapsed. Likewise, any funds returned by grantees due to cost under-run will be considered Recaptured Funds. Persons interested in the amount of Recaptured Fund money available may inquire to ADECA in writing for this information. Approximately $30,000 in Program Income is expected to be available during the course of PY2015, and the exact amount will depend on the rate of pay-off, defaults, and early settlements, but the money will generally be used to fund economic development projects. Persons interested in the amount of ED Funds and Program Income available may find out at any time by inquiring in writing to ADECA. If the State's Letter of Credit is used by HUD to make payments on Section 108 Loan Guarantees, then the State will utilize Program Income, Recaptured Funds, and other available funds to ensure that all commitments from the State are met. Recaptured Funds, Program Income, and other funds may also be used to pay-off, make payments on, or provide credit toward Section 108 Loan Guarantee projects and/or Float Loan projects. Reallocated funds from HUD will be assigned to the most appropriate Fund by the ADECA Director and distributed in accordance with the methodology described in this Action Plan. The State recognizes the applicant’s right to retain Program Income within acceptable limits to the extent that the income is applied to continue the activity from which such income was derived. And from time to time, areas declared a disaster by the President will be addressed by a separate Disaster Program for the purposes of disaster relief, long-term recovery, and mitigation.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan under

“III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in this Consolidated Plan. For the HOME funds, the allocation priorities are based on the PY2015 HOME Program allocation to the State of Alabama in the amount of $7,819,900.

The AHFA's allocation priorities for the PY2015 HOME Program funds include focusing on new or rehabilitated multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new or rehabilitated rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2015 allocation will be able to fund 8-12 HOME projects with 350-600 units. AHFA will also designate 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA’s priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

**ESG**: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. For the ESG funds, the allocation priorities are based on the PY2015 ESG Program allocation to the State of Alabama in the amount of $2,524,294.

ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

The point in time counts conducted in January 2014 documented both sheltered and unsheltered homeless individuals and families. Additional affordable housing and case management services are identified as statewide priorities to address street outreach, emergency shelter, homelessness prevention, and rapid re-housing needs.

**HOPWA**: For HOPWA funds, the allocation priorities are based on the PY2015 HOPWA Program allocation to the State of Alabama in the amount of $1,483,651. AIDS Alabama has allocated those funds for the following programs:

1. Rental Assistance: AIDS Alabama will use $373,316.00 to fund both short-term and Tenant-Based Rental Assistance (TBRA), as well as Project-Based Rental Assistance (PBRA) on an as-needed basis. Due to the agency’s success at providing consumers with Tenant-Based Rental Assistance (TBRA), the budget for other rental assistance must be monitored closely and strictly managed. Cost containment measures were instituted with the approval of the AIDS Service Organization Network of Alabama (ASONA), which serves as the HOPWA advisory body for AIDS Alabama. STRMU was limited to three months, and expenditures for first month’s rent and deposit were frozen. However, recent cost analyses has shown that the success of the Homeless Prevention and Rapid Re-Housing Program (HPRP) had somewhat alleviated the rental assistance program’s financial burden. However, HPRP ended for the agency and its partners on March 31, 2012, and another HPRP grant proposal through ESG funds was not funded. Therefore, a decision was made to increase the maximum benefit to 17 weeks of STRMU assistance.

Historically, new TBRA applications remained frozen while the waiting list grew. Stimulus Act Programs, such as HPRP, had provided some relief to the Tenant-Based Rental Assistance Program during the last several years, but these additional programs provided only a temporary respite. However, by monitoring this program closely, AIDS Alabama was able to open the TBRA waiting list during the current program year. Each AIDS Service Organization was given an additional TBRA voucher; these were quickly filled. Additional guidelines were set to allow the AIDS Service Organizations to use vouchers that became available through attrition.

Clients access this program by visiting AIDS Alabama or one of the eight partnering AIDS Service Organizations. They then complete an application with a HOPWA-certified and trained staff member of that agency. ASONA members involved in the decision-making process about how the rental assistance funds are expended include:

* AIDS Action Coalition – Huntsville
* Health Services Center – Anniston
* Unity Wellness Center – Auburn
* Medical AIDS Outreach of Alabama – Montgomery
* Birmingham AIDS Outreach
* Selma AIDS Information & Referral
* AIDS Alabama South (formerly South Alabama CARES\*) – Mobile
* West Alabama AIDS Outreach – Tuscaloosa.

\*South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

Input from these agencies, combined with data from focus groups, surveys, and needs assessments, drive the protocols used in the Rental Assistance program. AIDS Alabama analyzes this information and adjusts the program to facilitate balancing the amount of funds available with the ultimate goal of avoiding homelessness, keeping families stably housed, and increasing consumer empowerment to succeed in a permanent housing setting. AIDS Alabama never seeks a change to the rental assistance program without:

* Receiving input from all subcontracting agencies
* Providing a minimum of a 30-day notice to each agency
* Ensuring that changes are compliant with HOPWA regulations.

For the Short-Term Rental, Mortgage, and Utility program (STRMU), applicants must re-apply and supply proof of need for each month of assistance for up to 17 weeks in an assistance year.

For the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance, the residents are responsible for a portion of the rent based on their incomes. Clients are expected to maintain quarterly contact with their social workers, as well as pay the appropriate portions of the rent and maintain utilities.

ASONA serves as AIDS Alabama’s HOPWA planning council. To access rental assistance, AIDS Alabama requires annual certification of these programs by the community-based organizations that are their partners.

## 2. Supportive Services: AIDS Alabama will use $440,000 to support housing programs in the State. This support will include supportive services such as transportation, case management, first month’s rent and deposit (if available), and housing outreach. AIDS Alabama provides these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in their Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

3. Operating Costs:AIDS Alabama will use $449,087.00 to supplement the operating cost of the permanent and transitional units between April 1, 2015, and March 31, 2016, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

4. Master Leasing: AIDS Alabama will use $9,000.00 to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

5. Resource Identification: AIDS Alabama will spend $47,000.00 between April 1, 2015, and March 31, 2016, to support collaboration among housing and HIV-positive service partners across the state to identify low-income housing and housing development efforts. Specific actions include:

1. Attend 100% of the appropriate HIV/AIDS housing and homeless conferences.

2. Support the cost of meetings to foster collaborations that will expand affordable housing for low-income, HIV-positive consumers with in-state housing organizations, such as the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others.

6. Housing Information: AIDS Alabama will use $15,000.00 to provide 7,600 individuals with HIV/AIDS housing information in a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and through other community service providers statewide between April 1, 2015, and March 31, 2016.

7. Technical Assistance: AIDS Alabama will use $5,000.00 to provide at least two consultations and technical assistance sessions to ASONA member agencies who are engaged in specific, qualified projects between April 1, 2015, and March 31, 2016.

8. Administration: The fee for administration of the HOPWA program will be $148,365 (10% per regulations). The state service agency (ADECA) will receive 3% ($44,510) as the grantee, and the project sponsor (AIDS Alabama) will receive 7% ($103,855). AIDS Alabama continues to draw on its committed sources of leverage in order to increase the capacity of the HOWPA program. Leveraged dollars from private and public sources, such as Medicaid Targeted Case Management, Ryan White case management, prevention education grants and outreach, development initiatives and newsletters, as well as private foundation grants, other HUD grants, tenant rent payments, properties, and program income allow AIDS Alabama to stretch limited fiscal resources while continuing to provide quality supportive housing services to its consumers. For Pre-Award Costs, the State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA.  The costs would include eligible functions performed by ADECA’s staff members during the State’s administration of the HOPWA program.

**Reason for Allocation Priorities:**

**CDBG**: Alabama’s allocation priorities for CDBG funds among the eight project areas (County, Large City, Small City, Economic Development, Community Enhancement, Planning, Technical Assistance, and Administration) and the five additional fund categories (Section 108 Loan Guarantees, Recaptured Funds, Black Belt projects, Urgent Need projects, and Joint projects) are based on the reasoning that HUD has entrusted the State with CDBG Program funds to address the Program’s three National Objectives: (1) to be of benefit to persons of low and moderate income, (2) to aid in the prevention or elimination of slums and blight, and (3) to meet urgent community needs that pose a serious and immediate threat to the health or welfare of the community wherein other financial resources are not available. The reasoning for these allocation priorities is that by developing these allocation priorities, ADECA can employ them as a guideline that assists grant applicants in developing local projects that focus on meeting one or more of the Program performance goals that are designed to create suitable living environments, provide decent affordable housing, and/or create economic opportunities for the citizens residing in those communities. And because each funded project is required to demonstrate the ability to improve the availability or accessibility of units or services, improve the affordability of housing or other services, and/or improve the sustainability by promoting viable communities, these allocation priorities will have a positive impact on the State’s plan to expend at least 80 percent (80%) of the PY2015 CDBG funds for activities that will primarily benefit low and moderate income persons, and the remaining 20 percent (20%) of the funds to prevent or eliminate slums and blight and to assist communities with imminent threats to public health and safety. Such allocations will ensure that the State implements this 80%-20% distribution of funds plan.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan under

“III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

The AHFA's allocation priorities for the PY2015 HOME Program funds include focusing on new or rehabilitated multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new or rehabilitated rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2015 allocation will be able to fund 8-12 HOME projects with 350-600 units. AHFA will also designate 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA’s priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

**ESG**: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

Case management should be utilized to identify services needed by applicants and program participants. The primary need for homeless or near homeless individuals is shelter. This may be provided through identification of rental units and emergency shelter or transitional housing facilities. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to addressing the priority of additional affordable housing. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers. In addition to the provision of shelter, essential services, such as employment and educational training, child care, and physical and mental health care, can be coordinated by case managers. The State acknowledges the varying degrees of need and access to available services throughout its jurisdiction. Due to the various needs presented throughout the state and the services available in those areas, the State believes the individual subrecipients can target funds to the highest priorities at the local level.

**HOPWA**: For HOPWA funds, the allocation priorities are based on AIDS Alabama's research conducted for its needs assessment - that includes input from local governments and persons seeking and receiving AIDS Alabama's services. The needs of the target population were primarily determined by five sources of data:

1. The 2010 Comprehensive Statewide Needs Assessment performed by AIDS Alabama (AIDS Alabama will be updating its Needs Assessment in 2015);

2. The 2009, 2010, and 2011 National AIDS Housing Coalition’s (NAHC) North American Housing and HIV/AIDS Research Summits;

3. The Point-in-Time survey completed by One Roof, the local Continuum of Care, and Continuum of Care membership agencies, with the latest data being from January, 2014;

4. The 2013 Central Alabama Ryan White Statewide Coordinated Assessment of Need; and

5. The 2009-2013 Comprehensive Plan for HIV Prevention in Alabama that was conducted by the Alabama Department of Public Health.

There have never been more people living in Alabama with HIV disease than there are now. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. Recent findings from the National AIDS Housing Coalition state that “…3% to 10% of all homeless persons are HIV-positive – ten times the rate of infection in the general population.” This issue becomes more apparent when viewed locally. According to the 2012 Birmingham Area Point In Time Survey, eight percent (8%) of all homeless persons surveyed were HIV-positive. The 2010 AIDS Alabama survey indicated gaps in the availability of housing assistance for homeless persons. Of the 537 HIV-positive persons interviewed, almost 10% indicated that they were homeless or living in temporary housing. An additional 28% indicated that they were doubling up with friends or family. More than half the total persons interviewed felt that their housing situations were unstable. The 2010 Needs Assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care.

Also, AIDS Alabama's reason for each of the allocation priorities is as follows:

1. Rental Assistance: To support a statewide rental assistance program through qualified AIDS Service Organizations.

## 2. Supportive Services: To provide existing housing programs in the State with supportive services.

## 3. Operating Costs: To support the operating costs of current housing. AIDS Alabama increased the amount of funds used in this category due to several reasons: (1) The aging of current property has meant exorbitant increases in maintenance costs. Housing staff must constantly inspect and repair existing properties to keep current housing stock operational as safe housing for consumers. (2) The agency has launched a capital campaign that is resulting in increased funds for some projects, but costs continue to rise. (3) The agency was able to obtain a HOME grant from the City of Mobile to help with a massive rehabilitation of the Magnolia Place Property beginning in late 2012. This relief has been great, but existing properties elsewhere across the state continue to require high rehab funding. Magnolia Place is completely rehabilitated, and the project has been a success.

4. Master Leasing: To support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills.

5. Resource Identification: To support resource identification efforts.

6. Housing Information: To support ongoing housing information efforts in the State.

7. Technical Assistance: To provide technical assistance training around housing programs and development in Alabama.

8. Administration: To allow AIDS Alabama to provide administrative services in managing this program.

**How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?**

**CDBG**: Alabama’s proposed distribution of its PY2015 CDBG Program funds will address program’s three National Objectives, because each CDBG-funded activity must address at least one of the three National Objectives of the CDBG program. These are as follows:

1. Benefit low and moderate income persons, of which at least 51% must be from low and moderate income households; and for single family housing activities, these must benefit 100% low and moderate income households;

2. Aid in the prevention or elimination of slums and blight; or,

3. Meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available.

In addition to meeting at least one of these three National Objectives, activities must meet one of the following three performance goals:

1. Create suitable living environments;

2. Provide decent affordable housing; or

3. Create economic opportunities.

Further, the selected activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services;

2. Improve affordability of housing or other services; and/or

3. Improve sustainability by promoting viable communities.

Based on these HUD and State mandates, the CDBG program's proposed distribution of funds will address the priority needs and specific objectives by allowing Alabama's non-entitlement communities to establish - and select for submitting funding applications - their own local priorities from among the following commonly-funded eligible activities: water system improvements, sewer system improvements, road improvements, housing rehabilitation, community enhancement/quality of life improvement projects, economic development projects, local government planning projects, downtown planning or revitalization projects, and urgent need projects

**HOME**: The AHFA's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that the Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct housing for some persons who are not homeless but may have other special needs. While AHFA does not specify what may be needed or desired in certain markets, it generally approves high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance. Where applicable, the State recognizes a wide range of needs, encompassing individuals, families, and households of every possible age, race, physical location, and socio-economic status. As administrators of HOME for nearly 25 years, AHFA has a proven track record of exemplary stewardship and countless opportunities have been created for thousands of low-income Alabamians to live, often for the first time in their life, in housing that is new and clean and well-managed and, most importantly, affordable.

Also, based on the 2010 U. S. Census and multiple variations of the American Community Survey in one, three, or five-year estimates, statistical evidence shows widespread poverty in Alabama that is both alarming and predictable. Poverty, most often characterized by low median household or family income, certainly plays into the ability of Alabamians to reside in housing that is safe, sanitary, and affordable. With regards to the State of Alabama HOME Program, the creation of housing to meet those needs is the chief priority. Portions of the Consolidated Plan have indicated the great numbers of renters and owners with one or more housing problems. Of the four traditionally defined housing problems, the one that is the most pervasive and the one most difficult to mitigate is cost burden. Over 400,000 owners and renters in Alabama whose median income is less than 80% AMI carry a cost burden greater than 30%. An additional 216,000 owners and renters in the 0-80% AMI carry a cost burden greater than 50%. The actual numbers of renters who are cost-burdened at all levels is greater than the number of owners; 321,020 renters v. 303,530 owners. And because only 30% of Alabama households are renters overall, a large disproportionate need exists for renters. The top priority for the use of State HOME funds in 2015-2019 will be the production of affordable rental housing.

Thus, under *Affordable Housing*, the applicable activities and needs are as follows:

**ACTIVITY PRIORITY ACTION**

Rental Assistance Low None Planned

Production of new units High Certainty

Rehabilitation of existing units Medium Possibility\*

Acquisition of existing units Medium Possibility\*

\*While the primary activity for State HOME funds has historically been new construction, some funding sources (HOME, Housing Credits, Multifamily Bonds, etc.) have been used for the acquisition/rehabilitation of certain existing projects, such as older Farmer’s Home (USDA Rural Development) properties. It is a strong possibility that HOME funding will again be allocated for this purpose.

Also, please see the AHFA's “III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

**ESG**: The ESG Program's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that ESG funds will be used to address needs identified in the 2014 point in time counts. The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities (administration, emergency shelter, street outreach, Homeless Information Management System, homelessness prevention, and rapid re-housing).

**HOPWA**: The HOPWA Program's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that the HOPWA Program funds will be expended to:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

By AIDS Alabama expending the HOPWA funds for rental assistance, supportive services (including case management, support staff, housing outreach, and transportation), operations of existing housing, Master Leasing, resource identification, housing information, technical assistance, and administration services, AIDS Alabama will be able to devote its energy and resources statewide to helping people with HIV/AIDS live healthy and independent lives, along with working to prevent the spread of HIV. It will continue to be able to focus on providing housing and supportive services, policy and advocacy work, HIV prevention education, and free and confidential HIV testing. It will continue to be able to assist consumers in working toward their goals of increased stability, income, and independence by providing case management, transportation, utility assistance, emergency financial assistance, vocational assistance, GED preparation/training, secondary HIV education, substance abuse treatment, mental health services, health insurance continuation, and support groups. AIDS Alabama will also be able to continue increasing the community’s level of HIV/AIDS knowledge and awareness through innovative interventions and targeted outreach by providing individual and group-level programs and outreach services at venues that include local colleges and universities, faith-based organizations, shelters, and correctional facilities.

**AP-30 Method of Distribution [see 24 CFR 91.320(d), and (k)]**

**Introduction:**

See the discussion contained in the sections herein below.

**Distribution Methods**

|  |  |
| --- | --- |
| **State Program Name:** | **Funding Sources:** |
| CDBG: The Community Development Block Grant Program | U.S. Department of Housing and Urban Development |
| HOME: The HOME Partnerships Program | U.S. Department of Housing and Urban Development |
| Emergency Solutions Grants | U.S. Department of Housing and Urban Development |
| HOPWA: The Housing for Persons With AIDS Program | U.S. Department of Housing and Urban Development |

**Describe the State program addressed by the Method of Distribution:**

**CDBG**: The information regarding the CDBG Program's selection criteria, allocation of resources, threshold factors, and outcome expectations allowed under the Housing and Community Development Act of 1974, as amended, is as follows:

**STATE OF ALABAMA**

**PROPOSED PY2015 CDBG ACTION PLAN**

The following policies will govern Alabama's CDBG program:

1. Let applicants compete fairly for funds to address essential community facility needs.

2. Let communities compete equally for their varying community development needs.

3. Ensure that communities in the State can compete for funds on an equitable basis.

4. Allow for equitable competition by allowing, where feasible, small cities, large cities, and counties to compete in their respective categories.

5. Facilitate funding of important economic development projects in a timely manner.

6. Encourage communities to plan for community conservation and development.

7. Give additional consideration to those communities who commit to do the most to help themselves, taking into account their level of resources.

8. Give consideration to the community's ability to maintain CDBG improvements.

9. Make funding decisions, to the extent feasible, that aid local and regional plans.

10. Ensure that all grants are managed in a timely and effective manner.

**PY2015 CDBG Program Allocation** = $21,529,262

**FUNDING CATEGORY CDBG AMOUNT**

Total Allocated to Alabama $21,529,262

County Fund $2,500,000

Large City Fund $4,658,385

Small City Fund $5,200,000

Economic Development Fund $4,850,000

Planning Fund $125,000

Community Enhancement Fund $3,450,000

State Administration $530,585

State Technical Assistance $215,292

NOTES:

1. For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity.

2. Balances in any Fund will be used to either fund the Black Belt Region Projects or transfer to any other Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State’s Citizen Participation Plan.

3. Balances in the State’s Technical Assistance Fund and the State’s Administration Fund for any year may be transferred to the Recaptured Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State’s Citizen Participation Plan. Also, the State Technical Assistance Fund may be used for State Administration.

4. All recaptured funds (other than Program Income as defined by regulations) will be placed in the Recaptured Fund. Any funds awarded via a Governor’s/ADECA Director’s award letter which are rescinded due to a grantee’s failure to satisfy a condition in the State’s Letter of Conditional Commitment, or a grantee’s inability to implement the project as approved, may be considered Recaptured Funds if a significant amount of time has lapsed. Likewise, any funds returned by grantees due to cost under-run will be considered Recaptured Funds. This does not include funds returned as the result of an ED Float Loan; please see the section on ED Float Loans for a description of how the return of those funds will be managed. Persons interested in the amount of Recaptured Fund money available may inquire to ADECA in writing for this information.

5. Approximately $30,000 in Program Income is expected to be available during the course of this program year (PY2015). The exact amount will depend on the rate of pay-off, defaults, and early settlements, but the money will generally be used to fund economic development projects. Persons interested in the amount of ED Funds and Program Income available may inquire to ADECA in writing for this information. If the State's Letter of Credit is used by HUD to make payments on Section 108 Loan Guarantees, then the State will utilize Program Income, Recaptured Funds, and other available Funds to ensure that all commitments from the State are met. Recaptured Funds, Program Income, and other Funds may also be used to pay-off, make payments on, or provide credit toward Section 108 Loan Guarantee projects and/or ED Float Loan projects.

6. Reallocated funds from HUD will be assigned to the most appropriate Fund by the ADECA Director and distributed in accordance with the methodology described in this One-Year Annual Action Plan.

7. The State recognizes the applicant's right to retain Program Income within acceptable limits to the extent that the income is applied to continue the activity from which such income was derived.

8. From time to time, areas declared a disaster by the President will be addressed by a separate Disaster Program for the purposes of disaster relief, long-term recovery, and mitigation.

## **METHODS OF ALLOCATION**

The State of Alabama's PY2015 Community Development Block Grant (CDBG) money will be allocated as shown on the preceding pages and as described below. The application submission dates for these funds will be announced during the CDBG workshops or through other appropriate widely distributed public notifications.

Each activity funded with CDBG funds must address at least one of the three National Objectives of the CDBG program. These objectives are:

1. To benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;

2. Aid in the prevention or elimination of slums and blight; or

3. Meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

In addition to meeting at least one of the three National Objectives listed above, activities must meet one of the following three performance goals:

1. Create suitable living environments,

2. Provide decent affordable housing, or

3. Create economic opportunities.

Further, activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services,

2. Improve affordability of housing or other services, and/or

3. Improve sustainability by promoting viable communities.

**CDBG GRANT FUND CATEGORIES**

The 13 Categories of Funds from which PY2015 CDBG monies will be allocated are as follows:

**1. COUNTY FUND:** This Fund is a reservation of money for county governments to be awarded on a competitive basis. Eligible applicants are all counties, except Jefferson and Mobile, which meet eligibility requirements listed under Thresholds.

**2. LARGE CITY FUND:** This Fund is a reservation of money for the State's larger municipalities to be awarded on a competitive basis. Eligible applicants are all non-entitlement cities with a 2010 Census population of 3,001 or more that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

**3. SMALL CITY FUND:** This Fund is for the State's small cities/towns to be awarded on a competitive basis. Eligible applicants are all cities or towns with a 2010 Census population of 3,000 or less that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

**4. ECONOMIC DEVELOPMENT FUND (ED FUND):** This Fund is to assist activities necessary for economic development projects. Economic development projects are those based on job creation or retention. These funds will be allocated on a continual basis. Applications may be submitted anytime during the program year. Eligible applicants are all non-entitlement local governments that meet eligibility requirements listed under Thresholds.

**5. SECTION 108 LOAN GUARANTEES:** This Fund provides an opportunity for communities to seek, through the Secretary of HUD, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. The State will not obligate for loan guarantees more than $10 Million per project, nor more than the HUD-established limit per year. In those instances where there is an exceptional economic impact, then a waiver of the $10 Million per project ceiling may be granted. The State may use the ED Fund, the Recaptured Fund, Program Income, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

**6. PLANNING FUND:** This Fund’s monies will be awarded to those local governments who demonstrate the need for local planning. Eligible applicants are all non-entitlement local governments that meet the eligibility requirements listed under Thresholds.

**7. COMMUNITY ENHANCEMENT FUND:** This Fund is a reservation of money to provide funding for eligible CDBG activities which communities consider important to enhance the quality of life for area/community residents. Eligible applicants are non-entitlement local governments who meet applicable thresholds.

**8. RECAPTURED FUND:** This Fund will consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The ADECA Director, at his or her discretion, will use an appropriate amount of Recaptured Fund to fund the Black Belt Region Projects as well as assist eligible and fundable projects from any of the Fund categories listed above. The Recaptured Fund may also be used to meet State commitments caused by Section 108 Loan Guarantee underpayments or nonpayment of ED Float Loans. Money from the Recaptured Fund will be awarded based on the criteria applicable to each individual Fund. It is estimated that the State will receive approximately $500,000 for this year. In addition to the above, the Recaptured Fund may also be used to amend grants from any prior or current year grant when warranted by the circumstances presented to ADECA in the grantee's amendment request. Such amendments may cause the original grant to exceed formerly applicable grant ceilings if necessary to satisfactorily address project needs and National Objectives. Factors to be considered when evaluating such requests are: (1) positive impact (on low and moderate income persons or other National Objectives) to be expected if the amendment is approved, versus negative impact if the amendment is not approved; (2) efforts of grantee to address circumstances requiring amendment before requesting an amendment from ADECA; (3) economic distress of grantee as presented in the amendment request; and (4) other extenuating or unusual circumstances which may have caused the request.

**9. BLACK BELT REGION PROJECTS:** This Fund category is designed to assist projects in the twelve counties of the Black Belt Region of the State. These counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox. Up to $1 Million may be made available from the Recaptured Fund and other transfers including transfer of balances from Funds listed above that are either not required or are not sufficient to fund an entire project or the majority of the projects applied for within those Fund categories. No separate applications will be required for the Black Belt Region Projects. Instead, the unsuccessful applications received from the twelve Black Belt counties, including communities within those counties, for all other Funds will be considered under the Black Belt Region Projects. Award considerations for Black Belt Region Projects will no longer be constrained by rating of these projects under individual Funds. The award of Black Belt Region Projects will be based primarily upon the impact these projects will have on the community and the region. The State will exercise necessary discretion to allow alteration of designs and grant requests to maximize the benefit for the region.

**10. URGENT NEED PROJECTS:** An eligible community may apply for funding to address urgent needs resulting from occurrence of recent events (generally not older than 18 months) such as storms and flooding posing a serious and immediate threat to the health or welfare of the community. Such urgent need projects will not be subject to particular grant ceilings, timing, match requirements, or other limitations, and the ADECA Director will exercise full discretion by transferring available funds in different Fund categories. These projects will be considered as special Fund category projects.

**11. JOINT PROJECTS:** The PY2015 program allows two or more communities to jointly carry out activities to address their mutual needs. The following elements will serve as a guide in the eligibility and determination of such joint projects:

1. A project will not be considered as a joint project when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries. In such cases, the additional jurisdiction(s) will not be subject to the applicable Thresholds.

2. A project applying for a single grant will be considered a joint project if two or more communities benefit from a project and each accounts for 30 or more percent of the beneficiaries. In such cases, the total beneficiaries as well as beneficiaries in each community must meet the National Objective, and the community with 50 or more percent beneficiaries will be subject to applicable State Thresholds and restrictions. In addition, each community with 30 or more percent beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and must become a party to a Memorandum of Understanding that delineates appropriate responsibilities.

3. A joint project may seek a multi-grant ceiling if benefits for each community are sufficiently significant to qualify as a separate grant. Such projects will be filed under the joint names of participating jurisdictions and each community will be separately subject to the State Threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess housing and community development needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates appropriate responsibilities. For the purposes of grant administration, the State will permit one participating community to serve as lead applicant.

The State will use a common sense approach to review and rate joint projects to ensure that the State’s intent to maximize efficiency is realized and that the impact from such projects materializes. Applicants proposing joint projects seeking multi-grant ceilings must review their projects with the State prior to submittal.

**12. STATE ADMINISTRATION/PLANNING:** The $530,585 for State Administration is a reservation of money for effective management of the CDBG program by the State, and these funds will be matched on a dollar for dollar basis, except for the $100,000 that does not have to be matched. The $100,000 is reserved for Planning purposes for the State to prepare or to contract for a Five-Year Consolidated Plan, a One-Year Annual Action Plan, and an Analysis of Impediments to Fair Housing Choice.

**13. STATE TECHNICAL ASSISTANCE FUND:** This Fund is a reservation of money for the provision of technical assistance to the communities of Alabama for effective participation in the State's CDBG program, to increase local capacities, and for other eligible purposes.

**CDBG GRANT CEILINGS AND MINIMUMS**

The figures stated below establish general ceilings and minimums on the grant amounts that may be requested per Fund. Consideration in the award of grants will be given to the size of the community requesting funds and to the requirements of the proposed project. An applicant must recognize that requesting the maximum grant amount allowable will not always be appropriate.

**Fund Ceiling/Minimum**

County Fund $350,000 Ceiling

Large City Fund $450,000 Ceiling

Small City Fund $350,000 Ceiling

Community Enhancement Fund $250,000 Ceiling/$50,000 Minimum

Planning Fund $40,000 Ceiling

Section 108 Loan Guarantees $10,000,000 Maximum

**Economic Development Fund Minimum Maximum**

ED Grants $50,000 $200,000

ED Incubator Projects $50,000 $250,000

ED Loans $50,000 $250,000

ED Float Loans $1,000,000 $10,000,000

NOTE: These ceilings are subject to HUD’s actual CDBG allocation to the State of Alabama. At the discretion of the ADECA Director, these ceilings may be modified in order to maintain program integrity.

Thus, Alabama's PY2015 CDBG funds in the amount of $21,529,262 will be divided among 8 project areas that comprise Alabama's CDBG Program. These categories are as follows:

(1) County funds = $2,500,000 is estimated to be awarded through 7 grants in the amount of $350,000 each. The County Fund is a reservation of money for county governments to be awarded on a competitive basis. Eligible applicants are all counties, except Jefferson and Mobile, which meet eligibility requirements listed under Thresholds.

(2) Large City funds (for cities with a population of 3,001 or more) = $4,658,385 is estimated to be awarded through 10 grants in the amount of $450,000 each. The Large City Fund is a reservation of money for the State's larger municipalities to be awarded on a competitive basis. Eligible applicants are all non-entitlement cities with a 2010 Census population of 3,001 or more that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

(3) Small City funds (for cities with a population of 3,000 or less) = $5,200,000 is estimated to be awarded through 15 grants in the amount of $350,000 each. The Small City Fund is for the State's small cities/towns to be awarded on a competitive basis. Eligible applicants are all cities or towns with a 2010 Census population of 3,000 or less that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

(4) Economic Development funds = $4,850,000 is estimated to be awarded through an undetermined number of grants in the amount of $200,000 each. The Economic Development Fund is to assist activities necessary for economic development projects. Economic development projects are those based on job creation or retention. These funds will be allocated on a continual basis. Applications may be submitted anytime during the program year. Eligible applicants are all non-entitlement local governments that meet eligibility requirements listed under Thresholds.

(5) Community Enhancement funds = $3,450,000 is estimated to be awarded through 14 grants in the amount of $250,000 each. The Community Enhancement Fund is a reservation of money to provide funding for eligible CDBG activities which communities consider important to enhance the quality of life for area/community residents. Eligible applicants are non-entitlement local governments who meet applicable thresholds.

(6) Planning funds = $125,000 is estimated to be awarded through an undetermined number of grants in the amount of $40,000 each. The Planning Fund is funds to be awarded to those local governments who demonstrate the need for local planning. Eligible applicants are all non-entitlement local governments that meet the eligibility requirements listed under Thresholds.

(7) Technical Assistance funds = $215,292 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients. The State Technical Assistance Fund is a reservation of money for the provision of technical assistance to the communities of Alabama for effective participation in the State's CDBG program, to increase local capacities, and for other eligible purposes.

(8) Administration funds = $530,585 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2015 CDBG grant funds. The State Administration Fund is a reservation of money for effective management of the CDBG program by the State, and these funds will be matched on a dollar for dollar basis, except for the $100,000 that does not have to be matched. The $100,000 is reserved for Planning purposes for the State to prepare or to contract for a Five-Year Consolidated Plan, a One-Year Annual Action Plan, and an Analysis of Impediments to Fair Housing Choice.

Additionally, the State's CDBG Program consists of the following programs:

(9) The Recaptured Fund will consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The ADECA Director, at his or her discretion, will use an appropriate amount of Recaptured Fund to fund the Black Belt Region Projects as well as assist eligible and fundable projects from any of the Fund categories listed above. The Recaptured Fund may also be used to meet State commitments caused by Section 108 Loan Guarantee underpayments or nonpayment of ED Float Loans. Money from the Recaptured Fund will be awarded based on the criteria applicable to each individual Fund. It is estimated that the State will receive approximately $500,000 for this year. In addition, the Recaptured Fund may also be used to amend grants from any prior or current year grant when warranted by the circumstances presented to ADECA in the grantee's amendment request. Such amendments may cause the original grant to exceed formerly applicable grant ceilings if necessary to satisfactorily address project needs and National Objectives. Factors to be considered when evaluating such requests are:

(1) positive impact (on low and moderate income persons or other National Objectives) to be expected if the amendment is approved, versus negative impact if the amendment is not approved;

(2) efforts of grantee to address circumstances requiring amendment before requesting an amendment from ADECA;

(3) economic distress of grantee as presented in the amendment request; and

(4) other extenuating or unusual circumstances which may have caused the request.

(10) The Black Belt Projects Fund category is designed to assist projects in the twelve counties of the Black Belt Region of the State. These counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox. Up to $1 Million may be made available from the Recaptured Fund and other transfers including transfer of balances from Funds listed above that are either not required or are not sufficient to fund an entire project or the majority of the projects applied for within those Fund categories. No separate applications will be required for the Black Belt Region Projects. Instead, the unsuccessful applications received from the twelve Black Belt counties, including communities within those counties, for all other Funds will be considered under the Black Belt Region Projects. Award considerations for Black Belt Region Projects will no longer be constrained by rating of these projects under individual Funds. The award of Black Belt Region Projects will be based primarily upon the impact these projects will have on the community and the region. The State will exercise necessary discretion to allow alteration of designs and grant requests to maximize the benefit for the region.

(11) The Urgent Need Projects Fund is a fund to which an eligible community may apply for funding to address urgent needs resulting from occurrence of recent events (generally not older than 18 months) such as storms and flooding posing a serious and immediate threat to the health or welfare of the community. Such urgent need projects will not be subject to particular grant ceilings, timing, match requirements, or other limitations, and the ADECA Director will exercise full discretion by transferring available funds in different Fund categories. These projects will be considered as special Fund category projects.

(12) The Joint Projects Program allows two or more communities to jointly carry out activities to address their mutual needs. The following elements will serve as a guide in the eligibility and determination of such joint projects:

(1) A project will not be considered as a joint project when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries. In such cases, the additional jurisdiction(s) will not be subject to the applicable Thresholds.

(2) A project applying for a single grant will be considered a joint project if two or more communities benefit from a project and each accounts for 30 or more percent of the beneficiaries. In such cases, the total beneficiaries as well as beneficiaries in each community must meet the National Objective, and the community with 50 or more percent beneficiaries will be subject to applicable State Thresholds and restrictions. In addition, each community with 30 or more percent beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and must become a party to a Memorandum of Understanding that delineates appropriate responsibilities.

(3) A joint project may seek a multi-grant ceiling if benefits for each community are sufficiently significant to qualify as a separate grant. Such projects will be filed under the joint names of participating jurisdictions and each community will be separately subject to the State Threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess housing and community development needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates appropriate responsibilities. For the purposes of grant administration, the State will permit one participating community to serve as lead applicant. The State will use a common sense approach to review and rate joint projects to ensure that the State’s intent to maximize efficiency is realized and that the impact from such projects materializes. Applicants proposing joint projects seeking multi-grant ceilings must review their projects with the State prior to submittal.

(13) The Section 108 Loan Guarantee Fund provides an opportunity for communities to seek, through the Secretary of HUD, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. The State will not obligate for loan guarantees more than $10 Million per project, nor more than the HUD-established limit per year. In those instances where there is an exceptional economic impact, then a waiver of the $10 Million per project ceiling may be granted. The State may use the ED Fund, the Recaptured Fund, Program Income, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

## **CDBG GRANT THRESHOLDS**

The following thresholds will apply to communities seeking to apply for PY2015 CDBG funds:

1. Cities and Counties with any open Economic Development Fund or Planning Fund PY2012 or earlier grant funded in calendar year 2012 or earlier as of March 31, 2015, will sit-out for all Funds except for the Economic Development Fund.

2. Cities and Counties with an open grant (except Economic Development Fund or Planning Fund) from any Fund as of March 31, 2015, will sit out for all Funds except for the Economic Development Fund.

3. Cities and Counties that have applied unsuccessfully for an eligible project three consecutive years will receive an additional consideration.

4. Cities and Counties eligible to apply for Competitive Funds (the County Fund, Large City Fund, and Small City Fund) and the Community Enhancement Fund will be limited to only one application from either one of these Funds.

5. A unit of government may not apply if it has an unresolved audit finding involving disallowed costs as the result of a determination made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has reviewed a grantee’s proposed response and has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

6. A unit of government may not apply if it owes the State or Federal government money as the result of determinations made by a private audit, or as the result of determinations made by an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

7. A proposed project must stand alone to serve the proposed beneficiaries without the need for additional funds that are not shown in the application, unless the other necessary funds are known of and verifiable by the State. Any other funds shown in the application must be verifiable by the State.

8. Applicants must demonstrate the ability to maintain any facilities funded under the CDBG Program.

9. An applicant must not have been deemed by the State to lack capacity to carry out a CDBG project.

10. An applicant’s regular program must benefit at least 51 percent low and moderate income persons, unless it is a housing rehabilitation program in which case the beneficiaries must be 100 percent low and moderate income, or if it is a project that addresses slum and blight, in which case it must meet the slum and blight National Objective.

11. Applications for the Planning Fund must present thorough evidence showing how the activity will address one of the National Objectives applicable to planning grants.

Additional considerations for these Thresholds include:

1. Where eligibility for any grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by March 31, 2015 for the grant to be considered closed-out. State policies concerning funds retained for administrative/engineering costs will be considered when determining grant closeout dates.

2. Grants funded by special HUD allocations for programs such as disasters, neighborhood stabilization (NSP), or recovery (CDBG-R) will not prohibit jurisdictions from applying for PY2015 CDBG funds.

3. For any issue or subject not addressed in this PY2015 One-Year Annual Action Plan, or in the case of conflicting issues, the ADECA Director will make a final ruling based on the precedents, established practices, or otherwise what is in the best interest of the State. In rare cases, the ADECA Director may provide a waiver from these Thresholds if specific situations merit granting such a waiver.

**COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS**

CDBG funds allocated to the County Fund, Large City Fund, and Small City Fund, also known as Competitive Funds, will be distributed through a competitive grant application process. Eligible communities may submit one competitive application, and the competitive application may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, may be a stand-alone activity to address a specific need, or may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons. The aim of the competitive process is to compare all applications in the same funding category to each other within the framework of criteria set up to judge the merits of community development activities. This entails assigning points based on how well an application addresses each rating criterion. To ensure that the competitive process is fair and even-handed, all applications must be submitted by a specific cut-off date, and no changes may be made in the application after it has been submitted to the State. The State may request clarification of the proposal that in no way affects the substance of the application, or the State may require minor project modifications in the interest of enhancing the scope and/or impact of the project activities.

**CRITERIA FOR RATING COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS**

All counties, large cities, and small cities will compete for the Competitive Funds from a respective Fund category, i.e., County Fund, Large City Fund, or Small City Fund. All grant applications will be rated for a maximum score of 200 points. Applications will be awarded funds in order of decreasing score until funds in a given Fund category are exhausted. The rating criteria for scoring applications will be as follows:

**Rating Criteria Points**

Nature of Benefits 130

Local Match 20

Cost/Benefit Ratio 50

Total 200

**EXPLANATION OF RATING CRITERIA FOR COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS**

**1. Nature of Benefits:** The following four evaluation elements will be used to determine points under the Nature of Benefits rating criteria. The PY2015 CDBG Application Manual will provide additional details for meeting the reporting and documentation requirements of these broad evaluation elements.

**a. Needs Assessment** – This is an assessment of community-wide needs associated with housing and essential community development facilities, including the needs of low and moderate income households.

**b. Project Development** – This is a description of the need(s) to be addressed, the process used to identify the need(s), and the activities that would best address the need(s), including alternatives considered.

**c. Impact** – This is a qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community, including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

**d. Other Considerations** – This is a consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously discussed.

**2. Local Match:** Up to 20 points will be available for communities providing a local match. Points will be awarded based on the percent of local funds divided by the total amount of requested CDBG dollars. Two points will be awarded for a one percent match, 4 points will be awarded for a two percent match, up to 20 points awarded for a ten percent match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in this Fund category.

**3. Cost/Benefit Ratio:** This is the measure of the project’s cost per beneficiary, and the scoring will be based on a comparison of (i) the applicant's cost per beneficiary for each activity to (ii) the base level ratio. A base level ratio of $4,000 for all public facilities, $8,500 for housing, and $14,500 for relocation has been established by ADECA. Applicants with ratios at or below these levels for each activity will receive maximum points for these activities. For projects with more than one substantial activity, the point score will be based on the weighted average of the activity cost of all proposed substantial activities. The cost beneficiary ratio will be computed based only on the amount of requested CDBG dollars. The rating forms that will be used to score Competitive Fund (County Fund, Large City Fund, and Small City Fund) applications will be publicly available at the CDBG Application Workshop. All eligible cities and counties will be notified about the date, time, and location of the CDBG Application Workshop.

**COMMUNITY ENHANCEMENT FUND GRANT APPLICATIONS**

The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. This Fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner that is beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligibleapplicants for the fund are all non-entitlement local governments who meet applicable Thresholds. Applications for this Fund must be submitted by the announced cut-off date.

**CRITERIA FOR RATING COMMUNITY ENHANCEMENT FUND GRANT APPLICATIONS**

The Community Enhancement Fund grant applications will be reviewed by ADECA CDBG staff for compliance with a National Objective and eligibility Thresholds. The applications will be reviewed for factors that include:

1. Assessment of need for project

2. Importance of activity to community

3. Clarity of benefit to low and moderate income persons or limited clientele

4. Community involvement/efforts or joining of two or more communities to address common needs

5. Project description

6. Financial feasibility

7. Cost reasonableness

8. Capacity for operation and maintenance

9. Local match

10. Past efforts.

Special consideration will be given to projects that effectively demonstrate community involvement/efforts in the design, implementation, and promotion of the project. Consideration will also be given to projects where two or more eligible applicants jointly propose to carry out activities to address their mutual needs. Depending on the nature of the needs and the type and extent of beneficiaries, a separate grant ceiling may be permitted. Funding and implementation of such joint projects will be subject to HUD rules.

The ADECA CDBG staff evaluation will be used to guide the selection of the projects, although the ADECA Director may vary from the ADECA CDBG staff evaluation when a particularly strong need is perceived. The ADECA CDBG staff evaluation will consist of two independent reviews comprised of a 0-5 point scoring scale, wherein a score of “0 points” indicates that the project is ineligible for one or more reasons, a score of “1 point” indicates a weak project, and a score of “5 points” indicates a very strong project.

A grant ceiling amount of $250,000 and a minimum grant amount of $50,000 have been established for the Community Enhancement Fund. The ADECA Director may waive either of these limits.

The Community Enhancement Fund will require a specific local match equal to or exceeding 10 percent of the amount of CDBG funds requested in the application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match.

Community Enhancement Fund projects will be awarded based on the total highest score in decreasing order until the Fund’s monies are depleted. When funds are not available to fund all projects with similar scores, the ADECA CDBG Staff’s site evaluation will determine the project(s) to be funded.

**PLANNING FUND GRANT APPLICATIONS**

The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of 20 percent of the project cost will be required*.* However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census), the match may be waived when the applicant lacks the financial capacity. Applications will be considered on a continual basis until the cut-off date.

**Planning Fund Evaluation Considerations**

The Planning Fund grant awards will be made based on the following evaluation considerations:

1. How the proposed project will contribute to principally benefiting low and moderate income persons, or how the proposed project will contribute to aiding in the prevention of slums and blight.

2. The need and urgency of planning activities proposed. The State reserves the authority to not fund a project if the need or urgency is not clearly demonstrated, and if the amount requested is not appropriate for the plan or the size of the planning area involved.

3. How the proposed project will contribute to the development of a planning process which will serve as a guide for orderly and/or consistent growth and community development.

4. How the proposed project will aid in, or contribute to, the involvement or creation of various community groups, advisory councils, planning/zoning districts, redevelopment authorities, etc., in the ongoing planning process.

5. The amount of funds requested relative to the size of the community, the complexity of the proposed elements, and the final product. This consideration will be particularly important where larger grant requests are involved.

6. The community’s prior year grants received, as well as implementation of prior planning efforts.

## **ECONOMIC DEVELOPMENT FUND (ED FUND) GRANT APPLICATIONS**

The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2014 money allocated for the ED Fund, approximately $30,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 Loans Guarantees. Also, ED Float Loans will be covered in this section, since ED Float Loans will be used only for economic development. However, funds used for short-term grants, or ED Float Loans, will come from all categories of grants. The ED Fund projects will be funded under the following four distinct categories: **(1) ED Grants**, **(2) ED Incubator Projects**, **(3) ED Loans**, and

**(4) ED Float Loans**.

The eligible ED Fund projects will be generally funded in the order they are received, regardless of the Fund category under which they fall. Eligible applicants for ED Grants, ED Loans, and ED Float Loans are all non-entitlement local governments, provided other applicable thresholds are met. The applicable grant ceilings and minimums for ED Fund projects will be as cited earlier in the section on grant ceilings. The rules and requirements which will govern ED Grants, ED Loans, and ED Float Loans are spelled out under respective headings in the following paragraphs.

**(1) ED GRANTS:** Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for grants to assist a public, private, nonprofit, or such other entity including a business in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, a loan, or a deferred payment loan, and may pay for activities eligible under the CDBG Program including day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an "as needed" basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project or the results of past projects, or on considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State. In rare and exceptional cases, the State may award an ED Grant using ED Fund, Recaptured Fund, Program Income, or other Funds in support of Section 108 Loan Guarantee projects. ED Grants may be used toward loan payments, debt retirement, and other eligible purposes. The amount and appropriateness of ED Grants may take into consideration factors such as the size of the project, magnitude of local support, overall impact, and unique features associated with the project. Projects involving ED Grants will be governed by Section 108 Loan Guarantee requirements, and may be granted exemptions from the Threshold requirements. The Threshold requirements for ED Grants are listed below. These Thresholds are in addition to overall Thresholds listed earlier in this PY2015 One-Year Annual Action Plan.

**ED Grant Thresholds:**

1. The proposed activities must be associated with the location of a new business or an expansion of an existing business generally creating 15 or more jobs. Projects proposing job retention will generally not qualify for ED Grants unless, in the opinion of the State, significant job losses will have a long-term detrimental effect on the community and low and moderate income people. For projects involving job creation or retention without a capital expansion, the State may disregard such expansion requirement if, in the opinion of the State, significant economic impact and benefit to low and moderate income persons merit such a decision.

2. The applicant must have a commitment from the business to create and/or retain the jobs as described in the application.

3. The project must generally fall in the SIC Code 20 through 39, or consist of major warehousing or distribution centers, or such other activities having a prospect of significant economic impact.

4. At least 51 percent of the project’s beneficiaries specified in the application must be persons of low and moderate income.

5. The project must include a local match of at least 20 percent of the amount requested in the ED Grant application. This amount may be eliminated for projects when the applicant's population, as determined by the 2010 Census, was 1,000 or less, and the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

6. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs, subject to 24 CFR Part 570 prohibition on the use of CDBG assistance for job-pirating activities.

7. ED Grants will not be made in cases where construction of the private facility has already started prior to the grant award date or the earliest possible date of Release of Environmental Conditions by ADECA. If such start is unavoidable, a waiver may be granted if a request is made to ADECA to do so prior to the start of any construction activity at the project site.

**ED Grant Evaluation Criteria:** Applications for ED Grants will be considered on a continual basis. Such applications will be reviewed for conformance with the Thresholds, and the funding decision will be guided by the following factors:

1. Importance of the proposed activities to the location or expansion of a business

2. Number and certainty of proposed jobs

3. Proposed local match

4. Scope of a new business or expanding business, i.e., products, product markets, current or projected employment and payroll, labor skills required

5. Urgency of proposed activities

6. Importance of the project to further welfare reform objectives.

**(2) ED INCUBATOR PROJECTS:** The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the State program, an “Incubator” is “a building and program operated either by a private entity, a nonprofit organization, or a unit of local government for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State.” Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project, depending on the quality and/or certainty of the proposal.

**ED Incubator Project Thresholds:** Threshold requirements listed earlier in this PY2015 One-Year Annual Action Plan will apply to all ED Incubator Projects.

**ED Incubator Project Evaluation Criteria:** Factors to be considered in evaluating the worthiness of ED Incubator Project proposals will include:

1. Criteria or system to be set up by an “Incubator” program to assure that 51 percent of the beneficiaries of the program are low and moderate income persons.

2. Desirability of “Incubator” site

a. Proximity to a metropolitan area or other center of economic activity

b. Accessibility of jurisdiction

c. Accessibility of site

d. Quality and suitability of structure or proposed structure

e. Level of infrastructure serving site

3. Evidence of Local Support

a. Financial

b. Professional

c. Other

4. Feasibility of Program

a. Clarity of Program

b. Certainty that program will be carried out for specific period

c. Background and credentials of personnel in program

d. Nature of program

**(3) ED LOANS:** Eligible applicants may apply for ED Loans anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. ED Loans made from the Revolving Loan Fund will be governed by the same requirements as ED Loans made from the ED Fund. ED Funds used by communities to make ED Loans to private businesses will have a payback requirement. The determination as to the local government’s disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act of 1974, as amended, the State will, as part of all application reviews, recognize the applicant’s right to retain Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions/councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loans, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period, depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. Threshold requirements for ED Loans are listed as follows, and are in addition to overall Thresholds listed earlier in this PY2015 One-Year Annual Action Plan.

**ED Loan Thresholds:**

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.

2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.

3. The applicant must have a commitment from the business to create or retain jobs.

4. Beneficiaries of ED Fund projects must be at least 51 percent low and moderate income persons.

**ED Loan Evaluation Criteria:** Applications for ED Loans will be considered on a continual basis. Each application will be reviewed for conformance with the Thresholds and other regulatory requirements. The following factors will be considered in making funding decisions:

1. CDBG dollars per permanent job

2. Leverage ratio (private dollars as compared to CDBG dollars)

3. The actual number of permanent jobs to be created or retained

4. Potential for spin-off benefits

5. Job diversification

6. Loan pay-back/collateral.

**(4) ED FLOAT LOANS:** ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all Fund categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all Funds from which the monies initially came, while the interest will generally be used to increase the State's CDBG ED Fund. As is indicated above under the Section on ED Loans, the State will recognize the local government's right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for the ED Float Loan program will be determined by careful monitoring of the fund flow needs of the CDBG program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined, to the maximum extent possible, that the amount and term of any ED Float Loan will not commit the State's letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year's funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet eligibility Thresholds listed previously herein this PY2015 One-Year Annual Action Plan. The ED Float Loan program will be governed by the following requirements:

**ED Float Loan Program Objective:** A primary objective of the ED Float Loan program is to expand economic opportunities, principally for persons of low and moderate income. Normally, the program will be used only to aid in the creation of new jobs and on projects where there is likely to be a substantial economic development impact. In exceptional circumstances the ED Float Loan program may be used to help retain jobs. Of the jobs to be created or retained, at least 51 percent must be occupied by or made available to low and moderate income persons. If ED Float Loans are made in order to retain jobs, the applicant must clearly demonstrate that without CDBG assistance the jobs would be lost.

**ED Float Loan Eligible Activities:** ED Float Loans can be used to finance any necessary activity, including acquisition, site preparation, new construction, renovation, purchase of machinery and equipment, working capital, refinancing, and other CDBG-eligible activities approved by the State.

**ED Float Loan Amounts and Terms:** The minimum ED Float Loan amount shall be $1 Million, and the maximum ED Float Loan amount shall be $10 Million. These maximum and minimum loan amounts may be waived by the State when significant long-term economic benefits for low and moderate income persons are involved. The loan term will be for one year, and can be extended for one additional year. Interest earned on ED Float Loans will be treated as Program Income, and will be used for CDBG-eligible activities.

**ED Float Loan Evaluation Criteria:** Applications for ED Float Loans will be considered on a continual basis. However, due to the unique nature of the ED Float Loan program, the State intends to fund only a limited number of ED Float Loan projects. Prior to accepting any application, the State will require a thorough review of the project with the State. ED Float Loan funding decisions will be based on the following factors:

1. Conformance with the National Objective

2. Loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State

3. Number of jobs involved

4. Private investment

5. Unemployment/community distress

6. Job diversification

7. Indirect/spin-off benefits.

## **SECTION 108 LOAN GUARANTEE PROGRAM**

The purpose of the Section 108 Loan Guarantee program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2015 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

**Section 108 Loan Guarantee Thresholds:**

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.

2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.

3. The applicant must have a commitment from the business to create or retain jobs and make private investment as described in the application. In those instances where a business has not yet been identified, the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.

4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

**Section 108 Loan Guarantee Evaluation Criteria:**

Applications for Section 108 Loan Guarantees will be considered on a continual basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to the following:

1. Section 108 dollars per permanent job;

2. Actual number of jobs to be created or retained;

3. Potential for spin-off benefits.

## **CDBG PROGRAM ELIGIBLE ACTIVITIES**

Eligible activities under the State’s CDBG program are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities.

ESTIMATED FUNDS FOR ACTIVITIES BENEFITING LOW AND MODERATE INCOME PERSONS

The Housing and Community Development Act of 1974, as amended, requires that the State furnish its citizens with "the estimated amount (of funds) proposed to be used for activities that will benefit persons of low and moderate income." The State estimates that at least 80 percent of its PY2015 CDBG funds will be used for activities that primarily benefit low and moderate income persons. The remaining 20 percent of PY2015 CDBG funds are anticipated to be used for the prevention or elimination of slums and blight (such as the Planning Fund grants), and to assist communities with imminent threats to public health and safety when no other financial resources are available.

**ALABAMA’S PLANS FOR MINIMIZING DISPLACEMENT FROM USE OF CDBG FUNDS**

The Housing and Community Development Act of 1974, as amended, requires that the State furnish citizens with its "plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced." The following four elements shall serve as the State of Alabama’s “Plan for Minimizing Displacement for Programs Utilizing U.S. Department of Housing and Urban Development Funds.”

1. Minimizing Displacement: The State will discourage applicants from designing programs that involve extensive displacement. Applicants should displace persons and businesses only when there is no reasonable alternative to accomplishing the purposes of their program. The State's rating system addresses the higher costs of programs which involve displacement by making more expensive solutions to problems less competitive.

2. Persons Actually Displaced: Applicants shall plan for the probability of displacement in program design by requesting sufficient funds to accommodate the costs of displacement. Grantees shall provide from CDBG, or their own resources, for the reasonable costs associated with all displacement necessary to carry out the purposes of the grantee’s program.

3. Local Plan for Grant Recipients: The State of Alabama requires that that all localities applying HUD funds through the State certify that, “The City/County will minimize displacement of persons as a result of activities with CDBG funds and will assist persons actually displaced as a result of such activities.” Further, upon funding, all recipients shall be required to keep a local Plan for Minimizing Displacement in the program files.

4. Grievance Procedure: The State will follow the grievance procedure identified in the Complaints section of the State’s Citizen Participation Plan.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan for information regarding selection criteria, allocation of resources, threshold factors, and outcome expectations.

**ESG**: The information regarding the ESG Program's selection criteria, allocation of resources, threshold factors, and outcome expectations allowed under the McKinney-Vento Homeless Assistance Act, as amended, is as follows:

**PY2015 ESG ACTION PLAN**

**History:** The Emergency Shelter Grant Program (ESG) was first enacted under Title V of the U.S. Department of Housing and Urban Development’s appropriation act for the fiscal year 1987, and was fully established by the Stewart B. McKinney Homeless Assistance Act in 1988. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act. The HEARTH Act included major revisions to the Emergency Shelter Grant Program, essentially changing it to the Emergency Solutions Grants Program. This is a program that may provide assistance to all areas of the state. ESG funds are used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities.

**Distribution of Funds:** The ESG Program is administered by the Alabama Department of Economic and Community Affairs (ADECA) and will be utilized to provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. The State will receive $2,524,294 in PY2015 ESG funds. The State will allocate funds based on the quality of applications received from local units of government and private nonprofit organizations. No portion of these funds will be set aside for specific purposes. ESG dollars must be matched on a dollar for dollar basis by subrecipients. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

**Pre-Award Costs:** The State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA’s staff members during the State’s administration of the ESG program.

**Thresholds:** An applicant may only be included in one application. A second-tier subrecipient may be included in more than one application. No applications will be accepted under the following circumstances:

* The applicant owes the state or federal government money and no repayment arrangement is in place.
* Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.
* The applicant has an open ESG grant from FY2013 or an earlier year.
* The private nonprofit organization (acting as the applicant or second-tier subrecipient) lacks 501(c) (3) status.

Where eligibility for the grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by noon on March 31, 2015, for the grant to be considered closed out.

**Grant Ceilings:** In order to address needs throughout the State, the Program will use a grant ceiling of $200,000 for applicants that will serve a single jurisdiction. An applicant that will serve multiple localities within a single county is defined as a single jurisdiction. An applicant that will serve multiple counties will have a grant ceiling of $400,000. An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize all current year funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Such negotiations may cause the original grant to exceed formerly applicable grant ceilings.

**Recaptured Funds:** Recaptured funds consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The Director, at his or her discretion, will use an appropriate amount of recaptured funds or unutilized prior year funds to assist eligible and fundable projects from the program year in which the funds are returned. The State may negotiate with subrecipients to reallocate all recaptured funds and unutilized prior year funds. In the event of the availability of recaptured or unutilized prior year funds, subrecipients that have not exceeded the grant ceilings will be notified first. Subrecipients will submit a written response of their interest in receiving the recaptured or unutilized prior year funds. If all funds are not awarded after the first notification, the remaining subrecipients will be allowed to submit a written response expressing their interest in receiving the recaptured or unutilized prior year funds. Grant ceilings may be waived in efforts to award all recaptured or unutilized prior year funds. Factors to be considered when reallocating funds include: (1) estimated number of program participants to be served; (2) impact on the community if the persons are not served; (3) other extenuating or unusual circumstances which may have necessitated the additional funding, (4) prior performance of the subrecipients’ grant administration, (5) the subrecipients’ demonstrated ability to expend funds in a timely manner, and (6) the subrecipients’ ability to supply the required matching funds.

**Eligible Activities:** ESG funds may be used for the following activities allowed under the McKinney-Vento Homeless Assistance Act, as amended:

1. Street Outreach: Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

* 60 percent of that fiscal year’s total ESG grant award; **or**
* The amount of the State’s FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Engagement – Activities to locate, identify, and build relationships with unsheltered homeless persons in an effort to provide intervention, immediate support, and connections with mainstream social services, homeless assistance programs, and/or housing programs.

2. Case Management – Services include the cost of assessing service and housing needs. Case managers will arrange, coordinate, and monitor the delivery of individualized services in order to meet the needs of the program participants.

3. Emergency Health Services – Eligible costs include the direct outpatient treatment of medical conditions. Services are provided by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside. ESG funds may be used only if other appropriate health services are unavailable or inaccessible in the area.

4. Emergency Mental Health Services – Eligible costs include the direct outpatient treatment of mental health conditions by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside.

5. Transportation – Eligible costs include travel by social workers, medical professionals, outreach workers, or other service providers when the travel takes place during the provision of eligible street outreach services.

6. Services to Special Populations – Eligible costs include eligible essential services that have been tailored to address the special needs of people living with HIV/AIDS, homeless youth, and/or victims of domestic violence and related crimes/threats.

2. Emergency Shelter: The types of assistance include providing essential services to homeless individuals or families in emergency shelters, operating costs for emergency shelters, costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Staff costs related to carrying out emergency shelter activities are eligible. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

* 60 percent of that fiscal year’s total ESG grant award; **or**
* The amount of the State’s FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Essential Services – Case management, child care, life skills services, employment assistance and job training, education services, legal services, transportation, substance abuse treatment services, outpatient health services, mental health services, and services for special populations.

2. Shelter Operations – Rent, facility maintenance, utilities, food, insurance, furnishings, security, equipment, fuel, and supplies necessary for the operation of the emergency shelter. Hotel or motel vouchers are eligible only when no appropriate emergency shelter is available.

3. Renovation – Costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, including labor, materials, tools, and other costs including soft costs. The emergency shelter must be owned by a private nonprofit organization or a governmental entity. Types of renovation include:

* Conversion - A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after rehabilitation. (If ESG funds are used for conversion, the facility must be used as a shelter for the homeless for at least a ten-year period.)
* Major Rehabilitation – Rehabilitation that costs in excess of 75 percent of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a homeless shelter for at least a ten-year period.)
* Other Renovation – Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a shelter for at least a three-year period.)

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the subrecipient or the second-tier subrecipient.

4. Assistance Required under URA – Costs of providing URA assistance, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds

3. Homelessness Prevention: Assistance may be provided to individuals and families who meet HUD’s definition of at risk or at imminent risk of homelessness. Individuals and families must have an income below 30% of Area Median Income. Staff salaries related to service provision are eligible.

Eligible costs include:

1. Rental Assistance – Assistance may be short- or medium-term. Short term assistance may be provided for up to 3 months. Medium-term assistance may be provided for 4 to 24 months. Assistance may be provided during any 3-year period, including a one-time payment for up to 6 months of the tenant’s portion of rental arrears.

2. Housing Relocation and Stabilization Services – Consists of two types of assistance: financial assistance and services.

A. Financial Assistance – ESG funds may be used to pay utility companies, housing owners, and other third parties for the following types of costs: rental application fees, security deposits, last month’s rent, utility deposits, utility payments, and moving costs.

B. Services – ESG funds may be used to pay the costs of providing the following services:

1. Housing Search and Placement – Activities or services necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.

2. Housing Stability Case Management – Services necessary to assess, arrange, coordinate, and monitor the delivery of individualized services to facilitate housing stability.

3. Mediation – Mediation between the program participant and the owner or person(s) with whom the program participant currently resides to prevent the program participant from losing permanent housing in which they currently reside.

4. Legal Services – Services necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.

5. Credit Repair – Services necessary to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit problems.

4. Rapid Re-Housing: Assistance may be provided to individuals and families who meet HUD’s definition of being literally homeless. Staff salaries related to service provision are eligible. Eligible costs are the same as those for Homelessness Prevention.

5. Homeless Management Information System (HMIS): HMIS is a statutory requirement of the HEARTH Act. Victim service providers cannot participate in HMIS. Legal services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated reports. Eligible costs include purchasing or leasing equipment or computer hardware; purchasing software licenses; obtaining technical support; leasing office space; overhead charges such as electricity, phone, water, gas, and high-speed data transmission necessary to operate the HMIS; salaries necessary to operate the HMIS; travel to attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; travel costs to conduct intake; and paying participation fees charged by the HMIS Lead Agency designated by the Continuum of Care to operate the area’s HMIS.

6. Administration: Administration includes the activities necessary to administer the grant in compliance with program objectives and regulations. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients. This does not include staff and overhead costs directly related to carrying out other ESG eligible activities. No more than 7.5 percent of the State’s grant may be spent for administrative costs.

**Obstacles to Addressing Underserved Needs:** Various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

**Proposed Activities:** The point-in-time surveys completed in 2014 for the State of Alabama documented 4,561 homeless persons. Of those, 1,043 were unsheltered and 3,518 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment. The outcome is availability/accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing. The outcome is affordability.

**Application Process:** The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State’s homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions.

A. Identification of Homeless Assistance Needs: 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

B. Applicant's Strategy to Address Homeless Problems: 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year**.** Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

C. Capacity and Coordination: 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

D. Participation in a Continuum of Care: 15 Points

The applicant will demonstrate a thorough understanding of the “continuum of care” concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

E. Match: 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

F. Budget: 10 Points

The budget narrativemust consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant’s budget must be the aggregate of the second-tier subrecipients’ budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

Total Points Available: 100 Points

**Process for Making Sub-awards:** Applications should provide the applicants’ strategies to provide emergency shelter, street outreach, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

* demonstrated need for assistance in the service area
* plan to provide services to the target population
* capacity to carry out program requirements
* activities to be performed
* coordination with local agencies serving similar target populations

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

**Tie Breaker:** In the event of tied scores where funding is not available to all applicants, the Director will exercise discretion in funding requests with the most impact. The Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

**Monitoring Plan:** ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Areas reviewed for compliance include adherence to the program’s national objective and eligibility requirements, progress and timeliness, citizen participation, environmental, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management.

After each monitoring visit, written correspondence is sent to the subrecipient describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs.

If the subrecipient has not responded within 30 days after the date of ADECA’s letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved.

ADECA maintains an “HESG Projects Schedule” spreadsheet which is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout.

ADECA retains the ability to schedule additional monitoring visits as may be necessitated by problems identified in the monitoring visit or when grant conditions demonstrate a need for additional ADECA review. Further, ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

**Consultation with Continuums of Care:** The State and the continuums of care (CoC) in its jurisdiction mutually agreed to maintain the following outcomes developed in 2012 for the ESG program.

1. Determining how to allocate ESG funds for eligible activities

a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.

b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.

c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.

d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.

e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.

2. Developing the Performance Standards for activities funded under ESG

a. Agencies funded with ESG funds must utilize written intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry and program exit.

b. Funded agencies must report client data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.

c. Funded agencies must set measurable targets to be accomplished throughout the life of the program.

d. Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

1. Impact of ESG-funded projects

2. Number of persons served by ESG-funded projects

3. Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid

3. Developing funding, policies, and procedures for the operation and administration of the HMIS *PromisSE,* a web-based data management system, serves as a multi-implementation of HMIS. Every continuum in the state, with the exception of the Homeless Care Council of Northwest Alabama, utilizes *PromisSE*. *PromisSE* is operated under a Steering Committee which consists of members of each continuum across the states of Alabama and Florida. *PromisSE* has established policies and procedures. Funding for HMIS and related activities and costs will be limited to up to five percent of the grant award to individual subrecipients.

**Written Standards for Provision of ESG Assistance:** Because the needs of program participants and their access to available assistance vary across the State, the State will require its subrecipients to establish and implement their own written program standards. Program standards must not be designed to discriminate against any program participant. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

1. Policies and procedures for evaluating individuals’ and families’ eligibility for ESG assistance.

2. Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.

3. Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.

4. Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.

5. Standards for determining the share of rent and utilities’ costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

6. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

7. Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

8. Policies and procedures for admission, diversion, referral and discharge by emergency sheltersassisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest.

9. Policies and procedures for assessing, prioritizing, and reassessing individuals’ and families’ needsfor essential services related to emergency shelter.

10. Procedures to guarantee that reasonable steps are taken to ensure meaningful access to program activities for persons of limited English proficiency.

11. Standards for terminating assistance. Include requirements of a formal process to terminate assistance. At a minimum, the process should contain:

* A written notice to the participant stating the reason for termination of assistance.
* A review of the decision, where the participant is given the opportunity to present written or oral objections.
* Prompt written notice of the final decision to the participant.

**Performance Standards:** Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

* Impact of ESG-funded projects
* Number of persons served by ESG-funded projects
* Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security

Income/Social Security Disability Insurance, and Medicaid

**Outcome Measures:** Outcome measures will be determined by performance indicators. Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose not to develop performance indicators. The subrecipients will develop performance indicators that best depict program accomplishments for their local areas. Performance indicators specific to geographic areas will be evaluated to determine program outcomes.

**Centralized or Coordinated Assessment:** The continuums of care are in various stages of developing a centralized or coordinated assessment system for their respective service areas. Housing First, the continuum of care serving Mobile City and County and Baldwin County, has begun utilizing its coordinated assessment system. Once the other assessment systems are developed, each ESG-funded program will utilize the system implemented by its local continuum.

**Requirements for recipients who plan to use the risk factor under paragraph (1) (iii) (G) of the “at risk of homelessness” definition:** If the recipient plans to serve persons “at risk of homelessness”, based on the risk factor “otherwise lives in housing that has characteristics associated with instability and increased risk of homelessness” describe specific characteristics associated with instability and increased risk of homelessness. The State accepts the following conditions to be indicative of housing instability and increased risk of homelessness:

1. Documented mental health conditions that limit or prohibit a person’s ability to work;

2. Documented physical health conditions that limit or prohibit a person’s ability to work;

3. Documented substance abuse that limits or prohibits a person’s ability to work

4. Person has a criminal background; or

5. Occurrences of domestic violence or abuse.

**One-year goals and specific action steps for reducing and ending homelessness through:**

Reaching outto homeless persons (especially unsheltered persons) and assessing their individual needs: The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The State’s goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

Addressing the emergency shelter and transitional housing needs of homeless persons: The point-in-time counts for 2014 showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. The State’s goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again: The State’s goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,0001 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:

Being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions: The State’s goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

Receiving assistance from public and private agenciesthat address housing, health, social services, employment, education, or youth needs: The State’s goal is that ESG subrecipients’ and second-tier subrecipients’ case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

The jurisdiction must specify the activities that it plans to undertake during the next year to **address the housing and supportive service needs** identified in accordance with §91.215(e) with respect to **persons who are not homeless but have other special needs:** The Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct housing for some persons who are not homeless but may have other special needs. While AHFA does not specify what may be needed or desired in certain markets, they generally approve high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance. Information specific to the needs of non-homeless persons who may require supportive services or housing assistance is currently not reported to the State. However, to address these needs, the following steps will be taken. Where applicable, the continuum of care groups in the State will work towards expanding their membership to include agencies that provide services to the following persons who are non-homeless: elderly, persons with HIV/AIDS, persons with disabilities, persons with alcohol or other drug addictions, and public housing residents. At a minimum, each continuum will coordinate with these agencies in its service area regarding the supportive services and housing needs of these persons. The continuums will summarize and prioritize these needs. Once this information is available, the continuums, service providers, and other interested agencies can begin to plan activities and coordinate efforts to address these needs.

**HOPWA**: The information regarding the HOPWA Program's selection criteria, allocation of resources, threshold factors, and outcome expectations are as follows:

**STATE OF ALABAMA**

**HOPWA PROGRAM PY2015 ONE-YEAR ANNUAL ACTION PLAN**

**Introduction:** Four public policy imperatives will be followed by AIDS Alabama:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

AIDS Alabama administers five types of housing programs geared toward persons living with HIV and AIDS. These five housing programs are available to all eligible persons throughout the State. These programs are:

1. Rental Assistance: AIDS Alabama provides a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists of three types:

a. Short-Term Rent, Mortgage, and Utility Assistance (STRMU): This assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness.

b. Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant’s landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

c. Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population.

Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

## 2. Emergency Shelter: One emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelter is managed by the Health Services Center of Anniston. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. Additionally, AIDS Alabama operates one emergency bed, which is located in the Transitional Housing Program. AIDS Alabama is in the process of converting a Transitional Housing Program housed in the Rectory into an emergency shelter based program.

## 3. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

b. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

c. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

d. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

e. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD’s HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

f. The Le Project, AIDS Alabama’s newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

5. Service Enriched Housing: Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. The only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

# The HUD PY2015 HOPWA Fund allocation to the State of Alabama equals $1,483,651. Given the preceding statistics and needs represented, AIDS Alabama will use the PY2015 HOPWA funds for the following programs:

1. Rental Assistance:

Goal #1: To support a statewide rental assistance program through qualified AIDS Service Organizations.

Outcome: The network of AIDS Service Organizations that has formed will be maintained, ensuring any eligible Alabama resident access to HOPWA assistance.

Objective 1: Provide 80 households with emergency Short-Term Rent/Mortgage and Utility (STRMU) assistance between April 1, 2015, and March 31, 2016.

Outcome: At least 55 households will maintain stable housing and avoid homelessness because of temporary emergency situations.

Objective 2: Provide 55 households with long-term, Tenant-Based Rental Assistance (TBRA) between April 1, 2014, and March 31, 2015.

Outcome: At least 55 households will be assisted so that consumers can remain in affordable, leased housing and experience housing stability.

AIDS Alabama will use $373,316.00 to fund both short-term and Tenant-Based Rental Assistance (TBRA), as well as Project-Based Rental Assistance (PBRA) on an as-needed basis.

Due to the agency’s success at providing consumers with Tenant-Based Rental Assistance (TBRA), the budget for other rental assistance must be monitored closely and strictly managed. Cost containment measures were instituted with the approval of the AIDS Service Organization Network of Alabama (ASONA), which serves as the HOPWA advisory body for AIDS Alabama. STRMU was limited to three months, and expenditures for first month’s rent and deposit were frozen. However, recent cost analyses has shown that the success of the Homeless Prevention and Rapid Re-Housing Program (HPRP) had somewhat alleviated the rental assistance program’s financial burden. However, HPRP ended for the agency and its partners on March 31, 2012, and another HPRP grant proposal through ESG funds was not funded. Therefore, a decision was made to increase the maximum benefit to 17 weeks of STRMU assistance.

Historically, new TBRA applications remained frozen while the waiting list grew. Stimulus Act Programs, such as HPRP, had provided some relief to the Tenant-Based Rental Assistance Program during the last several years, but these additional programs provided only a temporary respite. However, by monitoring this program closely, AIDS Alabama was able to open the TBRA waiting list during the current program year. Each AIDS Service Organization was given an additional TBRA voucher; these were quickly filled. Additional guidelines were set to allow the AIDS Service Organizations to use vouchers that became available through attrition.

Clients access this program by visiting AIDS Alabama or one of the eight partnering AIDS Service Organizations. They then complete an application with a HOPWA-certified and trained staff member of that agency. ASONA members involved in the decision-making process about how the rental assistance funds are expended include:

* AIDS Action Coalition – Huntsville
* Health Services Center – Anniston
* Unity Wellness Center – Auburn
* Medical AIDS Outreach of Alabama – Montgomery
* Birmingham AIDS Outreach
* Selma AIDS Information & Referral
* AIDS Alabama South (formerly South Alabama CARES\*) – Mobile
* West Alabama AIDS Outreach – Tuscaloosa.

\*South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

Input from these agencies, combined with data from focus groups, surveys, and needs assessments, drive the protocols used in the Rental Assistance program. AIDS Alabama analyzes this information and adjusts the program to facilitate balancing the amount of funds available with the ultimate goal of avoiding homelessness, keeping families stably housed, and increasing consumer empowerment to succeed in a permanent housing setting. AIDS Alabama never seeks a change to the rental assistance program without:

* Receiving input from all subcontracting agencies
* Providing a minimum of a 30-day notice to each agency
* Ensuring that changes are compliant with HOPWA regulations.

For the Short-Term Rental, Mortgage, and Utility program (STRMU), applicants must re-apply and supply proof of need for each month of assistance for up to 17 weeks in an assistance year.

For the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance, the residents are responsible for a portion of the rent based on their incomes. Clients are expected to maintain quarterly contact with their social workers, as well as pay the appropriate portions of the rent and maintain utilities.

ASONA serves as AIDS Alabama’s HOPWA planning council. To access rental assistance, AIDS Alabama requires annual certification of these programs by the community-based organizations that are their partners.

## 2. Supportive Services:

Goal #2: Provide existing housing programs in the State with supportive services.

Objective 1: Provide 16,000 legs of transportation to social service and medical appointments between April 1, 2015, and March 31, 2016.

Outcome: Transportation to mainstream support services promotes healthier and more socially connected consumers who can live independently and remain in stable housing.

Objective 2: Provide case management and support services to 2,300 consumers statewide between April 1, 2015, and March 31, 2016.

Outcome: Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently.

AIDS Alabama will use $440,000 to support housing programs in the State. This support will include supportive services such as transportation, case management, first month’s rent and deposit (if available), and housing outreach. AIDS Alabama provides these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in their Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

3. Operating Costs:

Goal #3: Support operating costs of current housing.

Objective: AIDS Alabama will use $449,087.00 to supplement the operating cost of the permanent and transitional units between April 1, 2015, and March 31, 2016, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

AIDS Alabama increased the amount of funds used in this category due to several reasons:

1. The aging of current property has meant exorbitant increases in maintenance costs. Housing staff must constantly inspect and repair existing properties to keep current housing stock operational as safe housing for consumers.

2. The agency has launched a capital campaign that is resulting in increased funds for some projects, but costs continue to rise.

3. The agency was able to obtain a HOME grant from the City of Mobile to help with a massive rehabilitation of the Magnolia Place Property beginning in late 2012. This relief has been great, but existing properties elsewhere across the state continue to require high rehab funding. Magnolia Place is completely rehabilitated, and the project has been a success.

Outcome: All current residents in AIDS Alabama housing will enjoy safe, secure, and healthy stable housing.

4. Master Leasing:

Goal #4: AIDS Alabama will support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills.

Objective: Between April 1, 2015, and March 31, 2016, AIDS Alabama will use $9,000.00 to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. This is a reduction from previous years, showing success.

Outcome: AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps.

AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

5. Resource Identification:

Goal #5: Support resource identification efforts.

Objective 1: AIDS Alabama will spend $47,000.00 between April 1, 2015, and March 31, 2016, to support collaboration among housing and HIV-positive service partners across the state to identify low-income housing and housing development efforts. Specific actions include:

A. Attend 100% of the appropriate HIV/AIDS housing and homeless conferences.

B. Support the cost of meetings to foster collaborations that will expand affordable housing for low-income, HIV-positive consumers with in-state housing organizations, such as the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others.

Outcome: AIDS Alabama staff members and contractors will be equipped to provide identification of low-income housing and housing development options in the State for persons and families living with HIV disease

6. Housing Information:

Goal #6: Support ongoing housing information efforts in the State.

Objective: AIDS Alabama will use $15,000.00 to provide 7,600 individuals with HIV/AIDS housing information in a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and through other community service providers statewide between April 1, 2015, and March 31, 2016.

Outcome: HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

## 7. Technical Assistance:

Goal #7: Provide technical assistance training around housing programs and development in Alabama.

Objective: AIDS Alabama will use $5,000.00 to provide at least two consultations and technical assistance sessions to ASONA member agencies who are engaged in specific, qualified projects between April 1, 2015, and March 31, 2016.

Outcome: Two consultations related to housing development programming to Selma AIDS Information and Referral and Medical AIDS Outreach of Alabama in Montgomery will help them to have improved goal attainment in their HOPWA contracts. Both programs have the opportunity to become part of their local Continuums of Care and position themselves to develop housing grants for their homeless consumers.

8. Administration:

The fee for administration of the HOPWA program will be $148,365 (10% per regulations). The state service agency (ADECA) will receive 3% ($44,510) as the grantee, and the project sponsor (AIDS Alabama) will receive 7% ($103,855). AIDS Alabama continues to draw on its committed sources of leverage in order to increase the capacity of the HOWPA program. Leveraged dollars from private and public sources, such as Medicaid Targeted Case Management, Ryan White case management, prevention education grants and outreach, development initiatives and newsletters, as well as private foundation grants, other HUD grants, tenant rent payments, properties, and program income allow AIDS Alabama to stretch limited fiscal resources while continuing to provide quality supportive housing services to its consumers. For Pre-Award Costs, the State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA.  The costs would include eligible functions performed by ADECA’s staff members during the State’s administration of the HOPWA program.

**HOPWA PROGRAM PY2015 Budget Summary**

**PY2015 Allocation: $1,483,651**

**HOPWA Fund Category Federal Amount**

Rental Assistance - STRMU $100,316

Rental Assistance - TBRA $193,000

Facility Based Housing Subsidy $80,000

Supportive Services $440,000

Operating Cost $445,970

Master Leasing $9,000

Resource Identification $47,000

Housing Information $15,000

Technical Assistance $5,000

Administration $148,365

Total $1,483,651

As well as collaborating with state and federal entities, AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is also used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding. AIDS Alabama is a proven leader in the field of HIV/AIDS prevention, education and housing assistance. We administer over 100 units of affordable housing through a variety of programs. We effectively and efficiently manage each grant awarded to the agency and our auditing and grant review records document the fact. In addition, AIDS Alabama was the only ASO in the country to receive a state wide Navigator grant in 2014 designed to educate and enroll eligible citizens in a marketplace plan through the Affordable Care Act. Our program *Enroll Alabama* reached over 10,000 people at community events and we conducted over 500 outreach education events. In the first enrollment period, *Enroll Alabama* enrolled 7500 Alabamians in an Affordable Care Act marketplace plan, we had sixty adult volunteers to take the Navigator training and become Enroll Alabama volunteers. Further evidence of our ability to administer a grant program from the ground up, from outreach to implementation. AIDS Alabama also provides culturally relevant primary prevention education to populations at greatest risk for HIV infection. ***Birmingham Many Men, Many Voices (B3MV)***, funded by the Centers for Disease Control and Prevention, includes both group and individual-level interventions for African-American Men who have Sex with Men (MSM) ages 13-29 in the Greater Birmingham area. This program is designed to serve the same targeted client base as this request for funding. We have the experience necessary to assist the chronically homeless young adults to find housing and then to wrap them in supportive services to assure their success and that they become independent. Additionally, AIDS Alabama is an approved Medicaid provider. We access and leverage dollars by billing Medicaid for targeted case management related to access to medical treatment, mental health and substance abuse treatment. We bill Medicaid for targeted case management related to obtaining and maintaining stable permanent housing using detailed housing case assessment and planning tools focusing on defining every possible obstacle to housing and measurable goals with concrete action steps and target dates. We bill Medicaid where appropriate for Mental Health Services related to basic living skills and rehabilitative day treatment services offered to outpatient as well as to specific housing programs. Billings can include psychiatric assessment by an M.D. and individual or family group therapy. We also bill Medicaid where appropriate for Substance Abuse Services for intensive outpatient services, targeted case management, housing case assessment and planning and provision of services. Each of our Continuum of Care grants have leveraged at minimum the required amount to receive funding and in almost every case in excess of what is required.

During PY2015, AIDS Alabama will conduct a comprehensive Needs Assessment with HIV positive persons across the State of Alabama. The assessment interviews will be conducted by each AIDS Service Organization in the State and the results will be available later this year.

**State Table 1 (Required)**

**Housing, Homeless and Special Needs**

**(based on 2000 Census)**

**Housing Needs**

| **Household Type** | **Elderly**  **Renter** | **Small**  **Renter** | **Large**  **Renter** | **Other**  **Renter** | **Total Renter** | Owner | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **0 –30% of MFI** |  |  |  |  |  |  |  |
| %Any housing problem | 51.7 | 68.8 | 81.2 | 67.0 | 65.2 | 66.3 | 65.7 |
| %Cost burden  > 30 | 50.2 | 64.9 | 66.3 | 65.5 | 62.0 | 64.3 | 63.0 |
| %Cost Burden > 50 | 30.7 | 49.7 | 47.3 | 53.4 | 46.6 | 45.6 | 46.1 |
| **31 - 50% of MFI** |  |  |  |  |  |  |  |
| %Any housing problem | 38.8 | 56.8 | 69.2 | 67.8 | 56.8 | 46.9 | 51.0 |
| %Cost burden  > 30 | 37.9 | 53.0 | 42.9 | 66.4 | 52.5 | 44.4 | 47.8 |
| %Cost Burden > 50 | 12.6 | 11.1 | 5.3 | 19.6 | 13.5 | 21.9 | 18.4 |
| **51 - 80% of MFI** |  |  |  |  |  |  |  |
| %Any housing problem | 25.5 | 23.7 | 45.6 | 28.4 | 27.5 | 32.1 | 30.6 |
| %Cost burden  > 30 | 24.1 | 18.0 | 10.2 | 26.5 | 21.0 | 29.2 | 26.5 |
| %Cost Burden > 50 | 5.9 | 1.6 | 1.0 | 2.3 | 2.4 | 7.8 | 6.0 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| State Table 1 (Required)Housing, Homeless and Special Needs (cont’d) **Homeless**  **Continuum of Care: UNMET NEED (January 2013)** | | | | | | | | | | | | | | | | |
|  | |  | | |  | |  | |  | |  | | |  |  |  |
| **All Year-Round Beds/Units** | | | | | | | | | | | | **Seasonal** | **Overflow** | | | |
|  | Beds for Households with at Least One Adult and One Child | | Units for Households with at Least One Adult and One Child | Beds for Households without Children | | Beds for Households with Only Children | | Units for Households with Only Children | | Total Year-Round Beds | | Total Seasonal Beds | Overflow Beds | | | |
| Emergency Shelter | 151 | | 38 | 159 | | 27 | | 25 | | 337 | | 30 | 50 | | | |
| Transitional Housing | 215 | | 33 | 525 | | 15 | | 15 | | 755 | |  |  | | | |
| Safe Haven |  | |  | 145 | |  | |  | | 145 | |  |  | | | |
| Permanent Supportive Housing | 310 | | 34 | 1,322 | | 6 | | 6 | | 1,638 | |  |  | | | |

State Table 2A (Required)

Priority Housing/Special Needs/Investment Plan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PART 1. PRIORITY HOUSING NEEDS** | | | **Priority Level**  **Indicate H**igh**, M**edium**, L**ow**,**  **checkmark, Yes, N**o | |
|  |  | 0-30% | High |
|  | **Small Related** | 31-50% | High |
|  |  | 51-80% | Medium |
|  |  | 0-30% | High |
|  | **Large Related** | 31-50% | High |
|  |  | 51-80% | High |
| **Renter** |  | 0-30% | High |
|  | **Elderly** | 31-50% | High |
|  |  | 51-80% | Medium |
|  |  | 0-30% | High |
|  | **All Other** | 31-50% | High |
|  |  | 51-80% | Medium |
|  |  | 0-30% | Medium |
| **Owner** |  | 31-50% | Medium |
|  |  | 51-80% | Medium |

State Table 2A (Required)

Priority Housing/Special Needs/Investment Plan (cont’d)

|  |  |  |
| --- | --- | --- |
| PART 2 PRIORITY SPECIAL NEEDS | | **Priority Level**  **Indicate H**igh**, M**edium**, L**ow**, checkmark, Yes, N**o |
| **Elderly** |  | Medium |
| Frail Elderly |  | Medium |
| Severe Mental Illness |  | Medium |
| Developmentally Disabled |  | Medium |
| Physically Disabled |  | Medium |
| Persons w/ Alcohol/Other Drug Addictions | | Medium |
| Persons w/HIV/AIDS |  | High |
| Victims of Domestic Violence | | Medium |
| Other |  |  |

**Describe all of the criteria that will be used to select applications, and the relative importance of these criteria:**

**CDBG**: The criteria that ADECA will use to select applications for funding – per the respective CDBG Program Fund category – are stated below. Because eligible activities under the State’s CDBG program are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities, the relative importance of these criteria is that such criteria function as the policies that govern Alabama’s CDBG program, in that they:

1. Allow applicants to compete fairly for funds to address essential community facility needs.

2. Allow communities to compete equally for their varying community development needs.

3. Ensure that communities in the State can compete for funds on an equitable basis.

4. Allow for equitable competition by allowing, where feasible, small cities, large cities, and counties to compete in their respective categories.

5. Facilitate funding of important economic development projects in a timely manner.

6. Encourage communities to plan for community conservation and development.

7. Give additional consideration to those communities who commit to do the most to help themselves, taking into account their level of resources.

8. Give consideration to the community’s ability to maintain CDBG improvements.

9. Make funding decisions, to the extent feasible, that aid local and regional plans.

10. Ensure that all grants are managed in a timely and effective manner.

The relative importance of the criteria also lies in the fact that such criteria are employed by ADECA staff to determine which eligible activities under the State’s CDBG Program will be approved to receive grant funds pursuant to the requirements of the Housing and Community Development Act of 1974, as amended. Of particular importance is the Housing and Community Development Act’s requirement that the State furnish its citizens with “the estimated amount (of

funds) proposed to be used for activities that will benefit persons of low and moderate income.” Because the State estimates that at least 80 percent of its PY2015 CDBG funds will be used for activities that primarily benefit low and moderate income persons, and because the State estimates that the remaining 20 percent of funds are to be used for the prevention or elimination of slums and blight (such as the Planning Fund grants) and to assist communities with imminent threats to public health and safety when no other financial resources are available, the development of and adherence to such evaluation criteria will ensure that the State achieves this 80%-20% distribution of funds goal.

1. Applications for County Fund, Large City Fund, and Small City Fund (Competitive Process)

CDBG funds allocated to the County Fund, Large City Fund, and Small City Fund will be distributed through a competitive process. Eligible communities may submit one competitive application which may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, it may be a stand-alone activity to address a specific need, or it may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons. The aim of the competitive process is to compare all applications in the same Fund category to each other within the framework of criteria set up to judge the merits of community development activities. This entails assigning points based on how well an application addresses each rating criterion. To ensure that the competitive process is fair, all applications must be submitted by a specific cut-off date, and no changes may be made in an application after its submission to ADECA. ADECA may request clarification of the proposal that in no way affects the substance of the application, or ADECA may require minor project modifications in the interest of enhancing the scope and/or impact of the project’s activities.

Criteria for Rating County Fund Grants, Large City Fund Grants, and Small City Fund Grants (Competitive Grants): All counties, large cities, and small cities will compete for funds from a respective category (County Fund, Large City Fund, and Small City Fund). All applications will be rated for a maximum score of 200 points. Applications will be funded in order of decreasing scores until funds in a given Fund category are exhausted. The criteria for rating applications will be as follows:

**Rating Criteria** **Total Points Allowed**

1. Nature of Benefits 130 points

2. Local Match 20 points

3. Cost/Benefit Ratio 50 points

Total 200 points

1. Nature of Benefits: The following four evaluation areas will be used to determine points under the Nature of Benefits rating criteria. The PY2015 Application Guide will provide additional details for meeting the reporting and documentation requirements of these broad evaluation areas.

a. Needs Assessment – Assessment of community-wide needs associated with housing and essential community development facilities including the needs of low and moderate income households.

b. Project Development – Description of the need(s) to be addressed, the process used to identify the need(s), and the activities that would best address the need(s), including alternatives considered.

c. Impact – Qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

d. Other Considerations – Consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously discussed.

2. Local Match: Up to 20 points will be available for communities providing local match. Points will be awarded based on the percent of local funds divided by the total CDBG funds. Two points will be awarded for a one percent (1%) match, 4 points will be awarded for two percent (2%) match, up to 20 points for a ten percent (10%) match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required and the full 20 points will be awarded in this category.

3. Cost/Benefit Ratio: This is the measure of project cost per beneficiary, and the scoring will be based on a comparison of the applicant's cost per beneficiary for each activity to the base level ratio*.* A level ratio base of $4,000 for all public facilities, $8,500 for housing, and $14,500 for relocation has been established. Applicants with ratios at or below these levels for each activity will receive maximum points for these activities. For projects with more than one substantial activity, the point score will be based on the weighted average of the activity cost of all proposed substantial activities. The cost beneficiary ratio will be computed based only on the requested CDBG dollars. The rating forms that will be used to score competitive applications will be publicly available at the CDBG Application Workshop. All eligible cities and counties will be notified about the date, time, and place of the CDBG Application Workshop.

2. Applications for Community Enhancement Fund

The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. The fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligibleapplicants for the fund are all non-entitlement local governments who meet applicable thresholds. Applications for the fund must be submitted by the announced cut-off date.

Criteria for Rating Community Enhancement Fund Grants: The Community Enhancement Fund grant applications will be reviewed by ADECA staff for compliance with a National Objective and eligibility thresholds. The applications will be reviewed for factors including:

1. Assessment of need for project

2. Importance of activity to community

3. Clarity of benefit to low and moderate income persons or limited clientele

4. Community involvement/efforts or joining of two or more communities to address common needs

5. Project description

6. Financial feasibility

7. Cost reasonableness

8. Capacity for operation and maintenance

9. Local match

10. Past efforts.

Special consideration will be given to projects that effectively demonstrate community involvement/efforts in the design, implementation, and promotion of the project. Consideration will also be given to projects where two or more eligible applicants jointly propose to carry out activities to address mutual needs. Depending on the nature of the needs and the type and extent of beneficiaries, a separate grant ceiling may be permitted. Funding and implementation of such joint projects will be subject to HUD rules. The staff evaluation will be used to guide the selection of the projects although the Director may vary from the staff evaluation when a particularly strong need is perceived. The staff evaluation will consist of two independent reviews comprised of a 0-5 point scale where “0” indicates that the project is ineligible for one or more reasons, “1” indicates a weak project and “5” indicates a very strong project. A grant ceiling of $250,000 and a minimum grant of $50,000 has been established for the fund. The Director may waive either of these limits. The Fund will require a specific local match equal to or exceeding 10 percent (10%) of the CDBG request. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, if the applicant lacks the financial capacity to provide the match. Projects will be funded from the total highest score in decreasing order until the monies are depleted. When funds are not available to fund all projects with similar scores, the site evaluation will determine the project(s) to be funded.

3. Applications for Planning Fund

The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of twenty percent (20%) of the project cost will be required*.* However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census) when the applicant lacks the financial capacity, the match may be waived. Applications will be considered on a continual basis until the cut-off date. The grant awards will be made based on the following considerations:

Criteria for Rating Planning Fund Grants: The Planning grant applications will be reviewed by ADECA staff for the following factors:

1. How the proposed project will contribute to principally benefiting low and moderate income persons, or how the proposed project will contribute to aiding in the prevention of slums and blight.

2. Need and urgency of planning activities proposed. The State reserves the right not to fund a project if need or urgency is not clearly demonstrated and if the amount requested is not appropriate for the plan or the size of the planning area involved.

3. How the proposed project will contribute to the development of a planning process which will serve as a guide for orderly and/or consistent growth and community development.

4. How the proposed project will aid in, or contribute to the involvement or creation of, various community groups, advisory councils, planning/zoning districts, redevelopment authorities, etc., in the ongoing planning process.

5. Amount of funds requested relative to the size of the community, complexity of the proposed elements, and the final product. This consideration will be particularly important where larger grant requests are involved.

6. Prior year grants received as well as implementation of prior planning efforts.

4. Applications for Economic Development Fund

The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2015 money allocated for the ED Fund, approximately $30,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 loans. Also, the CDBG Float Loan will be covered in this “Applications for Economic Development” section, since Float Loans will be used only for economic development. However, funds used for short-term grants, or Float Loans, will come from all categories of grants. The ED Fund projects will be funded under four distinct categories: (a) ED Grants, (b) ED Incubator Projects, (c) ED Loans, and (d) ED Float Loans. The eligible ED Fund projects will be generally funded in the order the applications are received by ADECA, regardless of the Fund category under which they fall. Eligible applicants for ED Grants, ED Loans, and ED Float Loans include all non-entitlement local governments, provided other applicable thresholds are met. The applicable grant ceilings and minimums for ED Fund projects will be as cited earlier in the section on grant ceilings. The rules and requirements which will govern ED Grants, ED Loans, and ED Float Loans are spelled out under respective headings in the following paragraphs.

4(a). ED Grants: Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate the creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for ED Grants to assist a public, private, nonprofit, or such other entity, including a business, in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, loan, or deferred payment loan, and may pay for activities eligible under the CDBG Program that include day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an “as needed” basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project, or the results of past projects, or considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State. In rare and exceptional cases, the State may award ED Grants using ED Fund, Recaptured Fund, Program Income, or other funds in support of Section 108 Loan Guarantee projects. ED Grants may be used toward loan payments, debt retirement, and other eligible purposes. The amount and appropriateness of such ED Grants may take into consideration factors such as the size of the project, magnitude of local support, overall impact, and unique features associated with the project. Projects involving such ED Grants will be governed by Section 108 Loan Guarantee requirements, and may be granted exemptions from the ED Grant’s threshold requirements that are listed below, and which are in addition to the overall thresholds listed elsewhere in this Action Plan.

Additional Threshold Requirements for ED Grants: The ED Grant threshold requirements are as follows:

1. The proposed activities must be associated with the location of a new business or an expansion of an existing business generally creating 15 or more jobs. Projects proposing job retention will generally not qualify for ED Grants unless, in the opinion of the State, significant job losses will have a long-term detrimental effect on the community and low and moderate income people. For projects involving job creation or job retention without a capital expansion, the State may disregard such expansion requirement if, in the opinion of the State, significant economic impact and benefit to low and moderate income persons merit such a decision.

2. The grant applicant must have a commitment from the business to create and/or retain the jobs as described in the application.

3. The project must generally fall in the SIC Code 20 through 39, or consist of major warehousing or distribution centers, or such other activities having a prospect of significant economic impact.

4. At least 51 percent of the project beneficiaries specified in the application must be persons of low and moderate income.

5. The project must include a local match of at least 20 percent of the requested ED Grant. This amount may be eliminated for projects when the applicant's population, as determined by the 2010 Census, was 1,000 or less and the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

6. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs. This is subject to 24 CFR Part 570 pertaining to the prohibition on the use of CDBG grant assistance for job-pirating activities.

7. ED Fund grants will not be made in cases where construction of the private facility has already started prior to grant award or the earliest possible date of Release of Environmental Conditions by ADECA. If such start is unavoidable, a waiver may be granted if a request is made to ADECA to do so prior to the start of any construction activity at the project site.

Criteria for Rating ED Grants: The ED Grant applications will be reviewed by ADECA staff on a continuous basis for conformance with the thresholds, and the funding decisions will be guided by the following factors:

1. The importance of the proposed activities to the location or expansion of a business

2. The number and certainty of proposed jobs

3. The proposed local match amount

4. The scope of a new business or expanding business, i.e., products, product markets, current or projected employment and payroll, labor skills required, etc.

5. The urgency of proposed activities

6. The importance of the project to further welfare reform objectives.

4(b). ED Incubator Projects: The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the CDBG Program, an “Incubator” is defined as “a building and program operated either by a private entity, a nonprofit organization, or a unit of local government, for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State.” Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project application depending on the quality and/or certainty of the proposal.

No Additional Threshold Requirements for ED Incubator Projects: The CDBG Program threshold requirements listed elsewhere in this Action Plan will apply to all ED Incubator Projects.

Criteria for Rating ED Incubator Projects: The ED Incubator Project grant applications will be reviewed by ADECA staff for conformance with the thresholds, and the funding decisions will be guided by the following factors:

1. The criteria or system to be set up by an “Incubator” program to assure that 51 percent of the beneficiaries of the program are low and moderate income persons.

2. The desirability of the proposed Incubator site, based on:

a. Proximity to a metropolitan area or other center of economic activity

b. Accessibility of jurisdiction

c. Accessibility of site

d. Quality and suitability of structure or proposed structure

e. Level of infrastructure serving site

3. The evidence of local support, including:

a. Financial

b. Professional

c. Other

4. The feasibility of the program, based on:

a. Clarity of the program

b. Certainty that the program will be carried out for a specific period

c. Background and credentials of the personnel in the program

d. Nature of the program.

4(c). ED Loans: Eligible applicants may apply for ED Loan funds anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. Loans made from the CDBG Revolving Loan Fund will be governed by the same requirements as loans from the CDBG ED Fund. ED Loan funds used by communities to make loans to private businesses will have a payback requirement. The determination as to the local government’s disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act, the State will, as part of all application reviews, recognize the applicant’s right to retain Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions / councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loan funds, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. ED Loan threshold requirements are listed below, and are in addition to the overall thresholds listed elsewhere in this Action Plan.

Additional Threshold Requirements for ED Loans: The ED Loan threshold requirements are as follows:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.

2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.

3. The applicant must have a commitment from the business to create or retain jobs.

4. Beneficiaries of ED Fund projects must be at least 51 percent low and moderate income persons.

Criteria for Rating ED Loans: The ED Loan applications will be reviewed by ADECA staff on a continuous basis for conformance with the thresholds and other regulatory requirements, and the funding decisions will be guided by the following factors:

1. CDBG dollars per permanent job

2. Leverage ratio (private dollars as compared to CDBG dollars)

3. The actual number of permanent jobs to be created or retained

4. Potential for spin-off benefits

5. Job diversification

6. Loan pay-back/collateral.

4(d). ED Float Loans: ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities, which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all funds from which the monies initially came, while the interest will generally be used to increase the State’s CDBG ED Fund. As indicated above under the Section on ED Loans, the State will recognize the local government’s right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for ED Float Loans will be determined by careful monitoring of the fund flow needs of the CDBG Program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined that, to the maximum extent possible, the amount and term of any ED Float Loan will not commit the State’s letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year’s funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet the CDBG Program thresholds listed elsewhere in this Action Plan.

The ED Float Loan program’s primary objective is to expand economic opportunities, principally for persons of low and moderate income. Normally, the ED Float Loan program will be used only to aid in the creation of new jobs and on projects where there is likely to be a substantial economic development impact. In exceptional circumstances, the ED Float Loan program may be used to help retain jobs. Of the jobs to be created or retained, at least 51 percent must be occupied by or made available to low and moderate income persons. If ED Float Loans are made in order to retain jobs, the applicant must clearly demonstrate that, without CDBG assistance, the jobs would be lost. The ED Float Loans can be used to finance any necessary activity, including acquisition, site preparation, new construction, renovation, purchase of machinery and equipment, working capital, refinancing, and other CDBG-eligible activities approved by the State. The minimum ED Float Loan amount shall be $1 Million, and the maximum loan amount shall be $10 Million. The maximum and minimum loan amounts may be waived by the State when significant long-term economic benefits for low and moderate income persons are involved. The ED Float Loan term will be for one year, and can be extended for one additional year. Interest earned on ED Float Loans will be treated as Program Income and will be used for CDBG-eligible activities.

Criteria for Rating ED Float Loans: Applications for ED Float Loans will be considered by the ADECA staff on a continuous basis. However, due to the unique nature of the ED Float Loan program, the State intends to fund only a limited number of projects from these funds. Prior to accepting any ED Float Loan application, the State will require a thorough review of the project with the State. ED Float Loan funding decisions will be based on the following factors:

1. Conformance with the National Objective

2. Loan security, which shall be in the form of an irrevocable letter of credit or such other security acceptable to the State

3. Number of jobs involved

4. Private investment

5. Unemployment/community distress

6. Job diversification

7. Indirect/spin-off benefits.

5. Applications for Section 108 Loan Guarantees

The purpose of Section 108 Loan Guarantees is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Section 108 Loan Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement. Eligible applicants include all non-entitlement communities who meet the CDBG threshold requirements listed elsewhere in this Action Plan as well as the additional thresholds listed below.

Additional Threshold Requirements for Section 108 Loan Guarantees: The Section 108 Loan Guarantee threshold requirements are as follows:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.

2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.

3. The applicant must have a commitment from the business to create (or retain) jobs and make private investment as described in the application. In those instances where a business has not yet been identified, then the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.

4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

Criteria for Rating Section 108 Loan Guarantees: Applications for Section 108 Loan Guarantees will be considered by the ADECA staff on a continuous basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to:

1. Section 108 dollars per permanent job

2. Actual number of jobs to be created or retained

3. Potential for spin-off benefits.

Alabama’s Interim Plan for Minimizing Displacement from Use of CDBG Funds: The Housing and Community Development Act requires that the State furnish citizens with its “plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced.” Alabama’s plan is as follows:

1. Minimizing Displacement: The State will discourage grant applicants from designing programs that involve extensive displacement. Grant applicants should displace persons and businesses only when there is no reasonable alternative to accomplishing the purposes of their program. The State’s criteria/rating system addresses the higher costs of programs which involve displacement by making more expensive solutions to problems less competitive.

2. Persons Actually Displaced: Grant applicants shall plan for the probability of displacement in program design by requesting sufficient funds to accommodate the costs of displacement. Grant recipients shall provide from CDBG funds, or their own resources, for the reasonable costs associated with all displacement necessary to carry out the purposes of the grant recipient’s program.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan under

“III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

**ESG**: For the ESG Program, applications should provide the applicants’ strategies to provide emergency shelter, street outreach, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

a. demonstrated need for assistance in the service area;

b. plan to provide services to the target population;

c. capacity to carry out program requirements;

d. activities to be performed;

e. coordination with local agencies serving similar target populations.

**HOPWA**: Not applicable. AIDS Alabama is the recipient of the HOPWA Program funds from ADECA. AIDS Alabama subsequently works with its service providers to deliver the HOPWA services.

**If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only):**

**CDBG**: ADECA’s CDBG Program information (including grant application, program compliance, financial, monitoring, close-out, and record retention information) and related documents (including application manuals and other publications) are posted on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov), under the “Community and Economic Development Division” heading, at the “Community Development Programs” section. This information is also available in paper format at the ADECA Community and Economic Development Division’s headquarters office located at 401 Adams Avenue, Room 500 in Montgomery, Alabama 36130. Inquiries for such information may also be made to Mr. Shabbir Olia, Unit Chief of the ADECA Community and Economic Development Division’s CDBG Unit, at that same address, and by telephone number 334-242-5468, and by the email address [Shabbir.olia@adeca.alabama.gov](mailto:Shabbir.olia@adeca.alabama.gov). Also, ADECA’s CDBG grant application manuals are distributed at ADECA’s CDBG Application Workshop that is conducted annually in the Spring. Announcements for such workshops are posted on the ADECA website. All potential grant applicants are encouraged to utilize these documents, and attend the annual application workshops, when drafting and submitting CDBG applications to ADECA.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Questions for AIDS Alabama may be directed to Kevin Finney, Director of Operations (Financial); Ric Herbert, Director of Administrative Programs or Kathie M. Hiers, Chief Executive Officer, at 205-324-9822.

**Describe the process for awarding funds to State recipients, and how the State will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations (ESG only):**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State’s homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions. Applications will be rated in the following areas:

a. Identification of Homeless Assistance Needs = 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

b. Applicant’s Strategy to Address Homeless Problems = 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year**.** Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

c. Capacity and Coordination = 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

d. Participation in a Continuum of Care = 15 Points

The applicant will demonstrate a thorough understanding of the “continuum of care” concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

e. Match = 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

f. Budget = 10 Points

The budget narrativemust consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant’s budget must be the aggregate of the second-tier subrecipients’ budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

TOTAL POINTS AVAILABLE = 100 Points

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

In the event of tied scores where funding is not available to all applicants, the ADECA Director will exercise discretion in funding requests with the most impact. The ADECA Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

**HOPWA**: Not applicable.

**Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations) (HOPWA only):**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Not applicable.

HOPWA: AIDS Alabama annually contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide. AIDS Alabama works with eight partnering AIDS Service Organizations for rental assistance funds, and these include:

* AIDS Action Coalition – Huntsville
* Health Services Center – Anniston
* Unity Wellness Center – Auburn
* Medical AIDS Outreach of Alabama – Montgomery
* Birmingham AIDS Outreach
* Selma AIDS Information & Referral
* AIDS Alabama South (formerly South Alabama CARES\*) – Mobile
* West Alabama AIDS Outreach – Tuscaloosa.

South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

In providing rental assistance, the Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area.Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.In providing emergency shelter, one emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama.The shelter is managed by the Health Services Center of Anniston.Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State.These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others.AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters.

In providing permanent housing, Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS - there are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit. The Mustard Seed triplex offers three one-bedroom units in Birmingham. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS - as a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA - an additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD’s HOPWA Competitive program and is still being funded - historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014. The Le Project, AIDS Alabama’s newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families - while a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits. In providing service enriched housing, the only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

As well as collaborating with state and federal entities, AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State.

**Describe how resources will be allocated among funding categories:**

**CDBG**: The State of Alabama’s PY2015 CDBG Program award in the amount of $21,529,262 will be allocated among the following funding categories:

**PY2015 CDBG Program Allocation** = $21,529,262

**FUNDING CATEGORY CDBG AMOUNT**

Total Allocated to Alabama $21,529,262

County Fund $2,500,000

Large City Fund $4,658,385

Small City Fund $5,200,000

Economic Development Fund $4,850,000

Planning Fund $125,000

Community Enhancement Fund $3,450,000

State Administration $530,585

State Technical Assistance $215,292

**HOME**: The State of Alabama’s PY2015 HOME Program award in the amount of $7,819,900 will be allocated as stated in the 2015 HOME Action Plan under “III. ALABAMA’S HOME PROGRAM.” That Plan contains information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

**ESG**: The State of Alabama’s PY2015 ESG Program award in the amount of $2,524,294 will be allocated among the eligible funding categories: administration, street outreach, emergency shelter, HMIS (Homeless Management Information System), homelessness prevention, and rapid re-housing. The allocation among funding categories depends on the applications received and the amounts requested and selected for funding.

**HOPWA**: The State of Alabama’s PY2015 HOPWA Program award in the amount of $1,483,651 will be allocated among the following funding categories:

**PY2015 HOPWA Program Allocation** = $1,483,651

**HOPWA Fund Category Federal Amount**

Rental Assistance - STRMU $100,316

Rental Assistance - TBRA $193,000

Facility Based Housing Subsidy $80,000

Supportive Services $440,000

Operating Cost $445,970

Master Leasing $9,000

Resource Identification $47,000

Housing Information $15,000

Technical Assistance $5,000

Administration $148,365

Total $1,483,651

**Describe threshold factors and grant size limits:**

**CDBG**: CDBG Program Thresholds: The following program thresholds will apply to communities that wish to apply for PY2015 funds:

[NOTE: The County Fund, the Large City Fund, and the Small City Fund collectively are referred to herein as “Competitive Funds.”]

1. Cities and Counties with any open Economic Development Fund or Planning Fund PY2012 or earlier grant funded in calendar year 2012 or earlier as of March 31, 2015, will sit-out for all funds except for the Economic Development Fund.

2. Cities and Counties with an open grant (except Economic Development Fund or Planning Fund) from any Fund as of March 31, 2015, will sit out for all funds except for the Economic Development Fund.

3. Cities and Counties that have applied unsuccessfully for an eligible project for three consecutive years will receive an additional consideration for their PY2015 application.

4. Cities and Counties eligible to apply for Competitive Funds and Community Enhancement Funds will be limited to only one application from either one of those two Funds.

5. A unit of local government may not apply if it has an unresolved audit finding involving disallowed costs as the result of a determination made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring. However, a waiver may be provided in cases where the ADECA Director has reviewed a grantee’s proposed response to the finding and has determined that repayments due the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

6. A unit of local government may not apply if it owes the State or Federal government money as the result of determinations made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring. However, a waiver may be provided in cases where the ADECA Director has determined that repayments due the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

7. A proposed project must stand alone to serve the proposed beneficiaries without the need for additional funds that are not shown in the grant application, unless the other necessary funds are known of and verifiable by the State. Any other funds shown in the grant application must be verifiable by the State.

8. An applicant must demonstrate the ability to maintain any facilities funded under the CDBG Program.

9. An applicant must not have been deemed by the State to lack capacity to carry out a project funded under the CDBG Program.

10. An applicant’s regular program must benefit at least 51 percent low and moderate income persons, unless it is a housing rehabilitation program in which case the beneficiaries must be 100 percent low and moderate income, or if it is a project that addresses slum and blight, in which case it must meet the slum and blight National Objective.

11. Applications for the Planning Fund must present thorough evidence showing how the activity will address one of the National Objectives applicable to Planning Funds grants.

12. Where eligibility for any grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by March 31, 2015, for the grant to be considered closed out. State policies concerning funds retained for administrative/engineering costs will be considered when determining grant closeout dates.

13. Grants funded by special HUD allocations for programs such as disasters, neighborhood stabilization (NSP), or recovery (CDBG-R), will not prohibit those jurisdictions from applying for PY2015 CDBG Program funds.

14. For any issue or subject not addressed in this Action Plan, or in the case of conflicting issues, the ADECA Director will make a final ruling based on the precedents, established practices, or what is otherwise determined to be in the best interest of the State. In rare cases, the ADECA Director may provide a waiver from these Thresholds if specific situations merit such a waiver.

[NOTE: Additional CDBG thresholds for the ED Grants, ED Loans, and Section 108 Loan Guarantees are listed herein under this **AP-30 Method of Distribution** section.]

CDBG Grant Size Limits/Ceilings: In order to address needs throughout Alabama’s non-entitlement areas of the State, the CDBG Program will use the following grant size limits/ ceilings. The figures stated below establish general ceilings and minimums on the grant amounts that may be requested per Fund, and on the individual grant amounts that may be requested in each grant application. For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity. In the award of CDBG grant amounts, ADECA shall give consideration to the size of the community requesting funds, and to the requirements of the community’s proposed project. ADECA and grant applicants recognize that requesting the maximum grant amount allowable will not always be appropriate.

**Fund Ceiling/Minimum**

County Fund $350,000 Ceiling

Large City Fund $450,000 Ceiling

Small City Fund $350,000 Ceiling

Community Enhancement Fund $250,000 Ceiling/$50,000 Minimum

Planning Fund $40,000 Ceiling

Section 108 Loan Guarantees $10,000,000 Maximum

**Economic Development Fund Minimum Maximum**

ED Grants $50,000 $200,000

ED Incubator Projects $50,000 $250,000

ED Loans $50,000 $250,000

ED Float Loans $1,000,000 $10,000,000

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan under

“III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

**ESG**: The ESG Program Thresholds are as follows: An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. No applications will be accepted under the following circumstances:

a. The applicant owes the state or federal government money and no repayment arrangement is in place.

b. Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.

c. The applicant has an open ESG grant from FY2013 or an earlier year.

d. The private nonprofit organization (acting as the applicant or second-tier subrecipient) lacks 501(c)(3) status.

Where eligibility for the grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by noon on March 31, 2015, for the grant to be considered closed out.

The ESG Grant Ceilings are as follows: In order to address needs throughout the State, the Program will use a grant ceiling of $200,000 for applicants that will serve a single jurisdiction. An applicant that will serve multiple localities within a single county is defined as a single jurisdiction. An applicant that will serve multiple counties will have a grant ceiling of $400,000. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize all current year funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Such negotiations may cause the original grant to exceed formerly applicable grant ceilings.

**HOPWA**: Not applicable.

**What are the outcome measures expected as a result of the method of distribution?**

**CDBG**: In general, outcome measures of Alabama’s CDBG Program are designed to measure whether or not the authorized funds were expended to address the program’s three National Objectives of benefiting low and moderate income persons, addressing slums or blight, or meeting a particularly urgent community development need.

In particular, each activity funded with CDBG funds must address at least one of the three National Objectives of the CDBG program. These objectives are:

1. To benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;

2. Aid in the prevention or elimination of slums and blight; or

3. Meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

In addition to meeting at least one of the three National Objectives listed above, activities must meet one of the following three performance goals:

1. Create suitable living environments,

2. Provide decent affordable housing, or

3. Create economic opportunities.

Further, activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services,

2. Improve affordability of housing or other services, and/or

3. Improve sustainability by promoting viable communities.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan under

“III. ALABAMA’S HOME PROGRAM” for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

**ESG**: Outcome measures will be determined by performance indicators. Because the State’s ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose not to develop performance indicators. The subrecipients will develop performance indicators that best depict program accomplishments for their local areas. Performance indicators specific to geographic areas will be evaluated to determine program outcomes.

**HOPWA**: For the HOPWA Program, the outcome measures are as follows:

For Rental Assistance: At least 55 households will be assisted so that consumers can remain in affordable, leased housing and experience housing stability.

For Supportive Services: Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently.

For Operating Costs: All current residents in AIDS Alabama housing will enjoy safe, secure, and healthy stable housing.

For Master Leasing: AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps.

For Resource Identification: AIDS Alabama staff members and contractors will be equipped to provide identification of low-income housing and housing development options in the State for persons and families living with HIV disease

For Housing Information: HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

For Technical Assistance: Two consultations related to housing development programming to Selma AIDS Information and Referral and Medical AIDS Outreach of Alabama in Montgomery will help them to have improved goal attainment in their HOPWA contracts. Both programs have the opportunity to become part of their local Continuums of Care and position themselves to develop housing grants for their homeless consumers.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-40 Section 108 Loan Guarantee [see 24 CFR 91.320(k)(1)(ii)]**

**Will the State of Alabama help non-entitlement units of general local government to apply for Section 108 loan funds?**

Yes \_\_\_\_ No \_\_X\_\_

**If yes, then describe available grant amounts:**

NOTE: The purpose of the Section 108 Loan Guarantee program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2015 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

**If yes, then describe how applications will be accepted:**

The State of Alabama has adopted the following Section 108 Loan Guarantee Thresholds:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.

2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.

3. The applicant must have a commitment from the business to create or retain jobs and make private investment as described in the application. In those instances where a business has not yet been identified, the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.

4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

The State of Alabama has adopted the following Section 108 Loan Guarantee Evaluation Criteria: Applications for Section 108 Loan Guarantees will be considered on a continual basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to the following:

1. Section 108 dollars per permanent job;

2. Actual number of jobs to be created or retained;

3. Potential for spin-off benefits.

**AP-45 Community Revitalization Strategies [see 24 CFR 91.320(k)(1)(ii)]**

**Will the State of Alabama allow units of general local government to carry out community revitalization strategies?**

Yes \_\_X\_\_ No \_\_\_\_

**Describe the State of Alabama’s process and criteria for approving local government’s revitalization strategies:**

**CDBG**: Each of Alabama’s CDBG-authorized activities, including community revitalization activities, that are described in an eligible community’s CDBG grant application, are required to address at least one of the three National Objectives: to benefit low and moderate income persons - of which at least 51% must be from low and moderate income households, aid in the prevention or elimination of slums and blight, or meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available. In addition, the revitalization activities must meet one of the following three performance goals: create suitable living environments, provide decent affordable housing, or create economic opportunities. The revitalization activities must also demonstrate the ability to achieve or improve one or more of the following outcomes: improve availability or accessibility of units or services, improve affordability of housing or other services, and/or improve sustainability by promoting viable communities.

Because each application is based on the local government's needs analysis, ADECA's CDBG staff will rate the submitted applications based on the Thresholds and the scoring criteria for each Fund Category as described herein above in section AP-30.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**AP-50 Geographic Distribution [see 24 CFR 91.320(f)]**

**Description of the geographic areas of the State of Alabama (including areas of low-income and minority concentration) where assistance will be directed:**

**CDBG**: Alabama’s CDBG Program funds are authorized to be expended in the non-entitlement areas of Alabama, defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These geographic areas, including areas of low-income and minority concentration, include counties, large cities (those with a population of 3,001 or more) and small cities (those with a population of 3,000 or less). Other than this non-entitlement area requirement and the State’s CDBG Program eligibility requirements for each Fund category, the State cannot specifically direct PY2015 CDBG Program funds to be expended in any particularly-designated area of Alabama. The determinations are based upon the grant applications that are submitted to ADECA each year. The exception to this stance would be that in the event of an emergency situation such as a disaster (for example, a tornado) or an urgent need, the State (the ADECA Director) could direct a portion of its CDBG Program funds to the geographic areas that are affected by that emergency situation or urgent need.

**HOME**: For the HOME Program, please see the 2015 HOME Action Plan for information regarding geographic distribution and rationale of priorities as it relates to location.

**ESG**: ESG: The ESG Program may provide assistance to all areas of the state. Geographic areas range from metropolitan to rural. These areas are inhabited by persons of various economic and demographic backgrounds. Various types of need and services exist throughout the state. Because the capacity to provide assistance depends on many factors, especially the subrecipients’ ability to provide matching funds, ESG assistance will not be directed to any particular geographic area. The degree of unmet need, availability of local services, capacity to administer the grant, and the ability to provide the matching funds determine which entities apply and therefore receive funding.

**HOPWA**: The HOPWA Program funds are distributed by AIDS Alabama, which contracts for services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

**Geographic Distribution:**

|  |  |
| --- | --- |
| **Target Area:** | **Percentage of Funds:** |
| CDBG: Alabama's non-entitlement communities | 100% |
| HOME: Alabama Statewide | 100% |
| ESG: Alabama Statewide | 100% |
| HOPWA: Alabama Statewide | 100% |

**Rationale for the priorities for allocating investments geographically:**

**CDBG**: Alabama does not allocate CDBG Program funds geographically. Instead, all of Alabama’s non-entitlement areas are eligible to apply for CDBG funds. The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-55 Affordable Housing [see 24 CFR 91.320(g)]**

**Introduction:**

See the discussion contained in the sections herein below.

**One Year Goals for the Number of Households to be Supported:**

|  |  |
| --- | --- |
| **Homeless:** | 600 |
| **Non-Homeless:** | 80 |
| **Special Needs:** | 0 |
| **Total:** | 680 |

**One Year Goals for the Number of Households Supported Through:**

|  |  |
| --- | --- |
| **Rental Assistance:** | 300 |
| **The Production of New Units:** | 350 |
| **Rehab of Existing Units:** | 370 |
| **Acquisition of Existing Units:** | 0 |
| **Total:** | 1020 |

**Discussion:**

See the discussion contained in the sections herein above.

**AP-60 Public Housing [see 24 CFR 91.320(j)]**

**Introduction:**

Not applicable.

**Actions planned during the next year to address the needs to public housing:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Actions to encourage public housing residents to become more involved in management and participate in homeownership:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**If the public housing authority (PHA) is designated as troubled, describe the manner in which financial assistance will be provided, or other assistance:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Discussion:**

Not applicable.

**AP-65 Homeless and Other Special Needs Activities [see 24 CFR 91.320(h)]**

**Introduction:**

Each year, the United States Department of Housing and Urban Development (HUD) requires a count of sheltered homeless persons in order to apply for Continuum of Care funding. Counts of the unsheltered homeless persons are required every other year. Continuums of Care organizations are the networking of citizens and organizations concerned with and serving homeless people. 2004 was the first year all sheltered homeless persons were counted in a point-in-time survey. The point-in-time survey is administered on one day/night of January. Alabama has eight Continuums of Care in operation. ARCH (Alabama Rural Coalition for the Homeless) Continuum of Care serves 43 counties: Barbour, Bibb, Blount, Butler, Chambers, Chilton, Choctaw, Clark, Clay, Cleburne, Coffee, Conecuh, Coosa, Covington, Crenshaw, Cullman, Dale, Dallas, Escambia, Fayette, Geneva, Greene, Hale, Henry, Houston, Jackson, Lamar, Lee, Macon, Marengo, Marshall, Monroe, Perry, Pickens, Pike, Randolph, Russell, Sumter, Talladega, Tallapoosa, Walker, Washington, and Wilcox. The other Continuums are as follows:

* HCCNA (Homeless Care Council of Northwest Alabama) – Florence/Lauderdale, Colbert, Franklin, Lawrence, Marion, and Winston Counties
* HCNEA (Homeless Coalition of Northeast Alabama) – Anniston/Calhoun, DeKalb, Cherokee, and Gadsden/Etowah Counties
* HF (Housing First, Inc.) – Mobile/Mobile and Baldwin Counties
* MACH (Mid-Alabama Coalition for the Homeless) – Montgomery/Montgomery, Lowndes, Elmore, Autauga, and Bullock Counties
* NACH (North Alabama Coalition for the Homeless) –
  + Huntsville/Madison, Limestone, and Decatur/Morgan Counties
* OR (One Roof), formerly Metropolitan Birmingham Services for the Homeless (MBSH) – Birmingham/Bessemer/Hoover/Jefferson, St. Clair, and Shelby Counties
* WACH (West Alabama Coalition for the Homeless), formerly CHALENG of Tuscaloosa – Tuscaloosa/Tuscaloosa County.

HUD defines chronic homelessness as “an individual or family with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.” A disabling condition limits an individual’s ability to work or perform one or more activities of daily living. The following numbers are from the point-in-time surveys completed in 2014 for the State of Alabama. Across the state of Alabama, 4,561 people were reported homeless. Of them, 1,043 were unsheltered; meaning living on the street, in cars, in abandoned buildings or other places unsuitable for human habitation. The rest were in some form of emergency or transitional shelter. 457 households with at least one adult and one child were located on one day throughout the state. Interviews were conducted with those willing to participate. 729 persons were found to be chronically homeless.

**Describe the jurisdiction’s one-year goals and actions for reducing and ending homelessness, including:**

**1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:**

**CDBG**: If and when any CDBG funds are expended to address the needs of homeless persons, then such funds shall be “disaster funds” which are allocated by HUD following the declaration of such eligible “disaster” areas within the State. Any of the State’s plans to expend such “disaster funds” would be included in the State’s application for those funds that would be submitted to HUD as and when requested; therefore, such plans will not be stated in this AAP.

**HOME**: Not applicable.

**ESG**: The point-in-time counts for 2014 showed that there were 1,043 unsheltered homeless persons in Alabama. The State’s goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.
2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.
3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

**HOPWA**: As of January 2, 2015, the Alabama Department of Public Health's Demographic Statistics indicated that there are 19,146 HIV-positive individuals living in Alabama. That is up from 18,782 HIV-positive individuals living in Alabama in 2013. Of new cases in 2014, 64.2% were African-American, and of new cases in 2013, 68% were African-American, although they comprise only 26% of the state’s population. Of the new cases in 2013, 55% were men who have sex with men. Research indicates that (i) homelessness and unstable housing are associated with increased rates of HIV sex and drug risk behaviors, (ii) unstable housing increases HIV risk behaviors even among those at highest HIV risk, (iii) homelessness and unstable housing are directly related to delayed HIV-related care, poor access to care, and decreased likelihood of treatment adherence, and (iv) the association between lack of stable housing and greater HIV risk behaviors remains even among persons who have received risk reduction services. Homeless men as compared to stably-housed men in the urban South region of the United States were more likely to report sharing needles, more likely to have four or more sex partners, and more likely to have had sex with other men. Homeless African-American women and Hispanic women are two to five times more likely than their housed counterparts to report multiple sex partners in the last six months, in part due to recent victimization by physical violence. Young men who have sex with men who experience residential instability, who have been forced to leave their homes because of their sexuality, and/or who are precariously housed, are at significantly greater risk for drug use and involvement in HIV risk-related behaviors. And homeless youth are more likely to engage in high-risk drug use than youth in housing with some adult supervision, and are as likely to engage in high-risk sex. There have never been more people living in Alabama with HIV disease than today. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. Thus, reaching out to this homeless population, assessing their individual needs, and associating them with service providers who can target and address those needs, are all critical parts of the HOPWA Program's focus of addressing the homeless issues with which this population is involved.

Using PY2015 HOPWA funds, AIDS Alabama will assist households with rental and utility payments to prevent homelessness of those living with HIV/AIDS. It will work with local providers to increase capacity to develop and operate HIV-specific housing. Currently, AIDS Alabama contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide.

Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently. AIDS Alabama will use PY2015 HOPWA funds to support housing programs in the State, which will include supportive services such as transportation, case management, first month’s rent and deposit (if available), and housing outreach. AIDS Alabama will provide these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in its Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties. AIDS Alabama will also use PY2015 HOPWA funds to serve up to 300 persons statewide in paying for furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

To obtain their clientele and coordinate these services, AIDS Alabama fosters collaborations with in-state housing organizations that include the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others, and this work results in the expansion of affordable housing for low-income, HIV-positive consumers. AIDS Alabama also works with or attends a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and other community service providers statewide to contact clientele so that HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

**2. Addressing the emergency shelter and transitional housing needs of homeless persons:**

**CDBG**: If and when any CDBG funds are expended to address the emergency shelter and transitional housing needs of homeless persons, then such funds shall be “disaster funds” which are allocated by HUD following the declaration of such eligible “disaster” areas within the State. Any of the State’s plans to expend such “disaster funds” would be included in the State’s application for those funds that would be submitted to HUD as and when requested; therefore, such plans will not be stated in this AAP.

**HOME**: Not applicable.

**ESG**: The point-in-time counts for 2014 showed that there were 3,518 homeless persons in emergency shelter and transitional housing in Alabama. The State’s goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.
2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

**HOPWA**: AIDS Alabama's 2010 needs assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional housing and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care. Additional research conducted in 2013 and issued from AIDS Alabama indicates that unmet needs for emergency shelter included 151 beds for households with at least one adult and one child, 38 units for households with at least one adult and one child, 159 beds for households without children, 27 beds for households with only children, 25 units for households with only children, 337 total year-round beds, 30 total seasonal beds, and 50 overflow beds. The 2013 research also indicates that unmet needs for transitional housing included 215 beds for households with at least one adult and one child, 33 units for households with at least one adult and one child, 525 beds for households without children, 15 beds for households with only children, 15 units for households with only children, and 755 total year-round beds. AIDS Alabama will address the emergency shelter and transitional housing needs of homeless persons by:

1. Providing Rental Assistance: AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. For emergency shelter, this assistance will consist of Short-Term Rent, Mortgage, and Utility Assistance (STRMU), which assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness. The objective is to provide 80 households with emergency Short-Term Rent/Mortgage and Utility (STRMU) assistance between April 1, 2015, and March 31, 2016, with the outcome being that at least 55 households will maintain stable housing and avoid homelessness because of temporary emergency situations.

2. Providing Emergency Shelter: One emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelter is managed by the Health Services Center of Anniston. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. Additionally, AIDS Alabama operates one emergency bed, which is located in the Transitional Housing Program. AIDS Alabama is in the process of converting a Transitional Housing Program housed in the Rectory into an emergency shelter based program.

3. Providing Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Providing Operating Costs: AIDS Alabama will use HOPWA funds to supplement the operating cost of the permanent and transitional units between April 1, 2015, and March 31, 2016, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

**3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again:**

**CDBG and HOME**: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State’s CDBG Program and HOME Program.

**ESG**: The State’s goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

**HOPWA**: AIDS Alabama's 2010 needs assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. AIDS Alabama's 2013 research indicates that unmet needs for permanent supportive housing included 310 beds for households with at least one adult and one child, 34 units for households with at least one adult and one child, 1,322 beds for households without children, 6 beds for households with only children, 6 units for households with only children, and 1,638 total year-round beds. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care. AIDS Alabama will address the homeless persons transitioning to permanent housing needs by:

1. Providing Rental Assistance through the following:

a. AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance will consist of providing Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant’s landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

b. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

c. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

i. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

ii. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

iii. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

iv. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

v. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD’s HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

vi. The Le Project, AIDS Alabama’s newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

2. Providing Operating Costs: AIDS Alabama will use HOPWA funds to supplement the operating cost of the permanent and transitional units between April 1, 2015, and March 31, 2016, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

3. Providing Master Leasing: AIDS Alabama will support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills. Between April 1, 2015, and March 31, 2016, AIDS Alabama will use HOPWA funds to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. This is a reduction from previous years, showing success. AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps. AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

**4. Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are being discharged from publicly-funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions), or receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs:**

**CDBG and HOME**: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State’s CDBG Program and HOME Program.

**ESG**: The State’s goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability. Another one of the State’s goals is that ESG subrecipients’ and second-tier subrecipients’ case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

**HOPWA**: AIDS Alabama will provide or make available housing programs to all eligible persons throughout the State as follows:

1. Providing Rental Assistance: AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance will consist Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population. Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-70 HOPWA Goals [see 24 CFR 91.320(k)(4)]**

|  |  |
| --- | --- |
| **One-year goals for the number of households to be provided housing through the use of HOPWA for:** | |
| **Short-term rent, mortgage, and utility assistance payments** | 55 |
| **Tenant-based rental assistance (TBRA)** | 55 |
| **Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds** | 80 |
| **Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds** | 80 |
| **Total** | 270 |

**AP-75 Barriers to Affordable Housing [see 24 CFR 91.320(i)]**

**Introduction:**

**CDBG**: Alabama provides the following outline of barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: Land use regulations have been recognized for sometime as a possible impediment to affordable housing. Landmark cases addressing “exclusionary zoning” were undertaken where suburban cities were cited for in engaging in land use practices that would effectively eliminate the poor, and thereby disproportionately minorities, from their jurisdictions. Thus, the potential for misuse of land use regulations is usually on any list of items to be scrutinized for negative impact on housing affordability or accessibility. Generally, the most important land use regulations are the zoning ordinance and the subdivision regulations. Land use regulations in Alabama can impose additional cost to housing in a variety of ways.

2. Building Codes: Similar to land use regulations, over the years a number of builders and advocates of affordable housing have stated that building and housing codes were housing affordability impediments. The codes are often lumped together with zoning ordinances and other land use regulations and it can be unclear to some as where one begins and the other ends. Governmental building codes are often expressed in terms of rigid specifications that can be difficult or costly to comply with. New or different construction techniques and architectural innovations would be satisfactory in terms of safety, comfort, and other measurable standards but are not in compliance unless they meet strict code specifications. Arbitrary and inconsistent building code enforcement has also been cited as a source of additional expense for builders who can be unduly delayed in their construction and/or forced to undertake costly redesigns. As with the land use regulations, building codes in Alabama are adopted and practiced for the most part in the entitlement communities and much of the rural areas in the state are devoid of building code adoption and enforcement.

3. Absence of Land Use Regulation: The absence of certain land use regulations or codes can be as big a problem for those seeking affordable low cost housing as the existence or misapplication of certain codes and regulations.

4. Credit Environment: With the exception of “bubble” years that occurred in the past, lending institutions have historically been conservative and restrictive in their lending practices. 5. Fair Housing Issues/Discrimination: Some Alabama counties and cities have continued to note that discrimination exists as a barrier to affordable housing, but fortunately there are many signs of progress on this front.

6. The NIMBY Syndrome: The NIMBY barrier can be viewed as a classic “haves versus the have-nots” situation where low and moderate income households suffer due to an instinctive response from established communities and neighborhoods. Neighbors affected by the proposed development often have fears and concerns about their property values, crime, traffic congestion, loss of open space, new neighbors and design compatibility.

7. Land Ownership Patterns: Much of the suitable land for development is owned or controlled by a few owners or developers. In these areas owners can generally dictate the extent of housing activity to be carried out on their land. They can also be more selective in dealings to ensure maximum profitability, usually diminishing or precluding affordable housing opportunities for lower income households.

8. Costs Associated With Accessibility Compliance: Accessible housing units can be more costly to construct and the required renovations to existing structures can be especially costly for older structures.

9. Fire Protection Costs: Due to a lack of fire protection in some rural counties, a homeowner’s insurance rates are much higher than typical urban areas thereby causing an overall increase in the cost of housing, or at least negating the usual lower monthly mortgage cost found in most rural areas.

10. Transportation Costs: The cost of and availability of transportation to work, shopping and services is a factor that most definitely affects housing choice and affordability. Outside of urban areas, there has traditionally been very little readily available public transit in Alabama and that which is accessible has often been irregular in the times and patterns of service. As the population continues to age and as fuel consumption issues become more crucial this will be an issue that will likely impact housing opportunity more and more.

Also, during the research, survey, data collection, and focus group/committee outreach, and public forum participation processes that were conducted during 2014-2015 when the State of Alabama worked on producing its 2014-2015 "Analysis of Impediments to Fair Housing Choice," several factors were identified as impediments considered to be barriers to fair housing and affordable housing in Alabama’s local communities. The research revealed that Alabama’s residents seeking housing in the real estate rental market and/or in the real estate sales/purchasing market can face a myriad of barriers when attempting to obtain and maintain affordable housing. Such barriers include:

1. Their ability to rent apartments/homes due to real or perceived discrimination against them (or a member of their family with whom they are associated) emanating from the housing provider based on the renter’s race, color, religion, gender, disability, familial status, or national origin (discriminatory refusal to rent);

2. Their ability to afford decent and affordable housing in their geographic area – based on their income level, employment status, and/or other economic situations;

3. Their ability to apply for/be qualified for/be approved for a mortgage from a financial lending institution that issues mortgages to qualified home buyers – based on their credit history, FICO score, and financial obligations, which can then lead to more frequent denials of home purchase loans;

4. Their ability to possess enough funds with which to use for a down payment on a home;

5. Their ability to speak English – even as a second language – to communicate and understand the requirements with which they have to comply in order to obtain and maintain such mortgage and housing;

6. Their ability to obtain financial loans from a non-predatory lender, and/or at an interest rate, wherein they are not put into a predatory lending cycle from which they will find it difficult to escape;

7. Their knowledge and understanding of their rights and obligations under Alabama’s Fair Housing laws – the enforcement of which is the responsibility of ADECA (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD;

8. The lack of knowledge on the part of the housing provider to not discriminate against prospective renters or owners in providing housing and information on housing that is available;

9. The ability of the housing provider to make affordable housing available to disabled persons due to the housing provider’s failure to make a reasonable accommodation or modification to the property;

10. The insufficient amount of “fair housing testing” and enforcement of the fair housing laws being conducted in Alabama’s non-entitlement areas by the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) as a means of detecting fair housing abuses in the rural areas of the State; and

11. The local communities’ overall ability/inability to attract business and industry to locate therein which would provide residents with employment opportunities and good-paying jobs so that they could improve their – and the community’s – economic situation, with affordable housing being one of the results of such economic improvement.

**HOME**: See the discussion under CDBG above.

**ESG**: See the discussion under CDBG above.

**HOPWA**: See the discussion under CDBG above.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing, such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment:**

**CDBG**: Alabama provides the following outline of strategies designed to address and overcome barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: While in the poor principally rural state like Alabama, land use regulations are unlikely to be adopted and/or enforced, the State’s strategy will be to:

**●** Encourage land use practices that maximize housing affordability and accessibility for low and moderate persons.

**●** Research the feasibility of establishing zoning and minimum housing standards for Alabama’s rural areas.

**●** Implementintelligent and strategic expansion of the level of infrastructure to serve suitable development, especially that which expands housing opportunity for lower and moderate income persons.

2. Building Codes: Given the opportunity, the State will:

●Modify or improve building codes where appropriate with an emphasis on affordability and energy conservation.

●Encourage the development of new building technologies and methods where feasible.

3. Absence of Land Use Regulation: The State will:

**●** Promote the development of planned mobile home parks, particularly in rural and small town areas.

●Take actions to remove substandard structures that are eyesores and which deter development in moderate income neighborhoods.

4. Credit Environment: While the lending practices may have been vindicated by the recent housing crisis resulting from loose lending practices, the strategy would be to:

● Ease down payment burden in cases where other credit qualification factors are strong and the down payment appears to be the only difficulty in facilitating the applicant’s purchase of a home.

●Encourage Alabama banks to pursue Community Reinvestment Act activities.

● Maintain a certain amount of flexibility and creativity in mortgage lending practices where possible and appropriate.

● Promote in-kind services by lenders.

● Promote lending practices that balance the interest of financial institutions versus those of people seeking affordable housing.

5. Fair Housing Issues/Discrimination: The strategy would be to:

● Continue to monitor – and educate – financial institutions about possible discriminatory practices.

●Promote and legitimize quality education and advocacy efforts whose objectives are to overcome impediments or barriers.

6. The NIMBY Syndrome: The strategy would be to:

●Prevent the proliferation of poorly planned developments that tend to perpetuate stereotypical images of lower income housing.

7. Land Ownership Patterns: The strategy would be to:

●Take measures toimpact local land ownership patterns when possible.

● Support local code enforcement programs that put pressure on negligent landlords but also weigh the costs of mandated repairs.

8. Costs Associated With Accessibility Compliance: The strategy would be to:

●Continue present policy and enforcement.

● Monitor changing regulations, realities, and technologies that affect this issue.

9. Fire Protection Costs: The strategy would be to:

●Consider revenue enhancements, when needed to upgrade rural fire protection.

●Consider use of HUD program funds when eligible and feasible to address fire protections needs of rural areas which improve quality of life, safety, health, and help lower housing costs.

● Maintain awareness of potential partner programs that might help the State address the needs of rural areas.

10. Transportation Costs: The strategy would be to:

● The State continually reviews options to use programs to help address transportation costs such as strategic funding of street and road improvements, rural transit systems, and funding of local or regional studies to enhance economical rural transit.

● The state plans to pay particular attention to rural and small town options that allow elderly persons to have a more viable option of remaining in the affordable dwelling they have instead of having to move to managed care housing.

While so many of the priorities that form barriers to affordable housing are essentially local practices, the State will take the steps that it can to encourage and promote this goal. The State will continue to work to upgrade its Fair Housing Law to one that is equivalent to the national law. The State will use its programs (such as the CDBG Enhancement Fund), when possible, to address factors like transportation that often hamper the cause of affordable housing. The State will emphasize that down payment assistance programs are an option under the Community Enhancement Program as well as through the other programs indicated under the preceding Institutional / Financial Constraints section.

Also, the State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" suggested several strategies that could be employed by the State of Alabama (meaning ADECA as the recipient of CDBG Program funds) so as to remove or ameliorate the barriers to fair housing and affordable housing. These strategies are as follows:

1. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama – both housing providers and housing consumers – concerning the State’s Fair Housing laws (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD, and their rights and obligations under those State and federal laws, particularly actions that would be in violation of fair housing laws.

2. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning how prospective housing consumers can acquire and maintain good credit – as part of their effort to afford a home purchase or rent for an apartment.

3. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning the characteristics and attributes of a predatory lending style of loan.

4. The State of Alabama, through ADECA, could identify lenders in Alabama who have disproportionately engaged in predatory-style lending within the State, and then publish the findings so that consumers could more easily obtain this information about these lenders.

5. The State of Alabama, through ADECA, could conduct audit testing to determine the number of properties currently in violation of the fair housing laws, and in particular the disability/accessibility standards concerning housing.

6. The State of Alabama, through ADECA, could contract with the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) or other entities to conduct audit testing and track enforcement activities, particularly in the non-entitlement areas of the State, as a means of detecting fair and affordable housing abuses, determining the extent of existing affordable housing barriers, determining the success of strategies implemented to remove or ameliorate the identified barriers to affordable housing, and determining the extent of enforcement of the fair housing laws within the State.

7. The State of Alabama, through ADECA, could form a task force to devise and oversee methods for positively affecting the identified barriers to affordable housing, and provide reports to ADECA on the task force’s activities.

8. ADECA could post on its website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)) information on fair housing, affordable housing, and related information concerning how to file a complaint under the State’s fair housing laws.

9. The State of Alabama, through ADECA, could work in tandem with other State agencies, local governments, and prospective business and industry when recruiting economic development at the local level so that all parties involved would be aware of affordable housing news and issues in those locations.

**HOME**: See the discussion under CDBG above. Also, For the HOME Program, please see the 2015 HOME Action Plan under *III. B. Establishment of Housing Priorities* for information regarding actions to remove barriers.

**ESG**: See the discussion under CDBG above.

**HOPWA**: See the discussion under CDBG above.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-85 Other Actions [see 24 CFR 91.320(j)]**

**Introduction:**

See the discussion contained in the sections herein below.

**Actions planned to address obstacles to meeting underserved needs:**

**CDBG**: At the CDBG Program level, Alabama plans to continue maintaining its eligibility to apply for and receive/be awarded federal CDBG Program funds that are annually made available from HUD. Alabama achieves this by employing ADECA staff who maintain the State’s compliance with HUD’s CDBG Program requirements pursuant to the laws, rules, regulations, and policy letters governing same. Alabama will continue to encourage its non-entitlement communities to maintain their eligibility to apply for and receive CDBG Program funds by providing training and technical assistance to those communities on grant program eligibility, application, and compliance requirements, financial (accounting and audit) responsibilities, and all other aspects regarding the operation of the CDBG Program at the local level.

At the local level, Alabama will work toward providing information on compliance with federal and state fair housing laws through education and outreach to housing providers and housing consumers throughout the State. Alabama will work toward providing, or contracting for the provision of, outreach and education to residents in local communities on topics that include acquiring and keeping good credit, mortgage lending practices – including predatory lending-style loans, fair housing laws (particularly those pertaining to discriminatory terms and refusal to rent aspects and other conditions, privileges, or facilities relating to rental housing), and disability access laws (particularly those pertaining to rental housing with respect to discrimination, and facilities’ reasonable accommodations and modifications). Alabama will continue to make available to the public the State of Alabama’s “Analysis of Impediments to Fair Housing Choice” by posting this document on the ADECA website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)). Alabama will continue to accumulate information and statistical data on housing trends from surveys and from the Census and the American Community Survey websites so as to keep current with how the “Analysis of Impediments to Fair Housing Choice” is having a housing impact through citizens’ responses due to the outreach and education activities described herein. Alabama will continue to correspond with and attempt to work with each of the three fair housing centers in the State (the Fair Housing Center of Northern Alabama located in Birmingham, the Central Alabama Fair Housing Center located in Montgomery, and the Mobile Fair Housing Center located in Mobile) and other active local fair housing entities (such as those who work with the Hispanic population and the Asian population, and those who work with special needs populations including the disabled and the elderly residents) so that they are actively engaged in providing education and outreach to their targeted populations within these localities, and so that they are periodically providing to ADECA information on the outcomes and impacts that their outreach activities are experiencing. Alabama will continue to observe the month of April as Fair Housing Month within the State by obtaining a proclamation from the Governor’s Office declaring same, distributing fair housing posters to housing providers and interested consumers throughout the State, and by focusing education efforts and outreach activities designed specifically to highlight Fair Housing Month.

Alabama can consider forming a “Fair Housing Commission” that would serve in an advisory capacity to discuss and broadly analyze the fair housing issues facing Alabama’s citizens, provide input on developing necessary program and grant-related documents, and make recommendations for policy and legislative initiatives to the Governor, Legislature, and ADECA Director.

**HOME**: AHFA will implement its actions as they are stated in the 2015 HOME Action Plan.

**ESG**: Actions taken at various levels address some of the obstacles to meeting underserved needs. Job loss and unemployment are identified as obstacles. The state has benefitted from a significant increase in jobs during the last year. Alabama added 31,600 jobs between September 2013 and September 2014, according to the University of Alabama’s Center for Business and Economic Research. The lack of affordable healthcare is identified as an obstacle to meeting underserved needs. With the increase in employment, more citizens are better able to afford healthcare. With the passage of the Affordable Care Act, residents are offered better access, options, and values in their search for health care. According to the U.S. Department of Health and Human Services, 97,870 Alabamians selected a Marketplace plan between October 1, 2013 and March 31, 2014.

**HOPWA**: AIDS Alabama will implement its actions as they are stated in the PY2015 HOPWA One-Year Annual Action Plan stated in sections AP-15 through AP-35 herein above.

**Actions planned to foster and maintain affordable housing:**

**CDBG**: The State of Alabama’s “Analysis of Impediments to Fair Housing Choice” was conducted from August 2014 through February 2015. During the research, survey, data collection, and focus group/committee outreach, and public forum participation processes that were conducted during 2014-2015 when the State of Alabama worked on producing its 2014-2015 "Analysis of Impediments to Fair Housing Choice," several factors were identified as impediments considered to be barriers to fair housing and affordable housing in Alabama’s local communities. The research revealed that Alabama’s residents seeking housing in the real estate rental market and/or in the real estate sales/purchasing market can face a myriad of barriers when attempting to obtain and maintain affordable housing. Such barriers include:

1. Their ability to rent apartments/homes due to real or perceived discrimination against them (or a member of their family with whom they are associated) emanating from the housing provider based on the renter’s race, color, religion, gender, disability, familial status, or national origin (discriminatory refusal to rent);

2. Their ability to afford decent and affordable housing in their geographic area – based on their income level, employment status, and/or other economic situations;

3. Their ability to apply for/be qualified for/be approved for a mortgage from a financial lending institution that issues mortgages to qualified home buyers – based on their credit history, FICO score, and financial obligations, which can then lead to more frequent denials of home purchase loans;

4. Their ability to possess enough funds with which to use for a down payment on a home;

5. Their ability to speak English – even as a second language – to communicate and understand the requirements with which they have to comply in order to obtain and maintain such mortgage and housing;

6. Their ability to obtain financial loans from a non-predatory lender, and/or at an interest rate, wherein they are not put into a predatory lending cycle from which they will find it difficult to escape;

7. Their knowledge and understanding of their rights and obligations under Alabama’s Fair Housing laws – the enforcement of which is the responsibility of ADECA (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD;

8. The lack of knowledge on the part of the housing provider to not discriminate against prospective renters or owners in providing housing and information on housing that is available;

9. The ability of the housing provider to make affordable housing available to disabled persons due to the housing provider’s failure to make a reasonable accommodation or modification to the property;

10. The insufficient amount of “fair housing testing” and enforcement of the fair housing laws being conducted in Alabama’s non-entitlement areas by the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) as a means of detecting fair housing abuses in the rural areas of the State; and

11. The local communities’ overall ability/inability to attract business and industry to locate therein which would provide residents with employment opportunities and good-paying jobs so that they could improve their – and the community’s – economic situation, with affordable housing being one of the results of such economic improvement.

The State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" also suggested several strategies that could be employed by the State of Alabama (meaning ADECA as the recipient of CDBG Program funds) so as to remove or ameliorate the barriers to fair housing and affordable housing. These strategies are as follows:

1. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama – both housing providers and housing consumers – concerning the State’s Fair Housing laws (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD, and their rights and obligations under those State and federal laws, particularly actions that would be in violation of fair housing laws.

2. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning how prospective housing consumers can acquire and maintain good credit – as part of their effort to afford a home purchase or rent for an apartment.

3. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning the characteristics and attributes of a predatory lending style of loan.

4. The State of Alabama, through ADECA, could identify lenders in Alabama who have disproportionately engaged in predatory-style lending within the State, and then publish the findings so that consumers could more easily obtain this information about these lenders.

5. The State of Alabama, through ADECA, could conduct audit testing to determine the number of properties currently in violation of the fair housing laws, and in particular the disability/accessibility standards concerning housing.

6. The State of Alabama, through ADECA, could contract with the State’s three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) or other entities to conduct audit testing and track enforcement activities, particularly in the non-entitlement areas of the State, as a means of detecting fair and affordable housing abuses, determining the extent of existing affordable housing barriers, determining the success of strategies implemented to remove or ameliorate the identified barriers to affordable housing, and determining the extent of enforcement of the fair housing laws within the State.

7. The State of Alabama, through ADECA, could form a task force to devise and oversee methods for positively affecting the identified barriers to affordable housing, and provide reports to ADECA on the task force’s activities.

8. ADECA could post on its website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)) information on fair housing, affordable housing, and related information concerning how to file a complaint under the State’s fair housing laws.

9. The State of Alabama, through ADECA, could work in tandem with other State agencies, local governments, and prospective business and industry when recruiting economic development at the local level so that all parties involved would be aware of affordable housing news and issues in those locations.

ADECA will consider expending PY2015 CDBG Program funds to assist with implementing some or all of these suggested actions during PY2015.

**HOME**: AHFA will implement its actions as they are stated in the 2015 HOME Action Plan.

**ESG**: Not applicable. See the response for **CDBG** herein above.

**HOPWA**: See the response for **CDBG** herein above. AIDS Alabama will also implement its actions as they are stated in the PY2015 HOPWA One-Year Annual Action Plan stated in sections AP-15 through AP-35 herein above.

**Actions planned to reduce lead-based paint hazards:**

**CDBG**: About half of the housing units in Alabama were built during or after 1980, and the other half were built prior to 1980. Given the prevalence of lead based paint in older homes (those built prior to 1978), there exist large numbers of potentially hazardous dwellings across Alabama, particularly if children are present. It has been estimated that approximately 745,000 to 911,000 of all housing units in Alabama, or from 38% to 46%, pose a lead-based paint hazard. An estimated 308,000 of the housing units with a potential lead-based paint hazard are occupied by extremely low-, low-, and moderate-income householders. Housing units occupied by those with less than 80% percent of the median family income where lead paint may be present are concentrated in the State’s most populous metropolitan counties. For the extremely low-income category, 30.5% of all dwellings estimated to contain lead-based paint were located in just two counties: Jefferson and Mobile. Likewise, in the low-income category, Jefferson and Mobile counties total 28.2% of the estimated housing units containing lead. Jefferson, Mobile, Madison, and Montgomery counties dominate in the moderate income group, comprising 40% of the State’s total.

Currently, Alabama’s CDBG program is the program most likely to be used for a project involving lead-based paint hazards. The State encourages all persons engaged in CDBG-funded housing rehabilitation projects to presume lead is present if the house were constructed prior to 1979; therefore, no risk assessment or prior testing is required. The CDBG program has issued recommendations, rather than requirements, in order to maintain program flexibility. Alabama’s CDBG program lead-based paint hazard recommendations are summarized below:

1. Prepare local housing rehabilitation policies and implement lead abatement requirements for units for which rehabilitation costs exceed $25,000.

2. Unless otherwise specified in an approved application, the local housing rehabilitation policies should specify that the standard treatment option per 24 CFR Part 35 et. al., will be used.

3. Have the housing rehabilitation inspector and a representative for all potential contractors take the University of Alabama course entitled “Lead Safe Work Practices for Renovators and Remodelers.” If the housing rehabilitation inspector will serve as a Lead Sampling Technician, then the inspector should take the University of Alabama course (or an equivalent course which has been approved by DHUD) entitled “Lead Sampling Technician Course”.

4. Determine if *de minims* levels are involved. If so, then safe work practices are not required, and clearance testing is not required.

5. Provide the proper notices to occupants.

6. Determine what work (involving standard treatments and basic rehabilitation that will not impact painted surfaces) will need to be done and identify a plan to work room-by-room with the occupants. Outside construction work will need to be performed prior to any soil treatments. Treatment of any potentially contaminated soils will need to be done with either impermeable surface coverings or land use controls.

7. Avoid relocation of occupants, if at all possible, because of budgetary constraints. Sealing the work area and use of a 10 foot containment area will likely be sufficient as long as access to the bath, kitchen and adequate sleeping areas are provided after work is completed on a daily basis. Note that the project will have to be completed within five days.

8. Perform clearance examination per procedures and use appropriate procurement practices to identify a qualified Accredited Inspector or Risk Assessor as per accreditation provided by Safe State. It should be noted that Safe State maintains a list of qualified firms that can provide these services.

9. Additionally, typical procedures and housing standards, per the adopted rehabilitation policies, should be followed. Many of the standard treatments prescribed by 24 CFR Part 35 are already being used because they are necessary to correct code violations and to create safe and sanitary living spaces.

The overall goal of the recommendations listed above is to reduce lead-based paint hazards in CDBG-funded housing rehabilitation projects over the next five years. The strategy has been broken into four parts listed below:

1. Coordinate state and local jurisdictions with public and private efforts to address and rectify the problem of reducing lead-based paint hazards and protecting young children from lead poisoning.

2. Integrate lead hazard evaluation and reduction activities into existing housing programs.

3. Develop technical capacity to ensure that the technical aspects of assessment and lead hazard reduction are managed properly.

4. Increase knowledge of lead safe practices among parents, property owners, and renovators of CDBG rehabilitated homes.

**HOME**: Not applicable.

**ESG**: Not applicable.

**HOPWA**: Not applicable.

**Actions planned to reduce the number of poverty-level families:**

**CDBG**: Not applicable. For this Program’s funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State’s CDBG Program.

However, according to the Alabama Department of Labor, the estimated unemployment rate for the State of Alabama in December 2014 was 5.7 percent. This rate is down from the State's November 2012 unemployment rate of 6.7 percent, and down from the State's 2000 estimate of 6.4 percent. The U.S. unemployment rate as of December 2014 was 5.6%. This rate is down from the U.S. unemployment rate of 7.4 percent in November 2012, but both rates are up from the U.S. unemployment rate of 5.3 percent in 2000. According to the American Community Survey data, the 2010-2011 estimate for the percentage of Alabamians living below the poverty level is 19 percent. This is up from the 2009 estimate of 17.5 percent. In 2005, the estimate was 17 percent. The estimate for the nation as a whole for 2011 was 15.9 percent, for 2010 it was 15.3 percent, and for 2009 it was 14.3 percent. All of these rates are up from 13.3 percent in 2005. Because poverty is affected by so many factors, particularly the economy, it is impossible to predict what the poverty rate will be from year to year. Furthermore, the State of Alabama continues to experience a shift in its economic base. The State has successfully created thousands of new jobs through an aggressive economic development program. At the same time however, the State has been losing textile and other manufacturing jobs at a disturbing rate.

Consequently, the State’s current goals regarding poverty are to maintain the status quo by striving to keep the unemployment rate within two percentage points of the national unemployment rate, and striving to keep the percentage of the population living below poverty level within five percent of the national average. The State’s primary tool in achieving this goal is its aggressive economic development strategy. Of this Plan's programs described herein above, the CDBG program is the one most directly utilized for economic development purposes. Certainly, the quality of life for people living below the poverty level is improved by the other programs. Additionally, large construction projects generated by these programs contribute jobs to the State's economy.

The following is a summary of Alabama’s anti-poverty strategy for 2015:

1. Continue to fund CDBG economic development projects that create large numbers of jobs and have the potential for spin-off jobs.

2. Continue to provide affordable housing by rehabilitating the existing housing stock through the CDBG program and building new affordable homes with HOME program funds.

3. Design and implement more affordable housing programs.

4. Through the CDBG, HOME, ESG, and HOPWA programs, continue to provide funding to programs that improve the quality of life of those living below the poverty level.

5. When and where possible, fund projects which address a multitude of problems and which utilize more than one source of funding.

6. Continue to collaborate with USDA, ARC, DRA, EDA, and EPA to efficiently fund projects that have the potential to positively affect the poverty level and improve the quality of life of those living below the poverty level.

7. Foster collaboration with poverty programs that are funded through the Alabama Department of Human Resources (such as its Child Support Enforcement Program, the Job Opportunities and Basic Skills Training/JOBS Program, etc.) and Community Service Block Grants (community action agencies).

8. Continue to utilize CDBG funds for programs that provide enhanced educational and social opportunities.

**HOME**: Not applicable. For this Program’s funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State’s HOME Program.

**ESG**: It can be presumed that homelessness may negatively impact employment levels or a person’s employability. The inability to obtain and maintain gainful employment may eventually lead to increased numbers of families living at or below the poverty-level. Provision of housing through the ESG Program provides stability to a formerly homeless individual or family. With the basic need of shelter met, families can focus on obtaining or maintaining employment or better employment. Outreach workers will identify and engage unsheltered homeless persons and link them with mainstream resources for which they may be eligible. Case managers will assist sheltered homeless persons gain or maintain employment or better employment. Increased finances within the family unit will serve to move the family above the poverty level.

**HOPWA**: Not applicable.

**Actions planned to develop institutional structure:**

**CDBG**: Not applicable.

**ESG**: Not applicable.

**HOME**: Not applicable.

**HOPWA**: Not applicable.

**Actions planned to enhance coordination between public and private housing and social service agencies:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Case managers seek to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible. Case managers will refer program participants to mainstream housing, health, mental health, education, employment, food and meal assistance, and youth programs.

HOPWA: Using PY2015 HOPWA funds, AIDS Alabama will work with local providers to increase capacity to develop and operate HIV-specific housing. Currently, AIDS Alabama contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide. Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently. AIDS Alabama will use PY2015 HOPWA funds to support housing programs in the State, which will include supportive services such as transportation, case management, first month’s rent and deposit (if available), and housing outreach. AIDS Alabama will provide these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in its Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties. AIDS Alabama will also use PY2015 HOPWA funds to serve up to 300 persons statewide in paying for furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

To obtain their clientele and coordinate these services, AIDS Alabama fosters collaborations with in-state housing organizations that include the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others, and this work results in the expansion of affordable housing for low-income, HIV-positive consumers. AIDS Alabama also works with or attends a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and other community service providers statewide to contact clientele so that HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

**Discussion:**

See the discussion contained in the sections herein above.

**AP-90 Program Specific Requirements [see 24 CFR 91.320(k)(1), (2), and (3)]**

**Introduction:**

From the 2015 HOME Action Plan at *part III. F. Uses of HOME Funds*, “HOME funds will be allocated primarily toward the production of residential rental housing for low-income households and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan.”

**1. Community Development Block Grant (CDBG)**

**Reference 24 CFR 91.320(k)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out:

|  |  |  |
| --- | --- | --- |
| **1** | **The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed:** | $30,000 |
| **2** | **The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee’s strategic plan:** | $0 |
| **3** | **The amount of surplus funds from urban renewal settlements:** | $0 |
| **4** | **The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan:** | $0 |
| **5** | **The amount of income from float-funded activities:** | $0 |
| **6** | **Total Program Income:** | $30,000 |

Other CDBG Requirements:

|  |  |  |
| --- | --- | --- |
| **1** | **The amount of urgent need activities:** | 1 |
| **2** | **The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income:** | 80.00% |

Overall Benefit: A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan:

|  |  |
| --- | --- |
| **The years covered that include this Annual Action Plan:** | PY2015 (April 1, 2015-March 31, 2016) |

**2. HOME Investment Partnerships Program (HOME)**

**Reference 24 CFR 91.320(k)(2)**

[The jurisdiction must describe activities planned with HOME funds expected to be available during the year. All such activities should be included in the Projects screen. In addition, the following information should be supplied.]

From the 2015 HOME Action Plan at *part III. F. Uses of HOME Funds*, “HOME funds will be allocated primarily toward the production of residential rental housing for low-income households and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan.”

**1. A description of other forms of investment being used beyond those identified in 24 CFR 92.205 is as follows:**

Not applicable.

**2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 24 CFR 92.254 is as follows:**

Not applicable.

**3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds [see 24 CFR 92.254(a)(4)] is as follows:**

Not applicable.

**4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b) are as follows:**

Not applicable.

**3. Emergency Solutions Grant (ESG)**

**Reference 24 CFR 91.320(k)(3)**

**1. Include written standards for providing ESG assistance (this may be included as an attachment):**

ESG: Because the needs of program participants and their access to available assistance vary across the State, the State will require its subrecipients to establish and implement their own written program standards. Program standards must not be designed to discriminate against any program participant. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

1. Policies and procedures for evaluating individuals’ and families’ eligibility for ESG

assistance.

1. Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.
2. Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.
3. Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.
4. Standards for determining the share of rent and utilities’ costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
5. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
6. Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
7. Policies and procedures for admission, diversion, referral and discharge by emergency sheltersassisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest.
8. Policies and procedures for assessing, prioritizing, and reassessing individuals’ and families’ needsfor essential services related to emergency shelter.
9. Procedures to guarantee that reasonable steps are taken to ensure meaningful access to program activities for persons of limited English proficiency.
10. Standards for terminating assistance. Include requirements of a formal process to terminate assistance. At a minimum, the process should contain:

* A written notice to the participant stating the reason for termination of assistance.
* A review of the decision, where the participant is given the opportunity to present written or oral objections.
* Prompt written notice of the final decision to the participant.

**2. If the Continuum of Care has established a centralized or coordinated assessment system that meets HUD requirements, then describe that centralized or coordinated assessment system:**

ESG: The continuums of care are in various stages of developing a centralized or coordinated assessment system for their respective service areas. Housing First, the continuum of care serving Mobile City and County and Baldwin County, has begun utilizing its coordinated assessment system. Once the other assessment systems are developed, each ESG-funded program will utilize the system implemented by its local continuum.

**3. Identify the process for making sub-awards, and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations) will be allocated:**

**ESG**: The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State’s homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions.

A. Identification of Homeless Assistance Needs: 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

B. Applicant’s Strategy to Address Homeless Problems: 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year**.** Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

C. Capacity and Coordination: 20 Points

Applicants will describe their management capacity, especially that of all second-tier

subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

D. Participation in a Continuum of Care: 15 Points

The applicant will demonstrate a thorough understanding of the “continuum of care”

concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

E. Match: 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash)

must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

F. Budget: 10 Points

The budget narrativemust consist of a thorough explanation of activities involved with the

request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant’s budget must be the aggregate of the second-tier subrecipients’ budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

TOTAL POINTS AVAILABLE: 100 Points

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

Tie Breaker: In the event of tied scores where funding is not available to all applicants, the Director will exercise discretion in funding requests with the most impact. The Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

**4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), then the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: Not applicable – the recipient is a State.

**HOPWA**: Not applicable.

**5. Describe performance standards for evaluating ESG:**

**CDBG**: Not applicable.

**HOME**: Not applicable.

**ESG**: ADECA strives to work in partnership with its subrecipients to ensure successful program implementation. Monitoring visits are considered an opportunity to review the subrecipients’ administration of their grants and review efforts to maintain compliance with program regulations. Monitoring visits also allow staff to provide on-site assistance to subrecipients carrying out their program responsibilities. Monitoring serves as one aspect of several coordination and compliance strategies which result in an on-going review of program progress. These strategies include frequent communication through telephone and e-mail contact, written correspondence, and technical assistance meetings as well as reviews of payment requests, and additional documentation or reports which may be voluntarily submitted or requested by ADECA. For ESG Program purposes, ADECA’s monitoring approach will generally follow the strategy outlined in the State’s Grantee Monitoring Plan. The Plan states “for other programs, appropriate tracking systems are developed/modified and utilized to ensure that the project is monitored at least once.” ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Topics reviewed for compliance include adherence to the program’s national objective and eligibility requirements, progress and timeliness, citizen participation, environmental standards, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management. After each monitoring visit, written correspondence is sent by ADECA to the subrecipient describing the results of the monitoring review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective action measures imposed. Corrective action measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of grant funds as disallowed costs. If the subrecipient has not responded to ADECA within 30 days after the date of ADECA’s letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved. ADECA maintains an “HESG Projects Schedule” spreadsheet that is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn down on the grant project. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout. ADECA may schedule additional monitoring visits as might be necessitated by problems identified in the original monitoring visit or when grant conditions demonstrate a need for additional ADECA review. ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

**HOPWA**: Not applicable.

**Discussion:**

See the discussion contained in the sections herein above.

**ATTACHMENTS:**

Attachment 1: HOME Program - 2015 Housing Credit Qualified Allocation Plan and

HOME Action Plan Summary of Public Comments and AHFA Responses

**ATTACHMENT 1**

**HOME Program - 2015 Housing Credit Qualified Allocation Plan and**

**HOME Action Plan Summary of Public Comments and AHFA Responses**



**HOME ACTION PLAN**

**For 2015 Funds**

**The 2015 State of Alabama’s HOME Investment Partnerships Program Action Plan (the “Plan”) was approved by the Board of Directors of the Alabama Housing Finance Authority (“AHFA”) on December 16, 2014, and will be included as part of the State of Alabama’s Consolidated Plan to be submitted to the U.S. Department of Housing and Urban Development (“HUD”) for its approval. Until approved by HUD, the plan is available for information purposes only and is subject to change in whole or in part.**

**As a result, please be advised that all time, money and other resources committed to the submission of an application to AHFA under the Plan will remain entirely at risk until HUD provides final approval of the Plan.**

 Prepared by the Alabama Housing Finance Authority acting solely in its capacity as the Administrator of the State of Alabama’s HOME Investment Partnerships Program

# HOME ACTION PLAN FOR 2015 FUNDS

**State of Alabama**

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2015 HOME Action Plan

Compliance Monitoring Procedures,

Requirements and Penalty Criteria

1. HOME INVESTMENT PARTNERSHIPS PROGRAM

The Home Investment Partnerships Program (HOME) is a federally funded housing program established in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act (the “Act”). Under guidelines from the United States Department of Housing and Urban Development (HUD), Alabama Housing Finance Authority (AHFA) is the designated administrator and designer of Alabama’s HOME Program. AHFA has specifically designed the HOME Program to meet the needs of low- and moderate-income Alabamians consistent with HUD guidelines.

## DEFINITIONS

Act - the Cranston-Gonzalez National Affordable Housing Act passed in November 1990. This Act contains the provisions for the HOME Program and is further defined in 24 CFR Part 92.

Alabama Housing Finance Authority (AHFA). - AHFA was designated the administrator of Alabama’s HOME Program by the Governor of the State of Alabama on February 22, 1991.

Community Housing Development Organization (CHDO). - In order to qualify as a CHDO, an organization must be a non-profit organization and meet the requirements specified in 24 CFR Section 92.2. The qualifying CHDO must have staff that is experienced in developing projects of the same size, scope and level of complexity as the activities for which HOME funds are being reserved or committed. HUD defines CHDO staff as paid employees responsible for day-to-day operations (volunteers, board members, and consultants are not considered staff). The organization must recertify annually to remain an active and qualified CHDO for purposes of applying for HOME funds.

Competitive Cycles - a period of time established by AHFA during which applications for funding under Alabama’s HOME Program may be accepted.

Consolidated Plan (Plan) - a consolidated submission of the planning and application aspects of four HUD Programs, including the HOME Program. Other Plan programs are CDBG, ESG and HOPWA.

Agreement - Alabama's HOME Investment Partnerships Program Written Agreement. The HOME Agreement is an agreement executed by AHFA and the entity approved to receive an appropriation of HOME funds.

HOME Funds - funds made available under Alabama’s HOME Program through allocations and reallocations, and may consist of any repayments and interest or other return on the investment of these funds.

Participating Jurisdiction - a state or local unit of government, which has met the requirements of Section 216 of the National Affordable Housing Act and will receive a separate appropriation of HOME funds to be used within its jurisdictional boundary. The State of Alabama is considered a participating jurisdiction. The local participating jurisdictions for this state are: Anniston, Jefferson County, Birmingham, Mobile, Mobile County, Montgomery, Huntsville, and Tuscaloosa.

Project - a site or an entire building or two or more buildings, together with the site or (when permissible) sites on which the building or buildings are located, that are under common ownership, management, and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. Project includes all the activities associated with the site and building.

Recipient - an individual, public agency, for-profit developer(s), CHDO, non-profit developer(s), or any entity that receives State of Alabama HOME funds.

## ALABAMA’S HOME PROGRAM

AHFA has developed and implemented this HOME Action Plan for the State of Alabama in compliance with the rules set forth in Title II of the Act, the final rule published by HUD (collectively hereinafter referred to as the “HOME Regulations”). AHFA is required by the HOME Regulations to:

* + Develop selection criteria to be used in determining housing priorities for the State. The selection criteria includes ranking each project in accordance with its location, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations;
  + Develop an evaluation process whereby preference is given to projects, which serve: (1) the lowest-income tenants, and (2) qualified tenants for the longest period(s); and
  + Develop compliance monitoring procedures to test for compliance with HOME Regulations and for notifying the Housing and Urban Development (HUD) of noncompliance.

## Development of Selection Criteria

AHFA has been responsible for preparing a housing needs assessment and strategy for the State of Alabama since the HOME Investment Partnerships Program was created. In 1992, AHFA prepared the first Comprehensive Housing Affordability Strategy (CHAS) as a prerequisite for Alabama to receive federal dollars for housing. Prior to submitting the CHAS to HUD, AHFA prepared an extensive list of interested relevant parties from which to gather information and mailed letters of inquiry, questionnaires and surveys to various state agencies, service providers, housing directors and individuals. Based on the information gathered, along with data from the relatively new 1990 U.S. Census, AHFA then compiled a blueprint document for creating affordable housing across the State.

Beginning in 1995, HUD abandoned the CHAS and created the Consolidated Plan in an effort to blend the four Community Planning and Development (CPD) programs - Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) - into a single submission process for the purposes of the Consolidated Plan. AHFA, as administrator of the HOME program, was deemed responsible for writing the housing portion of the new document. The Consolidated Plan provided a detailed overview of how the State planned to utilize its annual Community Planning and Development funding*1* to meet economic development objectives, provide affordable housing, and address other special needs. As a contributor, AHFA offered a detailed analysis of the current status of housing in Alabama with special attention devoted to the condition of housing and housing affordability.

*1* Annual CPD funding for the State varies each year. For Program Year 2014, that figure was $34,901,715.

The early State Consolidated Plan submissions relied on figures from the 2000 U.S. Census. Once the 2010 U.S. Census became available, the State relied upon the newer figures. While Alabama, like all states, has experienced fluctuations in population, income, and other critical census-tracked data between 1990 and 2000 and between 2000 and 2010, one realization has not been altered – our State is still poor and thousands of Alabama families and households need a safe and affordable place to live. A great many unmet needs still exist and AHFA will use the limited resources available to address as many unmet needs as feasible across the State.

The Consolidated Plan, in addition to providing an overall assessment of housing needs for the State, identifies the housing needs associated with special needs groups (minorities, single-parent families, the elderly, people with disabilities, mental illness, or AIDS/HIV and homeless persons).

A demographic analysis performed for the first Consolidated Plan (and still true today) concluded “that a significant number of individuals in all parts of the state are in need of housing assistance. Those with the greatest needs are, predictably, concentrated at the lowest levels of the income hierarchy, wherein the housing cost burden is also the most severe. The largest numbers relative to housing needs are found in the state’s most populous urban and metropolitan counties, but the greatest concentration of need is observed in the rural counties located in the southern portion of the state, the Black Belt in particular.”

Additionally, the Consolidated Plan continues to be updated with historical AHFA data, including a list of HOME and Housing Credit projects placed in service and/or committed by AHFA since those programs began. The new Census data did not dramatically alter the state’s affordable housing priorities. While state HOME funds provide hundreds of traditional affordable housing units across Alabama each year, the majority of beneficiaries have been families and, in some cases, the elderly. Meeting those needs is consistent with the Consolidated Plan findings and the need for additional family units and elderly units remain strong.

On April 27, 2011, the state of Alabama was hit by tornados, storms, straight line winds and flooding. Forty-three counties were declared disaster areas eligible for individual assistance under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Due to overall devastation of the disaster, Alabama received $55 million in federal disaster relief funding to help achieve long-term recovery, restore housing and infrastructure, and promote economic revitalization. Of that $55 million, Jefferson County received $7.8 million, the City of Birmingham received $6.4 million, and the City of Tuscaloosa received $16.6 million, with the remainder available to the other 41 counties. In addition to $55 million of federal disaster funds, HUD also awarded the State $119.7 million in community block grant funds. Of that $119.7 million, Jefferson County received $9.1 million, the City of Birmingham received $17 million, and the City of Tuscaloosa received $43.9 million, with the remainder available for the other 41 disaster counties. Due to the number of housing units destroyed and made uninhabitable, AHFA also considered these facts when evaluating the 2011 applications for funding and developing the selection criteria for the 2012 and 2013 allocation cycles. As a result, AHFA has funded a total of 45 projects (which is 69% of the total number of projects funded in the last four years) for a total number of 2,822 affordable housing units with a total allocation of $33,209,875 in Housing Credits and $25,754,130 in HOME funds in the disaster counties.

## Establishment of Housing Priorities

This HOME Action Plan seeks to ensure that, where economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders must be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain housing priorities to be used in the distribution of HOME funds. AHFA seeks to promote the following housing priorities (not in order of preference) in the 2015 allocation cycle:

* + Projects that add to the affordable housing stock;
  + Projects, which, without HOME funds, would not likely set aside units for lower- income tenants;
  + Projects which use additional assistance through federal, state, or local subsidies; and
  + Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

## Application Criteria

AHFA is required to evaluate each application to determine which projects should receive Housing Credits. To facilitate the evaluation process, all applicants must complete the following basic steps:

1.) Submit a complete application to AHFA. All or portions of the application may be required to be submitted online. After applications are submitted, AHFA will conduct a completeness review. The application may be deemed complete if the application package contains, at a minimum, the following:

* + All required AHFA-provided forms (current year) (see application checklist and the 2015 Multifamily Funding Application Instructions as provided at www.AHFA.com prior to the beginning of the application cycle) are submitted with original signatures, legible, and all applicable spaces fully completed.
  + All required third-party documents for example; organizational documents, financing commitments and utility letters (see application checklist and the 2015 Multifamily Funding Application Instructions for the complete list of required documents as provided at www.AHFA.com prior to the beginning of the application cycle) are submitted and are acceptable in form and content to AHFA.
  + All required AHFA-provided and third-party forms and documentation must be submitted in numerical order behind blue index pages (applicant must provide) in the application package. The application should not be in a binder or spiral binding.

After the completeness review, each applicant will be contacted via e-mail regarding any missing and/or incomplete items or documents described in this Section I(C)(l). Upon notice, applicants must submit all missing and/or incomplete items or documents (along with the required fee per missing/incomplete item as specified in Section I(D) within five (5) business days of notification by AHFA or the application will be terminated, and no further consideration will be given. The completeness check by AHFA will not extend to certain point scoring items (as referenced in Addendum A).

2.) Provide evidence that the project is a qualified affordable housing project for multifamily rental housing that meets the basic occupancy and rent restrictions required of Section 42 and HOME Regulations.

Multifamily rental housing projects must be on a single site or contiguous sites. Sites may be considered contiguous if separated only by one neighborhood street. Under the HOME Action Plan, mobile home developments, intermediate care facilities, group homes, and congregate care facilities do not qualify. In addition, any residential rental unit that is part of a hospital, nursing home, sanitarium, life-care facility, or intermediate care facility for the mentally and/or physically handicapped that is not for use by the general public and is not eligible for HOME funds. Projects must contain no fewer than 12 units and no more than 56 units.

Multifamily rental housing units must be under common ownership, deed, financing, and property management.

3.) Provide evidence that the proposed project meets the 2015 AHFA Market Study Certification requirements. The proposed rental project must meet AHFA’s market feasibility and analysis requirements. The market study must be conducted by an independent third party market analyst that has conducted a market study for a prior application submitted to AHFA for Housing Credits, HOME funds or Multifamily Bonds or has received prior written approval from AHFA to submit a market study for the 2015 application cycle. The list of market analysts that have conducted studies for prior applications, 2015 Market Study Certification and other instructions are available at www.AHFA.com. The market study must, at a minimum, document the following criteria:

(i.) The project’s market area must be clearly defined and reasonable;

(ii.) The supply analysis of comparable subsidized or non-subsidized developments must include, but not be limited to, vacancies, amenities, and rental rates;

(iii.) The demand analysis must convincingly demonstrate a need for the proposed type of housing;

(iv.) The market feasibility of the proposed rent structure must demonstrate that there is a rent advantage over non-subsidized housing in the defined market area;

(v.) The analysis of the relationship between supply and demand must demonstrate a reasonable absorption rate; and

(vi.) The summary of important facts and conclusions as provided in the market study must include a statement from the market analyst clearly stating in the analyst’s professional opinion whether the project as proposed will be successful.

The market study must demonstrate an adequate market for the proposed units and that the proposed project would not adversely impact any existing AHFA projects or create excessive concentration of multifamily units.

AHFA will review the market study submitted, in-house documentation collected from onsite compliance audits, market information submitted by the United States Department of Agriculture Rural Development (RD), audited financial statements, and owner-submitted project budgets in order to determine if there is an adequate need for the proposed project. AHFA may terminate any application based on any one of the following market criteria:

(i.) The proposed project’s capture rate is above thirty-five percent (35%).

(ii.) Active AHFA projects in the defined market area have an overall average stabilized vacancy rate of fifteen percent (15%) or above. Active is defined any AHFA project that is still in its applicable compliance period.

(iii.) The proposed market is determined by AHFA to be a questionable market or the proposed project will have a clear long term negative impact on an existing AHFA-funded development(s) in the same market.

(iv.) If any information submitted in the market study is determined to be incorrect or misleading.

4.) Demonstrate that the project is financially feasible. The project must meet certain financial feasibility requirements. See Section IV(E)(1)(iii) of this HOME Action Plan.

5.) Submit evidence of adequate infrastructure capacity.

6.) Demonstrate the likelihood of sustained 20-year affordability period with the HOME Regulations. The financial statements required in the application must demonstrate that the owner and management company have the financial capacity and experience to maintain compliance with HOME Regulations throughout the compliance period.

## Fees

The following fees, as applicable, must be paid with a business check or certified funds and made payable to Alabama Housing Finance Authority. Cash or personal checks will not be accepted:

1.) Application Fee: A $1,000 non-refundable fee along with other applicable fee(s) must accompany the application forms and third party reports required thirty (30) days prior to the date of complete application submittal. A $4,000 non-refundable fee must accompany the remaining application documents required for a complete application submittal. If either of the application fees are returned due to insufficient funds, the application will terminate. Regardless of the funding decision, all application fees are non- refundable.

2.) Missing and/or Incomplete Application Document(s): A $1,500 fee will be charged for each missing and/or incomplete application item(s) or document(s). The applicant will be contacted with a list of missing and/or incomplete item(s) or documents by e-mail. The applicant will have five (5) business days from the notification by AHFA to provide the required item(s) or documents and applicable fee.

3.) Project Inspection Fee: A minimum deposit of $2,000 must be paid, at least thirty (30) days prior to application submission, for an on-site inspection(s) for each 2015 application which contains one (1) or more owner(s) with ownership in less than three (3) placed in service projects funded with Housing Credits or Home funds awarded by AHFA. The applicant must also provide, at least thirty (30) days prior to application submission, a complete AHFA Schedule of Real Estate Owned for each owner.

Each such applicant owner(s) must allow consent to an on-site inspection by AHFA (or by AHFA's designated consultant) of any of such owner's existing projects. AHFA will select, at a minimum, one property for inspection based on the AHFA Schedule of Real Estate Owned submitted by the applicant. All applicant owner(s) will be subject to the same AHFA requirements (see attached Addendum E) during the 2015 application cycle. Any costs exceeding the minimum $2,000 deposit related to the required inspection(s) shall be paid by applicant to AHFA within ten (10) days of the invoice date. Any portion of the deposit that is not needed to complete the project inspection(s) will be returned to applicant within fifteen (15) business days after AHFA's allocation process is complete.

During the application process, AHFA reserves the right to waive the on-site inspection for any owner listed in an application if AHFA determines, in its sole discretion, there are sufficient and satisfactory on-site inspections for such owner's current projects that were performed within three (3) years prior to the date of owner's application in the 2015 application cycle and show that such projects were in compliance with AHFA requirements (see attached Addendum E).

4.) Extension Request Fee(s): After the funds have been awarded, the applicant must submit all required documentation to AHFA within specified timeframes. If applicant is unable to submit all required documentation as required, then applicant must submit within three (3) business days prior to the due date: a) a request for a thirty day (30) extension using the AHFA-provided extension request form (available at www.AHFA.com) and b) payment for the extension request based on the following schedule. Any extension request submitted after the deadline will be charged the required extension fee, plus a penalty of 25% based on the required extension fee:

Frequency of Requests Required Extension Fee Plus 25% Penalty Fee

1 $1,500 $375

2 $3,000 $750

3 (or more) $5,000 each $1,250

5.) Deviation Request Fee(s): A $500 fee will be charged for each AHFA-approved deviation from the Design Quality Standards after the reservation for funding and prior to construction. Any request for deviation from the Design Quality Standards must be approved in writing by AHFA before any work commences or deviation is made on the construction site. Once the project begins construction, a $1,000 fee will be charged for each AHFA approved deviation from the Design Quality Standards through the end of construction of the project.

6.) Change Order(s): a) A $500 fee will be charged for each AHFA-approved change order request from the original application through the end of the extended use period. Each change will be charged separately even if multiple change requests are submitted by applicant in the same request. b) A $3,000 fee per occurrence will be charged for the applicant's failure to notify or obtain AHFA approval of significant or numerous changes. AHFA will determine whether the change(s) is significant or numerous in its sole discretion and further reserves the right to terminate an application based on aggregate effect of said changes in comparison to original application approved by AHFA.

7.) Cost Certification Fee: a) A $500 fee will be charged for processing the initial Cost Certification package and an additional $500 fee will be charged each time a Cost Certification package is submitted for reprocessing for any reason.

8.) Compliance Fee: a) A $750 fee will be charged per low-income unit for each application awarded Housing Credits and HOME funds.

9.) Reprocessing Fee: A $100 fee per form or document will be charged if AHFA is required to amend any previously prepared AHFA forms, documents or IRS forms due to owner request or owner error.

10.) Re-underwriting Fee: A $2,500 fee will be charged if the project has to be re- underwritten due to a change in the number of buildings, units, design of the project, sources and uses of funds, etc.

11.) Third-Party Fees: Applicant will be required to pay or reimburse any third-party costs incurred during the application process as it pertains to the review of the environmental report(s) submitted by the applicant and resulting from changes in the application which may result in additional third-party fees being incurred by AHFA, including without limitation, legal fees, architect and engineers' fees, consultant (construction or otherwise) fees, and environmental fees, etc. In addition, AHFA may in its sole discretion require applicant to provide advance deposits, and to increase or replenish such deposits, in amounts sufficient to cover all third-party costs that AHFA reasonably anticipates incurring under this paragraph.

12.) Changes in Ownership: A $2,500 fee will be charged for each AHFA-approved ownership change (general partner(s), member(s), principals and/or special limited(s) (investor/syndicator) request from the original application through the end of the extended use period.

13.) Environmental Extension Penalty: A fee will be charged in the amount of the initial reservation fee paid for each project that accepts a current or future year allocation of Housing Credits under Section (IV)(I)(8) of this HOME Action Plan.

## Amendments

AHFA is entitled to amend this HOME Action Plan as required by the promulgation or amendment of HOME Rules and Regulations from time to time. Such amendment(s) are expressly permitted and the making of such amendment(s) will require a public notice.

## Uses of HOME Funds

HOME funds will be allocated primarily toward the production of residential rental housing for low-income households and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan.

A portion of the funds allocated to the State of Alabama is required to be reserved for Community Housing Development Organizations (CHDOs). Fifteen percent of HOME funds will be reserved for investments in housing owned by CHDOs. This is the percentage required by federal regulations for use by specific organizational types or activities. These HOME funds will be set aside for use by CHDOs in the form of loans for project construction and development. AHFA reserves the right in its discretion to award a sufficient number of projects to CHDO applicants, regardless of point scoring, to meet the 15% set aside of HOME funds. AHFA will make efforts to identify and assist eligible organizations in using HOME funds to meet the housing needs of the state. These organizations must meet the criteria identified by the Act and demonstrate the feasibility of their proposed endeavors. Alabama’s HOME Program will utilize loans to promote the production of affordable housing in an effort to meet the needs as identified in the State’s Plan. A general outline of the HOME Program is as follows.

Anticipated Uses of HOME Funds:

AHFA estimates the following uses of 2015 HOME funds for the State of Alabama:

|  |  |  |
| --- | --- | --- |
| **USES** |  | |
| Loans |  | $ 5,864,925 |
| CHDO Loans |  | $ 1,172,985 |
| Administration | Fee | $ 781,990 |

2015 HOME FUNDS ALLOCATED $ 7,819,900

## Loan Structure

The structure of the loans made under Alabama’s HOME Program will be determined based upon AHFA’s assessment of the proposed project’s ability to address the needs as identified by the Plan. HOME funds to be allocated to any project will not exceed the amount, determined by AHFA, needed to make the project economically feasible. The amount, terms and rate structure will be set by AHFA. General loan guidelines are as follows and are subject to change at AHFA’s discretion:

1.) Loan Terms and Repayment: HOME funds will be allocated to the approved projects in the form of a loan. The loan will bear an interest rate of 1/2% accruing annually with deferred payments for twenty years. The principal and interest will be due at the end of the 20th year. In the event of default, AHFA reserves the right to set a default rate in excess of the prevailing Prime Lending Rate applicable at the time of the default.

2.) Eligible Activities and Costs: HOME funds will be used solely to fund new construction costs of rental units. Any additional costs associated with the development such as the demolition of existing structures onsite or offsite cost associated with the development will not be eligible for HOME funds.

3.) Eligible Participants: For-profit developers, CHDOs, non-profit developers or any entity eligible to receive an appropriation under Title II of the Act.

4.) Security: The loan may be secured by a first or subordinate mortgage on the land and the existing or proposed improvements. In addition, a collateral assignment of rents and leases will be executed in connection with the property. Additional collateral may also be required, but is subject to the discretion of AHFA based on the nature of the transaction involved.

5.) Guaranty: AHFA, in its sole discretion, may require that the loan be guaranteed by an individual(s) or entity acceptable to AHFA.

6.) Insurance: Appropriate insurance will be required in connection with the principal security as collateral for the loan. In addition, the applicant, developer and/or builder must evidence insurance coverage to include, but not be limited to, builder’s risk insurance, general liability insurance, and loss of rents insurance.

7.) Good Standing: No loan application will be processed for any borrower or related entity which is not in good standing with AHFA and any other state housing finance authority, the Alabama Department of Economic and Community Affairs (ADECA), HUD or RD. An applicant can be denied consideration of the HOME funds under Alabama’s HOME Program if the applicant or its related parties have a history of payment delinquencies, bankruptcy, foreclosure or activities determined to be unsound or unlawful.

8.) Closing Costs: The borrower is responsible for all closing costs incurred in connection with any HOME Program loan(s), inclusive of all AHFA-appointed attorney’s costs.

9.) Environmental Review: AHFA may select and engage an environmental engineer at owner's expense to review and comment on the environmental report(s) submitted by the applicant. AHFA may also select and engage an environmental engineer to complete a Phase I Environmental Site Assessment after a commitment of HOME funds. Environmental reviews will be conducted in accordance with the applicable HOME regulations. Before AHFA can execute the HUD Form 7015.15 Request for Release of Funds, all environmental issues identified in the Environmental Site Assessment(s) must be cleared in a manner acceptable to AHFA.

10.) Survey: Loans closed under Alabama’s HOME Program will require a survey of the property, which must be completed prior to closing, and contain a flood zone certification. The survey, in form and content, must be acceptable to AHFA.

11.) Declaration of Land Use Restrictive Covenants: Prior to closing, applicants must execute and record a copy of the Declaration of Land Use Restrictive Covenants agreement. The terms of the agreement will require that the covenants remain in effect for the required low-income occupancy period.

12.) Construction Consultant: AHFA will contract with an independent construction consultant who may: (i.) perform an up-front analysis of the construction budget to determine the reasonableness of costs as presented; (ii.) review the final plans and specifications of the project (during and upon the completion of the project) for compliance with AHFA’s Design Quality Standards, applicable local, state and federal building codes and ordinances; (iii.) review specifications and make comments and/or recommendations regarding the quality of materials to be used in connection with the project; and (iv.) review work in progress and the completed project for any material defects and quality of work.

13.) Appraisal: Appraisals will be required on all loans and must adhere to applicable federal and state laws. The appraisal must be completed by an appraiser who is state- certified. AHFA will select and engage all appraisers.

14.) Application Cycles: Applications for Alabama HOME funds must be made to AHFA during an application cycle. Cycles will be competitive and on a first-come, first-served basis. Funding decisions will be based upon the project selection criteria and point scoring system as detailed herein.

15.) Existing HOME Loans: The full principal and accrued interest is due and payable on the maturity date specified in the projects loan documents. For projects unable to pay the full principal and accrued interest, AHFA will consider an extension. Upon approval of an extension, an extension fee not to exceed 1.5 percent of the outstanding balance including accrued interest will be charged and additional terms acceptable to AHFA will be required. Projects that are not able to pay off 100 percent of the HOME loan (Principal and interest) or be approved for a fifteen (15) year extension of HOME loan balance will not be eligible for additional funding under any AHFA administered program.

## ALLOCATION PROCESS

1. **Application Cycle**

The dates of the application cycle (or cycles, if more than one) will be determined by AHFA on an annual basis. All individuals who have requested to be on the e-mail distribution list (see Section IV(B)) will receive notification of the cycle by e-mail. Notice of the cycle will also appear at www.AHFA.com and in no less than four newspapers throughout Alabama.

To apply for HOME funds, an applicant must complete the AHFA Multifamily Funding application which is available online at www.AHFA.com.

All correspondence and inquiries are to be directed to the following:

Alabama Housing Finance Authority

Attn: Multifamily Division Phone Number: (334) 244-9200

P. O. Box 242967 Fax Number: (334) 279-6957

Montgomery, Alabama 36124-2967

www.AHFA.com

multi-family@ahfa.com

## E-Mail Distribution List

AHFA maintains an e-mail distribution list for those interested in receiving notifications of application cycles and other AHFA Multifamily program activities. Visit www.AHFA.com to be added to the e-mail list or you may submit a written request to the address as specified in Section IV(A). Changes or updates to contact information are the responsibility of the provider and should be submitted in a timely manner.

## Application Threshold Requirements

Although it is recognized that each application submitted is different, certain standard requirements must be met by all applicants before the application can be considered for full evaluation. Upon application submittal, if any threshold requirement is missing or fails to materially adhere to AHFA defined standards during the completeness review, the application will be rejected. If during the completeness review it is determined that additional information or clarification is required for any threshold item, AHFA will contact the applicant via email. When contacted, the applicant must respond within five (5) business days or the application will be rejected. Any additional information provided by the applicant must be satisfactory to AHFA and may be subject to the fees as outlined in Section III(D). A list of all threshold requirements and explanations are provided below:

1.) Application Fee. The non-refundable application fee(s) described in Section III(D) must be paid in full and when due. If either of the application fees is returned due to insufficient funds, the application will terminate. Regardless of the funding decision, the application fee(s) are non-refundable.

2.) Complete Application. The applicant must submit a complete application (see Section III(C)(1)) to AHFA.

3.) Site Control. If the applicant does not already own the property for which funds are requested at the time of application, the applicant must have site control as evidenced by a purchase option. Because of regulations that impact the varying lengths of the approval process for each property and the significant risks to the applicant of failing to do so, AHFA requires that the applicant (i.) secure, at a minimum, a six- month purchase option with an option to renew for an additional six months and (ii.) after application submittal and as applicable (see end of paragraph), obtain seller’s written agreement that the seller shall not under any circumstances commence (or allow any other party to commence) any choice-limiting activity or other mitigation work at the project without the written permission of AHFA. Choice-limiting activities include, but are not limited to, acquiring, rehabilitating, converting, leasing, repairing, ground disturbance, or construction.

4.) Proper Zoning. The applicant must provide evidence that the property owned (or to be owned) is properly zoned and consistent with the proposed project’s use. AHFA does not consider the property zoned if final zoning (not plans and specifications for issuance of building permits) is contingent upon further city meetings, approvals and/or advertisement. Evidence must be in the form of a signed statement from the local jurisdiction where the property is located.

5.) Market Study. The applicant must provide a market study at least thirty (30) days prior to the date of application submittal and it must be less than six (6) months old If the market study does not meet AHFA’s requirements, the application will terminate (see Section I(C)(3) for more detailed requirements).

6.) Design Quality Standards. All projects are required to meet the Design Quality Standards for attached new construction rental units (Addendum C) or for single-family rental homes (Addendum D). These are minimum standards and AHFA permits applicants to exceed these project standards. Each applicant may construct the proposed project in a manner that reflects applicant goals or that exceeds local building codes.

7.) Flood Certification. The applicant must provide a certified boundary Survey and Certification indicating the map and panel number of the Flood Insurance Rate Map, the Flood Zone designation and that no portion of the property is located within the 100-year flood plain. No portions of the site may contain wetlands including any portions not considered part of the site but necessary for ingress and egress to the site.

8.) Applications submitted in other Participating Jurisdictions. AHFA will not accept or consider an application(s) submitted in a city or county that is a HUD approved participating jurisdiction and receives its own allocation of HOME funds. The participating jurisdictions are listed on page 3 of the HOME Action Plan.

9.) Environmental Site Assessment. The applicant must provide an Environmental Site Assessment at least thirty (30) days prior to the date of application submittal. The Environmental Site Assessment must meet the minimum AHFA 2015 Environmental Requirements (Addendum B). If the Environmental Site Assessment does not meet AHFA's requirements the application will terminate.

10.) Architect’s Certification of Project Progress. The project’s architect must certify that all building foundations slabs or crawl spaces are in place on projects that received a reservation letter for Housing Credits and/or HOME Commitment in 2012 and 2013. Issuance of a Future Year Binding Commitment does not change this requirement.

11.) Site Location. AHFA will not consider any application (for a new construction project or rehabilitation project that is less than 50% occupied) if the proposed project is located within a two (2) mile radius of an AHFA project approved during 2013 and 2014 cycle that has not placed in service and is 90% or more occupied at the time of application.

Projects funded with Housing Credits only, Housing Credits combined with HOME funds and Multifamily Housing Bonds combined with Housing Credits will be included within the 2-mile radius requirement. *Radius is defined as a straight line extending from the center of a circle to the circumference. The 2-mile radius for each project must be clearly defined in the market study.*

The following is an exception to the 2-mile radius requirement:

Applications that contain financing through HUD’s HOPE VI, Choice Neighborhood, Replacement Housing Factor funds, Capital Fund Program funds and Promise Neighborhood.

AHFA will provide reasonable assistance in determining occupancy of applicable projects, upon request. All information provided to applicants by AHFA may be based upon third party information reported to AHFA.

AHFA determination of occupancy is final and binding for all applicants. AHFA is not responsible for errors or omissions in occupancy reported.

*Note: If a project has been awarded AHFA funds but returns the Housing Credits before the current application deadline, that project will not be considered in determining the 2-mile radius requirement and must be clearly defined in the market study.*

12.) Extended Low-Income Use. All projects must commit in writing to extend the Housing Credits low-income set-aside an additional five (5) years beyond the fifteen (15) year compliance period to twenty (20) years. Therefore, projects will not be allowed to enter into a Qualified Contract until after the 20th year of the extended low-income use is complete, unless approved in writing by AHFA as part of the Qualified Contract process.

## Negative Actions

Should any of the following actions occur after the application has been submitted and prior to approval by AHFA, consideration of the application will terminate:

1.) Site change or alteration of any kind;

2.) Change in ownership--a change in the parties involved in the ownership entity (e.g., addition of a new general partner/member or removal of an existing general partner/member);

3.) Change in unit design, square footage, unit mix, number of units, number of buildings, etc. (unless changes are required by local regulatory codes);

4.) Change in the general contractor;

5.) Change in the management company;

6.) Change in the architect;

7.) Instances of excessive, flagrant, or uncorrected (within the time

required by AHFA) non-compliance on applicant’s existing projects;

8.) Any development team member listed in the application who has instances of excessive, flagrant, or uncorrected (within the time required by AHFA) non-compliance with AHFA, Housing Credit, HOME, Exchange, TCAP or Tax-Exempt Bond regulations on existing projects;

Any development team member listed in the application who is presently debarred, suspended, proposed for debarment or suspension, declared ineligible or voluntarily excluded from any transactions or construction projects involving the use of federal funds or Housing Credits;

9.) Applicant has a project that goes into foreclosure or has been foreclosed within the last ten (10) years;

10.) Any material adverse change relating to the project or owner. AHFA will determine whether the change(s) is material and/or adverse in its sole discretion and further reserves the right to terminate an application;

11.) An applicant having a single project which received a reservation letter for Housing Credits and/or HOME Commitment/Agreement in 2012, 2013, or 2014 which is neither complete nor has reached 90% occupancy at the time of application, The applicant may joint venture with a partner who has a completed AHFA project which has reached 90% occupancy, (projects funded with HOPE VI, Replacement Housing Factor funds, and Capital Fund Program funds are exempt from this requirement);

12.) Applicant (including all development team members listed in the application) has any outstanding fees due to AHFA on other projects; and

13.) If Housing Credits are combined with HOME funds and the Environmental Site Assessment review by AHFA (or AHFA's consultant) identifies any unsatisfactory environmental condition that the applicant (or any owner of applicant) should have known about or failed to investigate fully prior to application submission.

The above list of negative actions is not all-inclusive. The application package itself will list other necessary requirements. AHFA will terminate consideration of an application if any information supplied in connection with the application is fraudulent, misleading, or materially incorrect. Determination of whether information is fraudulent, misleading, or materially incorrect will be determined by AHFA.

## Application Evaluation

AHFA follows a competitive process by which all applicants are objectively scored according to criteria specified in the HOME Action Plan. AHFA strictly adheres to the policy and procedures of the HOME Action Plan. Efforts to influence the outcome of the application process via lobbying efforts either directly (by the applicant) or indirectly (via the efforts of third parties on the applicant’s behalf), will be futile, considered as a violation of the HOME Action Plan and may result in the termination of the application. In addition, the applicant could be subject to civil or criminal liability. Each application must stand on its own merits.

1.) Process of Evaluation. Provided each applicant has met the threshold requirements in Section II(C), each application will be subject to the following evaluation process:

(i.) Completeness. The applicant must submit a complete application (see Section III(C)(1)) to AHFA.

(ii.) Point Scoring. The application will be evaluated using the Point Scoring System included in Addendum A. The applicant will not receive points, if the item(s) or document(s) required to qualify for points are missing and/or incomplete.

(iii.) Financial Feasibility. Once the application is point-scored, the project will then be evaluated to determine its financial feasibility, including its viability as a qualified low-income housing project throughout the credit period. Taking into consideration that market, income and housing conditions vary greatly across the State of Alabama, the financial feasibility of any application submitted may require various other funding resources to be viable in the short term and to aid in the long term sustainability of any project. Local government resources, philanthropic efforts and other funding sources are critical to help ensure that limited AHFA resources can be allocated in all areas of the state where unmet housing needs still exist. Applications that are not financially feasible at the time of submission because additional sources of funds are necessary will not be considered for funding.

Since AHFA is permitted to allocate only the resources necessary to make a project financially feasible, AHFA cannot and should not be expected to fund the full amount requested by an applicant. Special purpose or high cost housing applications that exceed normal construction and soft costs of other applications received must be supported with other subsidy sources. AHFA fully expects that any proposed application submitted will include other subsidy sources if needed to leverage AHFA’s limited Housing Credit and HOME resources.

AHFA will require a minimum debt service coverage ratio of 1.20:1 for HOME development debt financing that would foreseeably result in foreclosure if not repaid. Debt service coverage is defined as the ratio of a property’s net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing debt service obligations. AHFA will determine the allowable operating expense based on historic and current HOME and Housing Credit properties’ financial statements.

AHFA will require the project to establish and maintain throughout the extended-use period a minimum operating reserve. The operating reserve will be an amount equal to six months of the projected first-year operating expenses plus three months debt service.

AHFA will require the project to establish and maintain throughout the extended use period a minimum replacement reserve account of a) $250 per unit annually for new construction projects for the elderly, b) $300 per unit annually for all other projects.

AHFA’s determination of the appropriate amount of HOME funds is not a representation or warranty as to the financial feasibility of such project, and may not be relied upon as such by the applicant, owner, developer, investor, lender or any other person.

Project feasibility: At a minimum, AHFA determines that a project is financially feasible based on the following criteria: a) the extent to which the project’s sources of funds equals the project uses of funds; b) the extent to which any proposed developer fee deferral can be paid within the time frame allowed by the Internal Revenue Service; c) the reasonableness of total project costs, inclusive of AHFA predetermined hard and soft cost standards; and d) the repayment terms (including interest rate, total debt and loan term) for all proposed debt (hard and soft) in connection with the proposed project.

Additional Underwriting Criteria and assumptions that are market driven such as interest rates, housing credit pricing, and project operating expenses will be released and discussed at AHFA’s HOME/Housing Credit Application Workshop. The training will be held prior to the application cycle. The date of the training will be posted at www.AHFA.com and an e-mail notification will be sent to those on the current e-mail distribution list.

(iv.) Credit Worthiness. AHFA will perform credit investigations of the individual(s) and trade reports of businesses involved in the development and operation of the project. The applicant must provide sufficient documentation to obtain the required credit reports. If these reports prove to be less than satisfactory, including but not limited to the finding of federal tax liens, the application may be terminated.

(v.) Reasonableness of Project Costs. Any line item costs, square footage costs or total unit costs exceeding a range of reasonableness may be disallowed solely at the discretion of AHFA. Additional information and documentation (verified by AHFA and/or an AHFA designee) may be required to substantiate the reasonableness of the cost. Any allocation made will be determined using AHFA’s assessment of cost. Any allocation of HOME funds cannot exceed the HUD 221(d)(3) limits. A list of applicable limits can be provided by AHFA.

AHFA reserves the right to request certification or verification in a form acceptable to AHFA of any line item cost at any time between the application cycle and final allocation of the HOME funds. When the project is placed in service, AHFA requires the final cost certification to be made by an independent Certified Public Accountant.

2.) Frequency of Evaluation. Applications will be evaluated at least two times:

* + At submission; and,
  + Before the closing of the HOME loan.

## Developer and Builder Fees

1.) Developer Fee. The developer fee, which includes the developer’s overhead and profit plus consultant fees and the owner’s profit, should not exceed 15% of the total project costs (excluding the developer fee).

2.) Builder Fee. The builder fee, which includes builder profit and overhead, should not exceed 8% of the construction costs, excluding the fee. General requirements must be cost-certified and, as a general rule, should not exceed 6% of the total construction costs. Items included in general requirements will be consistent with HUD and USDA Rural Development regulations.

## HOME Funds Allocations

No related entities, principals or individuals shall be allocated HOME funds in excess of 20% of the state’s 2015 HOME fund allocation. Regardless of the percentage ownership in a project, 100% of the project’s HOME fund allocation will count towards all caps.

The intent of the HOME Cap is to promote fair and objective administration of the HOME program by ensuring that no single applicant can receive an excessive share of the available HOME funds in any application cycle. Parties that have an identity of interest are presumed to be sufficiently related for them to be treated as a single applicant for purposes of the Cap. As described below, AHFA may in its discretion identify other parties whose relationship is sufficiently close to cause them to be treated as a single applicant for purposes of the Cap. A significant factor in the evaluation will be whether, based on the facts and circumstances, a primary purpose of a party’s involvement in a project appears to be avoidance of the Cap.

For purposes of this paragraph, the following relationships constitute an identity of interest for purposes of identifying related parties in order to apply the Cap:

1.) Individual persons are considered related to each other (i.) if they have any of the following direct relationships: parent, child, spouse, son-in-law, daughter-in-law, father-in-law, and mother-in-law, including any such direct relationship created by marriage, remarriage, adoption, or any other legally recognized status, or (ii.) if one individual is an employer, by common law or otherwise, of the other.

2.) Entities are considered related to each other (i.) if any director, shareholder, partner, member, or any other type of owner of any entity would be considered a related individual (under item 1. above) to any director, shareholder, partner, member, or any other type of owner of another entity, (ii.) if the entity has the ability to control another entity, or (iii.) if the entity owns a material interest in another entity. An entity will be presumed to control another entity if it has a percentage of ownership in the other entity or the ability to appoint a percentage of the members of the other entity’s governing body (i.e., board of directors, board of trustees, partners, managers, etc.) that would permit it to control the other entity either by operation of law or by agreement. A material interest means any ownership interest in excess of 20% of the stock, partnership interests, membership interests, or other forms of ownership of any entity; provided, however, that ownership interests held by Housing Credit investors, Housing Credit syndicators or special administrative partners or members shall be disregarded for purposes of 20% test.

3.) Without limiting the above, a trust will be considered related to an individual or entity if any trustee, trustor, grantor, settlor, beneficiary, permissible distributee, any person or entity serving a role similar to the foregoing, or any person holding power of appointment (general or limited) over trust property would be considered related to the individual or entity under items 1. or 2. above.

4.) Any other relationship which, while not specifically listed above, is determined to constitute an identity of interest because it is a relationship at least as close as an identity of interest described above or because it would permit an allocation that violates the intent of the ceiling.

## Notification of Approval

Applicants may be notified of the award decisions via e-mail notification, by a letter of non-selection, or a Commitment letter. In addition, award recipients will be listed at www.AHFA.com. Applicants approved for an award will be issued a reservation letter and Commitment. The reservation letter will outline actions by which owners, if they accept the terms, must abide. Failure to abide by the terms of the reservation letter and Commitment will automatically terminate such reservation and Commitment.

Any applicants that are not selected for an award may schedule a conference call or meeting with AHFA to discuss the reasons their application was not selected for funding. The call or meeting must be scheduled and held within six weeks of the date of the notification letter from AHFA. Once the call or meeting has been concluded, AHFA will not have any further discussion regarding the application.

## Progress Requirements After Commitment

From the date of the Commitment, the applicant has the outlined time constraints set forth below in which to obtain the following items. All deadlines outlined in the Commitment will be enforced. Requests for extensions must be submitted on the AHFA-provided forms found at www.AHFA.com. The required fee assessments can be found in Section (III)(D) of the HOME Action Plan. Failure to comply with any one of the deadlines (in whole or in part) and/or providing incomplete or unacceptable content of the required document(s) will cause the commitment to be automatically terminated:

1.) Within 15 days of the date of the Commitment, the applicant must provide:

(i.) The executed HOME Commitment acknowledging acceptance of the terms and conditions.

(ii.) The executed HOME Partnership Written Agreement acknowledging acceptance of the terms and conditions.

(iii.) The Management Plan (available at www.AHFA.com)

(iv.) The Tenant Lease Agreement with the HOME Lease Addendum.

(v.) The Affirmative Fair Housing Marketing Plan (available at www.AHFA.com).

2.) Within 60 days of the date of the Commitment Letter, the applicant must:

Provide the Environmental Assessment Checklist (available at www.AHFA.com).

3.) Within 135 days of the date of the Commitment Letter, the applicant must provide:

(i.) Three sets of sealed plans and specifications and a copy on a compact disc or compact memory device (ex. Memory stick, USB flash drive) from the architect.

(ii.) A site-specific soils report bound within the specifications.

(iii.) An ALTA/ACSM Certified Survey bound within the plans and specifications.

(iv.) Standard AIA form of agreement between owner and architect.

(v.) Paving recommendation letter from geotechnical engineer (available at

www.AHFA.com).

4.) Within 165 days of the date of the Commitment Letter, the applicant must provide:

(i.) Certified organizational documents.

(ii.) Construction cost estimate summary.

(iii.) Detailed construction schedule.

(iv.) Standard AIA form of agreement between owner and contractor (AIA form).

5.) Within 195 days of the date of the Commitment Letter, the applicant must provide:

(i.) A copy of lender’s executed construction note or agreement.

(ii.) Take full possession of the site as evidenced by recorded warranty deed.

(iii.) Original recorded Declaration of Land use Restrictive Covenants.

(iv.) A copy of the building permit.

(v.) Proof of construction commencement evidenced by copy of Owner’s Notice to Proceed to project’s General Contractor (AHFA form).

(vi.) Recertification of Real Property Acquisition Form (available at www.AHFA.com).

(vii.) Title Insurance Policy.

(viii.) A written Capital Maintenance Plan (CMP) for the project (available at www.AHFA.com).

6.) Within 180 days after the project is placed in service, the applicant must provide AHFA with the Actual Cost Certification package.

7.) The owner must submit AHFA’s HOME/Housing Credit Status Report which is due quarterly until the project is complete.

8.) If any unforeseen or unusual environmental condition(s) not otherwise identified after completing AHFA's environmental requirements is discovered with respect to a project that received an award of HOME funds, Housing Credits, of for both under this plan or for any prior year, and such unforeseen environmental condition(s) results in the inability of the project to Place-in-Service by the deadline established under Section 42, AHFA may elect to exchange the Housing Credits awarded to the project for a current or future year allocation of Housing Credits, subject to the applicant's payment of the environmental extension penalty specified in Section III.D. herein and the applicant's compliance with Addendum B and with all other conditions specified by AHFA based on the specific nature of circumstances of the project.

## Construction on the project cannot begin until a pre-construction conference has been held with AHFA.

1. **Negative Action After Notification of Approval.**

Should any of the following actions occur after the notification of approval of HOME funds the award will be terminated:

1.) Site change--a change from the original site location will not be allowed under any circumstances. Any change in the site configuration or size from what was originally proposed in the application must have prior written consent from AHFA;

2.) Change in ownership--a change in the parties involved in the ownership entity (e.g., addition of a new general partner/member or removal of an existing general partner/member) without prior written consent of AHFA. Examples of situations in which consideration may be given for a change in ownership include, but are not limited to: death or bankruptcy. Any person or entity, including syndicators, that attempts to circumvent this requirement, may be subject to debarment from all AHFA programs;

3.) Change in syndication structure--a change in the role of the syndicator or in the distribution of funds/allocation to others through syndication as stated in the application without prior written consent of AHFA;

4.) Change in unit design, square footage, unit mix, number of units, number of buildings, etc. (unless changes are required by local regulatory codes);

5.) Change in the general contractor without prior written consent of AHFA;

6.) Change in the management company without prior written consent of AHFA;

7.) Change in the architect without prior written consent of AHFA;

8.) Instances of excessive, flagrant, or uncorrected (within the time required by AHFA) non-compliance on applicant’s existing projects;

9.) Any development team member (listed in the application) who has instances of excessive, flagrant, or uncorrected (within the time required by AHFA) non-compliance with AHFA, Housing Credit, HOME, Exchange, TCAP or Tax-Exempt regulations on existing projects;

10.) Any development team member who is presently debarred, suspended, proposed for debarment or suspension, declared ineligible or voluntarily excluded from any transactions or construction projects involving the use of federal funds or Housing Credits;

11.) Applicant has a project that goes into foreclosure or has been foreclosed in the past ten years;

12.) Any material adverse change relating to the project or owner. AHFA will determine whether the change(s) is material and/or adverse in its sole discretion and further reserves the right to terminate the award based on the effect of said change(s) in comparison to original application approved by AHFA;

13.) Any development team member(s) listed in the approved application have outstanding fees due to AHFA; and

14.) If Housing Credits are combined with HOME funds and the Environmental Site Assessment review by AHFA (or AHFA's consultant) identifies any unsatisfactory environmental condition that the applicant (or any owner of applicant) should have known about or failed to investigate fully prior to application submission.

The above list of negative actions after reservation is not all-inclusive. The Commitment letter itself will list other necessary requirements. AHFA will terminate the Commitment if any information supplied in connection with the project is fraudulent, misleading, or materially incorrect. Determination of whether information is fraudulent, misleading, or materially incorrect will be determined by AHFA in its sole discretion.

## Change in or Denial of HOME Allocation

The application evaluation described in Section IV(E)(2) of the HOME Action Plan may result in a possible change in the amount of HOME funds allocated to a project or denial of the total allocation altogether due, but not limited to, one of the following reasons:

1.) Information in the application submitted is determined to be incorrect or fraudulent;

2.) Conditions in the Commitment Letter are not met;

3.) Changes in the actual cost of the project;

4.) Applicant obtains additional subsidies or financing other than those disclosed in the application; and/or

5.) Applicant’s failure to notify AHFA promptly of any material or adverse changes in the original application. Material or adverse changes include, but are not limited to, applicant’s loss of site control, rights of way, ingress and egress, adverse change in the financial condition of the applicant, and applicant’s inability to perform tasks proposed in the application by the deadline set by the applicant and further set or agreed to by AHFA.

## Disclosure

AHFA will attempt to request all information necessary to make informed decisions regarding HOME allocations. Therefore, it is in the best interest of all parties involved with the process to disclose completely and accurately all information regarding each proposed project. AHFA acknowledges that errors and misjudgment sometimes occur and simply requests that the applicants notify AHFA of any errors that may occur upon discovery.

## ADMINISTRATIVE OVERVIEW

1. **Alabama Housing Finance Authority (AHFA)**

AHFA is a public corporation and instrumentality of the State of Alabama, organized pursuant to the provisions of Title 24 Chapter 1A of the Code of Alabama, as revised. AHFA was established as the housing finance entity for the State in 1980. Since its inception, AHFA has issued mortgage revenue bonds in excess of $2.6 billion for the financing of more than 48,000 single-family homes, and nearly $849 million in multifamily bonds for the production of some 110 complexes. Additionally, AHFA has issued nearly $136 million in Housing Credits to fund 705 projects with 30,000 units and over $219 million in HOME funds to construct 222 projects with 8,531 units.

Currently, AHFA has an experienced staff of employees with many having 10-20 years of commercial banking, mortgage banking or accounting experience. AHFA staff includes experienced commercial real estate and construction lenders, mortgage bankers, accountants and support personnel. The multifamily staff, responsible for the HOME Program, has experience in dealing with other federal programs, which include the Housing Credit and Multifamily Bond Financing Programs. The single- family staff administers a number of programs including the Mortgage Revenue Bond program, the Mortgage Credit Certificate program, the Down Payment Assistance program, the Step Up program, the Rural Alabama Mortgage program, the Building Blocks to Homeownership program, and the Habitat for Humanity Loan Purchase program.

AHFA has the necessary computer hardware and software programs required to properly administer and service loan transactions in connection with the HOME Program. Hardware components consist of a personal computer local area network with multiple large-capacity file servers with the capacity to run mortgage loan servicing software packages.

## Administrative Policies and Procedures

AHFA’s administration of the HOME program includes, but is not limited to, the following functions: accounting, loan processing, loan servicing, administration, compliance, investments, and disbursement of funds. AHFA will be compensated for any and all expenses incurred in performance of its duties (inclusive of those duties for which AHFA may subcontract) through draws from available administrative funds in the HOME account.

The State of Alabama, as a Participating Jurisdiction, is responsible for ensuring that HOME funds are used in accordance with all program requirements. AHFA, acting in its capacity as Administrator of the State of Alabama’s HOME program, AHFA’s Board of Directors, officers, employees and agents will not be held responsible or liable for losses incurred from claims, suits, damages, and costs and expenses of any kind or of any nature that the HOME program may suffer, incur or pay arising out of decisions by AHFA concerning any application, loan decision(s), or action(s) associated with the administration of the HOME Program unless said responsibility or liability is specifically contained within the Act.

1.) HOME Disbursement Accounts

Two accounts have been established to administer Alabama’s HOME Program. The first account, the HOME Investment Trust Fund, is established in the United States Treasury and managed through HUD’s Integrated Disbursement and Information System (IDIS). The second, Alabama’s HOME Account, is established and utilized by AHFA as a deposit and disbursement account of HOME funds. HOME funds from the federal government, interest earnings and repaid principal will be deposited and disbursed from this account. All HOME related funds in this account will be kept separate from other accounts maintained by AHFA. AHFA may establish other administrative accounts, which are allowed under Title II of the Act.

Once a project has been approved for funding, and all of the conditions required to be satisfied prior to the execution of the HOME Agreement have been satisfied, an account for said project will be established in IDIS. Requests for HOME funds will be made to the IDIS by AHFA or its designee.

2.) Administrative Duties

(i.) Audits and Reviews:

AHFA, as administrator, may conduct reviews and audits of recipients as may be necessary or appropriate to determine compliance with the rules and regulations of Title II of the National Affordable Housing Act. An accounting firm chosen by AHFA will conduct required external audits of Alabama’s HOME program.

(ii.) Monitoring:

AHFA will monitor each designated recipient of HOME funds for compliance with occupancy and use restrictions. The scope and frequency of monitoring activities will meet or exceed the minimum requirements of the specific program as outlined in the Act or regulations. See Compliance Section VI.

Recipients of HOME funds must comply with the reporting requirements as defined in 24 CFR Section 92.508 and are responsible for providing AHFA with the information necessary to complete the annual reporting requirements. Recipients must report all instances of non-compliance to AHFA at P. O. Box 242967, Montgomery, AL 36124-2967 and the HUD office in Birmingham, Medical Forum Building, 950 22nd Street North, Suite 900, Birmingham, AL 35203.

## COMPLIANCE

1. **Minority and Women’s Business Outreach**

As required in Section 281 of the HOME Investment Partnerships Act, AHFA will work to involve minority and women’s business enterprises whenever possible. In an effort to comply with these requirements, AHFA has obtained from the Alabama Small Business Development Consortium, 1717 11th Avenue South, Suite 419, Birmingham, Alabama 35294, a list of eligible businesses for use by potential recipients of State HOME funds. AHFA will continue to work with this office to update and expand this list for use with the HOME Program.

AHFA will maintain a record of reported activities of Minority- and Women-Owned Businesses involved in the HOME Program.

## Equal Opportunity and Fair Housing

Affirmative marketing procedures will be utilized so that no person in the United States shall, on the grounds of race, color, national origin, religion, or sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity funded in whole or in part with funds made available under Alabama’s HOME Program. Recipients of Alabama’s HOME funds must adhere to the requirements of the Fair Housing Act and the Age Discrimination Act of 1975. AHFA will maintain records, whenever possible, of the percentage of low-income units occupied or purchased by minority and single parents.

All loan applicants or local units of government applying for Alabama HOME funds must certify in the application that they will adhere to the affirmative marketing procedures (as defined in 24 CFR Section 92.351). Records concerning the characteristics of tenants renting HOME assisted units must be maintained by the owners; and supplied to AHFA on an annual basis. AHFA will analyze this data to assess the success of the owner’s affirmative marketing procedures. AHFA will give additional preference points to those applications, which evidence the participation of minorities in connection with the project.

## Section 3 Economic Opportunities for Low – and Very Low-Income Persons

As required by Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, recipients of HOME funds must ensure that employment and other economic opportunities generated by housing development must be directed toward low- and very low-income persons.

## Environmental Review

## AHFA will conform to the Environmental Review requirements of Title II of the Act.

## Matching

NOTE: The State of Alabama is typically required to match a portion (twelve and one-half percent) of annual HOME funds. This match may be derived from several possible sources including the donation of land by localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax exempt bond proceeds, the value waived of property taxes by localities, cash injections by localities, and any other source which may be determined at a later date. Additionally, a number of AHFA programs (Down Payment Assistance, Habitat for Humanity Partnership) provide financial assistance to HOME-eligible Alabama households and a portion of this funding may count as match. The use of any possible state funds would require an appropriation by the legislature. Specific sources and the amount of possible funds available to meet the matching requirements for a program year will be determined prior to any draw of HOME funds. A HOME recipient may be required to provide a "Match" source to close their project.

For 2002, HUD granted a full waiver of the match requirement due to the State of Alabama’s designation as a Participating Jurisdiction in *severe financial distress*. Specific waivers for subsequent program years may also be granted if an Alabama county is listed as a presidentially declared disaster area.

## Occupancy and Rent Requirements

In HOME and Housing Credit residential rental projects at least 20% of the units must be occupied by households with incomes at or below 50% of median family income and the rent must be restricted at or below the 50% rent level or Section 8 Fair Market Rent, whichever is less. The remaining units must be occupied with households with incomes at or below 60% of median family income and the rent must be restricted at or below the 60% rent level or Section 8 Fair Market Rent, whichever is less. HOME income limits and rent limits are calculated annually by HUD’s Office of Policy Development and Research (PDR), once the Section 8 income limits have been issued.

## Compliance Monitoring

The compliance monitoring procedures apply to all buildings placed in service in Alabama, which have received allocations of HOME funds as determined under the HOME Regulations. A complete outline of AHFA’s compliance requirements is located in AHFA Compliance Manual available at www.AHFA.com. A description of AHFA’s basic compliance monitoring procedures and requirements are described per the attached Addendum E.

## AMERICAN DREAM DOWNPAYMENT INITIATIVE

**American Dream Downpayment Initiative (ADDI**)

ADDI is a HOME Program-based funding source for the provision of down payment assistance to eligible first-time homebuyers. AHFA serves as administrator of the State of Alabama HOME Program and the State of Alabama ADDI Program.

The initial allocation of ADDI funds to the State was approximately $1,463,919 -- 2003 HUD- appropriated funds totaling $671,691 and 2004 new funding totaling $792,228. Each source had its own separate requirements.

## ADDI Funds

The State of Alabama has not received a new allocation of funds since 2009. Should the program continue to be funded, AHFA will continue to use these funds to provide down payment assistance throughout the State. The per-family assistance shall not exceed $10,000 in the form of a grant or a forgivable loan.

Families and households eligible to receive ADDI funds must (a) earn 80% or less of the Area Median Income (AMI) per HOME guidelines, (b) have less than $4,000 in liquid assets at the time of loan application through the date of closing, (c) complete a homeownership counseling course provide by a HUD-approved counseling agency or any other AHFA-approved homeownership counseling course, and (d) meet lenders credit requirements.

Outreach and marketing efforts for ADDI will be conducted by AHFA and its many business partners such as the Homebuilders Association of Alabama, the Mortgage Bankers Association of Alabama, the Alabama Association of Realtors, the Alabama Federation of Housing Counselors and Agencies, and the Consuming Credit Counseling Services of Alabama.

## ADDI Recapture Provision

If at any time during the five-year affordability period, the original homebuyer sells, trades, transfers title or otherwise ceases to occupy the home as their primary residence, the homebuyer will be subject to recapture and must pay back the funds as deemed applicable. ADDI recapture is assessed on a reduced prorated basis of 20% per complete year, except in cases of non-compliance, which requires 100% of the ADDI funds to be repaid. Non-compliance for ADDI means that the homebuyer was not eligible for the ADDI funds at the time of the application. Non-compliance would result if the program criteria such as prior ownership, family income limits, sales price limits, and occupancy of residence during the affordability period are not met and this information was not properly disclosed. Any recaptured funds paid back to AHFA will be returned to the ADDI allocation and used to assist other qualifying homebuyers.

## Addendum A

**Alabama Housing Finance Authority’s**

**2015 Point Scoring System**

The point scoring system will allow AHFA to award points to projects that best meet the identified housing priorities for the State of Alabama. The point scoring system will rank each project in two sections (Points Gained and Points Lost). The ranking of the project will be determined by taking the Points Gained section and deducting the Points Lost section to get an overall project score. The point scoring system will largely determine which projects should be awarded. Applicants will be required to score their applications using the 2015 HOME/Housing Credit Point Scoring form provided by AHFA. This point scoring form must be submitted to AHFA as part of the application package.

Any points gained category referenced herein or in other sections of the 2015 QAP or the 2015 HOME Action Plan are specific to the 2015 program year and may not be carried (or brought) forward to (or from) any future (or past) program year by any entity, individual or application.

AHFA has established a housing priority in order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state in terms of geographical regions, counties, urban, and rural areas. AHFA will achieve this priority by allocating Housing Credits and HOME funds, generally to only one project per county. This allocation methodology, used over time, has helped to ensure that counties and cities across the state have received a share of AHFA allocation of funds proportionate to their respective populations. Please note that applicants applying for Housing Credits with HOME funds combined are for new construction projects only, therefore the rehabilitation points described in this Point Scoring System are not applicable.

## Project Selection Procedures:

**Awards Selection:**

1. The highest scoring project per county with ownership by an AHFA-approved CHDO will be funded until the regulatory 15% CHDO set-aside has been met.
2. The highest scoring HOME project combined with Housing Credits and/or Housing Credit project will be funded per county until all HOME and Housing Credit funds have been allocated.

## Projects with a net score of less than 77 points (Points Gained less Points Lost) will not be considered for funding.

In the event of a tie between two or more applications the projects will be ranked in the following order to determine which applicant will receive priority:

1. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application that has the least amount of aggregate participation by any one owner. Aggregate participation is defined as the total of all Housing and HOME/Housing Credit applications recommended for awards in the current application cycle.

2. If a tie(s) still remains, priority will be given to the application which is deemed to be the most favorable based on the following site criteria as sequenced:

a. Award recommendation will be made for the application which has the least number of active AHFA units located within a 2-mile radius of the proposed project site. Active AHFA units are projects that at the time of application are in the compliance and/or extended use period. (If the proposed project is an additional phase of an existing AHFA-funded project, the existing additional phase(s) will not count when determining the number of other active AHFA housing units. The additional phase must have one of the owners from the first phase.)

b. The application containing no Negative Neighborhood Service(s) will receive a recommendation for awards.

c. The application which scored the maximum number of points on Neighborhood Characteristics (Services as defined in the application instructions) will receive a recommendation for awards.

3. If a tie(s) still remains, priority will be given to the owner who requested the least amount of Housing Credits per unit.

4. If a tie(s) still remains, priority will be given to the application based on owner performance criteria in the following order as sequenced:

a. The application that was submitted with no missing and/or incomplete document(s.).

b. The owner who has not had a repeat audit performed in the prior calendar year and does not have a repeat audit scheduled on any existing AHFA-funded project.

c. The owner who has not requested a third extension on any 2014 AHFA-funded project.

d. The owner who has not returned their full allocation of AHFA HOME funds or Housing Credits in the prior calendar year through the date of allocation of 2015 funds.

e. The owner that has the most amount of additional long term subsidy per unit. Long term subsidy is defined in Section A(1)(iii) Rent Affordability of this addendum.

5. If a tie(s) still remains, priority will be given to the project which is located in a Qualified Census Tract and is supported by its respective governmental entities approved Revitalization plan.

6. If a tie(s) still remains, priority will be given to the application for a project that is intended for eventual tenant ownership. The project must consist of single-family homes, duplexes, or townhomes to be eligible. The applicant must complete the AHFA-provided Homeownership Conversion Proposal and provide a plot plan in form and content acceptable to AHFA.

7. If a tie(s) still remains, priority will be given to the applicant whose application received priority status in accordance with the drawing for applications that are submitted by 11:00 a.m. on the first day of the application cycle. The drawing will be held as soon as practical in AHFA’s boardroom that same day to determine the order of awards in the event of a tie. An impartial person will be selected to draw. The drawing will be open to the public and the results will be posted on AHFA’s website.

AHFA reserves the right to deny a Housing Credit reservation to any applicant or project, regardless of that applicant’s point ranking if, in AHFA’s sole determination, the applicant’s proposed project is not financially feasible or viable. Additionally, AHFA may recommend that a Housing Credit reservation be awarded out of the ranking order established by the points earned, based on the amount of Housing Credit allocation needed relative to the amount of awards available for the project to be financial feasible.

Regardless of strict numerical ranking, the scoring does not operate to vest in an applicant or project any right to a reservation or allocation of Housing Credits in any amount. AHFA will in all instances reserve and allocate Housing Credits consistent with sound and reasonable judgment, prudent business practices and the exercise of its inherent discretion.

## POINTS GAINED

**1.) Project Characteristics (Maximum 73 Points)**

(i.) Type of Construction (Maximum 33 Points)

(a.) A maximum of 25 points will be given to projects which provide extra unit/project amenities. Refer to the application for distinction between an *extra* amenity and a *required* amenity. Only the amenities listed below will be eligible for points.

4 Points will be given for each of the following amenities:

* + Clubhouse/Community Building/Community Room *(Must have at a minimum a kitchen, community meeting room, restrooms, community TV with cable or satellite with a minimum of 42 inch screen TV, and wireless internet service. A community laundry must be included if not providing a washer/dryer in each unit and the community laundry must contain 1 washer and 1 dryer for every 15 units proposed in the project.*
  + Washer/Dryer provided in each unit *(3-7 cu. ft. capacity)*
  + Exterior Security Package *(Must include all of the following: cameras, alarms and lighting that will provide adequate monitoring and coverage of the entire property)*
  + Unit Security Package *(Each unit must have an alarm on all entry doors and windows)*
  + Storm Shelter *(Must meet the International Code Council National Storm Shelter Association Standard for the Design and Construction of Storm Shelters (ICC-500 August 2008) Standards)*
  + Playground *(Must provide commercial grade playground equipment with a minimum of three (3) play activities)*
  + Outdoor Fitness Activity Area *(Must provide commercial grade outdoor fitness equipment as further defined in the application instructions with a minimum of three (3) exercise activities)*
  + Covered Picnic Pavilion *(with a minimum of two (2) tables and two (2) grills)*

3 Points will be given for each of the following amenities:

* + Computer center *(two or more computers with printer and internet access)*
  + Splash Center
  + Exercise/Fitness room with equipment *(Must provide a minimum of three (3) separate types of commercial grade exercise/fitness equipment with adequate floor space to qualify for points)*
  + Covered bus stop shelter *(Must be separate/independent of the mail kiosk unless location allows for proper access of bus to pick- up and drop off)*
  + Gazebo
  + Access Gate *(Must be on all entry points of project if more than one)(Must be closed during specified times at night)*
  + Walking Trail with Benches *(5 feet wide concrete and minimum of 1/4 of mile long)(Must be separate of required sidewalks)*

2 Points will be given for each of the following amenities:

* + Basketball court *(break-away rim and shatter-proof backboard)*
  + Picnic area with grills *(one (1) grill for every fourteen (14) units, one (1) picnic table for every two (2) grills proposed in the project)*
  + Storm doors
  + Emergency Pull Cord/Call Button

New Construction Projects Only (Maximum of 8 Points)

(b.) 4 points will be given for storm windows; thermal break insulated windows or extruded vinyl windows and insulated exterior doors. Windows must be Energy Star Rated.

(c.) 4 points for full brick/cementitious siding, stucco, cultured stone or concrete masonry unit (CMU) products *(no Exterior Insulation Finishing System is acceptable)*.

**Multifamily units** *(two or more units in a building)*

A minimum of 40% of each building, defined as the exterior façade from finished grade elevation to eave line, shall be brick. The remaining 60% can be cementitious siding, stucco, or CMU products. The CMU products must be decorative, textured, patterned, color core, or painted. All entry areas into the apartment including covered breezeways, porches, balconies, and patios must have brick, cementitious siding, stucco, cultured stone or CMU to be considered full brick.

Single-family units *(single unit/detached building)*

A minimum of 50% of the building, defined as the exterior façade from finished grade elevation to eave line, shall be brick. Each exterior wall must contain brick up to the bottom of the first floor windows on a two-story unit or the window sill of a one-story unit. The remaining 50% can be cementitious siding, stucco, cultured stone or CMU products. The CMU products must be decorative, textured, patterned, color core, or painted.

1. Energy Conservation and Healthy Living Environment

(Maximum of 8 Points)

(a.) 4 points will be given for HVAC of 15 SEER (HSPF 9.0) or above.

(b.) 4 points will be given for the kitchen range hood ventilation to be vented to the exterior and equipped with a damper.

(c.) 4 points will be given for high efficiency water heaters with a 0.095 EF minimum.

(d.) 4 points will be given for the use of Energy Star rated “cool roof” shingles or metal roof with a fifty (50) year warranty.

(iii.) Rent Affordability (Maximum 7 Points)

A maximum of 7 points will be given to projects, which have a commitment for additional subsidies from the Federal Home Loan Bank for Affordable Housing Program (AHP) funds (AHP funds must be in the form of a grant), ental Assistance Demonstration funds, Neighborhood Stabilization Program funds, Capital Fund Program Grant, Replacement Housing Factor Fund Grant, CHOICE Neighborhood funds, Promised Neighborhood funds, NeighborhoodWorks Capital Grant, Home Depot Foundation Grant, and HUD’s Economic Development Initiative program funds allocated through the Community Development funds. The commitment must be a fully executed firm commitment from the applicable entity that will be granting the funds to project.

To qualify for points for receiving additional subsidies (meeting the above criteria), if the funds are loaned (required repayment) or granted to the project, at least 50% of the total amount of funds committed for points must remain as a permanent source of funds.

7 points - $10,001+ per unit

6 points - $8,001 - 10,000 per unit

5 points - $6,001 -8,000 per unit

4 points - $4,000 - 6,000 per unit

(iv.) Tenant Needs (Maximum 3 Points)

(a.) 1 point will be given to projects with 100% of the units in the project designed, equipped and set-aside for elderly.

(b.) 1 point will be given to projects targeting low-income families (individuals with children) with a minimum of 15% of the units having three or more bedrooms. If an applicant chooses 100% elderly, the applicant *will not* receive points for three or more bedrooms. Rehabilitation of existing multifamily rental units must already have the required three or more bedrooms to receive the points.

(c.) 1 point will be given to projects which have committed in writing to target households on the public housing waiting list.

(d.) 1 point will be given to projects which provide at a minimum 5% of the dwelling units be designed and constructed to be readily accessible to individuals with mobility impairments. An additional 2% of the dwelling units must be accessible to individuals with sensory impairments (i.e., hearing or vision impairments).

(v.) Readiness Issues (Maximum 5 Points)

A maximum of 5 points will be given to applicants with evidence of attendance at the AHFA-sponsored HOME/Housing Credit Application Workshop. For applicants that have not closed an AHFA HOME loan and/or received IRS Form 8609 from AHFA on a prior project, the Workshop attendee must be an owner, an officer, executive director or a principal of the ownership entity in the proposed application in order for the applicant to qualify for the points.

3 points will be given if one of the applicant’s owners listed in the application provides AHFA’s Certificate of Attendance.

2 points will be given if an applicant’s contact person listed on the application provides AHFA’s Certificate of Attendance.

(vi.) Location (Maximum 12 Points)

(a.) Points Gained for Site Selection

* + 1. Neighborhood Characteristics (Maximum 10 Points)

2 points will be given for the following services located within 2 miles of the site. Distance will be measured by odometer from the automobile entrance of the proposed project site to the closest automobile entrance to the parking lot of the applicable service. Projects located in a federal declared disaster county may receive points for services, if the service is currently under construction and funded in whole or part by Federal or State disaster funds. The applicant must provide sufficient evidence of both requirements. Duplicate services will not be eligible for additional points. Points will only be given for the services listed below. (Neighborhood Services defined in the Application Instructions)

Grocery Store Pharmacy or Drug Store

Convenience Store

Bank or Credit Union

Hospital or Doctor Office

* + 1. Census Tract Location (2 points)

A maximum of 2 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 year) is equal or above the following percentages (rounded down) of the county’s 2014 Annual Median Family Income published by HUD:

1 point for 60% - 79&

2 points for 80% or more.

(b.) Points Deducted for Site Selection

(1.) Negative Neighborhood Services (No Maximum)

There is not a limit on the amount of points that can be deducted for negative neighborhood services.

5 points each will be deducted if any of the following incompatible uses are adjacent to the site. Adjacent is defined as nearby, but not necessarily touching. The following list is not all inclusive. (Negative Neighborhood Services defined in the Application Instructions)

Junk yard or dump Pig or chicken farm

Salvage yard Processing plants

Wastewater treatment facility Industrial Distribution facilities

Airports

Electrical utility Substations Prison or Jail

Railroads Solid waste disposal

Adult video/theater/live entertainment

*\*Please note: An exception may be allowed for rehabilitation or historic properties located near a railroad, provided a noise mitigation plan (subject to HUD standards) is presented at the time of application. The findings of the study must be acceptable to AHFA in all respects.*

2 points each will be deducted if any of the following incompatible uses listed are within .3 mile of the site. The list is not all inclusive.

Junk yard or dump Pig or chicken farm

Salvage yard Processing plants

Wastewater treatment facility Airports

Prison or Jail Solid waste disposal

*Points will not be deducted for a prison, jail, or detainment facility if it is co-located with a law enforcement office.*

(2.) Accessibility (Maximum 2 points Deducted)

2 points will be deducted if the condition of the streets and sidewalks are unsatisfactory. The width of the streets and the difficulty of access to the proposed site will be taken into consideration.

## 2.) Applicant Characteristics (Maximum 28 Points)

(i.) 5 points will be given to applicants with participation of minorities or women. To qualify for the points for participation of minorities or women, the application must meet one of the following requirements:

* Minorities or women have ownership in the project;
* Applicant/Owner guarantees at least 10% of the total building cost is awarded to minority- or women-owned businesses.

In all cases, the minority or female individual(s) must have at least a 50% ownership interest as the project’s general partner or 50% ownership interest in the participating business to qualify for the points. These businesses include, but are not limited to, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services. The name and address of the company and the anticipated contract amount must be listed at the time of application on the form provided by AHFA in the application package in order to receive the points.

(ii.) A maximum of 10 points will be given to owners (individual(s), shareholders, members, corporation(s), or in the case of a limited partnership, the general partner(s)) who have previous successful experience in the development of multifamily housing within the last fifteen (15) years. Special limited partners do not qualify for these points. Mobile home developments, hospitals, sanitariums, life care facilities, or intermediate care facilities are not considered multifamily housing for purposes of qualifying for points. The owner may include experience gained as an owner in another firm, but not as an employeeof another firm. Applicants must currently own the properties listed for development points.

10 points (1000+ units or 10+ projects)

9 points (700 - 999 units or 7 - 9 projects)

6 points (400 - 699 units or 4 - 6 projects)

3 points (100 - 399 units or 1 - 3 projects)

(iii.) A maximum of 10 points will be given to applicants with sound experience as managing agents of low-income multifamily housing. This experience is defined by the highest number of units currently managed. Only those units in projects that are considered low-income units will be counted in this total.

10 points (1000+ units or 10+ projects)

9 points (700 - 999 units or 7 - 9 projects)

6 points (400 - 699 units or 4 - 6 projects)

3 points (100 - 399 units or 1 - 3 projects)

(iv.) A maximum of 3 points will be given to applicants that have received IRS form 8609 or have closed a AHFA HOME loan in year 2005 or later. The project must be in compliance at the time of allocation to qualify for the points. Applicants must currently own the properties listed for development points:

3 points (3+ projects)

2 points (2 projects)

1 point (1 project)

## POINTS LOST

1.) Davis Bacon Requirements (Maximum Loss of 10 Points)

2 points will be deducted for each of the following Davis Bacon requirements that are not met on any existing project. (These point deductions will be applied to the next application cycle in which the owner applies.)

2 points - No response on outstanding issues for over

6 months;

2 points - The general contractor is unable to

submit payrolls, causing an escrow account

to be established;

2 points - Outstanding issues remain over 2 years from

the date of the notice to proceed;

2 points - Failure to provide AHFA the Section 3

report on the required date; or

2 points - Failure to provide AHFA the HUD 2516

report on the required date.

2.) Financial Structure (Loss of 10 Points)

10 points will be deducted if an owner listed in the application has changed the financial structure and/or rents for any AHFA funded project without AHFA’s prior written consent or approval. AHFA must be notified not less than 30 days prior to any change in the financing structure from what was disclosed in the original application. For example, changes in any amount of the first mortgage and any additional funds such as AHP, HUD funds or any other soft debt. Once an executed binding commitment for syndication (in form and content acceptable to AHFA) has been provided, any change in equity price must have AHFA’s prior written consent. AHFA must be notified not less than 60 days prior to any increase or decrease of rents from what was proposed in the approved application. This requirement only pertains to projects that have been funded but have not closed AHFA’s HOME loan and/or have been issued the project’s IRS Form 8609s. Point deductions will only be applied to the owner’s application in the current allocation cycle.

3.) Compliance (Maximum of 20 Points Loss)

AHFA’s compliance requirements are outlined in (Addendum E) Compliance Monitoring Procedures, Requirements and Penalty Criteria.

## Addendum B

**Alabama Housing Finance Authority’s**

**2015 Environmental Requirements**

Alabama Housing Finance Authority ("AHFA") requires that a project-specific Environmental Site Assessment ("ESA") Phase I Report be submitted for each application by a third party Environmental Professional ("EP"), be in the format as described herein and adhere to the following guidelines and requirements.

*Applications for HOME funds:*

The HOME Investment Partnership Program (HOME) requires AHFA to certify its compliance with the National Environmental Policy Act of 1969, as amended, Section 106 of the National Historic Preservation Act, and its implementing regulations located in 36 CFR 800, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR Parts 50, 51, and 58, U.S. Environmental Protection Agency ("EPA") All Appropriate Inquiry ("AAI") 40 CFR Part 312, and all other applicable State and local laws.

In order to ensure the environmental review process is not challenged, once applications for HOME funds are submitted, the applicant must ensure that no choice-limiting activity is conducted regarding the project. Choice-limiting activities include, but are not limited to, acquiring, rehabilitating, converting, leasing, repairing, ground disturbance, or construction.

*For all Applications made to AHFA:*

If a Phase I ESA for a project either (a) identifies a Recognized Environmental Condition (which includes, but is not limited to, controlled recognized environmental conditions, historical recognized environmental conditions, etc., hereinafter collectively referred to as ("RECs")) and or (b) recommends additional testing, investigation or a Phase II Report be conducted, any and all Phase II Reports and Addendums that are prepared to address the RECs identified or additional testing recommendations must be included at the time of report submission. All reports must be submitted in color by a bound hard copy and also on a digital copy. AHFA may select and engage an environmental professional to review and comment on the Phase I ESA and/or Phase II Report submitted by the applicant, the cost for said review to be paid by the applicant upon notification. During the AHFA review process, any report(s) submitted for which AHFA (or AHFA's designated consultant) determines that the report materially fails to comply with AHFA written requirements, ASTM standards or applicable environmental standards will result in the termination of the related application.

All environmental issues identified (or that should have been identified) in the Phase I ESA and Phase II ESA reports must have been fully abated or mitigated (or provide a written remediation plan approved in writing by the Alabama Department of Environmental Management (ADEM)) in a manner that is protective of residential use and acceptable to AHFA in all respects before construction can begin.

AHFA will not consider any sites that are listed on or proposed to the National Priority List (NPL) or State equivalent (Superfund sites).

In accordance with AHFA requirements, the Phase I ESA must:

1. Comply in all respects with ASTM E1527-13 (the ASTM Standards) as to content and

adhere to AHFA's Non-Scope Requirements (Addendum B-1).

2. Be dated less than 6 months old at time of submittal.

3. Include a complete legal description (e.g., metes and bounds) of the site.

4. Be in the format shown in section X4 of the ASTM Standards (*A missing or incomplete*

*document fee will be charged if the proper format of the ASTM Standard is not followed*.)

5. Be completed and certified as to its accuracy, completeness and in conformance with the

ASTM Standards by an Environmental Professional as defined in X2 of the ASTM

Standard.

6. Include a statement that the report can be relied upon by AHFA.

## Addendum B-1

**AHFA Non-Scope Requirements**

1. The Phase I ESA must specifically state that the EP understands that the purpose of the

Phase I ESA is to ascertain whether the property is environmentally suitable for

construction/rehabilitation of multifamily residential housing and provide their professional

opinion and certification to that fact.

2. The EP must accept the responsibility for the Environmental Lien and Activity and Use

Limitation ("AUL") search as explained in section 6 of the ASTM Standards.

3. The Phase I ESA must address and discuss, at a minimum, the following issues in

connection with the proposed site: asbestos, lead based paint, mold, radon, wetlands, and

Polychlorinated biphenyls ("PCBs").

4. The EP must field-verify the distance to any facilities identified in any of the standard

environmental records searches.

5. If there is any potential for contamination to be present on the Property (regardless of on-site

or off-site sources of the contamination), recommendations for additional testing or

assessment must be included.

6. All local interviews will be conducted first in person, in unavailable then by phone, then via

written communication. In all cases the final report must contain the documentation of the

interviews and the interviewee's contact information (name, phone number).

7. The Report must include a site map which includes:

a. An area large enough to display the location of the site and adjacent properties

including existing streets.

b. Identification of environmental concerns where applicable, including potential

off-site sources or locations that have the potential to adversely impact the

property.

c. Boundaries of floodplains, wetlands and/or potential State waters on or adjacent to

the site.

8. The EP must locally check all Standard Historical Sources listed in section 8.3.4 of the

ASTM Standards.

9. Addendum B-2 (AHFA Environmental Review Statutory Checklist) & B-# (Environmental

Summary Page) must be completed and certified to as a part of the Phase I ESA and placed

in Section X4.8 as stated in the ASTM Standards.

10. The EP must obtain, from the applicant, a completed X3 User Questionnaire to include with

the Phase I ESA.

11. Any Phase II Reports that are recommended for purposes of addressing the RECs identified

in the Phase I ESA (or that should have been identified in the Phase I ESA Report but were

not) must be completed in accordance with E1903-11 and all ADEM standards for

Residential Use Properties.

12. If mitigation measures and/or remediation has been or is recommended to be performed,

include the Cleanup Work Plan and ADEM approvals for the same; a statement certifying

that the mitigation or remediation complies in all aspects with approved EPA or ADEM

guidelines and methods should also be included.

13. The EP must complete Addendum B-4 (The Letter of Reliance) and submit with the Report.

## Addendum B-2

**Environmental Review Statutory Checklist**

Project Name:

Project City:

Directions: Write "**A**" in the Status Column when the project, by its nature, does not affect the resources under consideration; OR write "**B**" if the project triggers formal compliance, consultation with the oversight agency, or requires mitigation.

|  |  |  |
| --- | --- | --- |
| Area of Statutory or Regulatory Compliance listed at 24 CFR 58.5 and 24 CFR 58.6 | **Status**  **A/B** | This section should contain a detailed written explanation. Refer to the "Instruction/Guidance for Completing Addendum B-2" and provide a thorough explanation based on supporting documentation(most Current version) issued or prepared by the appropriate party or source of information, regulatory agency, or certified by the Environmental Professional. |
| **HISTORIC PRESERVATION** |  |  |
| **FLOODPLAIN MANAGEMENT** |  |  |
| **WETLANDS PROTECTION** |  |  |
| **ENDANGERED SPECIES ACT** |  |  |
| **WILD AND SCENIC RIVERS ACT** |  |  |
| **CLEAN AIR ACT** |  |  |
| **FARMLANDS PROTECTION POLICY ACT** |  |  |
| **MANMADE HAZARDS**  EXPLOSIVE AND FLAMMABLE OPERATIONS |  |  |
| NOISE ABATEMENT AND CONTROL |  |  |
| AIRPORT CLEAR ZONES &  ACCIDENT POTENTIAL ZONES |  |  |
| TOXIC CHEMICALS & RADIOACTIVE  MATERIALS |  |  |
| **ENVIRONMENTAL JUSTICE** |  |  |
| **WATER QUALITY** |  |  |
| **FLOOD INSURANCE** |  |  |

Attach evidence of your findings.

Documentation must be credible, traceable & supportive of the environmental findings.

## Instructions/Guidance for Completing Addendum B-2:

These instructions and guidance are being provided as an initial starting point to address relevant environmental details regarding the project site. This guidance is not intended to be all-inclusive; each project site presents unique conditions and circumstances that are site-specific. Therefore, AHFA reserves the right to present any additional questions or require explanatory details and such responses must be fully supported by the appropriate documentation.

**Historic Preservation:**

Are there any buildings over 50 years old within 2 blocks of the site?

Will you drive past any to get to the site?

Are there any within line of site of the property?

Will proposed Apartments be of greater height than surrounding buildings?

Call local historical society and document the contact name, phone number and conversation.

Print Google map of site and map all historic properties that are close.

Review National Register database: www.nationalregisterofhistoricplaces.com.

**Floodplain Management:**

Is the project located in the 100 year floodplain (zones A or V) mapped by the Federal Emergency Management Agency (FEMA)?

Located in the 500 year floodplain (zone B)?

Is the project affected by local flooding?

Attach FEMA Flood Insurance Rate Map (Firmette). Provide the FIRM number.

In what flood zone is the property located?

**Wetlands Protection:**

Are any wetland characteristics (hydrophytic vegetation, hydric soils, wetland hydrology) observed on or adjacent to the site?

Any indications of a wetland delineation observed from the site?

Attach National Wetlands Inventory Map and any wetland delineation studies or assessment reports prepared for the project site.

**Endangered Species Act:**

Will any endangered species or their habitat be adversely affected by this project?

Attach endangered species list for the project's county from the U.S. Fish & Wildlife Service website. Document your visual finding for endangered species and their habitat.

http://www.fws.gov/daphne/es/specieslst.html

**Wild and Scenic Rivers Act:**

Document the distance to the Sipsey Fork River.

Will this project have an adverse effect on the river?

**Clean Air Act:**

Is project located in a Non-attainment area of the state?

www.epa.gov/airquality/greenbk/astate.html

**Farmlands Protection Policy Act:**

Is the project currently being farmed?

Property zoned for agricultural use?

Soil listed as prime or unique?

Attach web soil survey.

http://websoilsurvey.nrcs.usad.gov/app/

**Manmade Hazards:**

Explosive and Flammable Operations: Are there any above ground storage tanks containing 100 or more gallons of explosive or flammable liquid or gas within 1 mile of the site?

Are there any within line of site of the property?

Provide information on contents, size and distance from the site.

Has the acceptable separation distance been met for people as well as buildings?

http://portal.hud.gov/hudportal/HUD?src=/program\_offices/comm\_planning/environment/asd

calculator

Noise Abatement & Control:

Is there a civilian airport within 5 miles of the site?

Is there a military airport within 15 miles?

Is there a major road within 1000 feet of the site?

Is there a railroad track within 3000 feet?

Attach HUD noise calculator sheets. Acceptable outside noise level is below 65 DNL.

http://portal.hud.gov/hudportal/HUD?src=/program\_offices/comm\_planning/environment/dnl

calculatortool.

Airport Clear Zones & Accident Potential Zones:

Is the property site located within an ACZ or APZ?

Civilian clear zone is 2,500 feet (.47 miles) from the end of the runway.

(ACZ) Military clear zone is 15,000 feet (2.8 miles) from the end of the runway.

(APZ) Attach a Google Earth map indicating the site and airport.

Toxic Chemicals & Radioactive Materials:

Do previous uses of the site indicate the likelihood of contamination?

Is the site located within 3,000 feet of a solid, toxic or hazardous waste landfill?

Were any recognized environmental conditions (RECs) found?

Can people come into physical contact with the contaminants?

Can contaminants be ingested? From drinking water, food crops, etc.

Can people inhale the contaminants? From vapors, gases, dust, etc.

Will any RECs identified in the Phase I ESA recommend or require remediation or mitigation measures?

If so, please fully describe and provide documentation.

**Environmental Justice:**

Is the project site suitable for its proposed use?

Are there high or adverse health and environmental conditions that could affect the project because of its proposed location?

Are minority and low income persons being disproportionately affected in comparison to the rest of the population?

**Water Quality:**

Who is providing the project's drinking water supply?

Does their most recent report indicate any compliance issues?

**Flood Insurance:**

Is the project in a location requiring flood insurance?

Provide the current flood insurance declaration page.

## Addendum B-3

**Environmental Summary Page**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **REPORT INFORMATION** | | | | **PAGE #** |
| Project Name: | 1T | | | |
| Project City: | Click here to enter City Name | | | |
| ASTM E 1527-13: Yes □ No □ | | Enter report date here | AHFA Reliance:  Yes □ No □ | page # |
| "Suitability for Residential Use" statement included? Yes □ No □ | | | | page # |
| Local Interviews included? Yes □ No □ | | | | page # |
| Site Map included? Yes □ No □ | | | | page # |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SITE INFORMATION** | | | **DESCRIPTION/DOCUMENTATION** | | **PAGE #** |
| Developed □ Undeveloped □  (provide age if developed) | | | Click here to enter site description. | | page # |
| Listed on NPL or  State Equivalent? Yes □ No □ | | | Click here to enter text. | | page # |
| Delisted NPL (1 mile) Yes □ No □ | | | Click here to enter text. | | page # |
| Site Acreage: | | | Click here to enter text. | | page # |
| Site Elevation: | | | Click here to enter text. | | page # |
| Site Slope: | | | Click here to enter text. | | page # |
| Water on Site: Yes □ No □ | | | Click here to enter text. | | page # |
| Surface Water Flow Direction: | | | Click here to enter text. | | page # |
| Groundwater Flow Direction: | | | Click here to enter text. | | page # |
| Flood Insurance Rate Map: | | | Click here to enter text. | | page # |
| Flood Zone: | | | Click here to enter text. | | page # |
| Recognized Environmental Conditions  (RECs) identified? Yes □ No □ | | | Click here to enter text. | | page # |
| Contamination  (known or suspect): Yes □ No □ | | | Click here to enter text. | | page # |
| Recommendations  Included: Yes □ No □ | | | Click here to enter text. | | page # |
| Mitigation or Remediation measures  Recommended? Yes □ No □ | | | Click here to enter text. | | page # |
| Current or Pending VCP: Yes □ No □ | | | Click here to enter text. | | page # |
| Radon Zone: | | | Click here to enter text. | | page # |
| ACM (every structure): Yes □ No □ | | | Click here to enter text. | | page # |
| Friable ACM: Yes □ No □ | | | Click here to enter text. | | page # |
| LBP (pre- 1978): Yes □ No □ | | | Click here to enter text. | | page # |
| ASTs (within 1 mile): Yes □ No □ | | | Click here to enter text. | | page # |
| Acceptable (AST)  Separation Distance: Yes □ No □ | | | Click here to enter text. | | page # |
| USTs (on site): Yes □ No □ | | | Click here to enter text. | | page # |
| Are USTs Trust Fund Eligible?  Yes □ No □ | | | Click here to enter text. | | page # |
| Wetlands: Yes □ No □ | | | Click here to enter text. | | page # |
| Endangered Species: Yes □ No □ | | | Click here to enter text. | | page # |
| Noise: Yes □ No □ | | | Click here to enter text. | | page # |
| ENV Lien: Yes □ No □ | | | Click here to enter text. | | page # |
| Database Search: Yes □ No □ | | | Click here to enter text. | | page # |
| **OFF-SITE INFORMATION** | | | **DESCRIPTION/DOCUMENTATION** | | **PAGE #** |
| Adjacent Land Use: | North  South  East  West | Click here to enter text.  Click here to enter text.  Click here to enter text.  Click here to enter text. | | page #  page #  page #  page # | |
| Adjacent Water: Yes □ No □ | | | Click here to enter text. | | page # |
| Adjacent Wetland: Yes □ No □ | | | Click here to enter text. | | page # |
| Adjacent Contamination:  (known or suspect) Yes □ No □ | | | Click here to enter text. | | page # |
| USTs (within 0.5 mile):  Yes □ No □ | | | Click here to enter text. | | page # |
| Leaking USTs (within 0.5 mile):  Yes □ No □ | | | Click here to enter text. | | page # |
| RCRA regulated: Yes □ No □ | | | Click here to enter text. | | page # |

## Addendum B-4

**Letter of Reliance**

Click here to enter a date.

Alabama Housing Finance Authority

7460 Halcyon Pointe Drive, Suite 200

Montgomery, AL 36117

RE: Phase I ESA for: Development Name

Development Name

Development Name

Please find enclosed the Phase I Environmental Site Assessment (ESA) for the subject property dated

Click here to enter a date. to the Alabama Housing Finance Authority (AHFA).

It is my understanding that the information contained in the ESA will be used by AHFA in considering proposed financing of residential development/rehabilitation of the property and, therefore, AHFA may rely upon the ESA as if it were originally issued to AHFA.

I **certify** that the attached is a true, correct and complete copy of the ESA and that the report represents my professional opinion of the site as of this date. I also confirm the evaluation, recommendations and conclusions contained in the ESA as of this date and that the EDSA has been performed in conformance with the scope and limitations of **both** the ASTM Designation: E1527-13, and AHFA's 2015 Environmental Policy.

Sincerely,

Environmental Professional Name

Environmental Professional Company Name

## Addendum C

**Alabama Housing Finance Authority’s**

**2015 Design Quality Standards**

**(For Attached New Construction Rental Units)**

**The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more units.**

**Any deviations from these standards must have the written approval of AHFA prior to submitting an application for funding. The request for approval, with all supporting documentation, must be submitted to AHFA at least thirty (30) days prior to submitting an application for funding. Once the project begins construction and through the end of construction of project, any deviation must have written approval before any work commences or any deviation is made on the construction site. Any deviation requested and approved will be charged the appropriate fee as stated in AHFA’s then applicable Housing Credit Qualified Allocation Plan and/or HOME Action Plan.**

**All projects must be designed and constructed in accordance with the applicable requirements of the 2010 Americans with Disabilities Act, Section 504 of the Rehabilitation Act, Fair Housing Act, state and local disaster mitigation standards, 2009 or 2012 International Building Code-International Residential Code and any more restrictive local building code requirements.**

1. **Site Selection Criteria:**
   1. HOME proposed sites containing property within a 100-year flood plain and/or wetlands are not permitted.
   2. Sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices. The following counties are located in Radon Zone -1: Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega. For the most current radon information see: [*www.aces.edu.*](http://www.aces.edu/)
   3. All new construction developments must submit a complete site specific soils report, not more than one year old at the time of submission of final plans and specifications, bound within the project specifications. The soils report must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered professional engineer or a certified testing agency with a current license to practice in the State of Alabama must prepare the report.
   4. Sites located outside municipal city limits:
      1. A proposed new construction site may be located outside a municipality’s city limit, but must be within the local police or sheriff jurisdiction.
      2. A proposed site that is located in the police jurisdiction of a local municipality must comply with applicable zoning restrictions as if located within that municipality’s city limit.
      3. Domestic water and fire water service must be provided to the development by the local utility service provider.

## Building Design Criteria

* 1. Maximum Building Standards:
     1. The square footage of the Project’s clubhouse/community building may exceed 3,000 square feet heated and cooled (inclusive of the office area, community laundry, community meeting room, restrooms, kitchens, etc.)(any square footage over this amount will not be included in the eligible basis used to calculate the Housing Credit) and be ADA accessible.
     2. All 100% Elderly projects must be one-story structures. Exception: Projects may have more than one story, provided elevators are to be installed to service all upper level apartments. Design exceptions, or deviations, must be reviewed by AHFA on an individual basis.

## Minimum Building Standards:

* + 1. Minimum Apartment Unit Net Area Requirements:

Net area is measured from the **interior finished face** of the exterior wall to the **interior finished face** of the common or tenant separation wall.

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

Minimum Unit Min. Bedroom

Unit Type Number of Bathrooms Net Area\* Net Area

1 Bedroom 1 725 s.f. 120 s.f.

2 Bedroom 1 900 s.f. 120 s.f.

2 Bedroom 1.5 925 s.f. 120 s.f.

2 Bedroom 2 975 s.f. 120 s.f.

3 Bedroom 2 1,200 s.f. 120 s.f.

4 Bedroom 2 1,455 s.f. 120 s.f.

*\*****Note 1****: Net unit areas do not include outside storage, covered porches, patios, balconies, etc.*

* + 1. Exceptions to the minimum area requirements:

Single-Room Occupancy (“SRO”) projects; and

* + 1. All units must include an exterior storage closet with a minimum area of sixteen (16) square feet. Developments designed with all interior unit access must provide the additional required exterior storage for each unit in the interior of the building(s). It may be located inside the unit, on the tenants’ floor, or in a common area. All exterior and interior storage must be lockable.
    2. Exterior Building Standards:
       1. Exterior Finishing Materials:
          1. Exterior building coverings: For new construction, very low maintenance materials are required. Acceptable materials include:

Brick;

High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable;

Cementitious siding and trim material; or

Engineered composite siding and trim material.

All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick, decorative block or cultured stone must be used as an apron material.

* + - * 1. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
        2. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
        3. Materials for entry doors are to be metal-clad wood, fiberglass, or hollow metal construction. “Peepholes” and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have “thumb latch” on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
        4. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
        5. Roof gable vents must be made of aluminum or vinyl materials.
        6. All attics shall be vented.
        7. All primary entries must be within a breezeway or have a minimum roof covering of 3-feet deep by 5-feet wide, and must be designed to divert water away from the entry door. Entry pads measuring 4 feet by 4 feet and made of impervious material with a minimum slope of 1/4 inch per foot are required at each exterior entry.
        8. All breezeways must be constructed of concrete floor/decking material.
        9. Exterior shutters are required on all 100% Brick or vinyl siding buildings.
        10. Stairway components, such as stringers, treads, and risers must be constructed from steel or concrete. All project steps must include a kick plate in between each step beginning at the first step nearest to the ground and ending at the nearest step at the balcony or landing. Handrails and pickets must be constructed from steel or aluminum.
        11. Patio and porch/balcony components used as part of the building must have concrete slabs or decks and must be constructed so that no wood is exposed. Concealment must be with materials such as aluminum, vinyl, cementitious materials trim or engineered composite trim. Structural wood columns must be at a minimum 6” x 6” pressure treated columns concealed as noted above or properly sized columns of fiberglass, high density urethane or aluminum. Decorative rails and/or guard rail systems used at porches and patios must be code compliant systems of vinyl, fiberglass steel or aluminum. Wooden support posts must be installed to prevent degradation (rotting) to ends of posts and to provide for structural and anchoring of post to slab. Wood railings are not allowed.
      1. Other Exterior Standards:
         1. Adequate exterior lighting is required in all covered exterior breezeways/walkways. Exterior lighting fixtures are required at all entry doors. The fixtures must be controlled from the interior of the unit.
         2. Address numbers are to be clearly visible.
         3. One and one-half parking spaces per living unit required for family units, one space per unit for elderly units, two parking spaces for single family homes, and two parking spaces for each duplex, unless local code dictates otherwise, and no designated street parking allowed.
         4. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
         5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable municipal landscape ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. Landscaping around and between the buildings is allowed. At a minimum, provide one 2” caliper tree per unit and Six 1 gallon shrubs per unit.
         6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. (Valley curbs are not allowed)
         7. Sidewalk access to all parking spaces must be provided. Where the accessible route on the site crosses a vehicular roadway, crosswalk lines are required. They shall not be less than 6 inches or greater than 24 inches in width.
         8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project’s sign may require the project’s name and Fair Housing logo on both sides of the sign.
         9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants.
         10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
         11. All parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a geotechnical engineer.
         12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, clubhouse/community building and amenities must be connected to the dwelling units by a sidewalk or walkway.
         13. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by the Fair Housing Guidelines. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table and bench seating.
         14. No above ground propane tanks allowed on the site.
         15. All utilities located on site must be underground.
         16. Storm Water retention basins must include fencing around the entire perimeter and a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.
    1. Interior Building and Space Standards:
       1. Wall Framing:
          1. Walls may be framed using metal studs in lieu of wood.
          2. Sound proofing or sound batt insulation is required between the stud framing in tenant separation walls. A sound rating of Sound Transmission Class (STC) 54 is required.
          3. Sound proofing between floors is required to achieve a rating of (STC) of not less than 50 and an Impact Insulation Class (IIC) of not less than 50.
       2. Insulation Requirements:
          1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
          2. Roof or attic insulation must have an R-38 minimum.
          3. Vapor retarders must be installed if recommended by project architect.
       3. Kitchen spaces:
          1. A minimum 6 1/2-inch deep double bowl stainless steel sinks are required in each unit.
          2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
          3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets must meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets must bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
          4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1’6” x 1’6” deep with a minimum five shelves, located in or adjacent to the kitchen.
          5. A 4 foot long fluorescent light fixture is required.
          6. All appliances must be Energy Star rated.
          7. A grease shield is required behind ranges on the wall.
          8. A microwave oven must be provided in each unit.
          9. The refrigerator must contain an ice maker.
          10. A dishwasher must be provided in each unit.
       4. Bathroom Spaces:
          1. Tub/shower units must have minimum dimensions of 30-inch width by 60- inch length and be equipped with anti-scald valves. All tubs in designated handicap accessible units must come complete with “factory-installed grab bars” where the tub surrounds are reinforced fiberglass. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble, solid wood blocking must be installed.
          2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines. At a handicap accessible unit the water closet must be centered 18” from the adjacent wall. At a Fair Housing unit the water closet must be centered 18” minimum to a fixture or wall opposite the direction of approach.
          3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6’-0” above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14” x 24”.
          4. Vanity cabinets with drawers and a medicine cabinet must be provided in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.
       5. Hallways must have a minimum clear width of 36 inches.
       6. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum width of 34 inches. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.
       7. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom.
       8. Window treatments are required for all windows.
       9. Sliding glass doors are prohibited.
       10. Floor Finishes:
           1. Carpet materials must meet FHA minimum standards.
           2. Resilient flooring materials must meet FHA minimum standards.
       11. A minimum of two hard-wired with battery back-up smoke detectors are required per unit. Townhomes must have a minimum of one smoke detector upstairs.
       12. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.

m. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.

* + 1. Plumbing and Mechanical Equipment:
       1. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharge must meet applicable building code requirements.
       2. Through-wall HVAC units are not permitted in residential units except in efficiency units.
       3. CPVC supply piping is not allowed for interior space in-wall or overhead services.
       4. HVAC units and water heaters are not permitted in attic spaces. HVAC units must be installed in Mechanical Closets with insulated walls located within the living unit. Water heaters are to be located within the living unit.
       5. HVAC refrigeration lines must be insulated.
       6. HVAC 14 SEER or greater must be used.
       7. All units must contain washer and dryer connections.
  1. Modular Construction:
     1. Modular units are to be constructed in component sections and assembled by a manufacturer in a controlled environment. The component sections are to be assembled on a conventional permanent foundation at the project site. Finish work is to be completed on site.
     2. Modular units must be constructed to meet applicable building codes, AHFA’s specifications and Design Quality Standards stated herein.
     3. A modular home manufacturer’s warranty must be provided.

## Drawing Submission Criteria:

The following documents must be prepared by a registered architect, surveyor, or engineer licensed to practice in the State of Alabama.

## Site Plan: The following items must be shown.

* 1. Scale: 1 inch = 40 feet or larger for typical units.
  2. North arrow.
  3. Locations of existing buildings, utilities, roadways, parking areas if applicable.
  4. Existing site/zoning restrictions including setbacks, rights of ways, boundary lines, wetlands, and flood plain.
  5. All proposed changes and proposed buildings, parking, utilities, and landscaping.
  6. Existing and proposed topography of site.
  7. Finished floor height elevations and all new paving dimensions and elevations.
  8. Identification of all specialty apartment units, including, but not limited to, designated handicapped accessible and sensory impaired apartment units.
  9. Provide an accessible route site plan with applicable details.

## Floor Plans:

* 1. Scale: 1/4 inch = 1 foot or larger for typical units.
  2. Show room/space layout, identifying each room/space with name and indicate finished space size of all rooms on unit plans.
  3. Indicate the total gross square foot size, and the net square foot size for each typical unit.

For projects involving removal of asbestos and/or lead paint, identify location and procedures for removal.

## Elevations and sections:

* 1. Scale: 1/8 inch = 1 foot or larger.
  2. Identify all materials to be used on building exteriors and foundations.

## Title Sheet:

Indicate Building Codes that are applicable for the project.

## Addendum D

**Alabama Housing Finance Authority’s**

**2015 Design Quality Standards**

**(For Single-Family Rental Homes)**

**The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more units and consist of single-family. All single-family homes must be new construction.**

**Any deviations from these standards must have the written approval of AHFA prior to submitting an application for funding. The request for approval, with all supporting documentation, must be submitted to AHFA at least thirty (30) days prior to submitting an application for funding. Once the project begins construction and through the end of construction of project, any deviation must have written approval before any work commences or any deviation is made on the construction site. Any deviation requested and approved will be charged the appropriate fee as stated in AHFA’s then applicable Housing Credit Qualified Allocation Plan and/or HOME Action Plan.**

**All projects must be designed and constructed in accordance with the applicable requirements of the 2010 Americans with Disabilities Act, Section 504 of the Rehabilitation Act, Fair Housing Act, state and local disaster mitigation standards, 2009 or 2012 International Building Code-International Residential Code and any more restrictive local building code requirements.**

1. **Site Selection Criteria:**
   1. HOME proposed sites containing property within a 100-year flood plain and/or wetlands are not permitted.
   2. Sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices. The following counties are located in Radon Zone -1: Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega. For the most current radon information see: [*www.aces.edu.*](http://www.aces.edu/)
   3. All developments must submit a complete site specific soils report, not more than one year old at the time of submission of final plans and specifications, bound within the project specifications. The soils report must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring for every two (2) single family buildings and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered professional engineer or a certified testing agency with a current license to practice in the State of Alabama must prepare the report.
   4. Sites located outside municipal city limits:
      1. A proposed new construction site may be located outside a municipality’s city limit, but must be within the local police or sheriff jurisdiction.
      2. A proposed site that is located in the police jurisdiction of a local municipality must comply with applicable zoning restrictions as if located within that municipality’s city limit.
      3. Domestic water and fire water service must be provided to the development by the local utility service provider.

## Building Design Criteria

* 1. Maximum Building Standards:

1 The square footage of the Project’s clubhouse/community building may exceed 3,000 square feet heated and cooled (inclusive of the office area, community laundry, community meeting room, mechanical room, restrooms, kitchens, etc.)(any square footage over this amount will not be included in the eligible basis used to calculate the Housing Credit) and be ADA accessible.

2. All 100% Elderly projects must be one-story structures.

## Minimum Building Standards:

* + 1. Minimum Unit Net Area Requirements:

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Number of** | **Minimum Unit** | **Minimum Bedroom** |
| **Unit Type**  3 Bedroom | **Bathrooms**  2 | **Net Area\***  1,200 s. f. | **Net Area\***  120 s. f. |
| 4 Bedroom | 2 | 1,455 s. f. | 120 s. f. |

*\*****Note 1****: Unit areas do not include outside storage, covered porches, patios, balconies, etc.*

* + 1. All units must include an exterior storage closet with a minimum area of sixteen (16) square feet.
    2. All single-family rental homes must have a minimum of thirty (30) feet of building facing the front street. This thirty (30) feet must be the sum of all front-facing dimensions adjacent to conditioned space and can include the “common” wall which is part of a front- facing garage as long as this wall is front-facing and conditioned on one side.
    3. All single-family rental homes must have a minimum of thirty (30) feet front yard building set-back from the curb. Each home must have a minimum of ten (10) foot side yards. (Minimum width of lot shall be fifty (50) feet.) Both lot width and side yard setbacks can be modified with the following exception: A ten (10) foot side yard setback on one lot side and a “zero lot line” setback on the other (thus, a forty (40) foot minimum lot width) will be allowed with a front-facing garage.
    4. All single-family rental homes must have a minimum of three (3) different front and rear elevation designs. No identical front elevations may be built next to each other.
    5. All single-family rental homes must have a minimum of three (3) different color schemes.
    6. Exterior Building Standards:
       1. Exterior Finishing Materials:
          1. Exterior building coverings: Very low maintenance materials are required. Acceptable materials include:

Brick;

High quality vinyl siding with a minimum thickness of .044 and a lifetime non prorated limited warranty (50 year) transferable;

Cementitious siding and trim material; or

Engineered composite siding and trim material.

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All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick decorative block or cultured stone must be used as an apron material.

* + - * 1. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
        2. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
        3. Materials for entry doors are to be metal-clad wood, fiberglass, or hollow metal construction. “Peepholes” and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have “thumb latch” on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
        4. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
        5. Roof gable vents must be made of aluminum or vinyl materials. All roof penetrations must be located on the rear most section of the roofline.
        6. All attics must be vented.
        7. Exterior shutters are required on all single-family homes.
        8. Units where a conventional wood frame foundation system is used, a non-wood “maintenance-free” composite decking material may be used at porches above a pressure treated wood framing system.
      1. Other Exterior Standards:
         1. Exterior lighting is required at entry doors.
         2. Address numbers are to be clearly visible.
         3. Two parking spaces for each home.
         4. Metal flashing or 20 mil polyethylene when used in conjunction with self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
         5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. All rental units must have minimum of two (2) trees per unit and twelve (12) 1 gallon shrubs per unit.
         6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. Six (6) inch raised curbs and gutter design is required. No valley curbs allowed.
         7. Sidewalk access to the front door and the driveway must be provided.
         8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project’s sign may require the project’s name and Fair Housing logo on both sides of the sign.
         9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants. Individual trash receptacle at each home may be provided instead of a single trash dumpster.
         10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
         11. All community parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a geotechnical engineer.
         12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, community building and amenities must be connected to the dwelling units by a sidewalk or walkway on one side of the street throughout the development.
         13. All driveways must be concrete.
         14. Mailboxes, playground and all exterior project amenities must be ADA accessible. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table and bench seating.
         15. No above ground propane tanks allowed on the site.
         16. All onsite utilities must be underground.
         17. Storm Water retention basins must include fencing around the entire perimeter and a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.
    1. Interior Building and Space Standards:
       1. Wall Framing:

Walls may be framed using metal studs in lieu of wood.

* + - 1. Insulation Requirements:
         1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
         2. Roof or attic insulation must have an R-38 minimum.
         3. Vapor retarders must be installed if recommended by project architect.
      2. Kitchen spaces:
         1. 6 1/2-inch deep double bowl stainless steel sinks are required in each unit.
         2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
         3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
         4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1’6” x 1’6” deep with a minimum five shelves, located in or adjacent to the kitchen.
         5. A 4 foot fluorescent light fixture is required.
         6. All appliances must be Energy Star rated.
         7. A grease shield is required behind ranges on the wall.
         8. A microwave oven must be provided in each unit.
         9. The refrigerator must contain an ice maker.
         10. A dishwasher must be provided in each unit
      3. Bathroom Spaces:
         1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. All tubs in designated handicap accessible units must come complete with “factory-installed grab bars” where the tub surrounds are reinforced fiberglass. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble, solid wood blocking must be installed.
         2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines. At a handicap accessible unit the water closet must be centered 18” from the adjacent wall. At a Fair Housing unit the water closet must be centered 18” minimum to a fixture or wall opposite the direction of approach.
         3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6’-0” above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14” x 24”.
         4. Vanity cabinets with drawer and a medicine cabinet must be provided in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.
      4. Hallways must have a minimum clear width of 36 inches.
      5. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum width of 34 inches. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.
      6. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom
      7. Window treatments are required for all windows.
      8. Sliding glass doors and bi-fold doors are prohibited.
      9. Floor Finishes:
         1. Carpet materials must meet FHA minimum standards.
         2. Resilient flooring materials must meet FHA minimum standards.
      10. A minimum of two hard-wired with battery back-up smoke detectors is required per unit.
      11. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.
    1. Plumbing and Mechanical Equipment:
       1. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharges must be direct to exterior of building and elbow down to 6” above finish grade.
       2. Through-wall HVAC units are not permitted in single-family homes.
       3. CPVC supply piping is not allowed for interior space in-wall or overhead services.
       4. HVAC refrigeration lines must be insulated.
       5. HVAC 14 seer or greater must be used. HVAC equipment must be placed so that their operation does not interfere with the comfort of the adjacent dwellings.
       6. All units must contain washer and dryer connections.

## Modular Construction:

* + 1. Modular units are to be constructed in component sections and assembled by a manufacturer in a controlled environment. The component sections are to be assembled on a conventional permanent foundation at the project site. Finish work is to be completed on site.
    2. Modular units must be constructed to meet applicable building codes, AHFA’s specifications and Design Quality Standards stated herein.
    3. A modular home manufacturer’s warranty must be provided.

## Drawing Submission Criteria:

The following documents must be prepared by a registered architect, surveyor, or engineer licensed to practice in the State of Alabama.

## Site Plan: The following items must be shown.

* + 1. Scale: 1 inch = 40 feet or larger for typical units.
    2. North arrow.
    3. Locations of existing buildings, utilities, roadways, parking areas if applicable.
    4. Existing site/zoning restrictions including setbacks, rights of ways, boundary lines, wetlands, and flood plain.
    5. All proposed changes and proposed buildings, parking, utilities, and landscaping.
    6. Existing and proposed topography of site.
    7. Finished floor height elevations and all new paving dimensions and elevations.
    8. Identification of all specialty apartment units, including, but not limited to, designated handicapped accessible and sensory impaired apartment units.
    9. Provide an accessible route site plan with applicable details.

## Floor Plans:

* + 1. Scale: 1/4 inch = 1 foot or larger for typical units.
    2. Show room/space layout, identifying each room/space with name and indicate finished space size of all rooms on unit plans.
    3. Indicate the total gross square foot size and the net square foot size for each typical unit.

## Elevations and sections:

* + 1. Scale: 1/8 inch = 1 foot or larger.
    2. Identify all materials to be used on building exteriors and foundations.

## Title Sheet:

Indicate Building Codes that are applicable for the project.

## Addendum E

**HOME**

**HOME Action Plan For 2015 Funds**

**Compliance Monitoring Procedures, Requirements and Penalty Criteria**

As referenced in Section VII (“Compliance”) of the HOME Action Plan for 2015 funds (“HOME Action Plan”), the AHFA Compliance department will conduct monitoring procedures and requirements to ensure owner and project are in compliance with the HOME Regulations. These compliance monitoring procedures apply to all buildings placed in service in Alabama, which have received an allocation of HOME funds from AHFA. A complete outline of AHFA’s compliance requirements is located in AHFA Compliance Manual available at [*www.ahfa.com*.](http://www.ahfa.com/)

## Compliance Monitoring Procedures and Requirements:

1. AHFA will verify that each owner of a HOME project is maintaining records for each qualified HOME building in the project. These records must show, for each year in the affordability period, the information required by the record-keeping provisions contained in the HOME Regulations, incorporated herein by reference.
2. AHFA will verify that the records documenting compliance with the HOME Regulations for each year as described in Paragraph A above are retained for the entire affordability period.
3. By April 1st of each year, AHFA must receive from the owner of each HOME funded project combined with Housing Credits or each HOME only funded project, the applicable Annual Owner's Certification (AOC), under penalty of perjury, as provided in Section 1.42-5(c)(1) of the Treasury Regulations. The AOC package will include the signed Owner Certification and rent roll as of December 31st of the previous year. Each owner must also enter all required tenant data into the AHFA Online Data Management System (AHFA DMS) by April 1st of each year. The required tenant data must be for all tenant events including all move-in and move-out occurrences, income recertification, and transfer of tenants through the previous year ended December 31st. Penalty points as described in Section II(A) of Addendum E will be applied if an owner fails to provide an AOC package by April 1st of each year. Continued failure to submit the AOC package to AHFA within thirty (30) days after written notification of non-receipt by AHFA will result in a fee as referenced in Section I(D)(15) of the HOME Action Plan.
4. By April 1st of each year, the owner or owner's management company must also submit an updated Capital Maintenance Plan (CMP) to AHFA. Each CMP must be completed in the manner as defined specified by AHFA per the following requirements:

During the term of each HOME Loan, the owner must maintain a written C<

MP for each project that complies with 24 CFR Section 92.251. This documentation will be submitted to AHFA annually and must be available for AHFA review at any time, upon request. At a minimum, and without limiting the foregoing, the CMP must include the following components:

1. Annual Physical Needs Summary: This summary shall provide an estimate of all the planned and anticipated repairs, replacements, and significant deferred and other maintenance items that will need to be addressed within the next 12 months. It should take into consideration anticipated unit turn-over, physical assessment of grounds/amenities/common areas, and any deferred maintenance items (including reason for deferment). Funding sources for this work must be identified. This summary serves as the short-term action plan for the property management and as a reporting tool for AHFA and the owner. Documentation of repairs (e.g. receipts, before/after photos, completed work orders, etc.) must be maintained through the course of the year. Any additional repairs, replacements, or maintenance completed during the course of the year should also be documented. In addition to the current summary, a copy of the previous year's summary must be provided to AHFA. The previous year's summary must include all repair, replacement, or maintenance performed with the funding source identified or current status of outstanding items with planned remedy, estimated timeline for completion, and funding source identified.

2. Long-Term Physical Needs Summary: This summary shall provide an estimate of the repairs and replacement items beyond the first year which are required to maintain the development's physical integrity over the term of the HOME Loan. Items to be addressed include major structural systems (e.g. stairs, balconies, pavements, sidewalks, etc.) and interior components (e.g. appliances, flooring, lighting/plumbing fixtures, etc.) which, based on the expected useful life (EUL), require replacement during this period. Prior to the Loan closing, the owner shall present to AHFA, for review and approval, a sample version of the capital maintenance tracking system intended for use over the term of the HOME Loan. This maintenance tracking system should be continually updated by management and should address units during turn over as well as units occupied by long-term tenants. Sources of funding for the planned replacements must be identified.

3. Analysis of Reserves for Replacement: This analysis will provide an estimate of the initial and monthly deposit to the Replacement Reserve Account needed to fund the development's long-term physical needs during the term of the HOME Loan. This plan will account for inflation, the existing Replacement Reserve balance, and the Expected Useful Life (EUL) of major building systems. This analysis should include the costs of twelve (12) month annual physical needs, but not any work items that would be considered an operating expense.

1. AHFA will inspect each active HOME project on an annual basis. AHFA will also review the income certification, the documentation the owner has received to support that certification and the rent records in those projects for at least twenty-five percent (25%) of the HOME units. AHFA will also conduct a physical inspection of at least twenty percent (20%) of the HOME units in each project selected for tenant file review. Additional household files and/or units may be inspected up to one hundred percent (100%) if deemed necessary by AHFA's compliance team.
2. The owner must allow AHFA or its designated representative to perform additional on-site inspections of any HOME building in a project through the end of the affordability period. These additional inspections are separate from any review of tenant files or units under Paragraph E. Inspections performed outside of Paragraph E will be at the expense of the owner. Each unit or building inspection will be performed using the Uniform Physical Condition Standards (UPCS) guidelines established by HUD. The UPCS standards and related definitions provided by HUD (http://www.hud.gov/offices/reac/pdf/pass\_dict2.3.pdf) provide guidance for at least five hundred twenty (520) compliance protocols.
3. AHFA will promptly notify the owner in writing if AHFA does not receive the AOC, or is not permitted to inspect and review as described in Paragraphs E and F, or otherwise discovers that the project does not comply with the HOME Regulations. In such event, the owner will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.
4. AHFA may notify HUD of an owner’s noncompliance or failure to certify no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period, whether or not the noncompliance or failure to certify is corrected.
5. During the affordability period, the owner will furnish to AHFA, within sixty (60) days of the close of each fiscal year, a consolidated statement of financial position, an income and expense statement, and a rent roll of the project for that fiscal year. These items are to be certified by the owner.
6. Compliance with requirements of the HOME Regulations is the responsibility of the owner of the building for which HOME funds are loaned or granted. AHFA’s obligation to monitor for compliance with the requirements of the HOME Regulations does not make AHFA or the State of Alabama liable to any owner or to any shareholder, officer, director, partner, member or manager of any owner or of any entity comprising any owner for an owner’s non-compliance therewith.
7. It is the policy of AHFA to immediately report to the appropriate federal department and the cognizant inspector general of such department any indication of fraud, waste, abuse, or potentially criminal activity pertaining to federal funds.

## Penalty Scoring, Fees for Non-Compliance, and Suspension Criteria

Consistent with the monitoring procedures and requirements as described above, AHFA will assess automatic point deductions to each owner and management company based on the twenty-six (26) items defined in Section II.(E) herein. According to the UPCS standards and related definitions provided by HUD (http://www.hud.gov/offices/reac/pdf/pass\_dict2.3.pdf), there are at least five hundred and twenty (520) items that can be subject to compliance penalty point deductions, and the items that AHFA has identified in this Addendum as automatic point deductions were selected from the list of penalty point deduction items listed in the UPCS standards. AHFA expects, at minimum, that each owner and management company will develop a routine inspection protocol to ensure the items defined in Section II.(E) are regularly inspected by their respective staff on an ongoing basis. The automatic point deduction categories address health and safety concerns, sanitary nature and habitable living conditions of each unit and project, and AHFA standards for minimal record-keeping practices. Since AHFA will generally provide up to a seven (7) day notice with regard to scheduling compliance inspections, no cure period will be allowed for items defined under Section II.(E). All penalty points will be assessed to both the owner and the management company for the current cycle as follows:

1. One (1) penalty point will be deducted for each project for which the owner does not submit the correct and complete AOC form to the AHFA’s Compliance Department by April 1st of each year. Please be aware the AOC must be completed using the AHFA DMS. Failure to submit the AOC to AHFA within thirty (30) days after written notification of non-receipt will result in a fee as referenced in Section I.(D)(15) of the HOME Action Plan.
2. AHFA will review all results of third party inspection reports it receives from any local, state, federal or financial entity or institution with an interest in the project which contains noncompliance issues as defined in the HOME Action Plan. AHFA will apply applicable point deductions for items of noncompliance found in any third party report in accordance with Section II.(E) of this Addendum.
3. Two additional penalty points will be assessed per occurrence to each owner for each project with uncorrected noncompliance issues from the project's most recent AHFA audit.
4. AHFA will suspend or permanently ban any owner from applying for funding or any management company from participating in an application according to the following criteria:

a. If an owner or management company is assessed a minimum cumulative total of twenty (20) penalty points or more for all AHFA projects audited and/or inspected as of December 31st, the owner will be suspended from applying for any AHFA funded multifamily program for the current plan year's application cycle.

b. If an owner or management company is assessed a minimum cumulative total of twenty (20) penalty points or more for five (5) consecutive application cycles, the owner or management company will be permanently banned from applying for any AHFA funded multifamily programs.

1. The following point deductions discussed in Subsections a, b, and c below are not intended to supplant or usurp applicable local or other building codes. Penalty points will be deducted if the owner or management company's approved and/or active projects are deemed by AHFA not to be in compliance with the applicable guidelines and regulations for any of the following: Section 42 of the Internal Revenue Code, the HOME program, AHFA Housing Credit Qualification Allocation Plan (QAP) and HOME Action Plan, the Tax Credit Assistance Program (TCAP) or the Exchange Program. Point deductions will be based on AHFA's QAP and HOME Action Plan for the applicable year and will cover audits and inspections conducted May 1st through December 31st of the year preceeding the current HOME Action Plan Year. If an applicant has not had at least one AHFA-funded property audited and inspected during the applicable period, AHFA will perform an audit of an existing property owned by the applicant during the application cycle in accordance with AHFA's established policies and practices for onsite audits, and applicable point deductions for non-compliance, if any, will be determined based upon this audit. Points will be assessed to the owner or management company of record at the time of inspection unless ownership or management company changes have occurred within the last six (6) months. Point deductions for the HOME Action Plan will be based on the following methodology:

a. Health and Safety Deficiencies- Two (2) penalty points per occurrence (or collectively per project audited if the same deficiency) will be assessed for the health and safety deficiencies, if cited as a finding at the time of inspection by AHFA (its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general written summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at the time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, four (4) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The health and safety deficiencies that will result in automatic penalty point deductions are as follows (the “Health and Safety Deficiencies”):*

* + - 1. Missing, non-charged or empty fire extinguishers (for properties funded under the 1999 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
      2. Missing or non-working smoke detectors for more than twenty-five percent (25%) of the units inspected. A missing or non-working smoke detector is defined as not having at least one operable smoke detector per floor for each apartment unit inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
      3. Missing fire canisters above the cooktop surface or temperature limiting plates on the cooktop surface (applies to properties funded under the 2013 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
      4. Exposed electrical wiring or electrical hazards including, but not limited to, missing, damaged or improperly installed cover plates or wire guards which leave connections exposed.
      5. Insect infestation (based on visible presence, damage or reports), including, but not limited to, owner’s failure to notify AHFA of any bed-bug infestation.
      6. Mold or mildew caused by improper or damaged plumbing in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
      7. Severe damage to sidewalks or parking lots including, but not limited to, tripping hazards.
      8. Missing, broken or loose handrails or steps.
      9. Two (2) additional penalty points will be deducted if the same point deduction items listed above (except for items vii and viii) are found in more than fifty percent (50%) of the total units inspected.

b. Unit Deficiencies- One (1) penalty point per occurrence (or collectively per

project audited if the same deficiency) will be assessed for each of the units

inspected for any of the deficiencies listed below, if cited as a finding at the time

of inspection by AHFA (or its designated representative or other third party). At

the conclusion of the onsite visit, AHFA will provide a general verbal summary of

the deficiencies identified during the visit to the representatives of the owner and/or

management company who are present at the time, and within a period not to exceed

fourteen (14) business days after the onsite visit, AHFA will provide a formal written

notice regarding all applicable deficiencies and will specify the

timeframe(s) in which the owner will be required to cure all applicable

deficiencies. *Penalty deductions resulting from any deficiencies listed*

*below will be assessed automatically and regardless of whether or not the*

*identified deficiencies are cured. In addition, two (2) additional penalty*

*points will be deducted if the owner fails to cure the deficiencies within*

*the timeframe specified in the deficiencies notice from AHFA. The*

*deficiencies that will result in automatic penalty point deductions under this*

*paragraph are as follows (the “Unit Deficiencies”):*

* 1. Missing or inoperable plumbing fixtures.
  2. Missing or disconnected stoves, dishwashers, or refrigerators.
  3. Missing, improperly installed, affixed, or damaged cabinetry such as extensive mold or damage which would cause the cabinetry to be replaced in the unit.
  4. A missing or damaged drawer in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
  5. Boarded, broken or missing exterior windows or doors.
  6. Units which have been vacant for more than thirty days (30) and are not suitable for occupancy or are found to be unsanitary. A unit which is suitable for occupancy should at a minimum include removal of the previous household’s items (furniture, clothing and trash), repairs to the walls and floors completed, cleaned carpets and walls and general maintenance completed to the unit which creates an overall market readiness.
  7. Units unable to be accessed or inspected by AHFA at the time of its inspection/audit due to an owner/owner agent’s inability to unlock the unit’s exterior door locks prior to AHFA's inspectors' exit interview.
  8. Unrepaired damage to a unit which has been vacant for more than thirty days (30) not caused by a fire, storm, vandalism (while vacant) or natural disaster. The ownership is responsible for notifying AHFA when this unforeseen damage occurs.
  9. One (1) additional penalty point will be deducted if the same point deduction items listed above are found in more than fifty percent (50%) of the total units inspected.

c. Site, Exterior or Common Area Deficiencies- One (1) penalty point per

occurrence (or collectively per project audited if the same deficiency) will be

assessed for the site, exterior or common area deficiencies listed below, if cited

as a finding at the time of inspection by AHFA (or its designated representative

or other third party). At the conclusion of the onsite visit, AHFA will provide a

general verbal summary of the deficiencies identified during the visit to the

representatives of the owner and/or management company who are present at the

time, and within a period not to exceed fourteen (14) business days after the onsite

visit, AHFA will provide a formal written notice regarding all applicable

deficiencies and will specify the timeframe(s) in which the owner will be

required to cure all applicable deficiencies. *Penalty deductions resulting from*

*any deficiencies listed below will be assessed automatically upon discovery*

*and regardless of whether the identified deficiencies are cured. In addition,*

*two (2) additional penalty points will be deducted if the owner fails to cure*

*the deficiencies within the timeframe specified in the deficiencies*

*notice from AHFA. The site, exterior or common area deficiencies that*

*will result in automatic penalty point deductions under this paragraph are*

*as follows (the “Site, Exterior or Common Area Deficiencies”):*

* 1. Missing project amenities as approved in owner’s approved application, including all amenities selected by the ownership at the time of application whether points were awarded or not. Ownership must notify AHFA immediately if any of their project amenities have been damaged, rendered unusable or subject to replacement upon occurrence, along with a written plan to repair or replace said amenities within a timeframe acceptable to AHFA.
  2. Gutters and downspouts with missing or damaged components which will not allow the gutters and downspouts to function as intended. Ownership must notify AHFA immediately if any damage occurs to their property along with a written plan to repair or replace said damage within a timeframe acceptable to AHFA.
  3. Siding and /or exterior trim has rotted and allows water to penetrate behind exterior. Ownership must notify AHFA immediately if any damage occurs to their property along with a written plan to repair or replace said damage within a timeframe acceptable to AHFA.

d. Documentation or File Deficiencies - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for the documentation or file deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or management company who are present at the time, and within a period not to exceed fourteen (14) business days after the onsite visit, AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The documentation or file deficiencies that will result in automatic penalty point deductions under this paragraph are as follows:*

i. The failure to obtain an updated utility allowance which results in a household’s gross rent being in excess of the applicable gross rent limit.

ii. If over twenty-five percent (25%) of the households in a project are over the applicable income limit. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

iii. If over twenty-five percent (25%) of files selected for audit are missing. Any findings related to this category that is twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

* 1. If over twenty-five percent (25%) of files selected for audit indicates that tenants are ineligible households due to student rule violations. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.
  2. If over twenty-five percent (25%) of households in a project were charged over the maximum applicable rents. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II.(E)(e) herein.

e. Other General Deficiencies - Two (2) penalty points per occurrence (or

collectively per project audited if the same deficiency is cited) will be assessed

for other general deficiencies if cited as a finding at the time of inspection by

AHFA (or its designated representative) and is uncured after the end of the

written specified timeframe to cure the deficiencies. All timeframes for curing

deficiencies will be submitted in writing. General deficiencies include all

violations or deficiencies not listed in the preceding paragraphs that are cited as

findings during the AHFA onsite audits.

f. Applicant/Owner(s) with less than three (3) projects funded with Housing

Credits or HOME funds awarded by AHFA will be subject to the penalty criteria

as specified herein in Section II. AHFA will subject the same scoring criteria to

any new applications submitted by any owner/applicants with less than three (3)

projects funded with Housing or HOME funds awarded by AHFA if any AHFA or

non-AHFA units inspected by AHFA (or AHFA's designated representative) are

cited for any Health and Safety Deficiencies, any Occupied or Vacant

Deficiencies, or any Site, Exterior or Common Area Deficiencies.

For the additional attachment “HOME Action Plan Summary of Public Comments and AHFA Responses,” please see uploaded into IDIS under **Section AD-25 Administration of the Consolidated Plan**the attachment entitled *2015 HOME Summary of Comments and AHFA Responses – Chart Plans (Scanned).pdf*.