

e. Exhibit V – Market Analysis. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market containing:

(1) Evidence of need for the ALF or SEH by current project residents:

(a) A description of the demographic characteristics of the elderly residents currently living in the project, including:

- i. The current number of residents;
- ii. Distribution of residents by age, race, and sex;
- iii. An estimate of the number of residents with frailties/limitations in activities of daily living; and
- iv. An estimate of the number of residents in need of assisted living services; and
- v. An estimate of the number of residents who have limited English proficiency; and

(b) A description of the services currently available to the residents and/or provided on or off-site, and what services are lacking.

This exhibit addresses these components as presented in this project's Logic Model:

- *Case Management-Frail elderly persons in need of units and services*
- *Case Management-Frail elderly persons eligible for ALF/SEH units*
- *HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4C)- Ensure open, diverse, and equitable communities*

outlined in the "Arizona Department of Housing's Consolidated Plan 2010-2014" and the fulfillment of these objectives will, in turn, align with the following core goals of HUD's FY2010-2015 Strategic Plan as follows:

- Goal 2: Meet the Needs for Quality Affordable Rental Homes;
- Goal 3: Utilize Housing as a Platform for Improving Quality of Life; and
- Goal 4: Build Inclusive and Sustainable Communities Free from Discrimination.

Attached as part of this exhibit is Arizona Department of Housing's Consolidated Plan 2010-2014" along with the City of Cottonwood General Plan 2003-2013 for further reference:

Describe the specific steps you plan to undertake in affirmatively furthering fair housing to:

(a) Remedy discriminations in housing:

CCC has assembled and implemented a HUD-approved Affirmative Fair Housing Marketing Plan (AFHMP) (HUD-935.2) which precludes illegal housing discrimination by ensuring an open, diverse and equitable community. Discriminations in housing are further remedied by CCC by implementing and enforcing the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

(b) Promote fair housing rights and fair housing choice:

CCC displays the Equal Housing Opportunity poster (i.e., Fair Housing Poster) in accordance with HUD requirements.

CCC ALCP project will create equal housing opportunities for all persons by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status.

(c) Affirmatively market properties to those least likely but eligible to apply:

The marketing effort at CCC is designed to attract a broad cross-section of the eligible population without regard to race, color, religion, sex, disability, familial status, or national origin. The purpose of the HUD approved AFHMP plan is to ensure that eligible persons of similar income levels will have a similar range of housing opportunities. In addition, CCC's AFHMP outlines marketing strategies the owner must use, including special efforts to attract persons who are least likely to apply because of such factors as the racial and ethnic composition of the neighborhood in which the property is located. Marketing also seeks to reach potential applicants outside the immediate neighborhood if marketing only within the neighborhood creates a disparate impact against certain classes. **To further inform the group(s) least likely to apply about the availability of housing, CCC has agreed to establish and maintain contact with the following groups/organizations listed below that are located in the housing market area:**

Verde Valley Senior Center
Minority/Elder outreach
500 E. Cherry Street, Cottonwood, AZ

Cottonwood Chamber of Commerce
Minority outreach
1010 S. Main Street, Cottonwood, AZ

Catholic Charities of Arizona
Information and referrals Minority
736 N. Main Street, Cottonwood, AZ

A copy of the approved HUD-935.2, Affirmative Fair Housing Marketing Plan for CCC, which remedies discrimination in housing and promotes fair housing rights and fair housing choice is attached:

STATE OF ARIZONA

CONSOLIDATED PLAN 2010-2014

MAY 14, 2010



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EXECUTIVE SUMMARY

THE STATE OF THE STATE

On February 14, 2012, Arizona will celebrate 100 years as the 48th state in the Union, and as such is still a relatively new, undeveloped state in many respects. Today, Arizona produces a majority of the country's copper and become known for the manufacturing of electrical, aeronautical, and communications-based products. Much of the state also relies heavily on tourism as an industry. In the past decade or more, Arizona has experienced significant growth in residential construction to accommodate a growing population. As a result of the reliance on tourism and the building industry, the economic recession experienced nationwide has been especially felt in Arizona.

The State of Arizona experienced substantial changes in its population and economic conditions over this past decade, including:

- The State's population of 6,683,129 in 2009 was an increase of 30 percent since 2000. Population is expected to continue to grow, but not at the higher rates projected just a few years ago due to the economic downturn.
- Over two-thirds of the people live in urban areas. Five million people reside in the Phoenix and Tucson areas.
- Some areas are growing much faster than others. Pinal County's population grew by 98 percent since 2000, while Greenlee County grew by less than two percent.
- Youth age 19 and under made up 29 percent of the population, as of 2008.
- Seniors (age 65 and over) were 13 percent of the state's population in 2008. Of those over 60, the fastest growing age group is persons over 85 years. The senior group is projected to represent up to 14.3 percent of the population by 2014 – the last year of this Consolidated Plan, and as much as 20 percent by 2020.
- The recession has heavily impacted the state's primary job generation industries: tourism and construction. Unemployment in late 2009 rose to 9.1 percent and Arizona fell to 49th in job growth compared to other states.
- Unemployment in rural counties was higher than in urban areas, with some counties seeing rates in the high teens at the end of 2009.
- Arizona is racially and ethnically diverse. Hispanics/Latinos comprised in 2008 almost 30 percent of the state population, and a much higher percentage in some southern counties. Native Americans represented 4.1 percent of the population statewide, and up to 27 percent in the Northern Arizona Council of Governments region.

SUMMARY OF PRIMARY HOUSING NEEDS

Homeownership Affordability – The Community Needs Assessment provides data indicating that even with housing prices falling by up to 50 percent between 2006 and 2009, opportunities to purchase a home in Arizona remain out of reach for a significant percentage of low-income households, especially for very low-income households. In Arizona, more than half of low-income homeowners experienced some form of housing problem. While they represent a significant portion of Arizona's workforce, less than 30 percent of low-income households are homeowners.

EXECUTIVE SUMMARY

Foreclosures – As of early 2010, Arizona was second in the nation in home foreclosure levels. There were 120,855 area foreclosures as of January 2010 and 1 in every 126 housing units had received a foreclosure filing. The economic recession and housing crisis has severely impacted Arizonans, especially low-income households.

Rental Housing Affordability – The situation in 2010 for low-income renters is somewhat better than for owners. While over 54 percent of renters have problems with affording housing, the state has adequate rental housing and it is generally affordable to low-income households and above. However, Arizona generally lacks rental housing that is affordable to very low-income households. Securing safe, decent, and affordable rental housing for several special needs groups remains a challenge.

Seniors and Youth – As the state's middle-aged and senior populations grow older, senior housing, assisted care, long-term-care housing, and supportive services will be in demand to meet increasing senior needs. Similarly, as the state's youth population increases and ages, jobs at livable income and affordable starter homes will be needed.

Female-Headed Households – Roughly 40 percent of female-headed families with children live in poverty, a total of about 173,000 households. Single-parent households, including female-headed households, have special needs for housing and related support services, including day care, education, parenting help, recreation activities, and public transportation in close proximity to jobs and affordable housing.

Low-Income Households – Over 42 percent of Arizona residents were low-income in 2009. Households with low incomes, and especially those very low- and extremely low-income households have the most difficult time securing affordable housing in Arizona. Even considering the recent sharp decline in housing prices, homeownership is not affordable to many low-income households in the state. Some of reasons are lack of sufficient income, high rates of unemployment, insufficient credit, and lack of funds for down payments.

Special Needs Housing – Many special needs groups, particularly the elderly, persons with disabilities, and large families, have difficulty securing adequate and affordable housing in most counties served by ADOH. These populations also need additional social services, especially in rural areas. Other non-homeless special needs groups include persons with HIV/AIDS, persons with severe mental illness and persons suffering from substance abuse.

Homeless Persons – There remains a substantial need for a range of housing options and support services for people who are homeless and at risk of becoming homeless. The January 2009 statewide homeless count recorded over 14,000 homeless persons, over 6,000 of them unsheltered. The economic recession is placing an additional burden on the state's resources to provide housing and support services. Homeless persons and at risk homeless persons have a significant need for prevention services, emergency shelter, transitional housing, and permanent supportive housing.

Age of Housing Stock – Over a third of the existing housing stock in Arizona (more than half a million residential structures) is over thirty years old. A significant portion of those units suffer from deferred maintenance and upkeep and are in need of repair and rehabilitation in order to preserve and extend their useful life.

Lead-Based Paint Hazards – Lead-based paint in residential units can pose severe health risks to children. Arizona requires public health agencies to identify children at risk of lead poisoning and mandates that all children up to six years of age be evaluated. An estimated 111,000 low-income owner-occupied housing units and 121,000 low-income rental units may contain lead-based paint hazards.

III. COMMUNITY NEEDS

same period (U.S. Census, Arizona Department of Commerce). Greenlee County had the smallest total population percentage change (1.6 percent).

Table 2 shows each county's population in 2000 and 2009, and the rate of growth between those two years.

Table 2
 Population Change by County, 2000–2009

Area	2000 Population	2009 Population	Percentage Change
Arizona	5,130,632	6,683,129	30.3%
WACOG			
La Paz County	19,715	21,616	9.6%
Mohave County	155,032	206,763	33.4%
Yuma County	160,026	205,940	28.7%
WACOG Total	334,773	434,319	29.7%
MAG			
Maricopa County	3,072,149	4,023,331	31.0%
MAG Total	3,072,149	4,023,331	31.0%
NACOG			
Apache County	69,423	76,668	10.4%
Coconino County	116,320	136,735	17.6%
Navajo County	97,470	115,420	18.4%
Yavapai County	167,517	228,494	36.4%
NACOG Total	450,730	557,317	23.6%
CAAG			
Gila County	51,335	57,204	11.4%
Pinal County	179,727	356,303	98.2%
CAAG Total	231,062	413,507	79.0%
PAG			
Pima County	843,746	1,018,012	20.7%
PAG Total	843,746	1,018,012	20.7%
SEAGO			
Cochise County	117,755	140,263	19.1%
Graham County	33,489	39,792	18.8%
Greenlee County	8,547	8,688	1.6%
Santa Cruz County	38,381	47,900	24.8%
SEAGO Total	198,172	236,643	19.4%

Source: 2000: U.S. Census (SF3)

2009: Arizona Department of Commerce – Population Statistics Unit (Population Estimates for Arizona's Counties, Incorporated Places and Balance of County)

AGE

Age distribution is an important factor in predicting current and future housing and social service needs. Two primary populations of interest are youth (age 19 and under) and seniors (age 65 and older). These populations tend to have higher housing and social service needs than middle-aged adults.

III. COMMUNITY NEEDS

BACKGROUND

The State of Arizona has a colorful history that includes diverse people, sweeping landscapes, and historic events that defined the Old West. For much of the 20th century, most of Arizona's economy and its communities revolved around mining and agriculture. On February 14, 2012, Arizona will celebrate 100 years as the 48th state in the Union, and as such is still a relatively new, undeveloped state in many respects.

Today, Arizona still produces a majority of the country's copper but has also become known for the manufacturing of electrical, aeronautical, and communications-based products. Much of the state also relies heavily on tourism as an industry. In the past decade or more, Arizona has experienced significant growth in residential construction to accommodate a growing population. As a result of the reliance on tourism and the building industry, the economic recession experienced nationwide has been especially felt in Arizona.

Over the last ten years, Arizona has experienced some dramatic changes. In 2009, the State's population was estimated to be just under 6.7 million people, an increase of more than 25 percent since 2000. More than three-quarters of the state's total population lives in urban areas. About 5 million people reside in the Phoenix and Tucson metropolitan areas. Arizona's growth is expected to continue, albeit at a much slower rate.

In early 2010, the unemployment rate hovered near 10 percent, Arizona led the nation at second in its foreclosure rate, and the heyday of the construction industry leading the state's economy is past. Arizona's state budget has suffered significantly with historic budget and service reductions. In the past two years alone, ADOH has contributed more than \$50 million in housing funds to assist with the state's General Fund budget deficit. Most significant of those losses is the permanent loss of funding to the state's Housing Trust Fund. The Housing Trust Fund was once funded at 55 percent of unclaimed property proceeds (which provided about \$30 million annually), but the fund has now been capped at \$10.5 million per year and could be further reduced if the economy does not improve. Arizona still continues to deal with housing and community development issues brought about by unprecedented growth since 2000, as well as emerging issues like high foreclosure rates.

DEMOGRAPHIC PROFILE

The demographic profile provides detailed information on the population, age, and racial/ethnic composition of the State of Arizona, as well as anticipated future changes. Information on employment trends is also included in this section.

STATEWIDE POPULATION

Arizona's population was estimated at 6,683,129, according to the Arizona Department of Commerce population estimates (July 2009). Arizona's population growth rate has varied widely with the economic cycle, but averaged growth of close to three percent per year. However, since 2006, Arizona's population growth has slowed to less than the average annual rate.

Arizona's total population is overwhelmingly situated in urban areas. About 81 percent of Arizona residents live in the Phoenix and Tucson metropolitan areas (ACS, 2006-2008).

POPULATION BY COUNTY

The greatest population change between 2000 and 2009 occurred in Pinal County, which had an increase in population of 98 percent. Six other counties saw population increases of greater than 20 percent during the

I. INTRODUCTION

The Consolidated Plan is a five-year plan required by the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding. This section provides information on the contents of the Consolidated Plan, community involvement in the Plan, and a listing of resources used in the development of the Plan.

WHAT IS THE CONSOLIDATED PLAN?

The Consolidated Plan serves as a comprehensive strategy to address the needs of low-income residents of Arizona. The Plan contains two main components:

- **Community Needs Assessment.** This section describes in detail the needs of Arizona's low-income population over the next five years. Needs are determined through collection of demographic data, such as the Census and the American Community Survey, and through consultations with social service agencies and the public.
- **Strategic Plan.** This section takes the information collected on needs and identifies priorities for the next five years. It also discusses what resources should be devoted to meeting priority needs, how those resources will be distributed, and goals for each type of proposed activity.

LEAD AGENCY

The Arizona Department of Housing (ADOH) is the lead agency overseeing the development and implementation of the Consolidated Plan. ADOH is a cabinet-level state agency, established in October 2002. ADOH works closely with the Arizona Housing Finance Authority. These two entities share a common goal of creating affordable housing in Arizona communities.

ADOH is responsible for the administration of the State's Community Development Block Grant (CDBG), HOME Investment Partnerships Program (referred to as "HOME"), and Housing Opportunities for Persons with AIDS (HOPWA) funding. The Arizona Department of Economic Security (DES) is responsible for Emergency Shelter Grant (ESG) funding. In addition, ADOH administers numerous other federal resources as well as the State Housing Trust Fund, which are discussed elsewhere in this document.

INCOME DEFINITIONS

Throughout the Consolidated Plan, there are many references to income levels. Income is the most important factor affecting a household's ability to access housing and services. For purposes of the Consolidated Plan, HUD defines income levels that are based on the area median income (AMI). The AMI is adjusted based on household size, but is commonly quoted for a four-person household. HUD updates income limits for each county annually. Refer to **Appendix A – Income Limits** for a full list of all Arizona counties' income limits for 2009.

HUD's income definitions differ by program. **Table 1** shows income definitions for CDBG, HOME, HOPWA, and the Section 8 Housing Choice Voucher Program (commonly referred to as "Section 8"). For the purposes of this Plan, the Section 8 definitions are used:

- Low-income refers to households earning at or below 80 percent of the AMI.
- Very low-income refers to households earning at or below 50 percent of the AMI.
- Extremely low-income refers to households earning at or below 30 percent of the AMI.

EXECUTIVE SUMMARY

SUMMARY OF 2010-2014 ARIZONA STRATEGIC PLAN PRIORITIES

For the 2010-2014 Consolidated Plan period, ADOH determined several priorities, listed below, to guide funding decisions. Each of the priorities is equally important to ensuring quality of life for low-income households over the next five years.

HOUSING PRIORITIES

Priority 1: Expand the supply of affordable rental housing for very low-income and extremely low-income households. Emphasize projects that assist families, seniors, and persons with disabilities.

Priority 2: Preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock.

Priority 3: Expand homeownership opportunities for low-income homebuyers in areas of the state where median home prices are beyond the reach of low-income households.

Priority 4: Ensure that all households in the state have adequate access to fair housing resources.

HOMELESS PRIORITIES

Priority 5: Encourage a range of services to help people move from homelessness to permanent housing and maintain independent living.

Priority 6: Increase the number of transitional and permanent supportive housing units for the homeless.

Priority 7: Offer services and funding to help prevent people from becoming homeless.

SPECIAL NEEDS PRIORITIES

Priority 8: Increase and preserve the supply of affordable housing available to the elderly, disabled, and large families.

Priority 9: Improve housing accessibility and safety (existing and new).

COMMUNITY DEVELOPMENT PRIORITIES

Priority 10: Improve infrastructure and physical environments to promote sustainable and accessible communities.

Priority 11: Ensure a variety of public facilities are available to meet the recreational, human development, and service needs of low-income households and priority populations.

Priority 12: Encourage job training and employment opportunities.

III. COMMUNITY NEEDS

As of 2008, youth made up 29 percent of the state's population and seniors comprised 13 percent (ACS). Arizona's percentage share of each remained similar from 2000 to 2008. Please see Table 3 for 2000 and 2008 populations by age.

The largest segment of the state's population was middle-aged adults. The median age in Arizona was 34.2 in 2000, rose to 35.0 years in 2008, and is projected to be 36.2 by 2014 (U.S. Census, ACS, Environmental Systems Research Institute (ESRI)). This indicates an aging population.

By 2014, 15.3 percent of Arizona residents will be age 65 or older (ESRI). By 2020, an estimated 20 percent of Arizona's population will be over 60 years of age, compared to 17 percent in 2003. For those over the age of 60, the fastest-growing age group is persons over 85 years of age (Arizona Department of Economic Security, Five-Year Strategic Plan FY 2010-2014).

The 2000s saw a significant increase in population for many age groups, with a more than 50 percent increase in persons aged 55-59 and 85 and over. Because the percentage share of each age group remained relatively static, the growth in these populations can largely be attributed to the growth of Arizona's population overall.

Given the significant economic downturn of the last few years, projections of population trends may not be reliable at this time. However, it does seem evident that as the state's middle-aged and senior populations grow older, senior housing, assisted care, long-term care housing, and supportive services will be in demand to meet increasing senior needs. Similarly, as the state's youth population increases and ages, there will need to be an emphasis on youth services and affordable starter homes.

Table 3
Population by Age, 2000-2008

Age	2000 Population	Percentage Share	2008 Population	Percentage Share	Percentage Change 2000 to 2008
Under 5	377,908	7.4%	500,031	7.9%	32.3%
5-9	394,937	7.7%	453,626	7.2%	14.8%
10-14	378,451	7.4%	447,354	7.1%	18.2%
15-19	360,694	7.0%	436,007	6.9%	20.8%
20-24	362,458	7.1%	424,896	6.7%	17.2%
25-34	739,977	14.4%	912,910	14.4%	23.3%
35-44	783,041	15.3%	863,838	13.6%	17.0%
45-54	626,685	12.2%	824,021	13.0%	31.4%
55-59	236,416	4.6%	355,325	5.6%	50.2%
60-64	202,458	(3.9%)	300,211	(4.7%)	(48.2%)
65-74	365,677	7.1%	423,403	(6.7%)	(15.7%)
75-84	234,025	4.6%	300,118	4.7%	(28.2%)
85+	67,905	1.3%	102,212	1.6%	50.5%
Total Population	5,130,632		6,343,952		

Source: 2000: US Census (SF3, Table P8)

2008: 2006-2008 American Community Survey (ACS)

Note: The 2008 population estimate is derived from the 2006-2008 ACS data, which is different from the 2009 Arizona Department of Commerce estimates used in Table 2.

III. COMMUNITY NEEDS

SENIOR POPULATION

Of Arizona's counties, Maricopa County had the highest number of seniors, primarily because Maricopa County was by far the largest county in the state. However, seniors represented a larger proportion of the population in other areas. The county with the highest proportion of seniors was La Paz County, where seniors make up 32 percent of its total population, followed by Yavapai County (22 percent) and Gila County (21 percent). Table 4 provides a breakdown of total senior population and percentage by county.

Counties with the highest proportion of seniors face an increased need for senior housing and social services.

Table 4
Senior Population by County

County	Total Population of Seniors	Percentage of Population
Apache	7,524	10.8%
Cochise	21,756	17.0%
Coconino	10,086	7.9%
Gila	11,158	21.5%
Graham	4,480	12.8%
Greenlee*	841	9.8%
La Paz	6,408	32.0%
Maricopa	433,127	11.2%
Mohave	41,122	21.1%
Navajo	13,123	11.8%
Pima	147,995	14.9%
Pinal	40,216	13.5%
Santa Cruz	5,355	12.6%
Yavapai	47,796	22.6%
Yuma	34,853	18.4%
ARIZONA	825,733	13.0%

Source: 2006-2008 American Community Survey (ACS)

Note: Data for Greenlee County was unavailable from ACS due to the county's population size of less than 20,000 persons; therefore the 2000 Census was used for this county.

III. COMMUNITY NEEDS

HOUSEHOLD PROFILE

The type, size, and composition of households can affect housing and service needs. A household is made up of all persons who occupy the housing unit. Occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Family households are those in which the householder is related to at least one other member of the household by birth, marriage, or adoption.

Across the state, most households comprise at least two people. The remaining households are non-family households of two or more persons or single-person households. In 2008, Arizona had 2,250,241 total households, and this is projected to increase to 2,744,881 households in 2014 (ACS, ESRI). In 2008, the average household size in Arizona was 2.77 persons (ACS).

- 27.2 percent (614,007) were single-person households, a 3 percent increase from 2000 to 2008.
- 72.7 percent (1,636,234) were two or more person households, a 3 percent decrease from 2000 to 2008. Of the total households with two or more persons:
 - 65.9 percent (1,483,518) were family households.
 - 34.0 percent (766,723) were non-family households.
- Of the 1,483,518 total households with two or more persons:
 - 74.6 percent are married-couple families. Of the married-couple families, 41.6 percent have children under age 18.
 - 25.3 percent are single-parent families (both male-headed and female-headed). From 2000 to 2008, there was a 2.9 percent increase in the number of single-parent households.
 - 58.8 percent (220,869) are single-parent families with children under age of 18.
 - The majority of the single-parent households are female.
 - Households with one or more persons 65 years and over make up 24.9 percent (560,537) of all households.
 - 35.7 percent are one-person households.
 - 64.2 percent are households made up of two or more persons.
 - Of all seniors, 72 percent are males living alone and 17 percent are females living alone.
 - A little more than two percent of seniors live in institutional settings (such as nursing homes).
 - About three percent of senior households (17,713) have one or more grandchild living with them for whom they are responsible.

III. COMMUNITY NEEDS

Female-Headed Households

- Single-parent households are likely to have special needs for housing. Some of the considerations for a single-parent household include the need to have day care, recreation activities, and access to public transportation in close proximity to housing. Generally, women earn less than men in comparable occupations and therefore may need additional assistance.
- Of Arizona's 376,200 single-parent households, 69.5 percent are female-headed households (ACS).
- About 40 percent of female-headed families with children live in poverty.

Housing and Social Service Needs

The household profile data shows that about one-quarter of family households are headed by a single-parent. Single-parent households tend to be lower-income than two-parent households. As a result, they are likely to encounter more difficulty affording housing, childcare, and other expenses, and may benefit from additional affordable housing opportunities and social service programs, including childcare.

The high percentage of female-headed households with children living in poverty suggests a need for additional resources for this particular population. Potential opportunities include job training or education, childcare assistance, food assistance, and affordable housing.

Seniors living alone also comprise a sizable population. As they age, they may benefit from supportive services that help them to stay in their homes. Seniors who live alone typically live on one income, and therefore may experience difficulty finding adequate affordable housing.

EDUCATION PROFILE

Education level plays a critical role in determining the income level of a household. Based on the 2006–2008 ACS data, the education level of residents 25 years or older was as follows:

- 24.4 percent of residents have attended some college but have no degree.
- 23.9 percent had obtained an associate or bachelor's degree.
- 9.2 percent had earned a master's, professional school, or doctorate degree.
- 26.1 earned a high school diploma or equivalent.
- 16.3 percent have a 12th grade education or less.

Educational attainment does not differ significantly between men and women.

EMPLOYMENT TRENDS

In September 2009, the U.S. Bureau of Labor Statistics issued a report of states with statistically significant employment changes from August 2008 to August 2009, as seasonally adjusted. Over that year, nonfarm employment decreased in 49 states. Overall, Arizona was one of the states that had the largest year-over-year percentage decreases (-7.4 percent). Arizona's unemployment rate during the same period increased from 5.9 percent to 9.1 percent. Job growth trends have not been positive: in 2006, Arizona was ranked second in the nation for job growth, in 2007 fell to 22nd, and in 2008 was ranked 47th. In 2009, Arizona fell to 49th in job growth compared to other states.

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RACE/ETHNICITY

Race and ethnicity play an important role in planning for housing and community development in the state. Different cultures may have different preferences that affect the type of housing needed. The racial/ethnic breakdown within regions may also affect the type of services that are needed.

Arizona has a diverse racial and ethnic population. Over one-quarter of the state's population (29.5 percent) is Hispanic or Latino, while the majority of Arizona's population is white (58.9 percent). The most significant non-white subgroups in Arizona are American Indian/Alaskan Native (4.1 percent), Black or African American (3.4 percent), and Asian (2.3 percent).

Table 9 shows the racial/ethnic breakdown for each COG and for the state. The information presented for each COG is its individual racial/ethnic breakdown and is not a percentage of the total state number.

Table 9
Race/Ethnicity for Arizona and by COG

Race/Ethnicity	Arizona Number of Persons	Arizona Percentage Share	WACOG Percentage Share	MAG Percentage Share	NACOG Percentage Share	CAAG Percentage Share	PAG Percentage Share	SEAGO Percentage Share
White	3,734,983	58.9%	60.4%	59.5%	58.8%	59.5%	57.5%	50.4%
Black or African American	213,996	3.4%	1.2%	4.1%	0.8%	2.9%	3.1%	2.9%
American Indian and Alaska Native	262,372	4.1%	1.7%	1.6%	26.9%	6.5%	2.5%	3.0%
Asian	145,208	2.3%	0.9%	2.8%	0.7%	1.2%	2.3%	1.2%
Native Hawaiian and Other Pacific Islander	8,940	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%
Some other race	10,615	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%
Two or more races	92,640	1.5%	1.9%	1.4%	1.5%	1.5%	1.6%	1.9%
Hispanic persons (all races)	1,871,654	29.5%	33.7%	30.3%	11.1%	27.9%	32.7%	40.4%
TOTAL	6,340,408	100%	404,304	3,862,036	519,271	350,809	994,244	209,744

Source: 2006-2008 American Community Survey (ACS).

Note: Data for Greenlee, Santa Cruz, and La Paz counties was unavailable from ACS and therefore 2000 Census data was used for these counties.

The majority of persons of Hispanic descent resided in the SEAGO region. Within that region, Santa Cruz County had the highest percentage of Hispanic persons, with 80.9 percent Hispanic persons. However, Cochise County had the highest number of Hispanic persons (40,165 Hispanic persons).

The majority of persons of African American or Black descent resided in the MAG (4.1 percent) and PAG (3.1 percent) regions.

The majority of persons of American Indian and Alaskan Native descent resided in the NACOG region (26.9 percent). Within that region, both the highest number and the highest proportion of American Indian and

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Alaskan Native persons resided in Apache County, with a total of 51,055 persons or 73.2 percent of the County population.

Geographic Concentrations of Racial and Ethnic Subpopulations

A racial or ethnic concentration is considered to exist when a racial or ethnic group's percentage in a certain area is greater than that of the group's overall population percentage in the community. For the State of Arizona, a high concentration is considered to exist when the group's population in an area is at least 10 percentage points higher than the group's percentage representation in the state as a whole. For a visible representation of racial and ethnic concentrations by county, refer to **Appendix G – Racial and Ethnic Concentration Maps**. A short summary of the conclusions for each County is presented in the Appendix.

Areas of highest minority concentrations were along Arizona's border with Mexico and on Arizona's 22 Native American reservations. Minorities other than Hispanics and Native Americans were rarely found to be concentrated.

LOW-INCOME HOUSEHOLDS

Most federally funded housing and community development programs are made available to eligible low-income households. Low-income as defined in this Plan means households with annual incomes at or below 80 percent of the area median income (AMI), adjusted for household size. Annually, HUD updates these income limits for each county in the nation (see **Appendix A – Income Limits**). Areas of the state that are primarily residential and consist of at least 51 percent low-income households are considered to be low-income areas.

Overall, 42.4 percent of Arizona's residents were estimated to be low-income in 2009. Almost 75 percent of the state's low-income residents lived in Maricopa and Pima counties, as shown in **Table 10**. However, the proportion of low-income persons in these counties is less than the state average. Apache, Mohave, and Pinal counties have the highest percentage of low-income residents, all above 51 percent. Greenlee and Yavapai counties have the lowest percentage of low-income residents. Data on low-income populations is available at the Maps in **Appendix H – Low-Income Area Maps** depict the areas in each county that have at least 51 percent low-income populations.

Table 10
Population in Low-Income Areas by County, 2009

County	Number	Percentage of Low-Income Persons in County	Percentage of State Total
Apache	39,655	58.2%	2.6%
Cochise	45,772	40.8%	1.6%
Coconino	49,540	43.8%	2.5%
Gila	21,091	41.8%	0.6%
Graham	13,876	45.9%	0.3%
Greenlee	3,058	35.9%	0.1%
La Paz	9,491	48.8%	0.2%
Maricopa	1,230,699	40.7%	58.4%
Mohave	86,521	56.2%	4.9%
Navajo	46,810	49.2%	2.2%

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County	Number	Percentage of Low-Income Persons in County	Percentage of State Total
Pima	344,743	42.0%	16.5%
Pinal	88,316	53.7%	4.9%
Santa Cruz	18,391	48.2%	0.8%
Yavapai	63,932	39.0%	1.4%
Yuma	64,567	41.9%	2.8%
ARIZONA	2,126,462		

Source: HUD, Low and Moderate Income Summary Data, 2009.

POVERTY LEVELS AMONGST RACIAL/ETHNIC GROUPS

According to the 2006-2008 American Community Survey 3-Year Estimates, 14.3 percent of Arizona residents earned a household income below the federal poverty level. Two racial/ethnic groups carried a disproportionately higher percentage of persons living below the poverty level when compared to the total population. According to the ACS data, approximately 22.8 percent of the Hispanic/Latino population is living in poverty. The second population group with a disproportionate percentage of persons living below the poverty level is American Indian and Alaskan Native group. Approximately 32.1 percent of American Indian and Alaskan Natives in Arizona are living with household incomes below the federal poverty level. Other racial groups that exceeded the state average for persons living in poverty are Black/African American at 20.2 percent and persons indicated as "Some Other Race," who have just under 21.0 percent of the population group living in poverty. The White and Asian population groups recorded a poverty rate of approximately 12.0 percent.

SPECIAL NEEDS POPULATIONS

Special needs populations may have difficulty finding housing or require specialized services to access housing and/or assistance to maintain their quality of life. Due to their circumstances, these population groups are statistically more likely to have low-incomes. Special needs groups recognized by the U.S. Department of Housing and Urban Development (HUD) include the elderly, frail elderly, persons with disabilities, large households, female-headed households, persons with substance abuse problems, persons experiencing homelessness, victims of domestic violence, and persons with HIV/AIDS.

ELDERLY AND FRAIL ELDERLY

There are many facilities throughout Arizona that offer supportive housing and services to elderly and frail elderly persons. These facilities can provide services that help meet the physical, mental and spiritual needs of adults 65 years or over. In addition to such supportive services, facilities can offer affordable housing opportunities to elderly persons who may or may not require additional services. The need for such housing opportunities and facilities providing services is growing Arizona's elderly resident population is one of the fastest growing sub-populations in the State.

- In 2008, Arizona had a total of 825,733 elderly residents (ages 65 and older), representing 13 percent of the total population (ACS). There was a high correlation between age and disability. The state's overall proportion of seniors with disabilities (frail elderly) was 39.7 percent. The percentage of seniors with a disability for individual counties was close to the statewide percentage (within 5 percentage points), except in Apache County where 63.0 percent of seniors were disabled, Greenlee County (52.3 percent), and Navajo County (50.2 percent).

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- Of all the disabilities tallied in the state in 2006 (the most recent year for which ACS disability data was available), elderly persons reported the following types of disabilities:
- 16 percent had a sensory disability.
- 29 percent had a physical disability.
- 11 percent had a mental disability.
- 9 percent had a self-care disability.
- 6 percent had a go-outside-home disability.
- Elderly households made up a total of 494,795 (22 percent of all households). Of elderly households, 83.6 percent owned their homes and 16.3 percent rented, as of 2008 (ACS).
- About 8.4 percent of elderly persons live at or below the poverty level. Female seniors are somewhat more likely to suffer from poverty than male seniors.
- In September 2009, there were 1,932 licensed assisted living facilities and 138 licensed nursing and skilled nursing facilities in the state (Arizona Department of Health Services, Division of Licensing Services).
- Many elderly persons live on fixed incomes, such as Social Security or pensions, and may have difficulty affording housing. This is especially true for seniors below or near the poverty level. Additional housing and facilities are needed to meet the needs of low-income seniors.
- The percentage of elderly persons with a disability is high, more than one third of all seniors. Additionally, many disabled persons report more than one disability. The frail elderly are in need of supportive service programs to allow them to stay in their homes. They also need accessible housing resources, including rental housing and programs to assist them with making accessibility modifications to their homes.

PERSONS WITH DISABILITIES

Persons who live with physical, developmental or mental disabilities often need supportive housing and related services on a frequent or continuous basis. Within Arizona, there are numerous facilities and programs that help meet such needs by offering supportive services to persons living with disabilities. These facilities can offer specific supportive services and programs that deal with education, employment, housing, treatment and social interaction. Services offered by most of the facilities that work with persons with disabilities within Arizona are designed to help the individuals live life and develop to their fullest potential. Accessible services and facilities are growing in demand throughout the state as the number of individuals living with disabilities is on the rise.

- Of Arizona residents aged five years and older, 796,382 persons had a disability in 2006, the most recent year for which detailed disability data is available (ACS).
- Of Arizona's population, 14.2 percent reported one or more disabilities. Going-outside-home disabilities were the most common, followed by physical disabilities and employment disabilities. Below are the percentage of the state's population aged five years and older reporting various types of disabilities:

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HOUSING MARKET PROFILE

Arizona saw its housing market rapidly expand in the early to mid-2000s, then quickly decline between 2008 and 2010. As of 2010, housing permits in Arizona are down 92.3 percent, which is significantly higher than the national 75.3 percent decline in housing permits. Arizona's housing market has seen a significant amount of negative economic news recently, including a record number of foreclosures, a consumer credit crunch, households that are overextended with high debt, unemployment rates hovering around 9 percent, loss of home equity, and many homeowners "underwater" in their mortgages. Arizona is experiencing an extremely slow recovery in housing resells and new home sales. During the writing of this Plan, the housing market showed some signs of improvement. The University of Arizona, Eller College of Management reported an uptick in housing permits in the fourth quarter of 2009.

Although housing prices have declined in recent years, housing is still not affordable for many Arizona residents. Arizona's general economy and employment has declined significantly. Affordable housing continues to be a major need for low-income households. The following discussion identifies housing characteristics, trends, and needs across the state.

HOUSING TYPES IN ARIZONA

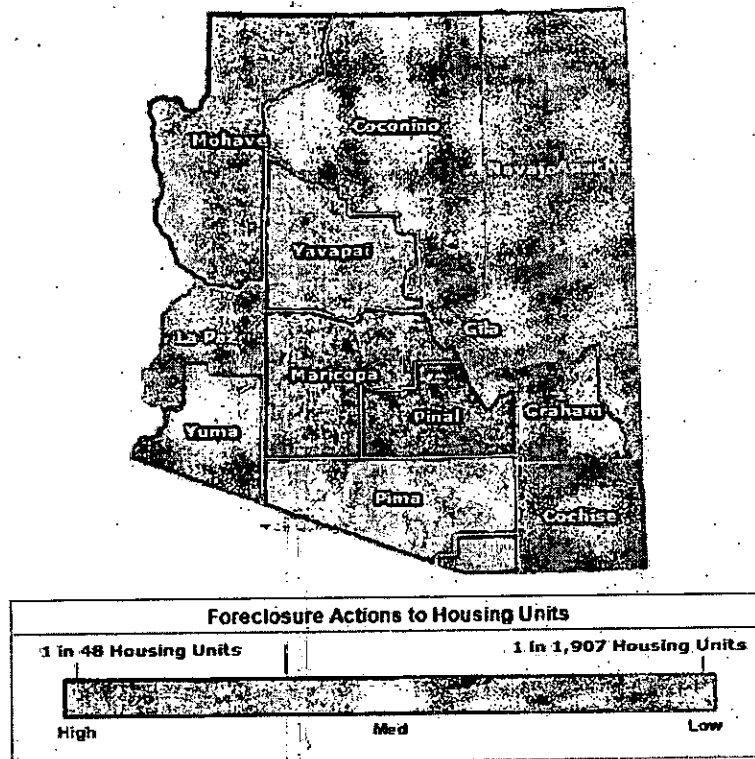
Detached single-family homes are the primary housing type throughout the state. The housing stock comprised 50 percent or more single-family homes in most areas of the state, with a low percentage of attached single-family homes and a higher percentage of mobile homes (see Table 13). La Paz County was the exception, with the lowest percentage of detached homes (37.3 percent), the lowest percentage of multifamily homes (3.3 percent), and the highest percentages of mobile homes (49.2 percent) and of buses, RVs, vans, etc. (8.7 percent). These percentages may indicate the presence of a higher proportion of potentially mobile households that likely comprise lower-income persons.

Table 13
Housing Types by County, 2008

	Detached	Attached	Multifamily (2-4 units)	Multifamily (5+ units)	Mobile Home	Other
State of Arizona	62.8%	5.2%	4.9%	15.5%	11.1%	0.5%
Apache	72.8%	1.3%	4.5%	0.7%	20.7%	0.0%
Cochise	63.5%	3.1%	3.4%	8.5%	20.4%	1.1%
Coconino	60.4%	4.6%	5.7%	13.4%	15.8%	0.1%
Gila	69.8%	0.7%	2.6%	2.6%	24.2%	0.2%
Graham	63.9%	0.6%	2.8%	5.2%	26.8%	0.7%
Greenlee*	66.8%	1.6%	2.6%	1.3%	26.1%	1.5%
La Paz*	37.3%	1.4%	0.8%	2.5%	49.2%	8.7%
Maricopa	64.4%	5.5%	5.2%	19.2%	5.4%	0.2%
Mohave	58.9%	2.4%	4.4%	5.9%	27.5%	0.9%
Navajo	68.7%	1.7%	3.7%	2.6%	22.7%	0.5%
Pima	58.4%	8.3%	4.7%	17.6%	10.8%	0.3%

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Figure B
Foreclosure Actions to Housing Units



RENTAL HOUSING

There are 695,725 total renter households within Arizona that represent approximately 31 percent of all households. Within the renter households, 60 percent fall into low-income categories (see Table 24). There reflects a continued need for increased affordable rental housing opportunities for Arizona's lower income households.

Table 24
Renters by Income Level, 2009

Income Category	Number	Percentage of All Renter Households
Extremely low ($\leq 30\%$ AMI)	136,645	19.6%
Very low ($> 30\text{--}50\%$ AMI)	121,035	17.4%
Low ($> 50\text{--}80\%$ AMI)	157,845	22.7%
Moderate and above ($> 80\%$ AMI)	280,200	40.3%
TOTAL	695,725	100%

Source: HUD, 2009 CHAS Data

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Rents and Affordability

In Arizona, the 2009 fair market rent (FMR) for a two-bedroom apartment was \$782, which includes an allocation for utility costs. In order to afford this rent without paying more than 30 percent of income for housing, a household must earn at least \$2,600 monthly, or \$31,200 annually. Assuming a workweek of 40 hours, this level of income translates into a housing wage of \$15.03. In Arizona, a minimum-wage worker earns an hourly wage of \$7.25. Therefore, in order to afford the FMR for a two-bedroom apartment, a minimum-wage earner must work approximately 83 hours per week, or a household must include more than two minimum-wage earners working 40 hours per week in order to make the two-bedroom FMR affordable.

Monthly Supplemental Security Income payments (usually received for a disability) for an individual were \$637 in Arizona in 2008. If that represents an individual's sole source of income, \$191 in monthly rent would be considered affordable, while the FMR for a one-bedroom was \$676 in 2008.

Table 25 represents fair market rents for each county, as published by HUD. Fair market rents include an estimated utility cost.

Table 25
Fair Market Rents by County, 2009

County	Fair Market Rent by Bedroom Size			
	1	2	3	4
Apache	\$502	\$593	\$822	\$1,042
Cochise	\$557	\$699	\$965	\$1,186
Coconino	\$924	\$1,044	\$1,343	\$1,693
Gila	\$615	\$809	\$1,111	\$1,144
Graham	\$587	\$657	\$908	\$1,045
Greenlee	\$554	\$695	\$918	\$1,004
La Paz	\$560	\$672	\$951	\$979
Maricopa	\$727	\$877	\$1,277	\$1,495
Mohave	\$640	\$746	\$1,032	\$1,151
Navajo	\$489	\$522	\$689	\$928
Pima	\$579	\$743	\$1,070	\$1,131
Pinal	\$727	\$877	\$1,277	\$1,495
Santa Cruz	\$575	\$729	\$1,063	\$1,094
Yavapai	\$668	\$844	\$1,230	\$1,267
Yuma	\$642	\$767	\$1,088	\$1,333

Source: HUD, 2009

As a comparative analysis, in 2008, to afford a rental at the two-bedroom FMR, a renter household had to be at 109 percent of the estimated median renter household income, which was \$33,681. In 2008, the median income rent was \$743 per month. The affordable rent for the median-income renter for the state was \$788 per month. About 54 percent of renters are unable to afford the two-bedroom fair market rent.

Based on this data, it can be concluded that many renter households have problems affording housing units of sufficient size for their families. Very low-income and extremely low-income renter households will have even greater affordability challenges.

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Cost Burden

Table 25 captures a recent summary of housing problems experienced by renter households. Low-income households faced increased cost burdens and other housing problems. Only 19 percent of non-low-income households experienced any form of housing problem, but 60 percent of low-income renters and 94 percent of extremely low-income renters faced a housing problem. When looking at cost burdens specifically, just 13.4 percent of non-low-income households experienced a cost burden, while nearly 81 percent of extremely-low income households experienced one.

Table 25
Summary Housing Problems – Renter, 2009

Income Category	Percentage Renter Households With Housing Problems		
	Cost Burden >30%	Cost Burden >50%	Any Housing Problem
Extremely low ($\leq 30\%$ AMI)	80.8%	73.6%	93.9%
Very low ($> 30\text{--}50\%$ AMI)	75.4%	36.7%	89.3%
Low ($> 50\text{--}80\%$ AMI)	50.9%	12.4%	60.2%
Moderate and above ($> 80\%$ AMI)	13.4%	5.3%	18.6%
All households	22.3%	21.3%	48.6%

Source: HUD, 2009 CHAS Data

In summary, the state has adequate rental housing and it is generally affordable to low-income households and above. Arizona generally lacks rental housing that is affordable to very low-income and extremely low-income households. The unmet need of affordable housing for small-related, large-related, elderly and other households living at or below 50 percent of area median income remain high or medium level priorities as these households are frequently experiencing a cost burden or some other form of housing problem 75 percent or more of the time. Table L-1 in Appendix L provides greater detail for the unmet needs of Arizona's extremely low- and very low-income households.

PUBLIC AND ASSISTED HOUSING

Operated by the Arizona Department of Housing, the Arizona Public Housing Authority administers approximately 124 Section 8 Housing Choice Vouchers in Yavapai County, with approximately 50 additional "portable" vouchers being administered by the PHA at any one time. The Public Housing Authority also has oversight and monitoring responsibilities for 114 Section 8 project-based properties throughout the state, under a competitively procured contract with HUD.

The Arizona Public Housing Authority (PHA) does not own or manage any public housing. Therefore, the authority does not have a strategy to revitalize or restore any public housing units nor to improve the management and operations of such public housing. However, the PHA will strive to continue to provide the same services to the same number of individuals and families even though financial resources are increasingly scarce. Application would be made for additional vouchers should they be made available. The PHA received a "high" performance score from HUD as a result of their 2009 Section 8 Management Assessment Program review.

ADOH does provide multiple sources of funding to develop and support thousands of assisted housing units every year. For fiscal year 2009, the Department assisted 34 housing units with federal HOME funds, 12,302 housing units with state Housing Trust Funds, 1,080 housing units with Low-Income Housing Tax Credits, and

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1,582 units with HOPWA subsidies. At this time, the only anticipated reduction in assisted units and inventory for fiscal year 2010 would occur as a result of the severe reduction in Housing Trust Funds. Other public and assisted housing efforts and inventories are not anticipated to experience notable reductions over the next fiscal year.

BARRIERS TO AFFORDABLE HOUSING

Barriers to affordable housing are created by market, infrastructure, environmental, and governmental factors. Barriers may result in housing that is not affordable to low-income households or an inadequate supply of housing. Some potential barriers or constraints to the development of affordable housing that ADOH identified are as follows:

URBAN AREAS

- Availability of financing
- Limited funding
- High land cost/availability of land
- Impact/development fees
- Zoning
- Design guidelines
- Lack of infrastructure

NON-URBAN AREAS

- Limited funding
- Wage gap
- Lack of employment opportunities
- Lack of infrastructure
- Availability of financing
- Lack of local capacity
- High land cost/availability of land

In addition, ADOH and the Arizona Housing Commission recommended in the publication "Affordable Incentives to Affordable Housing Task Force" (June 2005) premises that could assist in the increase of affordable housing. Listed in the publication were barriers and incentives, which were sent to the Governor in order to improve the housing environment for more hard-working Arizonans. The recommendations encourage new partnerships. The recommendations for the barriers and incentives section include:

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- 1) Improve procedures at the local level to reduce housing costs, such as processing time, development process, development standards, financial requirements, and market considerations.
- 2) Identify strategies for greater collaboration among state agencies, such as the Departments of Housing, Commerce, Transportation, Land, and Corrections, around land use and housing development.
- 3) Establish consistent methods locally to determine development/impact fees so that builders can plan for the cost of fees at the development stage.

The feasibility report can be found at ADOH website; the report is called "Economic Feasibility of Select Strategic Recommendations Pertaining to Housing Access and Affordability, October 2007."

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Housing and community development needs for affordable housing, public facilities, infrastructure improvement, public services, and economic development are described in this section. The following community needs were determined as the result of the needs assessment process. This process consisted of an analysis of the community setting, including housing and population characteristics, consultations with local service providers and other state agencies, ADOH staff meetings, public workshops, and an online survey. While all of the needs listed below are important, limited resources are available to fund all of these activities.

During consultation, public meetings, conference calls, and the online survey, the following needs were captured:

RENTAL HOUSING NEEDS

- Preservation and rehabilitation of existing rental units
- Energy efficiency
- Rental housing for the elderly
- Rental assistance
- Rental units for larger families

HOMEOWNERSHIP NEEDS

- Rehabilitation and repair of existing affordable single-family homes
- Energy efficiency
- Modifications for persons with disabilities
- Homebuyer assistance
- Lead-based paint screening and abatement

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- Case management
- Transitional housing
- Emergency housing

OTHER SPECIAL NEEDS

- Housing for persons with serious mental illness
- Assisted living (senior housing)
- Housing for persons with drug/alcohol addictions

FAIR HOUSING

Fair housing is crucial to ensuring that persons of like income levels have equal access to housing. HUD requires that jurisdictions receiving federal funds commit to affirmatively further fair housing. A key part of achieving this goal is the preparation of an Analysis of Impediments to Fair Housing Choice (AI). Southwest Fair Housing Council completed the AI for the State of Arizona in 2010.

ADOH takes an active role in the education and training of housing providers to ensure awareness of fair housing laws. ADOH has a Special Needs/Fair Housing Specialist who provides public education and workshops for fair housing issues. Fair housing training and workshops are provided throughout the State of Arizona. At least four fair housing workshops are conducted within each of the 13 rural counties in Arizona per year, with at least two workshops per year in Pima and Maricopa counties. Half of the fair housing workshops are geared toward housing professionals, such as site managers, property owners, leasing agents, lenders, and housing authority staff. However, the workshops are open to anyone that would like to attend.

Impediments to Fair Housing

The AI identified the following impediments to fair housing:

1. Illegal housing discrimination is occurring in non-metro counties in Arizona.

It is difficult to determine the prevalence of housing discrimination, but the AI found evidence that housing discrimination is occurring in rural Arizona. Although the State Attorney General's Office handles fair housing enforcement, ADOH will continue to address housing discrimination predominately through education and outreach.

2. Many housing consumers are unaware of their fair housing rights and available fair housing resources; and housing discrimination often goes unreported and unresolved.

The survey results and the experience of education and outreach providers throughout Arizona show that an unacceptably high number of Arizonans are currently unaware of their fair housing rights and available fair housing resources.

3. Many housing providers illegally discriminate because of inadequate knowledge and understanding of their responsibilities under the Fair Housing Act.

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Many real estate agents, property managers, property owners, media advertising agents, home insurance agents, lenders and other providers need to better understand their responsibility to comply with fair housing laws. Many providers (a) do not obtain free fair housing training; (b) experience considerable expenses to receive fair housing training; (c) have high staff turnover; (d) mistakenly believe they do not need to comply with the Fair Housing Act; and/or (d) lack up-to-date information.

4. Many public and private agencies in non-metro Arizona lack effective fair housing referral procedures.

Many public and private agencies do not have clear and consistent procedures for referring people with fair housing problems. This creates an impediment to fair housing because many people in rural areas who contact a local agency for fair housing assistance do not get the information they need or receive misinformation. In addition, inquiries, allegations and complaints are often not logged and the true prevalence of housing discrimination is obscured.

5. Disparities in lending and predatory lending practices are impediments to fair housing choice in Arizona.

The AI found among others, the following:

- Minorities with similar or better qualifications than non-minorities continue to experience higher rates of loan denials and higher rates of subprime loans from lenders;
- Subprime lending targeted minorities prior to the collapse of the housing market in 2007;
- Subprime borrowers have been hardest hit by the impact of the market collapse; and
- Foreclosure rescue and mortgage modification scammers are targeting minorities and people with limited English proficiency (LEP).

6. "Not in my Backyard" (NIMBYism) can obstruct plans and policies to provide affordable housing and special needs housing that serves protected classes.

It is not unusual for residents to coordinate attendance at public hearings and council meetings to express opposition to such things as affordable housing, group homes and/or transitional housing. Freedom of speech is valued in our country and cannot be restricted or prohibited in most circumstances, so the only viable response is targeted education and outreach to market the advantages of fair housing to residents.

7. The lack of affordable housing throughout the state has a disparate negative impact on Fair Housing Act protected classes. Further, the lack of fair housing planning in federally funded affordable housing developments fails to address the requirement to affirmatively further fair housing.

Demographic, employment, and income data show that minorities, families with children (including single-parent families), and persons with disabilities are proportionally overrepresented in low-income data and are most in need of affordable housing. The AI also identified the following:

- The term "affordable" to some has become a metaphor for housing for minorities, families with children and persons with disabilities and is laden with inaccurate stereotypes.

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- The accessibility of affordable housing to public transportation, employment, good schools and other amenities is critically important to the financial, educational and social well-being of protected classes.
- The disparate and less favorable provision of public services to affordable neighborhoods may create safety concerns, lower property values, induce redlining, and facilitate the deterioration of the neighborhood.
- 8. On-going data gathering from CDBG sub-recipients will need to improve to meet evolving AI requirements.

The ability of CDBG jurisdictions to plan for fair housing, collect information, organize information, monitor performance, evaluate the effectiveness of the implementation of plans and report on outcomes have improved. To meet expanding and accelerating needs, ADOH will need to do more in the future to stay ahead of the curve.

Actions to Address Fair Housing Impediments

The AI addresses these impediments to fair housing and recommends actions to address these impediments in greater detail. In general, ADOH has identified several opportunities to reduce and/or eliminate fair housing impediments including, but not limited to, the following:

- Educate housing consumers to make them more aware of housing discrimination and where to go for help.
- Identify and establish sites in each rural county where fair housing literature will be distributed on an on-going basis (English and Spanish), and ensure the materials are maintained and the sites are kept stocked.
- Conduct fair housing training to housing providers throughout the rural areas of the state; continue to fund fair housing referral training at no cost to public and private agencies.
- Collaborate with organizations to co-sponsor trainings for people at risk of foreclosure, and promote counseling efforts to people wanting a loan modification.
- Require that information on predatory and abusive lending practices be included in the education and outreach materials that are distributed throughout the state.
- Provide public hearings throughout the state to provide residents an opportunity to learn about the benefits of affordable housing and diversity in neighborhoods and express their concerns regarding affordable housing projects.
- Train grant recipients to recognize housing discrimination and then to refer them to agencies that can help them remedy the issue.

IV. STRATEGIC PLAN

- **Medium Priority:** As funds are available, activities that are designated medium priority are expected to be funded.
- **Low Priority:** Activities assigned a low priority are not expected to be funded during the five-year period.
- **No Such Need:** ADOH has determined that there is no need for these activities in the community. Funding will not be provided, and applications by other agencies will not be supported.

The discussion of priority needs is grouped into four major categories:

- Housing
- Homelessness
- Special needs
- Non-housing community development

PRIORITIES, PROGRAMS, AND GOALS

The discussion of each basic need is further divided into a statement of need, one or more priorities, programs to address the needs, and five-year goals. Achievement of five-year goals is dependent on the availability of federal, state, and private resources. Additional information on priority needs and goals can be found in **Appendix L – HUD-Required Tables**.

AFFORDABLE HOUSING

Statement of Need

The need for affordable housing was a predominant theme throughout demographic analysis, public meetings, the online survey, and consultations with local governments and service providers. Almost every type of affordable housing was mentioned, from rental subsidies to new construction to down payment assistance.

The housing market profile indicated a high need for rental housing, especially for extremely low- and very low-income households. Renter households in these income ranges face extraordinary challenges paying for housing and securing decent, safe, and sanitary housing. Minimum wage earners, who work in many of Arizona's service occupations, need to work more than 83 hours per week to afford a two-bedroom apartment at the fair market rent. The elderly, disabled, and large families were special needs groups inadequately served by existing affordable housing resources.

Owners faced somewhat fewer challenges than renters, but about half of low-income households faced a cost burden or other housing problem, and the percentage only increased for very low- and extremely low-income households. While recent changes in the housing market have had the effect of making ownership opportunities available to many low-income households without subsidy, significant difficulties still exist for very low- and extremely low-income households. Some areas of the state, such as Coconino and Gila counties, still have median housing prices that are well outside the range of affordability for low-income households.

Housing rehabilitation, both for owner and renter units, was also identified as a high need. Ten percent of the state's housing stock is now more than 70 years old, the age at which housing is assumed to need replacement. Throughout the state, it was estimated that over 230,000 households faced a lead hazard risk.

IV. STRATEGIC PLAN

Housing Priorities

Priority 1: Expand the supply of affordable rental housing for very low-income and extremely low-income households. When possible, emphasize projects that assist families, seniors, and persons with disabilities.

Priority 2: Preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock.

Priority 3: Expand homeownership opportunities for low-income homebuyers in areas of the state where median home prices are beyond the reach of low-income households.

Priority 4: Ensure that all households in the state have adequate access to fair housing resources.

Housing Programs and Goals

The following housing programs will address the priority needs of low-income households. ADOH may carry out programs directly, or grant funds to local or regional governments to carry out programs.

Affordable Housing Development

Through this program, ADOH will assist eligible nonprofit and for-profit housing builders with financial subsidies for the development of rental properties affordable to low-income households. The program will be implemented through the State Housing Fund, which combines HOME funds and the State Housing Trust Fund into a single housing program called the State Housing Fund. Funds are made available for the development of affordable permanent and transitional rental housing units through a competitive application process. Financed units must comply with long-term income restrictions and rent limits.

Funding: State Housing Fund, HOME, LIHTC, HTF, and leveraged funds

Five-Year Goal: 5,000 new affordable rental units

- 250 units (5 percent) – planned for extremely-low-income households
- 3,500 units (70 percent) – planned for low-income households
- 1,250 units (25 percent) – planned for moderate-income households

Responsibility: ADOH staff, nonprofit and for-profit developers

Owner-Occupied Housing Rehabilitation Program

This program will fund comprehensive rehabilitation of housing owned and occupied by low-income homeowners. The program will focus on bringing each unit into compliance with local, state, and federal building codes, and will also abate lead-based paint as necessary. Low-interest and/or deferred loans will be provided to qualifying low-income homeowners.

Funding: CDBG, HOME

Five-Year Goal: 250 owner-occupied units rehabilitated

Responsibility: COGs, local governments

IV. STRATEGIC PLAN

predominant throughout the state, but the need for services tends to be more prevalent in rural areas, where travel is more complicated.

Elderly were the most frequently mentioned special needs group during public meetings. Most attendees felt that housing programs were needed for elderly homeowners and renters, including new rental housing construction, assisted living facilities, and assistance to make units accessible. A high priority service for the elderly was transportation, and this was a major concern in rural areas.

Disabled persons' needs were similar to those of the elderly. There was a focus on construction of accessible rental units, and on housing rehabilitation programs that would make accessibility improvements for existing homes. Infrastructure improvements to make public spaces more accessible, local health care resources, and transportation options are also considered high-priority for disabled persons.

While there is generally enough housing available for large families, very low- and extremely low-income households have difficulty affording many of these units, since larger units are generally more expensive.

Persons with alcohol/drug problems, persons with HIV/AIDS, and victims of domestic violence generally have a wide range of services available to them, but these services are more difficult to access for rural residents. Additional coordination is needed to allow rural residents access to the full range of options that exist in urban areas.

Special Needs Priorities

Priority 8: Increase and preserve the supply of affordable housing available to the elderly, disabled, and large families.

Priority 9: Improve housing accessibility and safety (existing and new).

Special Needs Programs and Goals

The following programs will address the priority needs of special needs populations. ADOH may carry out programs directly or grant funds to nonprofit agencies to carry out programs.

Affordable Housing Development

For a full description of this program, please see the above "Housing Programs" section. The State Housing Fund will be available to fund a variety of affordable rental housing, including rental housing for special needs groups like the elderly and large families. A goal of this program is to provide a certain percentage of all units built as accessible to disabled persons. Any units produced with federal funds that are designed to be accessible to persons with disabilities must meet affirmative marketing requirements.

Owner-Occupied Housing Rehabilitation Program

For a full description of this program, please see the above "Housing Programs" section. This program will fund a range of rehabilitation activities that benefit special needs groups, such as accessibility accommodations for the disabled or room additions to alleviate overcrowding in large family households.

Minor Home Repair Program

For a full description of this program, please see the above "Housing Programs" section. This program will fund minor improvements that are needed to correct health and safety hazards. A key goal of this program is to provide accessibility modifications for disabled households.

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

JANICE K. BREWER
Governor



MICHAEL TRAILOR
Director

**STATE OF ARIZONA
DEPARTMENT OF HOUSING**

1110 WEST WASHINGTON, SUITE 310
PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV
FAX: (602) 771-1002

April 3, 2012

Mr. John Norris, CEO
Christian Care Companies
2002 W. Sunnyside Drive
Phoenix, AZ 85029

Re: Christian Housing-Cottonwood, Inc.
859 South 12th Street, Cottonwood, AZ

Dear Mr. Norris:

Please allow this letter to serve as support of your FY2012 Assisted Living Conversion Program (ALCP) application for funding to convert Christian Care Cottonwood located in Cottonwood, AZ to an affordable assisted living facility which will be licensed to accommodate twenty-one (21) frail elderly persons and people with disabilities who need certain support services.

It is our understanding that this site is a 20 unit apartment complex for very low-income elderly that was financed through the HUD Section 202 program. As part of the ALCP construction, the unit configuration and related common and service space will be consistent with HUD or the state's statute/regulations (whichever is more stringent), including compliance with all accessibility laws.

The State of Arizona's Department of Housing recognizes that housing low income seniors and providing appropriate supportive services is critical and therefore supports the application of Christian Housing-Cottonwood, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Rael", written over a horizontal line.

Andrew Rael
Assistant Deputy Director, Programs



TABLE 5.5: Resource Agencies

AGENCY	RESOURCES
Private Sector	The strength of the Cottonwood housing market is evidenced by the development of significant numbers of housing units during the 1990s. While homebuilders, lenders, and other entities are actively engaged in the housing market, there is little evidence of cooperation to address certain market segments.
Local Lenders	Make available products that may benefit those households with good credit and sufficient down payment to enter into homeownership.
Home Builders	Several homebuilders develop units and subdivisions that make homeownership possible for households with limited income. Housing opportunities for households with limited income include manufactured housing and housing located in subdivisions or communities outside the City of Cottonwood limits. Alternative building materials and types are used outside the City of Cottonwood limits.
Non-Profits	There are a variety of nonprofit organizations that deliver products and services for specific market and population segments. The City of Cottonwood cooperates with and supports these organizations. No organization exists to address the entire spectrum of housing needs or the entire spectrum of the housing market.
Habitat for Humanity	This organization develops housing for families earning less than \$14,000 annually. Families are offered a zero-interest, twenty-year mortgage. The most recently built unit cost \$95,000 to develop and was mortgaged at \$50,000. Families must contribute 500 hours of sweat equity – 100 hours before their unit is started and 400 hours on their own unit. There are currently 20-25 families on the waiting list. The organization has encountered difficulty acquiring lots, due to their cost and also is seeking to incorporate homeownership education and maintenance riders into their program.
N.A.C.O.G.	Northern Arizona Council of Governments (NACOG) administers the State's Rural Home Purchase Assistance Program (RHAP) in Yavapai County. The RHAP provides closing cost assistance and equity contributions to low-income first-time homebuyers. To be eligible for assistance, the potential homebuyer must participate in homeownership education. NACOG also provides housing rehabilitation services on behalf of local government and nonprofit organizations. Services include program administration and construction management. Related programs include weatherization and minor repair for both owner-occupied and renter-occupied units, as well as an emergency repair program.
Verde Valley Homeless Coalition	An informal organization of homeless providers coordinating efforts to maximize services and housing to special populations. The coalition undertakes research, proposes projects, and applies for financial resources. It intends to acquire, rehabilitate and manage properties, units and programs that serve homeless and at-risk families and individuals.
Christian Care	This Phoenix-based organization has a master plan that includes approximately one hundred (100) units of elderly housing.
Federal Government	USDA Rural Development, FHA, and the Veterans Administration offer homebuyer programs that often include lower down payment requirements and purchase subsidies. Other opportunities, such as preferred acquisition of foreclosure units and low cost leases are available to nonprofit organizations.
State of Arizona	Several state agencies make available various financial and human resources to address housing conditions. These agencies include: AZ Dept. of Commerce; Governor's Office of Housing Development; the Arizona Department of Housing; AZ Dept. of Economic Security; and the AZ Dept. of Behavioral Health Services.
AZ Dept. of Commerce	Offers a variety of financing programs to nonprofit and local government organizations, as well as to private developers. Available financing includes bonds, loans, and grants for programs and projects as diverse as the applicants and their projects. Most resources are geared towards households earning less than 80% of the county median income.
AZ Dept. of Economic Security	Offers financial resources for the operation of homeless and transitional housing shelters, homeless prevention resources, and provides services to special populations.
AZ Dept. of Behavioral Health Services	Offers financial resources in support of housing and services to persons with mental illness. Most of the resources are administered in cooperation with the AZ Dept. of Commerce.
City of Cottonwood	The City provides stability, leadership, planning and direction. In addition to planning efforts and permitting activities, the city provides infrastructure and staff support. Infrastructure includes a recently expanded sewer system to support future development with an impact fee currently limited to \$1500. The city provides staff support to the Verde Valley homeless coalition, has partnered with the Chamber of Commerce to recognize property and business owners that contribute to the community, and has been supportive of multi-family development, including affordable multi-family development. The city recently hired a full-time code enforcement officer and has also been awarded financial resources to undertake a housing rehabilitation program.



E. KEY ISSUES

1. Providing a Balance of Housing

A quality mix of housing is essential to addressing the housing needs of a diverse population. The Cottonwood Housing Strategy is devoted to addressing this very primary issue. Cottonwood has a wide variety of households and demands for housing types. Land use planning plays an important role in addressing housing needs. The City should coordinate the housing strategy with the General Plan; educate the public and developers regarding needs and opportunities; and otherwise encourage the development of needed housing types.

2. Housing for an Aging Population

Cottonwood's population is aging, in part due to its attraction to retirees, and role as a provider of medical services. It is essential that the City provide an adequate supply of housing attractive to this group and to the health care workers required to support the medical services which make the City attractive.

3. Housing for Low Income

Housing affordability is declining in Cottonwood. Higher wages are needed as well as a program for developing a level of education in the work force that is more attractive to higher wage industries. The City should also establish a program for housing subsidies as well as public education about assistance and home ownership opportunities. The City can also encourage the development of larger rental units for low income families and explore opportunities for employer assisted housing.

4. Inadequate Home Ownership Opportunities

Cottonwood is rapidly evolving into a City of rental units. Home ownership generally encourages more attention to home maintenance and more participation in the community. The City should develop a better variety of housing which is more supportive of home ownership, including added opportunity (and zoning) for manufactured homes and a program for ownership of multi-family units.

The City should also work closely with the Northern Arizona Council of Governments in educating the public regarding home ownership opportunities; and create incentives for developers to provide affordable housing in new development.

5. Maintenance of Housing Stock

Much of the City's housing stock is 30-50 years old and in need of upgrading. Many of these units are concentrated in specific areas of the community. The City should develop a revitalization program and identify specific neighborhoods on which to focus revitalization efforts. The program should encourage participation by local homeowners, Habitat for Humanity and others to acquire and renovate specific home sites. The program could also establish a trust that would provide assistance to low-income families. The City should also consider the establishment of a rental code to encourage upgrades to rental properties.

6. Nuisance Abatement

The City of Cottonwood should consider adopting a civil nuisance abatement program to enhance the work of the code enforcement officer as well as other law enforcement agencies. The program should encourage safety and discourage illegal drug use and other neighborhood criminal activity.

7. Housing Program Management



F. GOALS & OBJECTIVES

focus: The Housing Element is intended to ensure that Cottonwood continues to provide for the housing needs of all its residents, and to provide guidance for the development of programs that result in the availability and affordability of housing to all segments of the population.

GOAL H-1 INCREASE THE RATE OF HOME OWNERSHIP IN COTTONWOOD

- **OBJECTIVE 1.1 Create additional single-family homeownership opportunities in targeted neighborhoods.**
 - 1.1.A The City shall inventory and map vacant lots and land, and the location of infrastructure, in identified neighborhoods.
 - 1.1.B The City shall require all rental units be registered with the City.
 - 1.1.C The City shall adopt a rental unit code aimed at ensuring rental units meet minimum health and safety standards.
 - 1.1.D The City shall begin enforcement of its rental code through inspections of rental units located in targeted neighborhoods. Inspections shall be based initially on exterior code violations and/or complaints.
 - 1.1.E The city shall work with one or more nonprofit organizations, such as Habitat for Humanity, to identify mechanisms and resources to encourage the acquisition and rehabilitation of single-family and lower-density rental units for resale to first-time and moderate-income households.
- **OBJECTIVE 1.2 Ensure zoning for manufactured housing.**
 - 1.2.A In planning land use, the City shall ensure a variety of land uses, including manufactured housing and appropriate single-family development.
 - 1.2.B Through the update of the General Plan, the City shall identify areas appropriate for rezoning to include additional manufactured housing opportunities.
- **OBJECTIVE 1.3 Encourage the development of multi-family homeownership housing.**
 - 1.3.A The City shall seek a multi-family homeownership development concept (minute plan) through a university, college or trade school for a specific pre-identified site.
 - 1.3.B When reviewing planned multi-family development; the City shall inform developers of the desire to increase the homeownership rate. In providing such information, the City shall make available information regarding programs and resources for the development of homeownership opportunities.
- **OBJECTIVE 1.4 Make available homebuyer education, counseling and financial resources.**



1.4.A The city in cooperation with one or more organizations, such as the Board of Realtors, shall undertake the planning and sponsorship of a local or regional homeownership fair. The planning committee should include representatives from the Chamber of Commerce, lending institutions, real estate companies, Fannie Mae, the Governor's Office of Housing Development, the US Department of Housing and Urban Development and other public and private organizations. The City shall participate with local nonprofit and private sector organizations to hold a local or regional homeownership fair.

1.4.B The city shall contact the Northern Arizona Council of Governments (NACOG) to identify the conditions under which homeownership education and counseling services and financial assistance available through the State of Arizona will be regularly marketed and offered in Cottonwood. Such conditions shall include actions the City, private sector and/or nonprofit organizations may take to assist with marketing and delivery of services and assistance.

• **OBJECTIVE 1.5 Create incentives, policies and resources to provide homeownership opportunities for lower-income households.**

1.5.A The City shall explore the impacts of a policy that requires all new subdivisions and planned developments of twenty or more units to set aside a minimum of 10% of total units for development of housing affordable to those earning less than 80% of the area median income adjusted for household size.

1.5.B The City shall explore the use of a percentage of sales tax to establish a local housing trust fund to assist households earning less than 80% of the area median income in the purchase of standard homeownership housing in neighborhoods targeted for revitalization.

• **OBJECTIVE 1.6 Integrate the Housing Strategy into the Cottonwood General Plan**

1.6.A Through the update of the General Plan, the City shall inform the advisory committee of the impacts of current and planned land uses on housing variety and affordability.

1.6.B Through the update of the General Plan, the City shall sponsor one or more events to increase awareness of existing housing market conditions.

GOAL H-2 REVITALIZE COTTONWOOD'S NEIGHBORHOODS

2.0.A The City shall identify areas of the community with common characteristics and identifiable boundaries that may be designated for targeted revitalization.

2.0.B The City shall target housing and infrastructure resources to those areas of the community designated for revitalization.

2.0.C The City shall coordinate owner-occupied rehabilitation activities in those areas of the community with the largest proportion of housing units in need of major rehabilitation or replacement.



2.0.D Also see Goal 1.

2.0.E Establish a civil nuisance abatement program to enhance the efforts of neighborhood code enforcement and policing of drug activity.

GOAL H-3 ENCOURAGE A REGIONAL APPROACH TO PLANNING FOR AND DEVELOPING MULTI-FAMILY AND RENTAL OPPORTUNITIES.

3.0.A The city shall seek an organization to host a regional housing workshop, the purpose of which shall include an agreement to approach housing from a regional perspective. At a minimum, the workshop shall be open to local and elected officials from throughout the Verde Valley and shall include education regarding current conditions, the benefits of multi-family and rental opportunities, and models of successful regional housing plans.

GOAL H-4 ENCOURAGE THE DEVELOPMENT OF RENTAL OPPORTUNITIES FOR LARGER FAMILIES AND MODERATE-INCOME HOUSEHOLDS.

4.0.A The City shall identify the number of three bedroom and larger bedroom units in the single and multi-family stock. Thereafter and based on the results of this identification, the City shall inform developers of the shortage of 3+ bedroom rental units and request developers investigate current market conditions to identify the number of 3+ bedroom units that may be included in planned development.

4.0.B The City shall identify the number of units available to moderate-income households. Based on the results of this identification and as appropriate, the City shall inform developers of the need for housing for moderate-income households.

GOAL H-5 SUPPORT THE DEVELOPMENT OF SHELTER AND TRANSITIONAL HOUSING.

5.0.A The City shall continue to support the Verde Valley homeless coalition, through CDBG and other available resources, in the coordination and delivery of housing and services for homeless and at-risk families and individuals.

GOAL H-6 COORDINATE ECONOMIC AND HOUSING DEVELOPMENT PLANNING, POLICY AND ACTIONS.

• **OBJECTIVE 6.1 Coordinate Planning and Implementation Efforts.**

6.1.A The City shall present the findings of the Cottonwood Housing Strategy to the Chamber of Commerce or other economic development organization.

6.1.B The City and identified economic development organizations shall identify common and related goals and actions in the Cottonwood Housing Strategy and the Cottonwood Economic Development Plan.



• **OBJECTIVE 6.2 Ensure a variety of quality and affordable housing opportunities are available for seniors and for those employed in the health care industry.**

- 6.2.A The City and/or its economic development organization(s) shall meet with or survey developers and providers of senior/elderly housing to 1) accurately describe planned developments, including size, location and amenities; and 2) identify workforce shortages related to the operation of senior/elderly housing and the provision of related services.
- 6.2.B The Chamber of Commerce shall survey seniors, through the "Prime Time Fair" and other mechanisms, to accurately identify desired housing amenities and related services.
- 6.2.C Based on the response of seniors, and senior/elderly housing developers and providers, identify variety and affordability gaps and the available mechanisms and resources necessary to ensure identified gaps are addressed.
- 6.2.D Based on the response of seniors, and developers and providers, the Chamber of Commerce shall prepare a list of senior housing opportunities and related services. This list shall be made available at the "Prime Time Fair" through various social service organizations as well as the Chamber of Commerce and City of Cottonwood.
- 6.2.E Identify and survey the major employers in the health care industry. Based on basic employment data relevant to assessing housing demand (affordability, quality and variety) identify mechanisms and resources to 1) ensure housing is available to attract and retain a stable employment base within the City of Cottonwood, and 2) promote employer-assisted housing opportunities.
- 6.2.F In the design and implementation of owner-occupied housing rehabilitation programs, preference shall be provided to income-qualified senior/elderly households. Senior/elderly households applying for owner-occupied housing rehabilitation programs shall be provided information regarding available senior/elderly housing and related services.

GOAL H-7 ORGANIZE TO ADDRESS HOUSING CONDITIONS

- 7.0.A The City shall develop and adopt, as part of the Cottonwood Housing Strategy, a statement of housing policy.
- 7.0.B Upon adoption of the Cottonwood Housing Strategy, the City shall create an informal or appoint a formal organization or committee to oversee implementation of the Housing Strategy. In considering the creation or appointment of an organization or committee, the City shall recognize the role of the City Council, the Design Review Board, the Planning and Zoning Commission, and Staff. The City Council shall set policies and provide policy-related guidance; the Design Review Board shall ensure the housing strategy is implemented when reviewing development in areas with current zoning; the Planning and Zoning Commission shall ensure the housing strategy is implemented when rezoning or other approvals are requested; and Staff shall ensure that policies and actions are appropriately implemented. At least twice annually, the informal organization or appointed committee shall meet to review actions taken and



Cottonwood General Plan 2003-2013 / ADOPTED DEC. 16, 2003

suggest next steps. Bi-annually, the informal organization or appointed committee shall review and update the Cottonwood Housing Strategy.

- 7.0.C Based on 2000 US Census data, the City shall update the Housing Strategy and within six months incorporate new findings into this action plan.

Note to all applicants/ respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0111
(exp. 8/31/2013)

1a. Project Name & Address (including City, County, State & Zip Code)		1b. Project Contract Number	1c. No. of Units
Christian Care Cottonwood - Manor I 859 S. 12th Street Cottonwood, AZ 86326 Yavapai County		123-EE034	20
		1d. Census Tract	
		20.04	
		1e. Housing/Expanded Housing Market Area	
		Housing Market Area: Yavapai County Expanded Housing Market Area:	
1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address			
Christian Care Management, Inc., 2002 W. Sunnyside Drive, Phoenix, Maricopa County, AZ, 602-943-1800 Kathy.Loscheider@ChristianCare.org			
1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address			
Christian Housing Cottonwood, Inc. 859 S. 12th Street, Cottonwood, Yavapai County, AZ 86326, 928-634-7571 Kathy.Loscheider@ChristianCare.org			
1h. Entity Responsible for Marketing (check all that apply)			
<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Agent <input type="checkbox"/> Other (specify) _____			
Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address			
Owner, Christian Housing Cottonwood, Inc., 859 S. 12th Street, Cottonwood, Yavapai County, AZ 86326, 928-634-7571 Toni.Glenn@ChristianCare.org			
1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.			
Kathy Loscheider, Executive Director, Christian Housing Cottonwood, 2002 W. Sunnyside Drive, Phoenix, AZ 85029, 602-943-1800, Kathy.Loscheider@ChristianCare.org			
2a. Affirmative Fair Housing Marketing Plan			
Plan Type <input type="text" value="Updated Plan"/>		Date of the First Approved AFHMP: <input type="text" value="11/07/94"/>	
Reason(s) for current update: <input type="text" value="Review - 5 year update"/>			
2b. HUD-Approved Occupancy of the Project (check all that apply)			
<input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Family <input type="checkbox"/> Mixed (Elderly/Disabled) <input type="checkbox"/> Disabled			
2c. Date of Initial Occupancy		2d. Advertising Start Date	
<input type="text" value="05/15/1996"/>		Advertising must begin <i>at least</i> 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects. Date advertising began or will begin <input type="text" value="03/01/1996"/>	
		For existing projects, select below the reason advertising will be used:	
		To fill existing unit vacancies <input type="checkbox"/>	
		To place applicants on a waiting list <input checked="" type="checkbox"/> (which currently has <input type="text" value="39"/> individuals)	
		To reopen a closed waiting list <input type="checkbox"/> (which currently has <input type="text" value=""/> individuals)	

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- ☐ White ☒ American Indian or Alaska Native ☒ Asian ☒ Black or African American
☒ Native Hawaiian or Other Pacific Islander ☒ Hispanic or Latino ☐ Persons with Disabilities
☐ Families with Children ☐ Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as shown in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☒ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☒ Rental Office ☐ Real Estate Office ☐ Model Unit ☒ Other (specify) Corporate Offices

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

☐ Rental Office ☐ Real Estate Office ☐ Model Unit ☒ Entrance to Project ☒ Other (specify)

The size of the Project Site Sign will be 8 x 3
The Equal Housing Opportunity logo or slogan or statement will be 6 x 6.5 2 locations on campus

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

We have been fortunate to maintain a healthy wait list, however, we send out informational flyers on a quarterly basis to the Cottonwood Chamber of Commerce and the Senior Center.

The Apartment Manager received Fair Housing training every two years as required to renew her Arizona Real Estate License. She also receives the Fair Housing/Equal Opportunity e-mail from HUD.

The Apartment Manager and the Executive Director review the AFHMP on an annual basis to determine whether the marketing activities are successful or not.

What staff positions are/will be responsible for affirmative marketing?

HUD Apartment Manager

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP? Yes ☐
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? Yes ☐
- (3) If yes, who provides instruction?

Christian Care Management and HUD FHEO Updates - Annually and as updates come from HUD or from Fair Housing.

- (4) Do you periodically assess staff skills and use of the AFHMP and the Fair Housing Act? Yes ☐
- If yes, how and how often?

Annually and once updates are received we distribute them to all staff and review them in the annual review process.

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences? Yes ☐
- (2) What staff positions are/will be responsible for tenant selection?

HUD Apartment Manager

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

Upon hire, all staff are required to read through the HUD AFHM/Fair Housing rules in the HUD Handbook (Attached Chapter 2, Sections 2-5 thru 2-7).

Additionally, the HUD Manager is required to review the AFHMP on a semi-annual basis to make sure she is keeping with the plan.

The Apartment Manager also receives fair housing training every two years as necessary to renew her Arizona Real Estate License. She also receives the Fair Housing/Equal Opportunity e-mails from HUD.

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

The HUD Apartment Manager has been a licensed Real Estate Agent since 1992 and is required to go through the Fair Housing training every two years to renew this license.

9. Review and Update

By signing this form, the applicant/respondent agrees to update its AFHMP and to file and update its AFHMP in the HUD Office in the event of any change in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Kathy Loscheider

Title & Name of Company

Christian Housing Cottonwood, Inc.

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐

Approval

☐

Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name
(type
or
print)

Title

Name
(type
or
print)

Title

Worksheet 4: Determining Demographic Groups Least Likely to Apply for Housing Opportunities (See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. Please attach maps showing both the housing market area and the expanded housing market area.

Instructions: For demographic data from the 2010 Census, please see <http://factfinder2.census.gov/main.html>. To find data by Census Tract, County, Metropolitan Statistical Area (MSA), or other level:

1. Click "Geographies" on the left.
2. Click the "Address" Tab and enter the address of the project and then click "GO".
(*To create a map of the area click the "Maps" tab*)
3. Select the level of interest (Census Tract, County, MSA, or other) and then close the "Select Geographies" box.
(Do NOT select more than one level at a time)
4. Click the first "Profile of General Population and Housing Characteristics: 2010" also known as DP-1.
(Refer to the "Race" section "Total Population" subsection for breakdown of demographic characteristics)
5. Record the information in Worksheet 1 for that level, click "Back to Search" in the top left corner, then click "Clear all Selections" in the "Selections" Box in the top left corner.
6. Start process again to retrieve the next level of data (County, MSA, or other).

To collect information about the percentage of persons with disabilities repeat above steps 1 through 3 to select your level of interest (Census Tract, County, MSA, etc.) then:

1. Click "Topics" on the left.
2. Click "People".
3. Click "Disability" and then click the "Disability" link directly beneath it.
4. **For Census Tract-** Select the first "Disability Status by Sex: 2000" or QT-P21. Please note that the most recent information for census tract is from 2000. In this section report percent with a disability for both sexes for population 5 years and over.
For County or MSA- Select the first "Selected Social Characteristics in the United States" or DP02 and report the percent of the total civilian noninstitutionalized population with a disability.
5. Record the information in Worksheet 1 and then click "Back to Search" in the top left corner, then click the "X" next to the level in the "Your Selections" box, but **KEEP "DISABILITY"** as a selection.
6. Repeat for next level of data (County, MSA, or other).

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White	94%	96%	83.65	89.3%	N/A
% Black or African American	0%	0%	0.8%	0.6%	N/A
% Hispanic or Latino	1%	4%	22.8%	13.6%	N/A
% Asian	0%	0%	0.9%	0.8%	N/A
% American Indian or Alaskan Native	4%	0%	1.8%	1.7%	N/A
% Native Hawaiian or Pacific Islander	0%	0%	0.1%	0.1%	N/A
% Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 3: Proposed Marketing Activities -Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.
Hispanic/Black/Indian/Asian/Hawaiian	Verde Valley Senior Center, 500 E. Cherry Street, Cottonwood, AZ - 928-634-5450
Hispanic/Black/Indian/Asian/Hawaiian	Cottonwood Chamber of Commerce website, www.cottonwoodchamberaz.org 1010 S. Main Street, Cottonwood, AZ 928-634-7593
Hispanic/Black/Indian/Asian/Hawaiian	Catholic Charities of Arizona, 736 N. Main Street, Cottonwood, AZ 928-634-4254

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s) → Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)	Hispanic/Black/Indian & Asian		
Cottonwood Journal Extra			
Radio Station(s)			
TV Station(s)			
Electronic Media	Hispanic/Black/Indian & Asian		
www.cottonwoodchamberaz.			
Bulletin Boards	Hispanic/Black/Indian & Asian		
Verde Valley Senior Center			
Brochures, Notices, Flyers	Hispanic/Black/Indian & Asian		
Catholic Senior Services			
Other (specify)			

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332860170-8498

a. Exhibit I - Application Summary for the Assisted Living
Conversion Program. Submission of completed Form HUD92045.

**Multifamily Housing Assisted
Living Conversion Program
APPLICATION SUMMARY SHEET**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0542
(exp. 06/30/2013)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for HUD's Assisted Living Conversion Program (ALCP). This program is authorized under Section 522(c) of the Appropriations Act of 2000. The information is necessary to assist HUD in determining applicant eligibility and ability to convert multifamily housing projects designated for the elderly (in whole or in part) into assisted living facilities. A thorough evaluation of an applicant's qualifications and capabilities is critical to protect the Government's financial interest and to mitigate any possibility of fraud, waste, or mismanagement of public funds. This collection of information does not collect any sensitive information. HUD does not ensure confidentiality.

Owner (Funds Recipient) Name Christian Housing - Cottonwood, Inc.

Address 859 South 12th St

City Cottonwood State Arizona Zip 86326-4564

Phone (Include Area Code) (928) 634-7571

Grant Contact Person (Name) John Norris

Phone (Include Area Code) (602) 443-5411

E-mail address john.norris@christiancare.org

List the specific development(s) targeted for assistance under this grant. Use additional sheets as needed.

Development Name Christian Care Cottonwood

Address 859 South 12th St

City Cottonwood State Arizona Zip 86326-4564

FHA/Project Number 123EE034 Sec.8 Number AZ20S941010

Project Type (e.g., 236) Section 202 No of Units 20

Location (Urban, suburban, or rural) Suburban

Number of Residents 24 Estimated Number of Frail Elderly 22

Estimated Number of Non-elderly People with Disabilities 0

Estimated Number of At-risk Elderly 1

Are you applying for a Service Coordinator Grant? Yes ☒ No

Will this development share a service coordinator with other developments? Yes ☒ No

If yes, please give name and address of the development(s) if different.

Senators 1. Jon Kyl 2. John McCain

Congressional Representative(s) Name(s) 1. Paul Gosar District(s) 1. 1

2. _____ 2. _____

CottonwoodALCP2012
AOR, CL, COC, TOC
DUNS: 9647017390000
FaxID: 1332880170-8498



CHRISTIAN CARE MANAGEMENT, INC.
RETIREMENT AND HEALTHCARE MINISTRY, EST. 1979

April 13, 2012

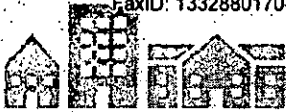
To Whom It May Concern:

Christian Housing - Cottonwood, Inc. authorizes NDA Consultants, LLC to act as Authorized Organizational Representative for applicant submission for the 2012 U.S. Department of HUD Assisted Living Conversion Program grant.

Sincerely,

A handwritten signature in black ink, appearing to be 'John Norris', written in a cursive style.

John Norris
CEO



NDA
Consultants, LLC

INNOVATIVE HOUSING SOLUTIONS

May 9, 2012

Ms. Katina Washington
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410-0500

Dear Ms. Washington:

On behalf of Christian Care Housing-Cottonwood, Inc. we are submitting the attached Assisted Living Conversion Program application in response to the Notice of Fund Availability (NOFA) published on March 13, 2012. Christian Care Cottonwood presently serves the residents of the City of Cottonwood's senior community. The Code of Conduct was submitted via fax on September 9, 2012 a copy of which is attached along with the fax transmittal form.

Although Christian Care Housing-Cottonwood, Inc. has been able to create an array of supportive services to enable its residents to live in a home like environment, there have been limited resources to renovate units and the common areas to be more conducive to allow elders to further age in place. These NOFA funds will truly allow Christian Care Housing - Cottonwood, Inc. to achieve its mission to provide quality, affordable care to elders, maximizing their independence within a home like environment, with the goal of avoiding premature and unnecessary institutionalization.

If you have any questions or need any additional information, please do not hesitate to contact us at (413)565-7144.

Sincerely,

Naren Dhamodharan (signature)

Naren Dhamodharan
President

Send Result Report



MFP

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05/09/2012 16:12
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Complete

Document:

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Facsimile Transmittal

1332880170-8498

U. S. Department of Housing
and Urban Development
Office of Department Grants
Management and Oversight

OMB Number: 2525-0118
Expiration Date: 05/30/2011

Name of Document Transmitted: Code of Conduct for Christian Housing- Cottonwood, Inc.

1. Applicant Information:

Legal Name: Christian Housing - Cottonwood, Inc.

Address:

Street1: 859 South 12th St

Street2:

City: Cottonwood

County:

State: AZ; Arizona

Zip Code: 863264664

Country: USA: UNITED STATES

2. Catalog of Federal Domestic Assistance Number:

Organizational DUNS: 96470.7390000

CFDA No.: 14.314

Title: Assisted Living Conversion for Eligible Multifamily Housing Projects

No.	Date and Time	Destination	Times	Type	Result	Resolution/ECM
001	05/09/12 16:11	18004831010	0'00'53"	FAX	OK	200x100 Normal/Off

CottonwoodALCP2012
AOR, CL, COC, TOC
DUNS: 9647017390000
FaxID: 1332880170-8498

Facsimile Transmittal

1332880170-8498

U. S. Department of Housing
and Urban Development
Office of Department Grants
Management and Oversight

OMB Number: 2525-0118
Expiration Date: 06/30/2011

Name of Document Transmitting: Code of Conduct for Christian Housing- Cottonwood, Inc.

1. Applicant Information:

Legal Name: Christian Housing - Cottonwood, Inc.

Address:

Street1: 859 South 12th St

Street2:

City: Cottonwood

County:

State: AZ: Arizona

Zip Code: 863264564

Country: USA: UNITED STATES

2. Catalog of Federal Domestic Assistance Number:

Organizational DUNS: 9647017390000

CFDA No.: 14.314

Title: Assisted Living Conversion for Eligible Multifamily Housing Projects

Program Component:

3. Facsimile Contact Information:

Department:

Division:

4. Name and telephone number of person to be contacted on matters involving this facsimile.

Prefix:

Mr.

First Name:

Naren

Middle Name:

Last Name:

Dhamodharan

Suffix:

Phone Number:

413-565-7144

Fax Number:

413-565-7145

5. Email: naren@ndaconsultantsllc.com

6. What is your Transmittal? (Check one box per fax)

☐

a. Certification

☐

b. Document

☐

c. Match/Leverage Letter

☒

d. Other

7. How many pages (including cover) are being faxed?

2

Form HUD-96011 (10/12/2004)



CHRISTIAN CARE MANAGEMENT, INC.

RETIREMENT AND HEALTHCARE MINISTRY, EST. 1979

CODE OF CONDUCT

PURPOSE: The purpose of this Code of Conduct is to ensure the efficient, fair, and professional administration of federal grant funds in compliance with federal Office of Management and Budget (OMB) Circular A-102, the federal grants management common rule, and other applicable federal and state standards, regulations, and laws.

APPLICATION: This Code of Conduct applies to all officers, employees, or agents of *Christian Housing-Cottonwood, Inc.* engaged in the award or administration of contracts supported by federal grant funds.

REQUIREMENTS: No officer, employee, or agent of *Christian Housing-Cottonwood, Inc.* shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. the employee, officer, or agent;
2. any member of his/her immediate family;
3. an organization which employs, or is about to employ any of the above;
4. has a financial or other interest in the firm selected for award.

The *Christian Housing-Cottonwood, Inc.* officers, employees, or agents shall neither solicit, nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

REMEDIES: That the extent permitted by federal, state or local laws and regulations, violation of these standards may cause penalties, sanctions, or other disciplinary actions to be taken against *Christian Housing-Cottonwood, Inc.* officers, employees, or agents, or the contractors, potential contractors, or their agents.

COMPLIANCE: A copy of the adopted Code of Conduct has been distributed to all officers, employees, and agents of *Christian Housing-Cottonwood, Inc.* by Christian Care Management, Inc.

Passed and adopted this 23rd day of April, 2012.

SIGNED:

John S. Norris, CEO
Christian Housing - Cottonwood, Inc.

ATTEST:

Kathy Loscheider, Executive Director
Christian Housing - Cottonwood, Inc.

List of Christian Care Cottonwood I ALCP Exhibits

Table Of Contents

Exhibit	Description	Filename	Length (pages)
Exhibit I	Form HUD-92045, Application Summary for the Assisted Living Conversion Program.	Exhibit1CCC.zip	2 pages
Exhibit II	Evidence of private nonprofit status and legal ability to operate an SEH program:	Exhibit2CCC.zip	46 pages
(1)	Articles of Incorporation.		pages 1-16
(2)	Bylaws.		pages 18-45
Exhibit III	Community support:	Exhibit3CCC.zip	173 pages
(1)	Links to the community at large and to the minority and elderly communities in particular		page 1-52
(2)	Efforts to involve elderly persons, including minority elderly persons and persons with disabilities in: (a) Development of the application; (b) Development of the SEH operation philosophy; (c) Review of the application prior to submission to HUD; and (d) Intent to involve eligible SEH residents in the operation of the project.		page 54-118
(3)	Description of your involvement in your community's Consolidated Planning processes including: (a) Identification of lead/facilitating agency that organizes/administers the process; (b) Listing of Consolidated Plan areas in which you participate; and (c) Level of your participation in the process		page 120-144
(4)	Implementation measures that will result in residents aging in place.		page 146-167
(5)	Policy Priority - Capacity Building and Knowledge Sharing		page 169-172
Exhibit IV	Evidence of occupancy.	Exhibit4CCC.zip	14 pages
Exhibit V	Evidence of need for project:	Exhibit5CCC.zip	167 pages
(1)	Need for the SEH by current project residents: (a) Demographic characteristics of the elderly residents currently living in the project; and (b) Services currently available to the residents.		pages 1-42
(2)	Need for SEH units by very low-income elderly and disabled households in the market area.		pages 44-85
(3)	Current Market Study		pages 87-103
(4)	Type, availability and cost of alternate care and services.		pages 105-109
(5)	How the community's Consolidated Plan was used.		pages 111-166

Exhibit VI	Physical Construction:	Exhibit6CCC.zip	133 pages
(1)	Project development and timeline.		pages 1-8
(2)	Narrative stating the number of units, special design features, common areas.		pages 10-18
(3)	Energy efficiency features.		pages 20-25
(4)	Original plans and specifications.		pages 27-38
(5)	Description of how project will conform to UFAS.		pages 40-42
(6)	Architectural sketches.		pages 43-55
(7)	Budget.		pages 56-66
(8)	Commitment Letters.		pages 68
(9)	(a) Identify tenants to be moved within the development; (b) Estimated Cost of temporary relocation; (c) List of tenants to be temporarily relocated; (d) Identify Staff person that will carry out relocation activities; (e) Indicate temporary relocation will not extend beyond one year; (f) Residents who are temporarily relocated during the conversion that do not need or seek SEH services; and (g) General Information Notice Requirements.		pages 70-121
(10)	Section 3 requirements.		pages 123-132
Exhibit VII	Retrofit or Renovation Work.	Exhibit7CCC.zip	2 pages
Exhibit VIII	Evidence of Permissive Zoning.	Exhibit8CCC.zip	3 pages
Exhibit IX	Supportive Services Plan:	Exhibit9CCC.zip	165 pages
(1)	Description of the supportive services needed for SHE.		pages 1-11
(2)	Description of how the supportive services are to be provided.		pages 13-22
(3)	Description of how the operation of your SEH will work.		pages 24-49
(4)	Costs for board and supportive services.		pages 51-53
(5)	List who will pay for the board and supportive services and the amount provided.		pages 55-64
(6)	Support/commitment letter - funding sources.		pages 66-69
(7)	Governmental Agency support.		pages 71-72
(8)	Experience in arranging services and/or delivering supportive services to frail residents.		pages 74-160
(9)	Policy Priority - Using Housing for Improving Other Outcomes		pages 162-165
Exhibit X	Project's resources.	Exhibit10CCC.zip	43 pages
Exhibit XI	Forms/Certifications:	Exhibit11CCC.zip	25 pages
(1)	HUD92045 Multifamily Housing Assisted Living Conversion Program Application Summary Sheet		page 2
(2)	SF424 Application for Federal Assistance.		pages 3-5
(3)	SF424 Supplement Survey for Ensuring Equal Opportunity for Applicants.		page 6
(4)	HUD424CB Grant Applications Detailed Budget.		page 7
(5)	HUD424CBW Grant Application Detailed Budget Worksheet.		pages 8-15
(6)	HUD2880 Applicant Recipient Disclosure Update Report.		pages 16-18

(7)	HUD2991 Certification of Consistency with the Consolidated Plan.		page 19
(8)	Standard FormLLL Disclosure of Lobbying Activities.		page 20
(9)	HUD96010 Program Outcome Logic Model.	ALCP CCC.xls	
(10)	HUD2990 Certification of Consistency with RC EZ EC II Strategic Plan		pages 21-22
(11)	HUD 2995 Certification of Consistency with Sustainable Communities		pages 23-24
(12)	HUD96011 Third Party Documentation Fascimile Transmittal		page 25

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(1) How you propose to carry out the physical conversion (including a timetable and relocation planning). Completion of the Logic Model will assist in completing your response to this Exhibit.

This exhibit addresses these components as presented in this project's Logic Model:

- *HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4B) - Promote energy efficient buildings and location efficient communities that are healthy, affordable and diverse*
- *HUD Priority- Sustainability (2c) Improve residents' health and safety, particularly that of children and other vulnerable populations, by promoting green and healthy design, construction, rehabilitation, and maintenance of housing communities*

Christian Care Cottonwood 1(CCC) is an existing facility is located in Cottonwood, Arizona, USA and is financed through the Section 202 Program of FHA/HUD and originally known as Project Number FHA 123EE034/AZ20S941010. The existing project is one story with nineteen (19) one (1) bedroom units and one (1) two (2) bedroom unit, originally constructed in 1995 with one (1) common room and a resident laundry area.

For this FY 2012 ALCP application CCC is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and

additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals.

Prior to the commencement of construction, ALF-eligible residents living at CCC will be identified. Relocation preparations will be made in order to place eligible residents into one of the twenty (20) AL apartments being created under this ALCP conversion.

The relocation of residents for the construction will begin upon HUD grant award notification and continue throughout the design development of the project which will include submitting licensing application to the State of Arizona, the submission of kickoff documents to HUD for review, obtaining the building permit from the City of Cottonwood and finally the construction kickoff meeting where the construction documents will be executed and the Declaration of Restrictive Covenants is recorded. Construction for Phase I units will not commence until all residents have been relocated from those affected units.

All packing, moves and utility transfers will be paid out of the development budget. Residents will not be required to pay any out-of-pocket expenses due to relocation caused by construction.

A more detailed description of the three (3) construction phases follows:

PHASE I Construction

Renovation and construction of seven (7) apartments will take place during the first phase of construction. This phase should take approximately three (3) months to complete allowing for appropriate construction barriers and temporary egress ways to be installed for each affected area. The main concern for conversion in the dwelling

units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

The full-service kitchen and dining room will also be commenced during this construction Phase. The onsite preparation and construction of this addition, along with the multi-purpose wellness center, will actually take approximately five and one-half (5.5) months to complete so it will run parallel to the Phase II unit conversion.

Upon completion of this Phase I of construction there will be seven (7) converted ALCP apartment units.

- Residents occupying the seven (7) affected apartment units of this construction phase will be moved to vacancies within Cottonwood I for the duration of this construction period; and
- Once phase I is complete, those elderly residents who comply with current HUD occupancy standards, will be placed into the seven (7) ALCP apartments.

PHASE II Construction

Renovation and construction of seven (7) apartments will take place during the second phase of construction. This phase should take approximately three (3) months to complete allowing for appropriate construction barriers and temporary egress ways to be installed for each affected area. The main concern for conversion in the dwelling units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973.

Page 3 of 133

requirements for the assisted residents. Arizona Administrative Code R9-10-7* requires spaces for dining with storage for at least 3 days of food; space for social, recreational or rehabilitative activities; as well as spaces for lockable medicine storage and record keeping. The new dining room and kitchen will provide seating for all the residents and serve also as a gathering room. Activity, ALF program space and exercise room will be provided, and a rehab/wellness area. All of the new areas will be ADA compliant for accessibility. Site work will be needed to provide retaining wall foundations and exiting paths for these new additions.

Relocation Plan during Physical Conversion

Every effort will be made to ease the transition of the elderly residents of Cottonwood I before and during the rehabilitation process: staff will keep residents well informed of construction activities in advance and during the renovation process; the service coordinator and other service staff will attempt to alleviate resident anxiety through regular face-to-face meetings with residents, providing emotional support and counseling; management will assist residents in planning and conducting move-out and return to the resident units after the construction is completed.

Page 5 of 133

Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

Upon completion of this Phase II of construction there will be fourteen (14) converted ALCP apartment units and an operating kitchen, dining room and multi-purpose wellness center.

- Residents occupying the seven (7) affected apartment units of this construction phase will be moved to vacancies within Cottonwood I for the duration of this construction period; and
- Once Phase II is complete, those elderly residents who comply with current HUD occupancy standards will be placed into the seven (7) ALCP apartments.

PHASE III Construction

Renovation and construction of six (6) apartments will take place during the third phase of construction. This phase should take approximately three (3) months to complete allowing for appropriate construction barriers and temporary egress ways to be installed for each affected area. The main concern for conversion in the dwelling units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

Upon completion of this Phase II of construction there will be twenty (20) converted ALCP apartment units.

- Residents occupying the six (6) affected apartment units of this construction phase will be moved to vacancies within Cottonwood I for the duration of this construction period; and
- Once Phase III is complete, those elderly residents who comply with current HUD occupancy standards will be placed into the six (6) ALCP apartments.

While the unit conversions are taking place in Phases I – II, ongoing construction will take place for two new additions to provide for better economic delivery of services to the residents, and for common spaces for the use of the residents. These rooms will allow program area necessary to deliver assisted living services and meet licensing requirements for the assisted residents. Arizona Administrative Code R9-10-7* requires spaces for dining with storage for at least 3 days of food; space for social, recreational or rehabilitative activities; as well as spaces for lockable medicine storage and record keeping. The new dining room and kitchen will provide seating for all the residents and serve also as a gathering room. Activity, ALF program space and exercise room will be provided, and a rehab/wellness area. All of the new areas will be ADA compliant for accessibility. Site work will be needed to provide retaining wall foundations and exiting paths for these new additions.

Relocation Plan during Physical Conversion

Every effort will be made to ease the transition of the elderly residents of Cottonwood I before and during the rehabilitation process: **staff will keep residents well informed of construction activities in advance and during the renovation process; the service coordinator and other service staff will attempt to alleviate resident anxiety through regular face-to-face meetings with residents,** providing emotional support and counseling; management will assist residents in planning and conducting move-out and return to the resident units after the construction is completed.

CCC staff will notify the residents as soon as the ALCP funds are awarded to the project and the staff will be instructed that the project must adhere to the Uniform Relocation Act, as it is applicable.

In addition to the previously outlined plan, the following will occur as part of the relocation plan at CCC for the FY2012 ALCP conversion:

- Inform residents of notification of selection and the applicability of the Uniform Relocation Act;
- Initiate temporary relocation of residents from their units to other units within the building. Vacancies will be created through attrition;
- Construction will occur in three (3) phases taking approximately two (2) months to accomplish relocation and vacate the units for construction, three (3) months per phase, for the construction, and one and a half (1.5) months to reoccupy the units once the renovations have been completed;
- This project will convert twenty (20) units, including the manager's unit existing units into twenty (20) assisted living units. AL Licensing from the AZ DOH will be obtained for twenty-one (21) beds; and
- Residents occupying the impacted units will be moved to the vacant units within CCC.

The projected relocation timeline for the project will be as follows based upon ALCP grant award notifications being announced by December, 2012:

Vacate Units:	02/2013 - 08/2013
Construction Period:	08/2013 - 05/2014
Re-Occupy Period:	05/2014 - 06/2014

It is estimated that the physical construction period for the ALF Conversion will take no more than nine (9) months to complete after HUD's permission to commence.

The Vacancy/Rent Loss Schedule can be found in Exhibit VI (9).

Please see attached to this exhibit, a certification from CCC that the project will follow the standards and guidelines established by the Uniform Relocation Act and HUD handbook 1378.



CHRISTIAN CARE MANAGEMENT, INC.
RETIREMENT AND HEALTHCARE MINISTRY, EST. 1979

Certification for Intent to Follow the Uniform Relocation Act

This document is to certify that Christian Housing - Cottonwood, Inc. will follow the standards established in the Uniform Relocation Act. In addition, the management has notified all residents impacted by this initiative as stated in the HUD Handbook 1378 Appendix 2 and will adhere to the guidelines specified in the HUD Handbook 1378.

A handwritten signature in black ink, appearing to be 'John Norris', written over a horizontal line.

John Norris, CEO

April 13, 2012

Date

CottonwoodALCP2012-
Exhibit 6
DUNS: 9647017390000
FaxID: 1332880170-8498

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(2) A short narrative stating the number of units, special design features, community and office space/storage, dining and kitchen facility and staff space, and the physical relationship to the rest of the project. You must also describe how this design will facilitate the delivery of services in an economical fashion in the most integrated setting appropriate to the needs of the participating residents with disabilities and accommodate the changing needs of the residents over at least the next 10 years.

This exhibit addresses these components as presented in this project's Logic Model:

- *HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4B) - Promote energy efficient buildings and location efficient communities that are healthy, affordable and diverse*
- *HUD Priority- Sustainability (2c) Improve residents' health and safety, particularly that of children and other vulnerable populations, by promoting green and healthy design, construction, rehabilitation, and maintenance of housing communities*
- *HUD Priority- Sustainability (2d) Support and promote an energy-efficient, green, and healthy housing market by retrofitting existing housing, supporting energy-efficient new construction, improving home energy labeling, and promoting financing products that reduce the carbon footprint of non-HUD-supported residential buildings*

- **HUD Priority- Sustainability (2e) Reduce energy consumption and incorporate green building practices in the design and operation of HUD-supported affordable housing**
- **Housing- Units designed to meet energy efficient and WaterSense conservation requirements**
- **Housing- Common space(s) designed to meet energy efficient and WaterSense conservation requirements**
- **Housing- Design plan to add, modify and/or outfit a central kitchen or dining room**
- **Housing- Design plan to add, modify and/or outfit common space to meet accessibility requirements, building codes, and health and safety standards**
- **Housing- Design plan to add, modify and/or outfit office space for ALF/SEH staff**
- **Housing- Unit to meet accessibility requirements, building codes, and health and safety standards**

Christian Care Cottonwood I (CCC) is an existing facility located in Cottonwood, Arizona, and is financed through the Section 202 Program of FHA/HUD, originally known as Project Number FHA 123EE034/AZ20S941010. The existing project is one (1) story with nineteen (19) one (1) bedroom units and one (1) two (2) bedroom unit, originally constructed in 1995 with one (1) common room and a resident laundry area. One of the existing units is already fully accessible Type A unit with roll-in shower. The other existing units have bathtubs. CCC is committed to a comprehensive sustainable approach to the design and development of the ALCP conversion as part of HUD's policy priority to create inclusive and sustainable communities that will be free from discrimination.

Accessible Design & Visitability

In this FY 2012 ALCP grant application, Christian Care Cottonwood I is proposing to renovate all of the units and to create new spaces for common space, staff offices, a

commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals. Upgrading to new high efficiency mechanical units, Energy Star appliances and lighting as well as new Water Sense fixtures will help to make the building energy efficient, environmentally friendly and healthy. The design of all units and all common spaces will be completely accessible to facilitate full visitability and encourage residents to maintain independence while providing for increased assistance as needed.

Scope of Work

The main concern for conversion in the dwelling units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

FHA and ADA requirements for accessible building entries and common areas are met by both the existing conditions and the addition. The existing building already has exit signage and emergency lighting. There are handrails along one side of the corridor and this scope will add matching rails along the other side. For assisted living license in Arizona the building occupancy type will change from R to I-1.

Energy Efficiency

Specific energy saving actions will be taken to support HUD's Energy Action Plan. Energy and Water savings will be a priority. Energy savings will be a priority. All new appliances within the units will have Energy Star label. All new lighting will have

Energy Star label. New mechanical systems will be high efficiency. New walls and attic areas will have insulation and construction techniques to meet or exceed IECC. New windows in the additions will be dual pane low-e with SHGC value to meet or exceed IECC.

Water Conservation

Installation of water-conserving fixtures such as low flow showerheads, faucets and high-efficiency toilets will take place as part of this ALCP conversion. The materials used in the conversion will be either the most current **WaterSense** product or a greater water efficiency product.

Unit renovations

The existing **units** meet many of the requirements already in terms of clear floor spaces, door sizes, lever handle hardware, height of outlets, switches and other controls. The specific scope of work in the units for this proposal will include but not be limited to:

- Replace all kitchen and bathroom cabinetry with accessible height cabinets with removable fronts at sink and lav;
- Replace fixtures with new **Water Sense** fixtures;
- Replace appliances with new **Energy Star** appliances;
- Relocate closet rods to 48" max height (per latest ANSI, most stringent local requirement);
- Adjust windows to provide operable hardware within 48" a.f.f.;
- Change tubs to showers;
- Install grab bars where not already present;
- Install emergency call system with pull cords at bed and near shower; and
- Wiring updates per code for I-1.

Program Activity Areas

There will be two new additions to provide for better economic delivery of services to the residents, and for common spaces for the use of the residents. These rooms will allow program area necessary to deliver assisted living services and meet licensing requirements for the assisted residents. Arizona Administrative Code R9-10-7* requires

spaces for dining with storage for at least 3 days of food; space for social, recreational or rehabilitative activities; as well as spaces for lockable medicine storage and record keeping. The new dining room and kitchen will provide seating for all the residents and serve also as a gathering room. Activity, ALF program space and exercise room will be provided, and a rehab/wellness area. All of the new areas will be ADA compliant for accessibility. Site work will be needed to provide retaining wall foundations and exiting paths for these new additions.

Architectural Drawings:

Incorporated in this Application are:

Sketches 1 thru 4 = 8-1/2 x 11 drawings of the existing and proposed units at 1/4"=1'-0"
Sheets A1 thru A5 = 24X36 Site plan, existing floor plans for unit locations; proposed floor plans, elevations; unit plans at 1/4"=1'-0" with A3.1 and A3.2 1/8"=1'-0" of proposed additions.

Also an 8-1/2x11 reduction of the above.

PDF Drawings of the above

All of the proposed work will facilitate the delivery of services in an economical fashion in the most integrated setting appropriate to the needs of the participating residents with disabilities and accommodate the changing needs of the residents as they continue to age in place for the next ten years.

Please see the architectural narrative attached to this exhibit as prepared by Reece, Angell, Rowe Architects.



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Phone: 928-779-4340
Fax: 928-779-5087

PROJECT DESCRIPTION

ALCP 2012 -

Christian Care Cottonwood 1
Cottonwood, AZ, USA

April 19, 2012

Christian Care Cottonwood 1 is an existing facility located in Cottonwood, Arizona, USA and is financed through the Section 202 Program of FHA/HUD and originally known as Project Number FHA 123EE034/AZ205941010. The existing project is one story with 19 one bedroom units and 1 two bedroom unit, originally constructed in 1995 with one common room and a resident laundry area. One of the existing units is already fully accessible Type A unit with roll-in shower. The other existing units have bathtubs.

In 2012 the Applicant is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals. Upgrading to new high efficiency mechanical units, **Energy Star** appliances and lighting as well as new **Water Sense** fixtures will help to make the building energy efficient, environmentally friendly and healthy. The design of all units and all common spaces will be completely accessible to facilitate full visitability and encourage residents to maintain independence while providing for increased assistance as needed.

Christian Care Cottonwood 1

Page 2

Scope of Work

Accessible Design and Visitability

The main concern for conversion in the dwelling units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

FHA and ADA requirements for accessible building entries and common areas are met by both the existing conditions and the addition. The existing building already has exit signage and emergency lighting. There are handrails along one side of the corridor and this scope will add matching rails along the other side. For assisted living license in Arizona the building occupancy type will change from R to I-1.

Energy Savings

Energy savings will be a priority. All new appliances within the units will have Energy Star label. All new lighting will have Energy Star label. New mechanical systems will be high efficiency. New walls and attic areas will have insulation and construction techniques to meet or exceed IECC. New windows in the additions will be dual pane low-e with SHGC value to meet or exceed IECC.

Water Conservation

Installation of water-conserving fixtures such as low flow showerheads, faucets and high-efficiency toilets will take place as part of this ALCP conversion. The materials used in the conversion will be either the most current WaterSense product or a greater water efficiency product.

Christian Care Cottonwood 1

Page 3

Unit renovations

The existing **units** meet many of the requirements already in terms of clear floor spaces, door sizes, lever handle hardware, height of outlets, switches and other controls. The specific scope of work in the units for this proposal will include but not be limited to:

- Replace all kitchen and bathroom cabinetry with accessible height cabinets with removable fronts at sink and lav.
- Replace fixtures with new Water Sense fixtures
- Replace appliances with new Energy Star appliances
- Relocate closet rods to 48" max height (per latest ANSI, most stringent local requirement)
- Adjust windows to provide operable hardware within 48" a.f.f.
- Change tubs to showers
- Install grab bars where not already present.
- Install emergency call system with pull cords at bed and near shower
- Wiring updates per code for I-1

Program Activity Areas

There will be two new additions to provide for better economic delivery of services to the residents, and for common spaces for the use of the residents. These rooms will allow program area necessary to deliver assisted living services and meet licensing requirements for the assisted residents. Arizona Administrative Code R9-10-7* requires spaces for dining with storage for at least 3 days of food; space for social, recreational or rehabilitative activities; as well as spaces for lockable medicine storage and record keeping. The new dining room and kitchen will provide seating for all the residents and serve also as a gathering room. Activity, ALF program space and exercise room will be provided, and a rehab/wellness area. All of the new areas will be ADA compliant for accessibility. Site work will be needed to provide retaining wall foundations and exiting paths for these new additions.

Christian Care Cottonwood 1

Page 4

Architectural Drawings:

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Also an 8-1/2x11 reduction of the above.

PDF Drawings of the above

Sincerely,



Stephanie Rowe, AIA, LEED AP

CottonwoodALCP2012
Exhibit 6
DUNS: 9647017390000
FaxID: 1332880170-8498

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(3) A description of how the project will incorporate energy and water efficiency standards. Refer to Section III.C.3.p. of this NOFA and the General Section for further guidance.

This exhibit addresses these components as presented in this project's Logic Model:

- *HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4B) - Promote energy efficient buildings and location efficient communities that are healthy, affordable and diverse*
- *HUD Priority- Sustainability (2c) Improve residents' health and safety, particularly that of children and other vulnerable populations, by promoting green and healthy design, construction, rehabilitation, and maintenance of housing communities*
- *HUD Priority- Sustainability (2d) Support and promote an energy-efficient, green, and healthy housing market by retrofitting existing housing, supporting energy-efficient new construction, improving home energy labeling, and promoting financing products that reduce the carbon footprint of non-HUD-supported residential buildings*
- *HUD Priority- Sustainability (2e) Reduce energy consumption and incorporate green building practices in the design and operation of HUD-supported affordable housing*
- *Housing- Units designed to meet energy efficient and WaterSense conservation requirements*

- *Housing- Common space(s) designed to meet energy efficient and WaterSense conservation requirements*

The Christian Care Cottonwood (CCC) ALCP Assisted Living Project will adhere to all provision of Section 154 Energy Policy Act of 2005 undertaking energy efficiency improvements to lower operating costs and to mitigate the risks associated with rising utility costs in order to address and ensure the HUD goal of long term viability for projects within the ALCP Program.

The proposed project will promote the Energy Star Program and Green Development, considering both energy efficiency and construction efficiency, consistent with ASHRAE 90.1 2007. CCC will require that the architect stipulate all of the new appliances bear the Energy Star label in the project plans and specifications. Improved energy efficiency will be realized through the implementation of Energy Star rated fixtures, equipment and appliances where replacements are scheduled. Where new lighting is installed the project will utilize new energy efficient light fixtures and will include compact fluorescent lamps to help reduce energy cost.

Installation of water-conserving fixtures will be accomplished as part of this ALCP project when new products are installed or older obsolete products are replaced. The materials used in this conversion will be the most current WaterSense product or a greater water efficiency product. For example, all new plumbing fixtures (such as showerheads, faucets, and toilets) will be specified as low flow, water-conserving type as part of this ALCP conversion and new mechanical systems will be high efficiency.

Please see attached Architectural Narrative with appropriate Energy Efficiency and Green Development items highlighted



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PROJECT DESCRIPTION

ALCP 2012 -

Christian Care Cottonwood 1

Cottonwood, AZ, USA

April 19, 2012

Christian Care Cottonwood 1 is an existing facility located in Cottonwood, Arizona, USA and is financed through the Section 202 Program of FHA/HUD and originally known as Project Number FHA 123EE034/AZ20S941010. The existing project is one story with 19 one bedroom units and 1 two bedroom unit, originally constructed in 1995 with one common room and a resident laundry area. One of the existing units is already fully accessible Type A unit with roll-in shower. The other existing units have bathtubs.

In 2012 the Applicant is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals.

Upgrading to new high efficiency mechanical units, Energy Star appliances and lighting, as well as new Water Sense fixtures will help to make the building energy efficient, environmentally friendly and healthy. The design of all units and all common spaces will be completely accessible to facilitate full visitability and encourage residents to maintain independence while providing for increased assistance as needed.

Scope of Work

Accessible Design and Visitability

The main concern for conversion in the dwelling units is to increase ease of accessibility and to meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

FHA and ADA requirements for accessible building entries and common areas are met by both the existing conditions and the addition. The existing building already has exit signage and emergency lighting. There are handrails along one side of the corridor and this scope will add matching rails along the other side. For assisted living license in Arizona the building occupancy type will change from R to I-1.

Energy Savings

Energy savings will be a priority. All new appliances within the units will have Energy Star label. All new lighting will have Energy Star label. New mechanical systems will be high efficiency. New walls and attic areas will have insulation and construction techniques to meet or exceed IECC. New windows in the additions will be dual pane low-e with SHGC value to meet or exceed IECC.

Water Conservation

Installation of water conserving fixtures such as low flow showerheads, faucets and high efficiency toilets will take place as part of this ALCP conversion. The materials used in the conversion will be either the most current WaterSense product or a greater water efficiency product.

Unit renovations

The existing units meet many of the requirements already in terms of clear floor spaces, door sizes, lever handle hardware, height of outlets, switches and other controls. The specific scope of work in the units for this proposal will include but not be limited to:

- Replace all kitchen and bathroom cabinetry with accessible height cabinets with removable fronts at sink and lav.
- Replace fixtures with new Water Sense fixtures
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- Wiring updates per code for I-1

Program Activity Areas

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Christian Care Cottonwood 1

Page 4

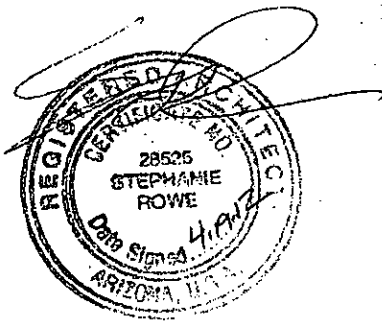
Architectural Drawings:

Incorporated in this Application are:

Sketches 1 thru 4 = 8-1/2 x 11 drawings of the existing and proposed units at 1/4"=1'-0"
Sheets A1 thru A5 = 24X36 Site plan, existing floor plans for unit locations; proposed floor plans, elevations; unit plans at 1/4"=1'-0" with A3.1 and A3.2 1/8"=1'-0" of proposed additions.
Also an 8-1/2x11 reduction of the above:

PDF Drawings of the above

Sincerely,



Stephanie Rowe, AIA, LEED AP

CottonwoodALCP2012
Exhibit 6
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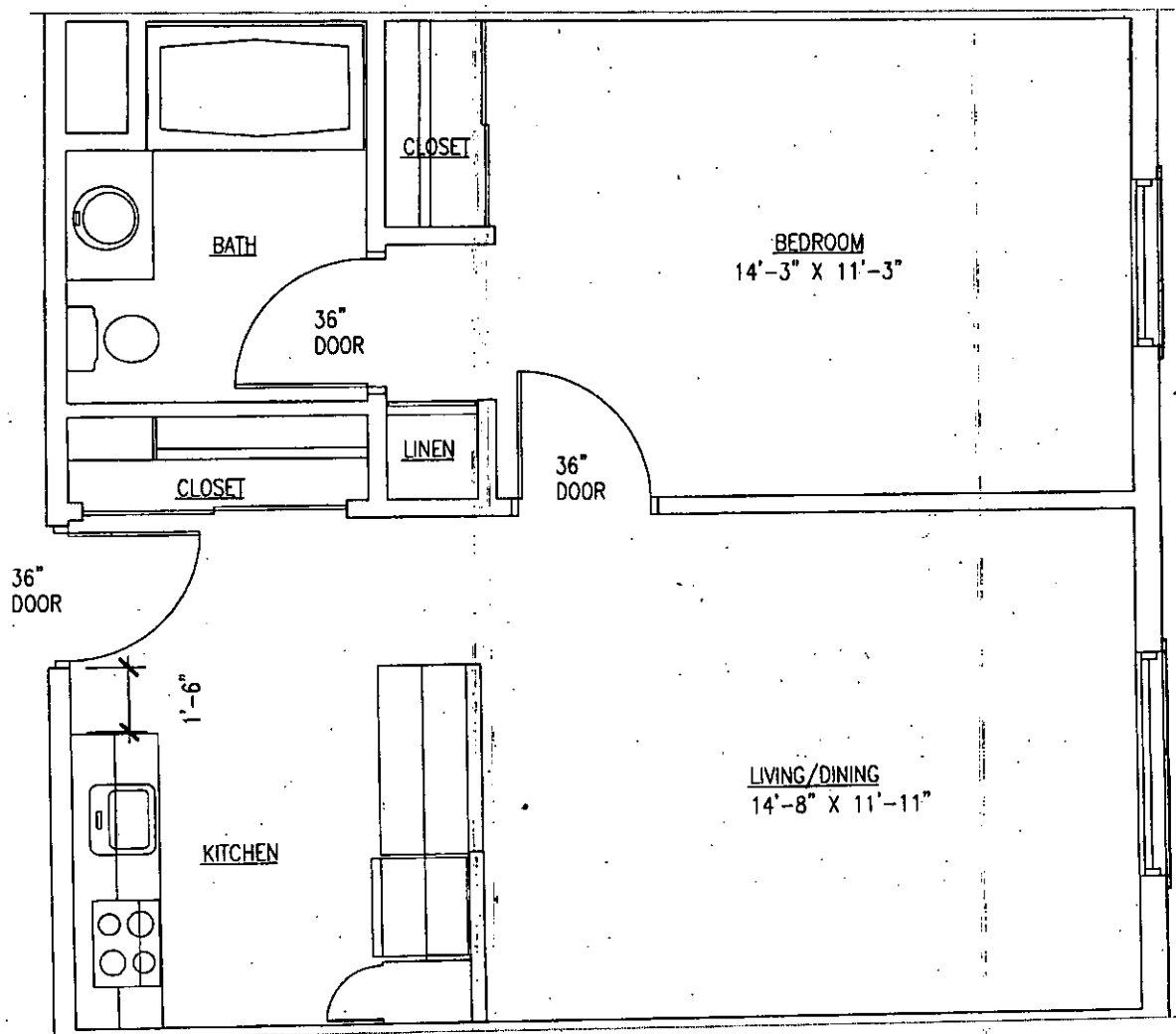
f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(4) A copy of the original plans for all units, and other areas of the development, to be included in the conversion.

This exhibit addresses these components as presented in this project's Logic Model:

- *Housing- Design plan to add, modify and/or outfit a central kitchen or dining room*
- *Housing- Design plan to add, modify and/or outfit common space to meet accessibility requirements, building codes, and health and safety standards*
- *Housing- Design plan to add, modify and/or outfit office space for ALF/SEH staff*
- *Housing- Unit to meet accessibility requirements, building codes, and health and safety standard*
- *Housing- Units designed to meet energy efficient and WaterSense conservation requirements*
- *Housing- Common space(s) designed to meet energy efficient and WaterSense conservation requirements*

Attached please find the original plans for the units and other areas involved in the Christian Care Cottonwood conversion to an assisted living facility as prepared by Reece, Angell, Rowe Architects.



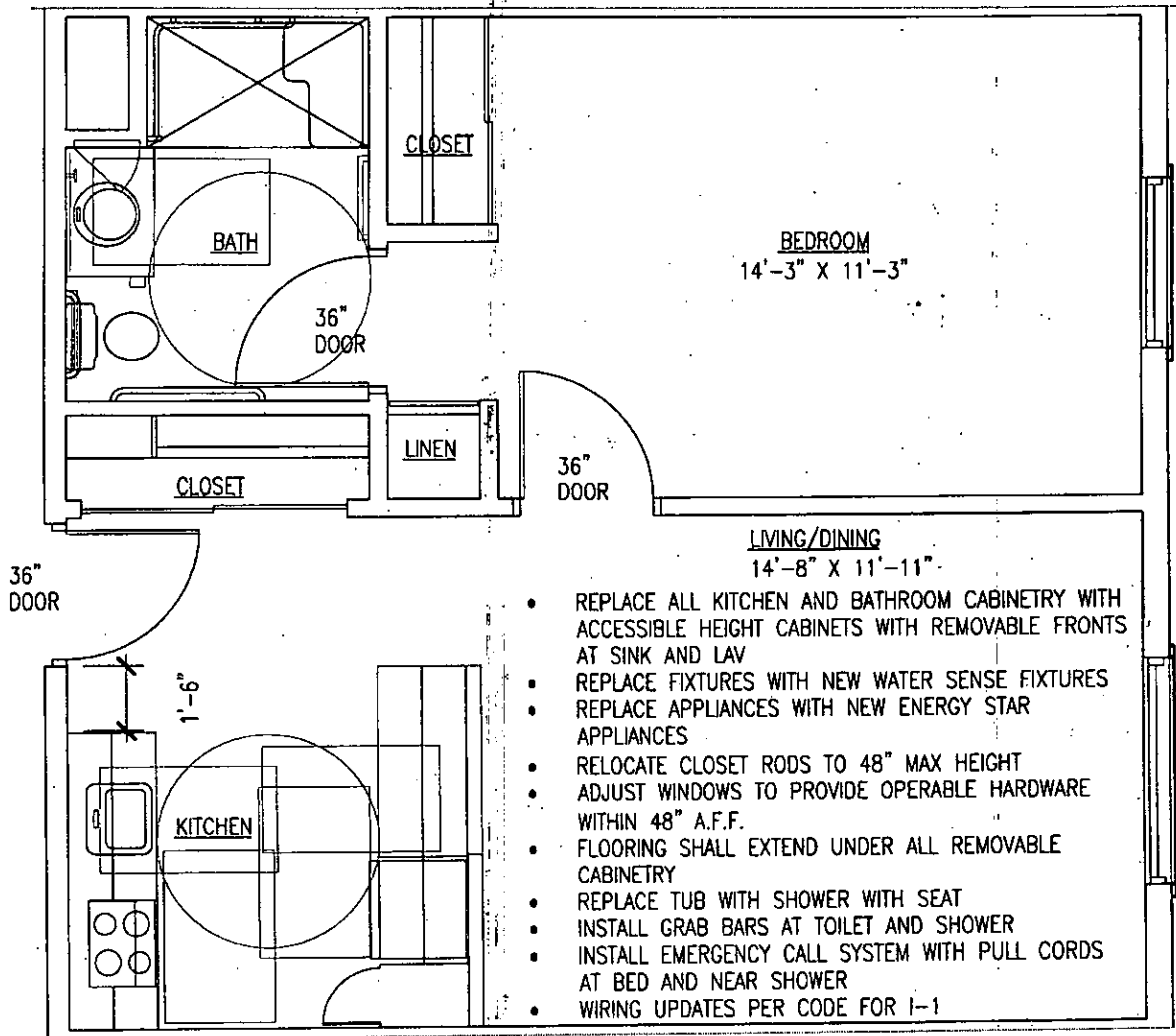
19 UNITS

EXISTING ONE-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-1



19 UNITS

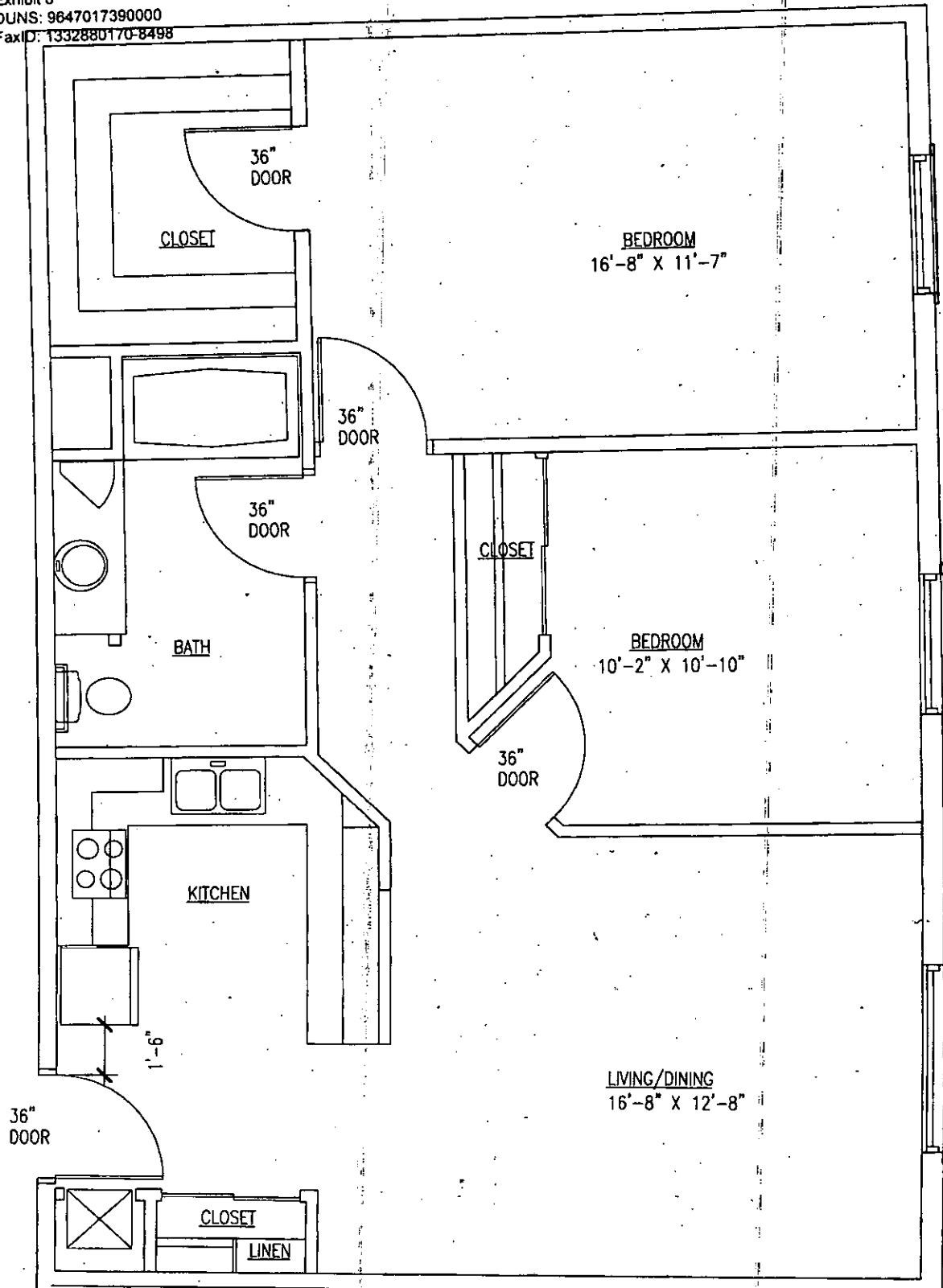
PROPOSED ONE-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-2

CottonwoodALCP2012
Exhibit 6
DUNS: 9647017390000
FaxID: 1332880170-8498



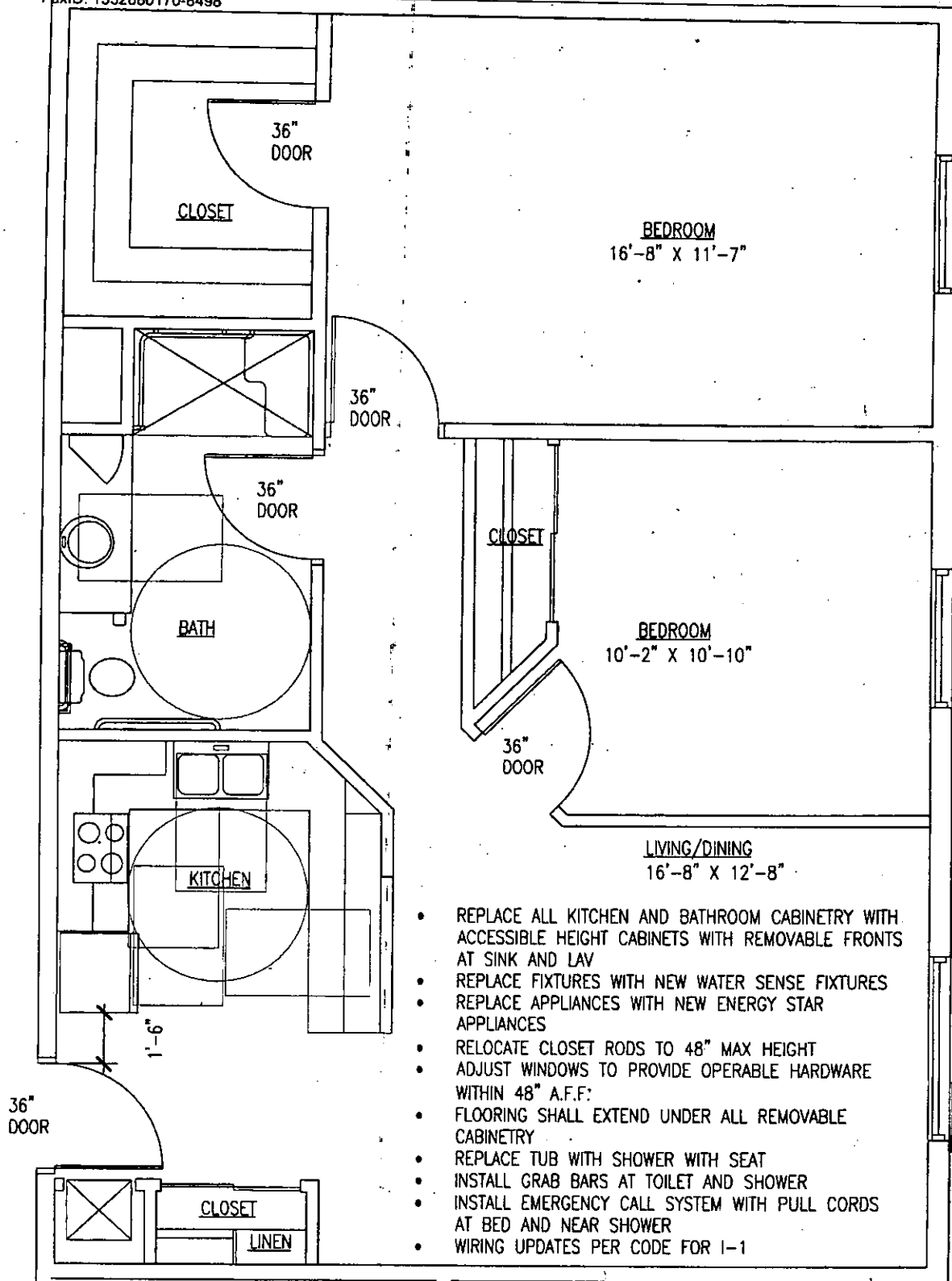
1 UNIT

EXISTING TWO-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-3



1 UNIT

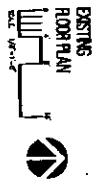
PROPOSED TWO-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-4

A



859 S. 12TH STREET
COTTONWOOD, AZ

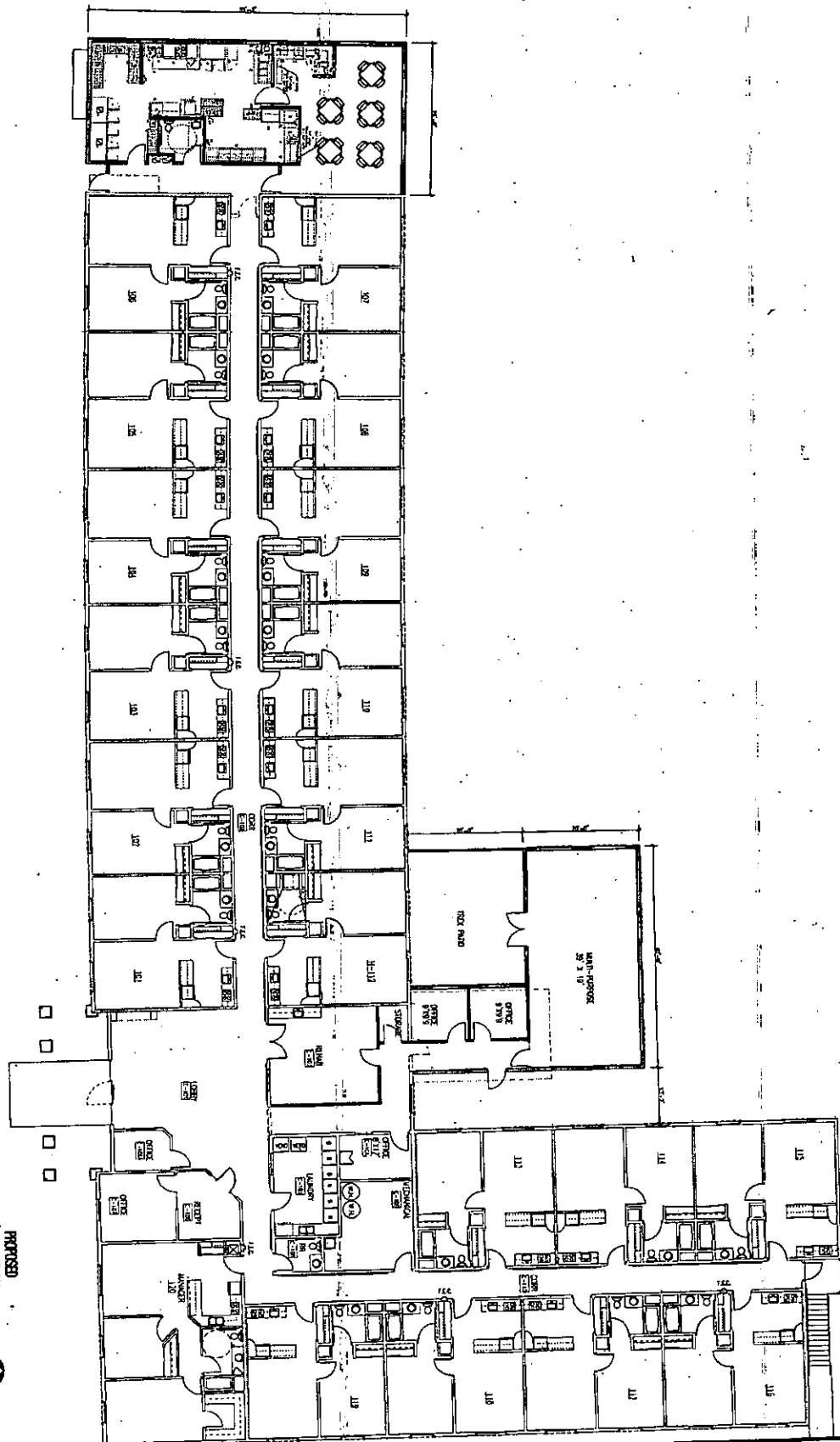
Page 23 of 132

RELATIONS

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420 E. 14th St.
Anchorage, Alaska 99501
Phone: (907) 471-7544
Fax: (907) 471-7544
324 E. Gambrell, Box 122
Anchorage, Alaska 99501
Phone: (907) 779-0300
Fax: (907) 779-6682

EXISTING
TITLE: FLOOD PLAN
SCALE: 1/8"=1'-0"
DATE: 4-6-12
JOB NO: 412003

A2



PROPOSED
 FLOOR PLAN
 1/4" = 1'-0"

A3

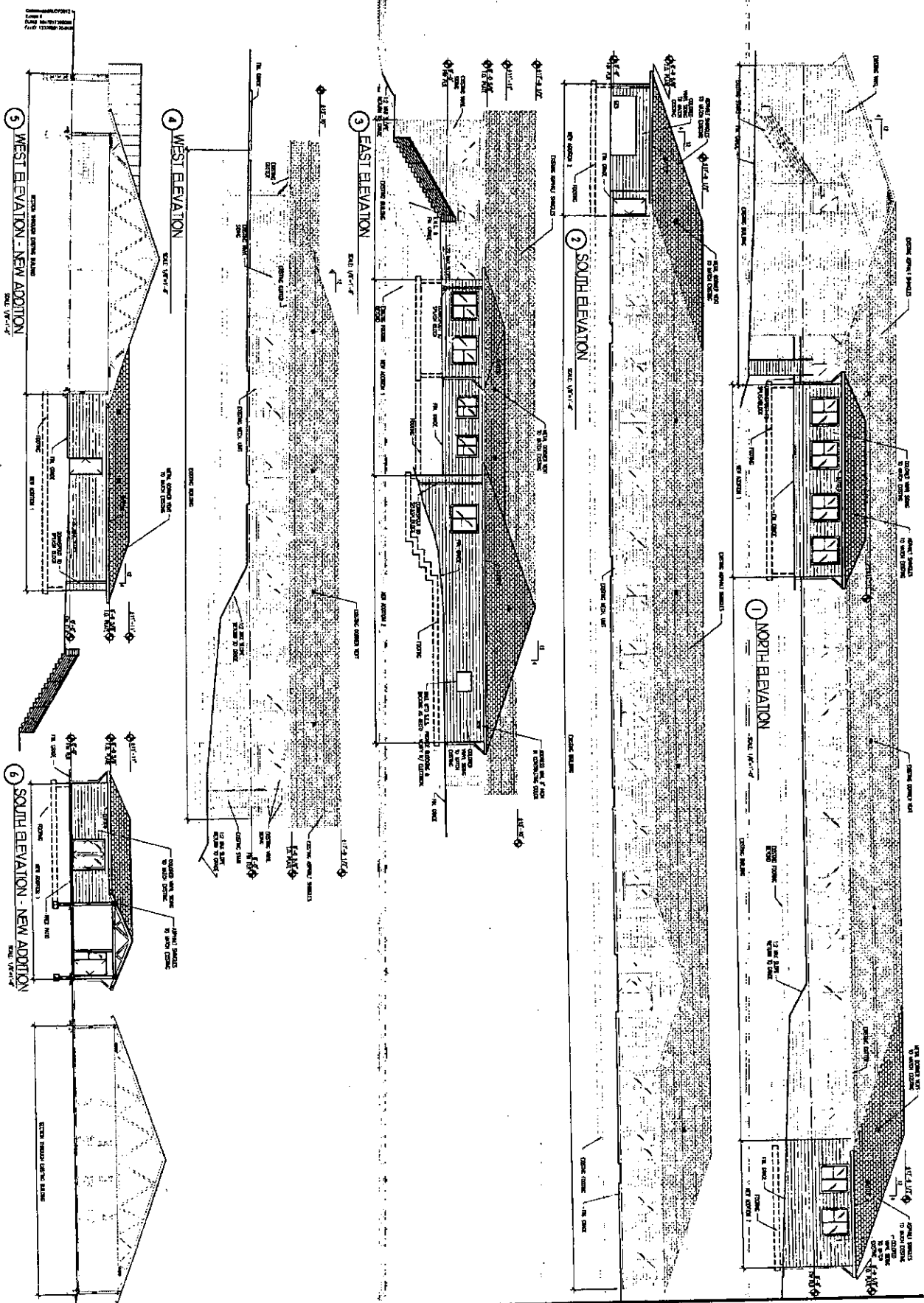
REVISIONS
 DATE: 10/10/2013
 BY: 10/10/2013
 10/10/2013

10/10/2013
 10/10/2013
 10/10/2013

IRI
 ARCHITECTS
 10/10/2013
 10/10/2013
 10/10/2013

ALCP CONVERSION
CHRISTIAN CARE COTTONWOOD 1
 859 S. 12TH STREET
 COTTONWOOD, AZ
 Page 10 of 110

10/10/2013
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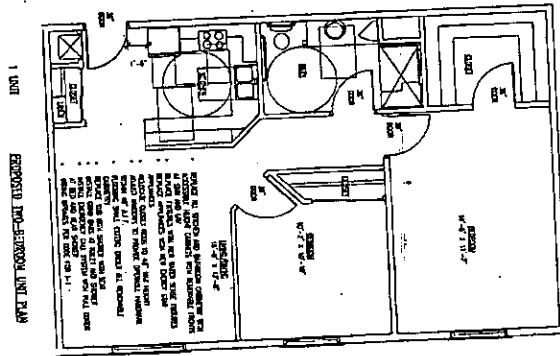
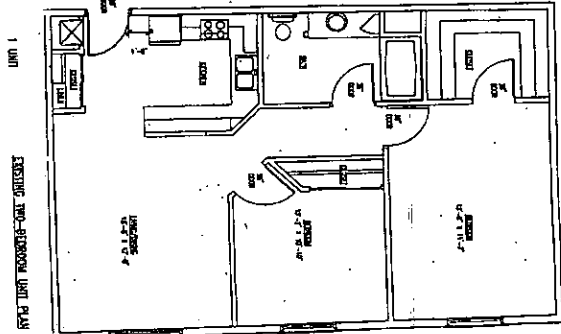
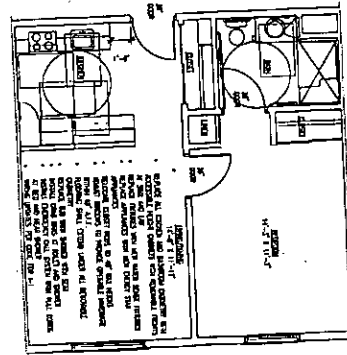
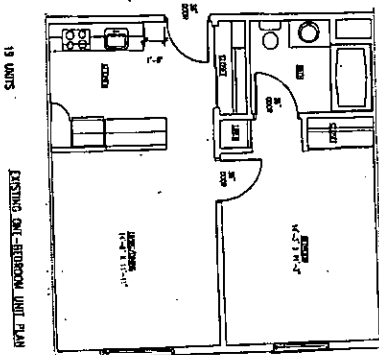


ALCP CONVERSION
CHRISTIAN CARE COTTONWOOD 1
 859 S. 12TH STREET
 COTTONWOOD, AZ

ARCHITECTS
REX & ASSOCIATES
 100 S. 1ST STREET
 COTTONWOOD, AZ 86301
 TEL: 928-635-1111
 FAX: 928-635-1112
 E-MAIL: REX@REXARCH.COM
 WWW.REXARCH.COM

TITLE DRAWINGS
SCALE 1/8" = 1'-0"
DATE 4-1-17
DESIGNER JRM
DATE 4-1-17

A4



A5

TITLE: UNIT PLANS
SCALE: 1/4" = 1'-0"
DATE: 4-4-12
JOB NO: 11000

REVISIONS:

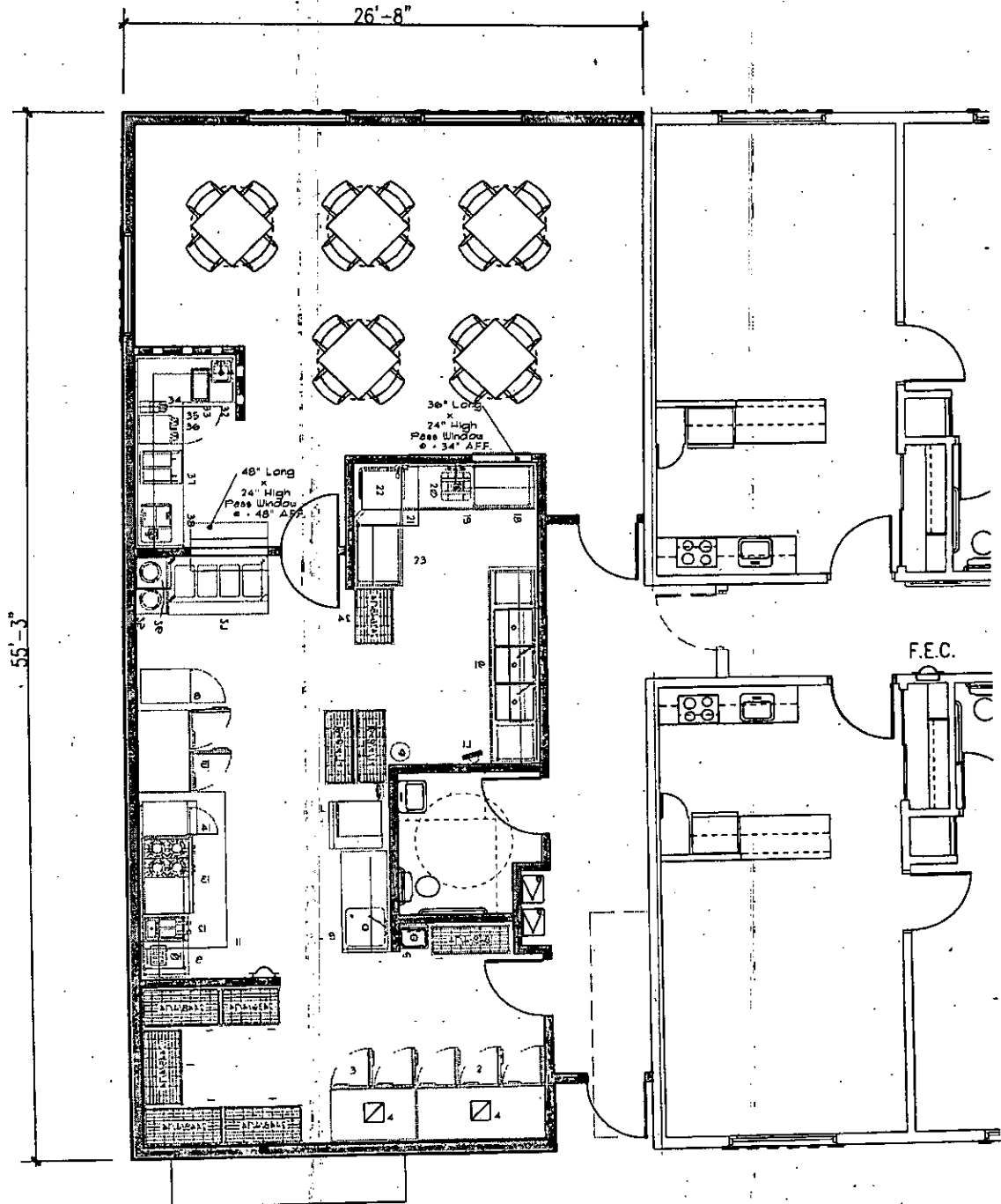
FOR: 1. Submit to the
City of Cottonwood
for review and approval
of the proposed unit plans
for the proposed conversion
of the existing building
into a multi-unit dwelling
unit.

ARCHITECTS
RICK ANGELO
ARCHITECTS
400 S. 1st Street
Cottonwood, AZ 86301
Phone: 928-635-1111
Fax: 928-635-1111
Web: www.rickangelo.com



ALCP CONVERSION
CHRISTIAN CARE COTTONWOOD 1
859 S. 12TH STREET
COTTONWOOD, AZ

NOT TO SCALE
FOR INFORMATION ONLY
DO NOT CONSTRUCT
WITHOUT PERMIT

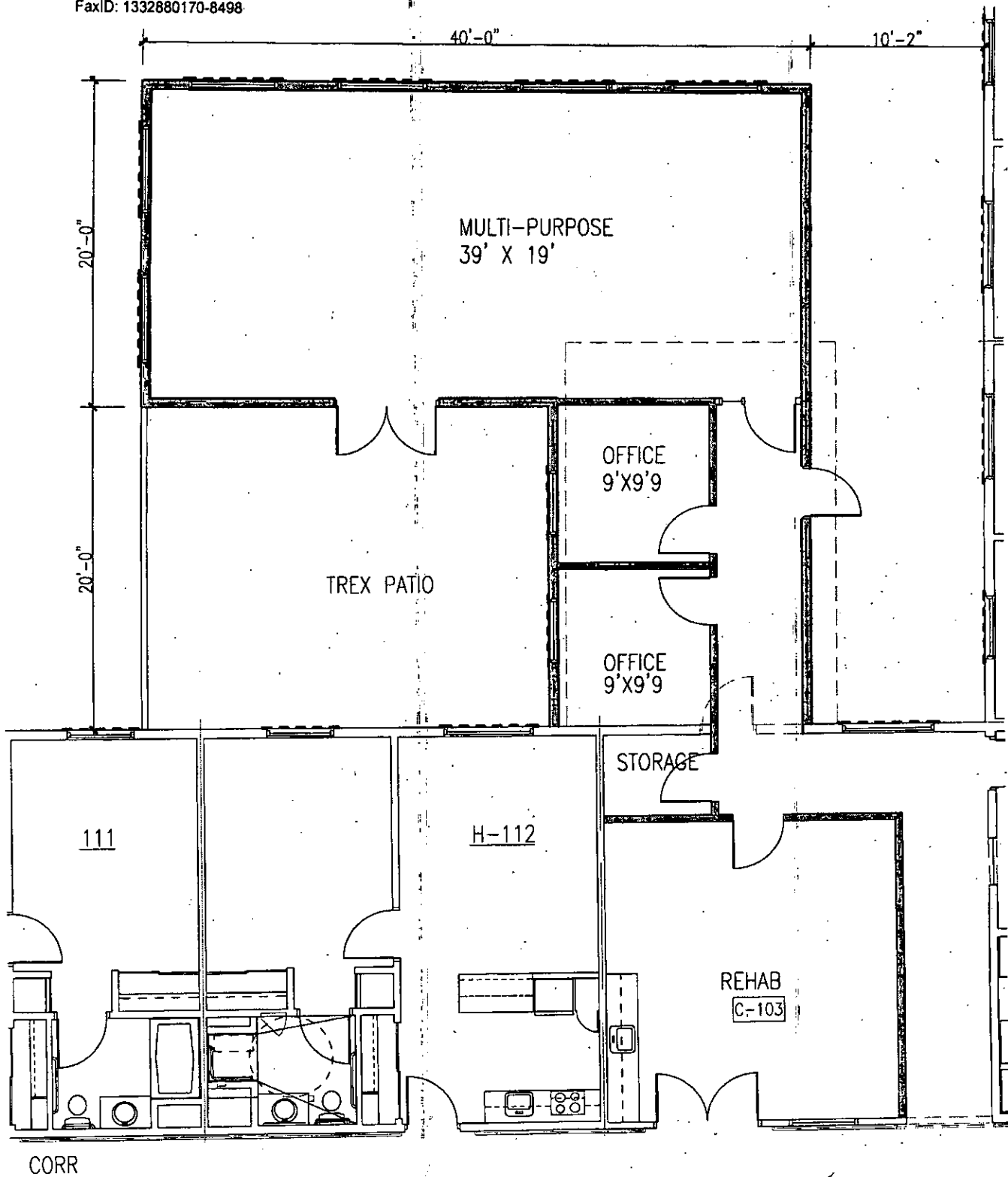


PARTIAL PLAN - KITCHEN/DINING ADDITION

SCALE: 1/8" = 1'-0"

ALCP CONVERSON IN CHRISTIAN CARE COTTONWOOD 1

A3.1



PARTIAL PLAN - PROGRAM SPACE ADDITION

SCALE: 1/8" = 1'-0"

ALCP CONVERSON CHRISTIAN CARE COTTONWOOD 1

A3.2

CottonwoodALCP2012
Exhibit 6
DUNS: 9647017390000
FaxID: 1332880170-8498

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(5) A description of the conversion must clearly address how the units will conform to the accessibility requirements of Section 504, the Fair Housing Act, and the Americans with Disabilities Act, as applicable.

Christian Care Cottonwood I (CCC) is an existing facility located in Cottonwood, Arizona, and is financed through the Section 202 Program of FHA/HUD, originally known as Project Number FHA 123EE034/AZ20S941010. The existing project is one (1) story with nineteen (19) one (1) bedroom units and one (1) two (2) bedroom unit, originally constructed in 1995 with one (1) common room and a resident laundry area. One of the existing units is already fully accessible Type A unit with roll-in shower. The other existing units have bathtubs. CCC is committed to a comprehensive sustainable approach to the design and development of the ALCP conversion as part of HUD's policy priority to create inclusive and sustainable communities that will be free from discrimination.

Accessible Design & Visitability

In this FY2012 ALCP application, CCC is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two (2) additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals. Upgrading to new high efficiency mechanical units, Energy Star appliances and lighting as well as new Water Sense fixtures will help to make the building energy efficient, environmentally friendly and healthy. The design of all units and all common spaces

will be completely accessible to facilitate full visitability and encourage residents to maintain independence while providing for increased assistance as needed.

Scope of Work

The main concern for conversion in the dwelling units is to increase ease of accessibility and meet the updated handicapped accessibility requirements for the Fair Housing Accessibility Guidelines of the Federal Fair Housing Amendments Act (1988) and Section 504 of the Rehabilitation Act of 1973. Uniform Federal Accessibility Standards 1988 (UFAS) is the standard referenced by FHA. Also to be considered are the more recent standards of American National Standard (ICC / ANSI A117.1-2003) and the City of Cottonwood Building Code which is the International Building Code 2003 along with local amendments. ADA requirements apply to the common areas.

FHA and ADA requirements for accessible building entries and common areas are met by both the existing conditions and the addition. The existing building already has exit signage and emergency lighting. There are handrails along one side of the corridor and this scope will add matching rails along the other side. For assisted living license in Arizona the building occupancy type will change from R to I-1.

Energy Efficiency

Specific energy saving actions will be taken to support HUD's Energy Action Plan. Energy and Water savings will be a priority. All new appliances within the units will have Energy Star labeled products to achieve Energy Star compliance. Installation of water-conserving fixtures such as low flow showerheads, faucets and high-efficiency toilets will take place as part of this ALCP conversion. The materials used in the conversion will be either the most current WaterSense product or a greater water efficiency product. New mechanical systems will be high efficiency.

The existing units meet many of the requirements already in terms of clear floor spaces, door sizes, lever handle hardware, height of outlets, switches and other controls. The specific scope of work in the units for this proposal will include but not be limited to:

- Replace all kitchen and bathroom cabinetry with accessible height cabinets with removable fronts at sink and lav.

- Replace fixtures with new Water Sense fixtures
- Replace appliances with new Energy Star appliances
- Relocate closet rods to 48" max height (per latest ANSI, most stringent local requirement)
- Adjust windows to provide operable hardware within 48" a.f.f.
- Change tubs to showers
- Install grab bars where not already present.
- Install emergency call system with pull cords at bed and near shower
- Wiring updates per code for I-1

There will be two new additions to provide for better economic delivery of services to the residents, and for common spaces for the use of the residents. These rooms will allow program areas necessary to deliver assisted living services and meet licensing requirements for the assisted residents. Arizona Administrative Code R9-10-7* requires spaces for dining with storage for at least three (3) days of food; space for social, recreational or rehabilitative activities; as well as spaces for lockable medicine storage and record keeping. The new dining room and kitchen will provide seating for all the residents and serve also as a gathering room. Activity, ALF program space and exercise room will be provided, as well as a rehab/wellness area. All of the new areas will be ADA compliant for accessibility. Site work will be needed to provide retaining wall foundations and exiting paths for these new additions.

All of the proposed work will facilitate the delivery of services in an economical fashion in the most integrated setting appropriate to the needs of the participating residents with disabilities and accommodate the changing needs of the residents as they continue to age in place for the next ten years.

In conclusion, CCC's proposal will serve the special physical needs of the elderly, be completely accessible, allow visitability for all and incorporate universal design in its layout, use materials and methods of construction. As noted previously, it will meet and exceed the requirements of 24 CFR 891.120; Section 504 of the Rehabilitation Act of 1973; UFAS; and all federal and state accessibility regulations and guidelines.

CottonwoodALCP2012
Exhibit 6
DUNS: 8647017390000
FaxID: 1332880170-8498

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(6) Architectural sketches of the conversion to a scale of ¼ inch to one foot that indicate the following:

(a) All doors to be widened to meet the standards;

(b) Typical kitchen and bathroom reconfiguration: show all wheelchair clearances, wall reinforcing, grab bars, and elevations of counters and work surfaces;

(c) Bedroom/living/dining area modification, if needed;

(d) Any reconfigured common space;

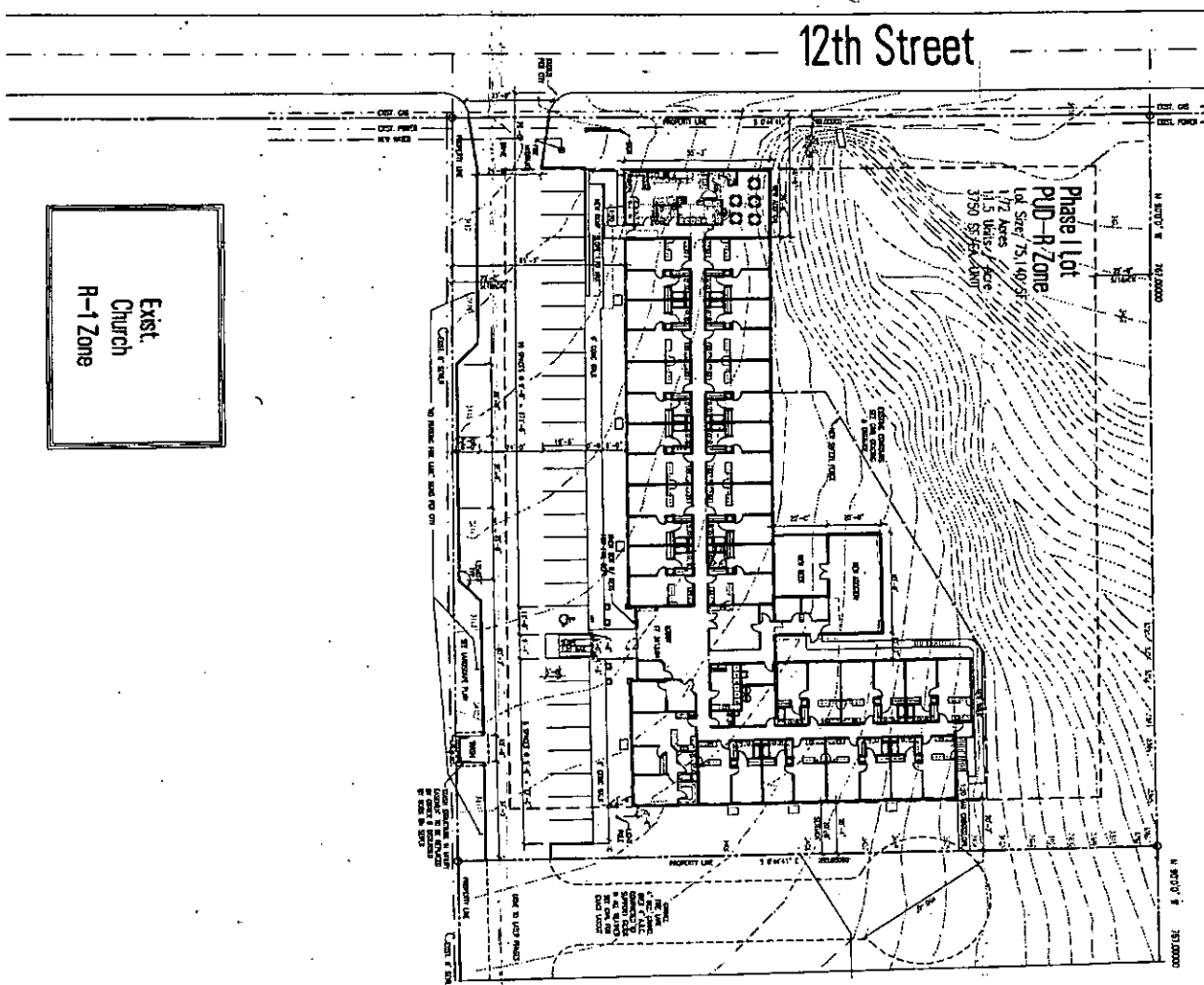
(e) Added/reconfigured office and storage space;

(f) Monitoring stations; and

(g) Kitchen and dining facility.

All architectural modifications must meet Section 504, Fair Housing Act, and ADA requirements as appropriate.

Please see the attached architectural sketches of the physical conversion construction aspects and features of the proposed Christian Care Cottonwood ALCP project as prepared by Reese, Angell, Rowe Architects.



- SHEET INDEX**
- A1 SITE PLAN
 - A2 EXISTING FLOOR PLAN
 - A3 PROPOSED FLOOR PLAN
 - A4 PROPOSED ELEVATIONS
 - A5 UNIT PLANS

Project Info

OWNER: ALCP CONVERSION, LLC
 838 S. 12TH STREET
 COTTONWOOD, AZ 86301

DESIGNER: BEERZ-ANGELBACH ARCHITECTS
 1001 E. CHANDLER BLVD.
 CHANDLER, AZ 85226

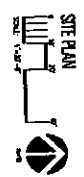
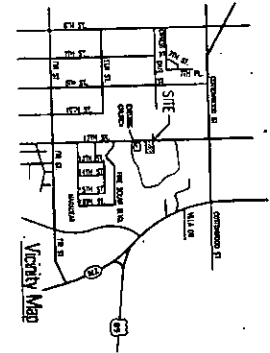
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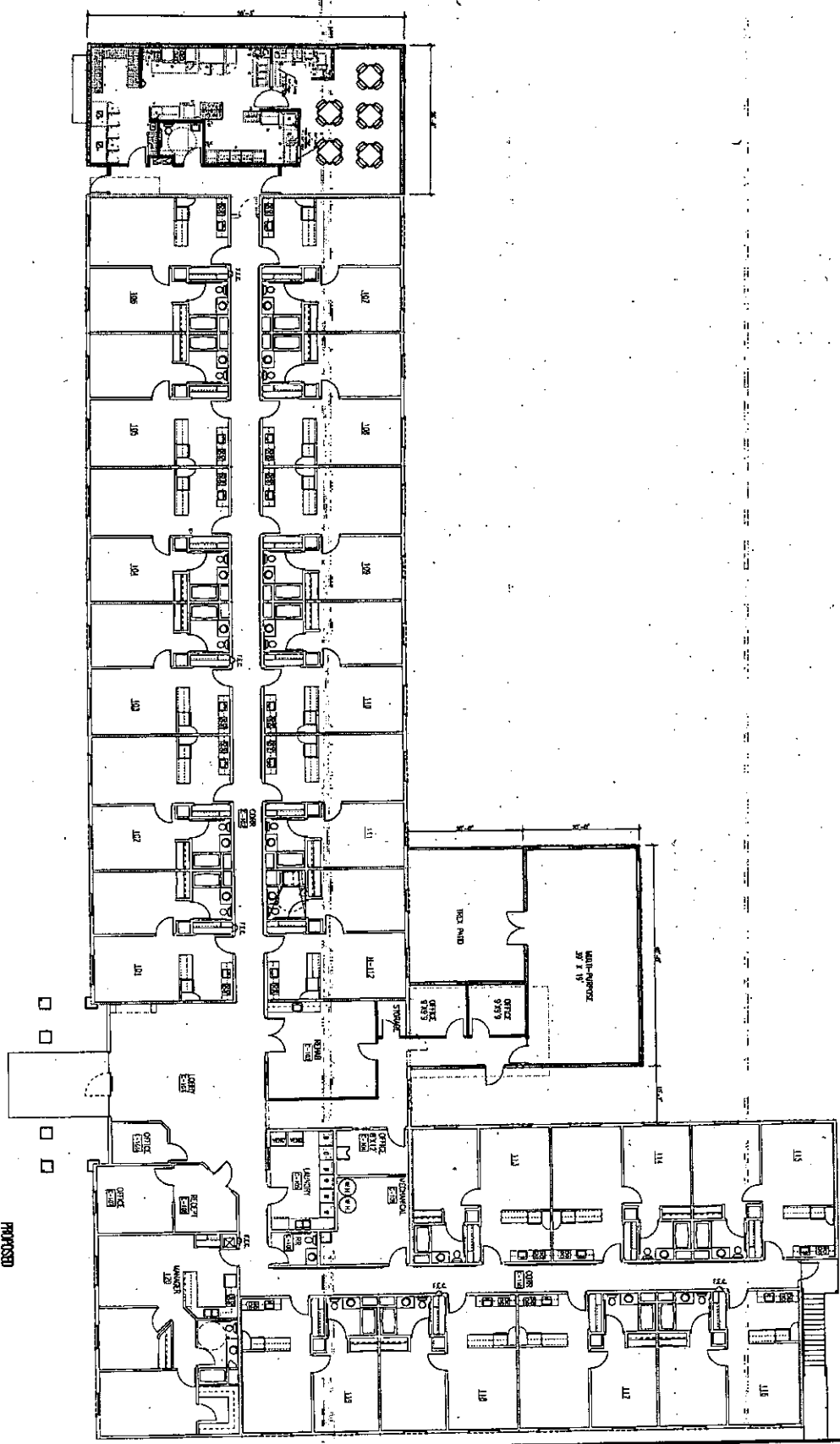
PROJECT NO.: 17-001

SCALE: 1/8" = 1'-0"

NOTES:

- SEE SHEET A2 FOR EXISTING FLOOR PLAN.
- SEE SHEET A3 FOR PROPOSED FLOOR PLAN.
- SEE SHEET A4 FOR PROPOSED ELEVATIONS.
- SEE SHEET A5 FOR UNIT PLANS.





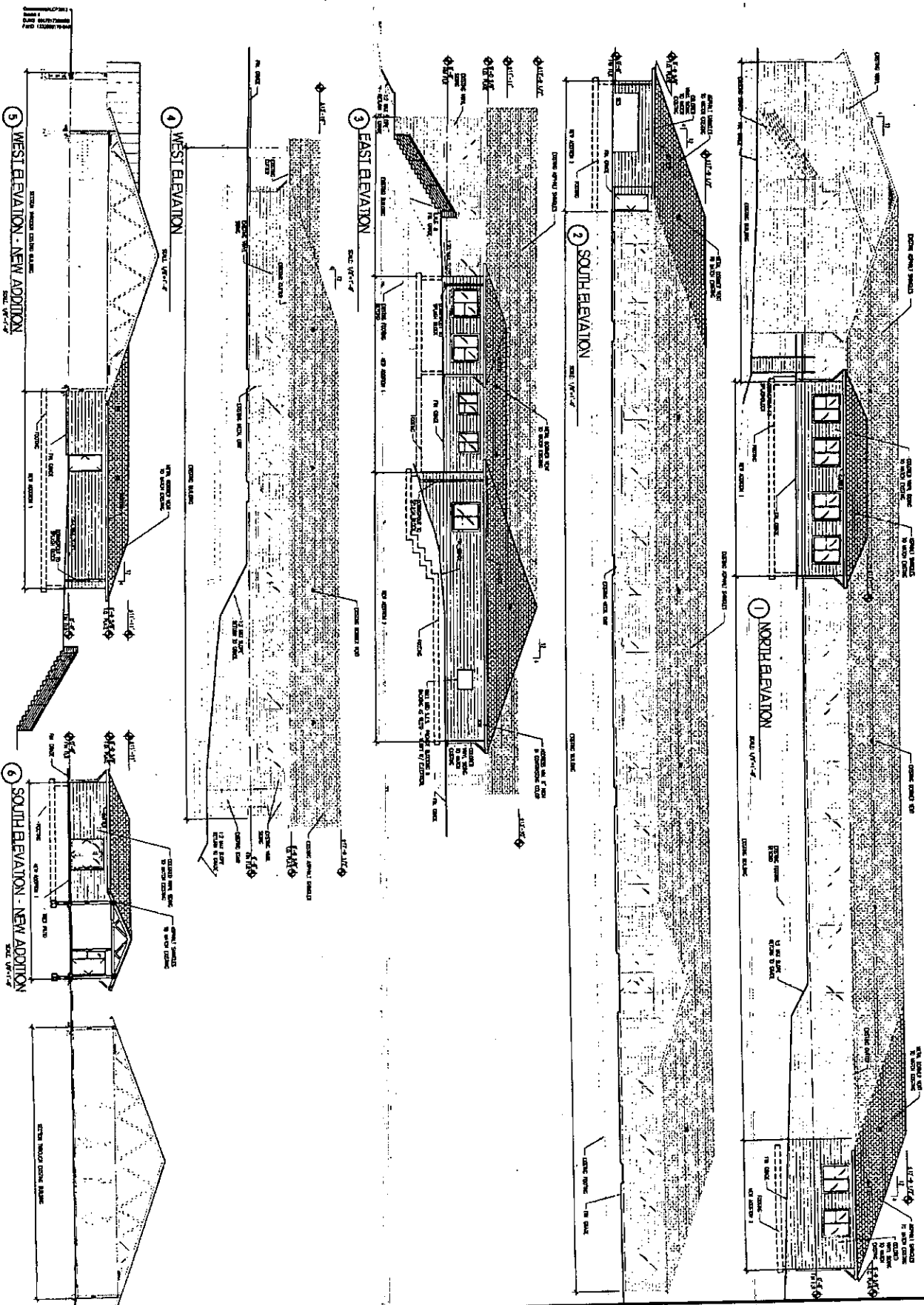
PROPOSED
 FLOOR PLAN
 SCALE: 1/8" = 1'-0"
 DATE: 4-4-12
 JOB NO: 1000

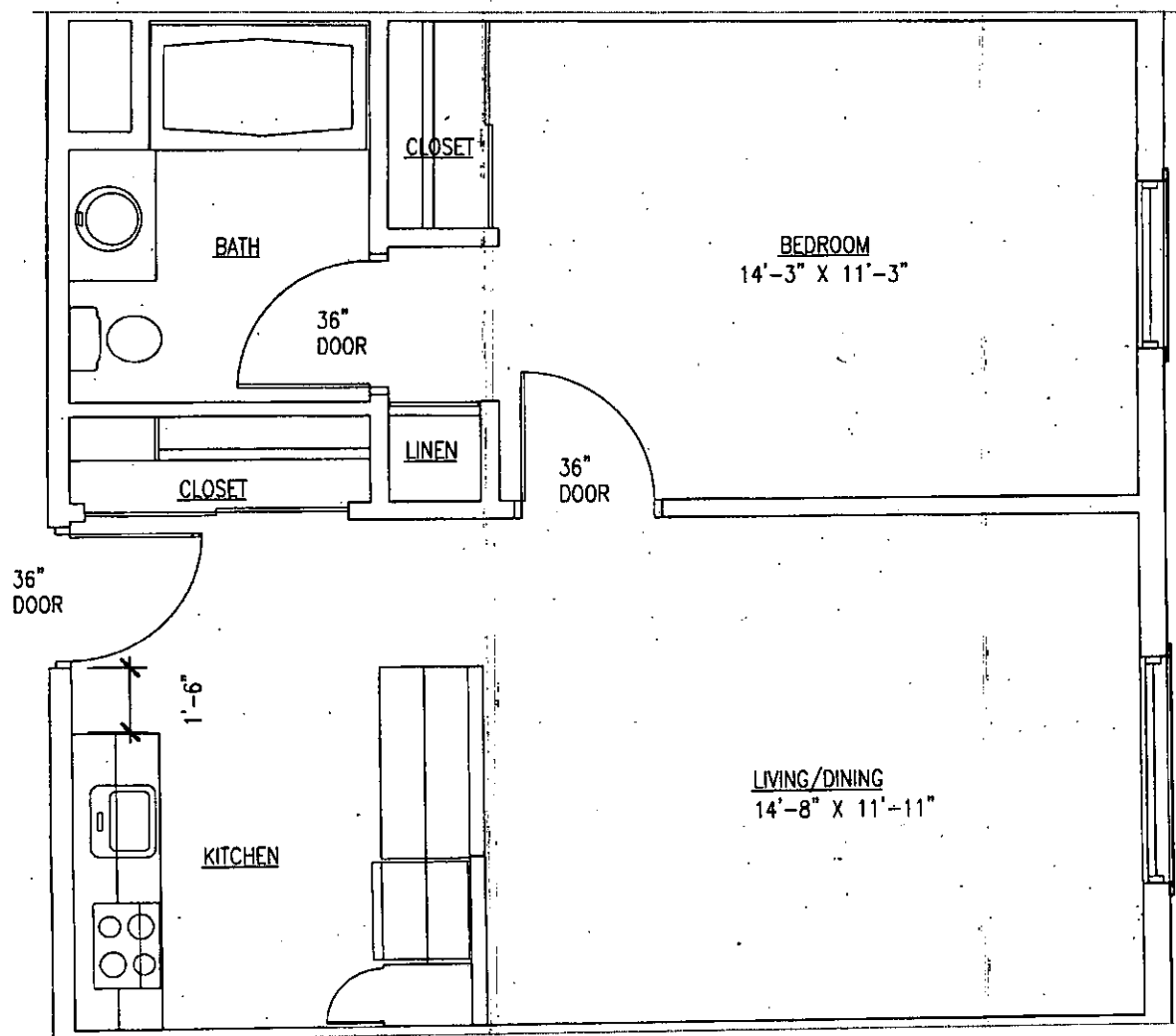
A3

ALCP CONVERSION
CHRISTIAN CARE COTTONWOOD 1
 859 S. 12TH STREET
 COTTONWOOD, AZ

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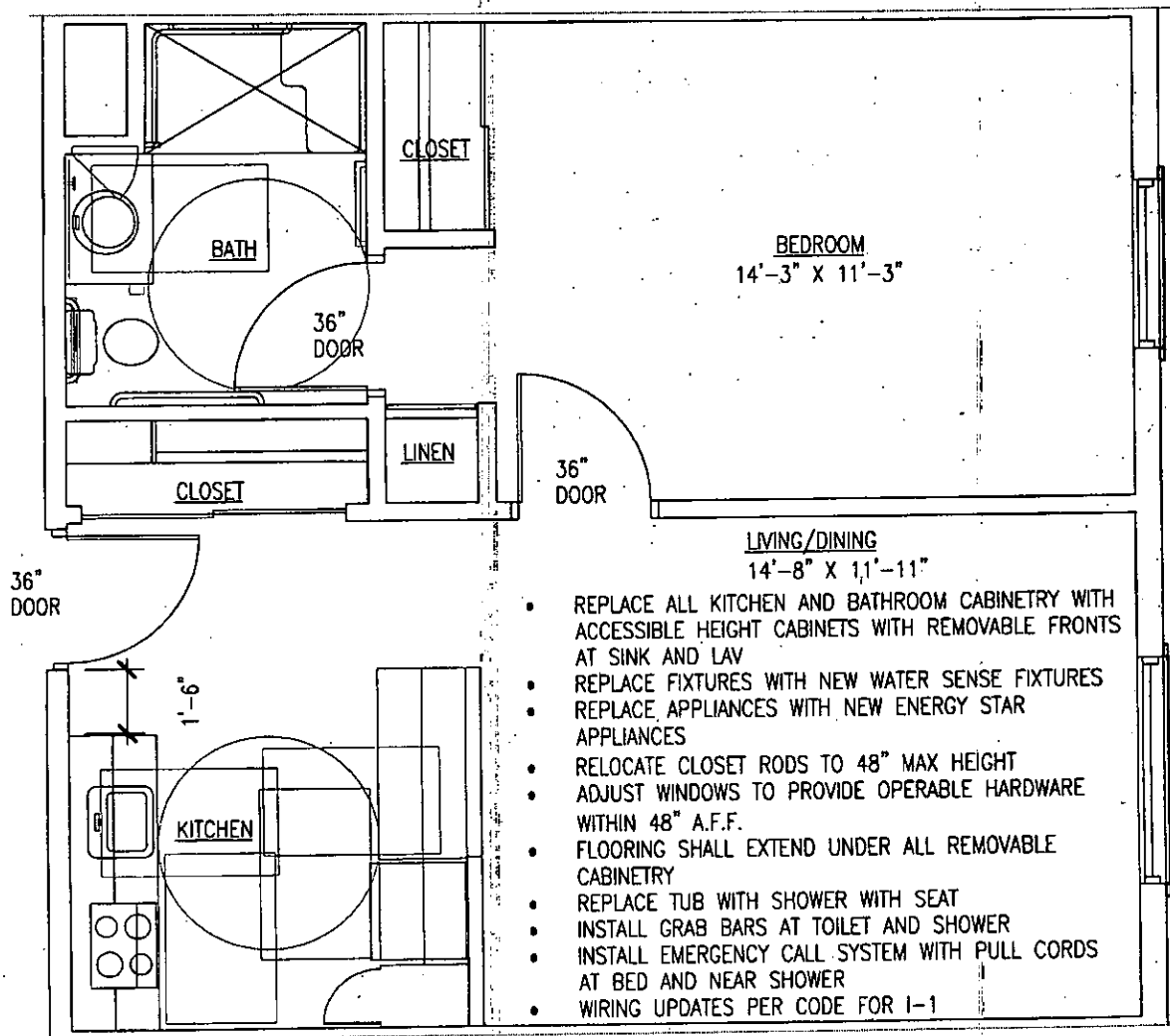
19 UNITS

EXISTING ONE-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-1



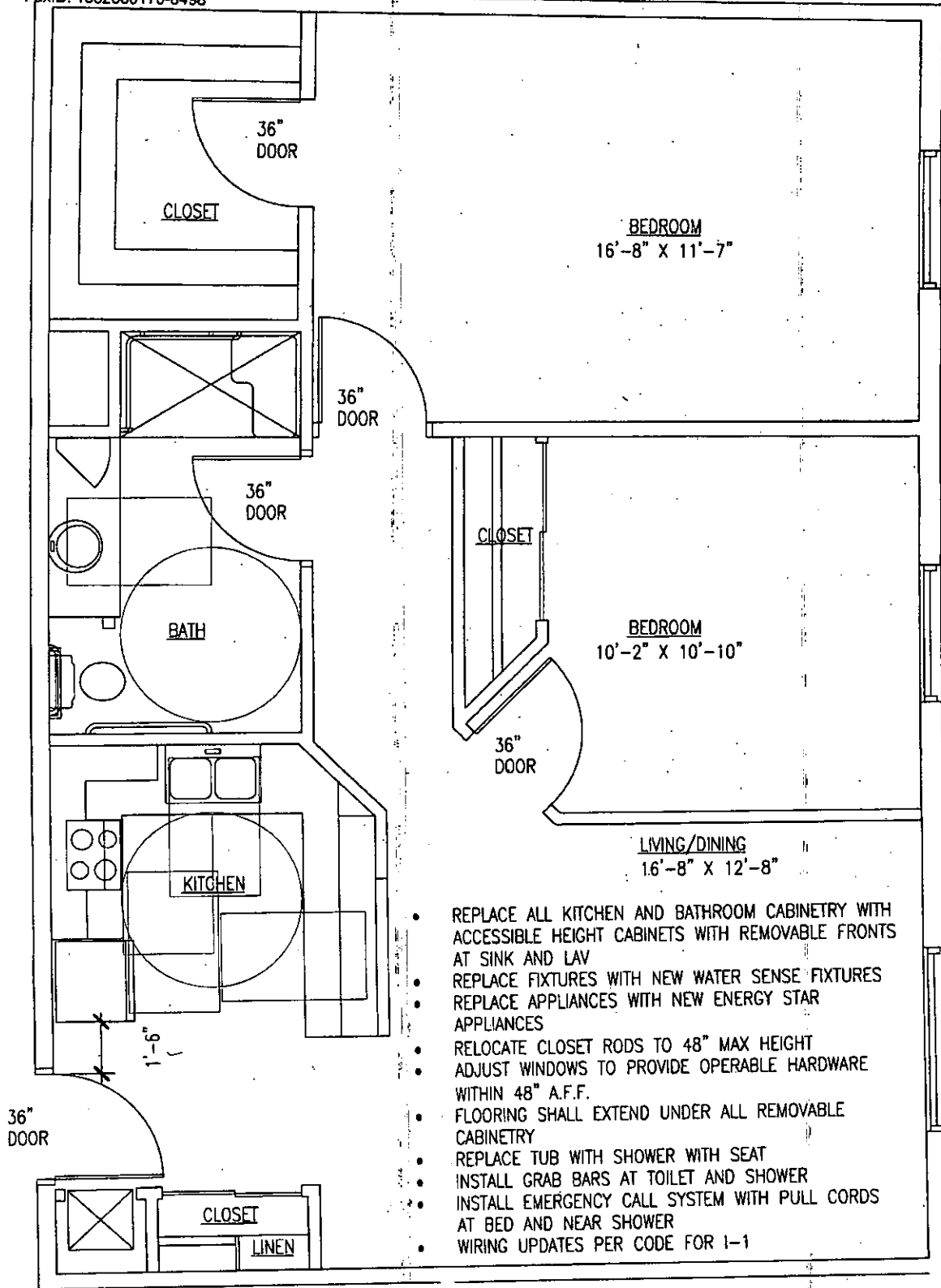
19 UNITS

PROPOSED ONE-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSON CHRISTIAN CARE COTTONWOOD 1

SK-2



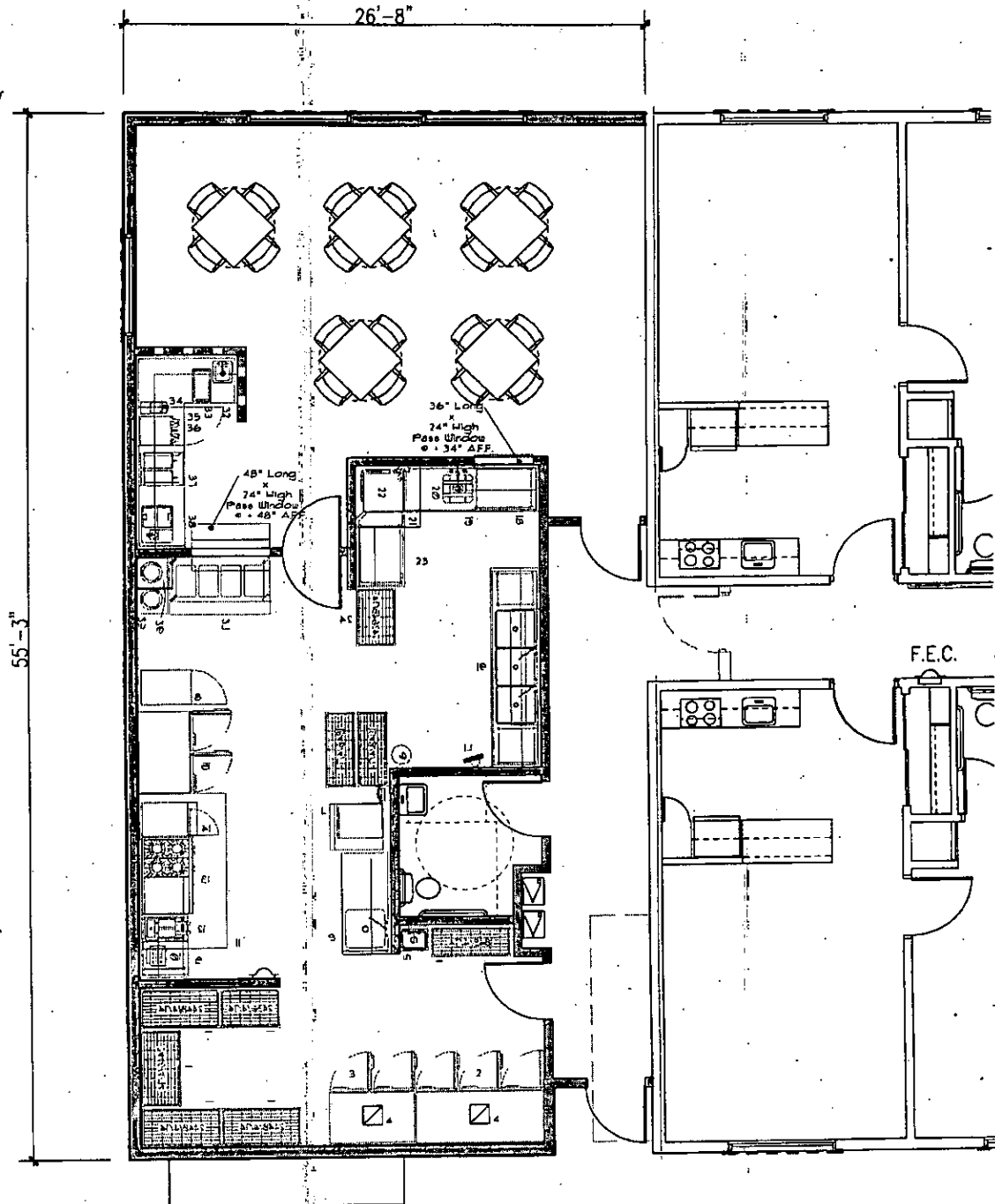
1 UNIT

PROPOSED TWO-BEDROOM UNIT PLAN

SCALE: 1/4"=1'-0"

ALCP CONVERSOIN CHRISTIAN CARE COTTONWOOD 1

SK-4

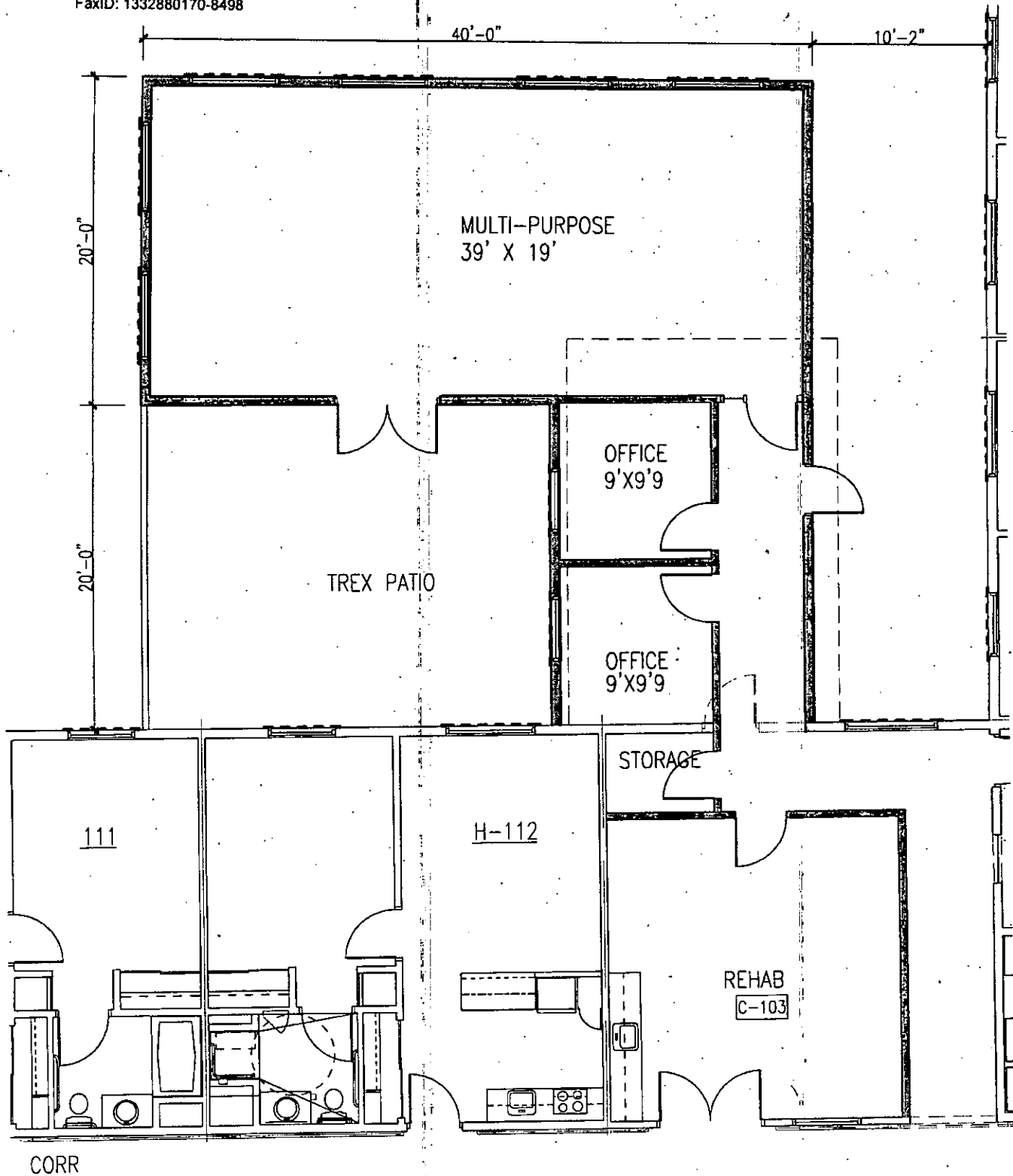


PARTIAL PLAN - KITCHEN/DINING ADDITION

SCALE: 1/8" = 1'-0"

ALCP CONVERSION CHRISTIAN CARE COTTONWOOD 1

A3.1



PARTIAL PLAN - PROGRAM SPACE ADDITION

SCALE: 1/8" = 1'-0"

ALCP CONVERSION CHRISTIAN CARE COTTONWOOD 1

A3.2

CottonwoodALCP2012
Exhibit 6
DUNS: 9647017390000
FaxID: 1332880170-8498

f. Exhibit VI – Physical Construction. A description of the physical construction aspects of the ALF or SEH conversion, including the following:

(7) A budget showing estimated costs for materials, supplies, fixtures, and labor for each of the items listed above in Section IV.B.6.f, items (1) through (7).

Please see the following project budget, and construction cost estimate (form HUD 2328), for the Christian Care Cottonwood ALCP project.

Owner: Christian Housing Cottonwood, Inc
 Project: Cottonwood I ALCP

ALCP Funding Line Item

1010	Capital Costs	
	Environmental Assessments	10,000.00
	AMPO/FFE	188,000.00
	Construction	1,520,680.00
	Bond Premium	16,091.00
	GC Other Fee: Survey	11,000.00
	Permits/Fees	50,000.00
	Rehab. Contingency	95,000.00
	Hazards Materials-testing	2,500.00
	Sub-Total	1,893,271.00
1020	Relocation/Vacancy	
	Relocation	59,800.00
	Lost Revenue/Vacancy	62,597.00
	Sub-Total	122,397.00
1030	Administration	
	Organizational	3,000.00
	Licensing Fee	4,000.00
	Cost Certification	5,000.00
	Sub-Total	12,000.00
1040	Legal/Consultant/Architect	
	Consultant	85,853.00
	Architect - Design	25,350.00
	Architect - Supervision	7,450.00
	Sub-Total	118,653.00
	TOTAL COSTS	2,146,321.00

CottonwoodALCP2012
 Exhibit 6
 DUNS: 9647017390000
 FaxID: 1332880178 6198

ALCP CONVERSION CHRISTIAN CARE COTTONWOOD 1 PRELIMINARY BUDGET BREAKDOWN

DESCRIPTION (Div. 1 - 17)	TOTAL	COMMENTS
SURVEY	6,500	
DEMOLITION	31,388	
SITEWORK	40,638	
TERMITE TREATMENT	513	
SITE UTILITIES	10,880	
DRYWELL	0	
MONUMENT SIGN	0	
LANDSCAPE & IRRIGATION	19,600	
BASEMENT CONSTRUCTION	0	
CONCRETE	53,902	
MASONRY	30,888	
STRUCTURAL/MISC. STEEL	13,420	
ROUGH CARPENTRY	44,512	
MILLWORK	87,207	
WATERPROOFING	7,190	
BUILDING INSULATION	4,537	
SIDING	16,065	
ROOFING	7,353	
GUTTERS	4,517	
SEALANTS	1,000	
HOLLOW METAL	3,855	
DOOR INSTALLATION	2,350	
WOOD DOORS	2,035	
OVERHEAD DOORS	0	
ALUMINUM GLASS & GLAZING & WINDOWS	8,465	
FINISH HARDWARE	3,950	
STUCCO	0	
GYPSUM WALLBOARD	53,014	
CERAMIC TILE	25,412	
ACOUSTICAL CEILINGS	3,399	
CARPET & RESILIENT FLOORING	54,322	
GYM FLOORING	0	
PAINTING	24,453	
F.R.P. PANELS	0	
MARKER BOARDS	0	
CODE COMPLIANCE SIGNAGE	750	
FIRE EXTINGUISHERS & CABINETS	260	
ACCORDION PARTITION	0	
TOILET PARTITIONS & ACCESSORIES	23,055	
KITCHEN EQUIPMENT	50,000	
RESIDENTIAL APPLIANCES	19,900	
WINDOW COVERINGS - ALLOWANCE	1,125	
PLUMBING	89,560	
FIRE PROTECTION	16,742	
H.V.A.C.	154,878	
ELECTRICAL	252,568	
SPECIAL SYSTEMS	4,000	
	0	
GENERAL CONDITIONS & COST CERTIFICATION	159,897	
INSURANCE (liability & builder's risk)	12,680	
CONSTRUCTION CONTINGENCY 5% - ALLOWANCE	68,339	
CONTRACTORS FEE	69,656	
PAYMENT & PERFORMANCE BOND	16,091	

PROJECT: ALCP CONVERSION		AREA		\$ /SQ. FT.	
LOCATION: CHRISTIAN CARE COTTONWOOD 1		BLDG.		2,565	
ESTIMATE # PRELIMINARY BUDGET - NEW ADDITIONS		SITE		\$272.39	
DATE: 4/18/2012					

PROJECT: ALCP CONVERSION		AREA		\$ /SQ. FT.		
LOCATION: CHRISTIAN CARE COTTONWOOD 1		BLDG.		2,565		
ESTIMATE # PRELIMINARY BUDGET - NEW ADDITIONS		SITE				
DATE: 4/18/2012						
ACCOUNT NO	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM TOTAL	ACCT. TOTAL
					\$0	
06100	ROUGH CARPENTRY				\$0	\$41,908
	MISC BLKG./BACKING	1	LS	500.00	\$500	
	DEMO EXISTING OVERHANGS	1	LS	1,760.00	\$1,760	
	ROOF FRAMING	3250	SF	6.00	\$19,500	
	2x6 EXTERIOR WALL FRAMING	260	LF	20.00	\$5,200	
	2x6 INTERIOR WALL FRAMING	103	LF	18.00	\$1,854	
	2x4 INTERIOR WALL FRAMING	94	LF	17.60	\$1,654	
	PATIO FRAMING	480	SF	7.00	\$3,360	
	TREX PATIO FRAMING	480	SF	16.00	\$7,680	
	TREX PATIO RAILING	20	LF	20.00	\$400	
					\$0	
					\$0	
06400	MILLWORK				\$0	\$988
	CORRIDOR HANDRAIL	38	LF	26.00	\$988	
	BASE CABINETS & TOPS	0	LF	0.00	\$0	
	UPPER CABINETS	0	LF	0.00	\$0	
					\$0	
					\$0	
07100	WATERPROOFING				\$0	\$7,190
	WATERPROOF CMU WALLS	1438	SF	5.00	\$7,190	
					\$0	
					\$0	
07200	BUILDING INSULATION				\$0	\$4,537
	R-30 ROOF BATTS	3250	SF	0.85	\$2,763	
	R-19 EXTERIOR WALL BATTS	2080	SF	0.55	\$1,144	
	MISC SOUND BATTS	1576	SF	0.40	\$630	
					\$0	
					\$0	
07400	SIDING				\$0	\$16,065
	COLOR VINYL SIDING	2295	SF	7.00	\$16,065	
					\$0	
					\$0	
07500	ROOFING				\$0	\$7,353
	ASPHALT SHINGLES	3420	SF	2.15	\$7,353	
					\$0	
					\$0	
07600	GENERAL SHEET METAL				\$0	\$4,517
	GUTTER	278	LF	14.00	\$3,892	
	DOWNSPOUTS	45	LF	10.00	\$450	
	SPLASH BLOCKS	5	EA	35.00	\$175	
					\$0	
					\$0	
07900	SEALANTS				\$0	\$1,000
	MISC CAULK/SEAL	1	LS	1,000.00	\$1,000	
					\$0	
					\$0	
08100	HOLLOW METAL				\$0	\$3,855
	3070 DOORS	4	EA	195.00	\$780	
	3070 FRAMES	11	EA	120.00	\$1,320	
	6070 FRAMES	13	EA	135.00	\$1,755	
					\$0	
					\$0	
08150	DOOR INSTALLATION				\$0	\$2,350
	INSTALL DOORS/HRDW - SINGLE	11	EA	115.00	\$1,265	
	INSTALL DOORS/HRDW - PAIR	2	EA	250.00	\$500	
	SET HOLLOW METAL FRAMES	13	EA	45.00	\$585	
					\$0	

PROJECT: ALCP 2012 CONVERSION				AREA	\$/SQ. FT.	
LOCATION:	CHRISTIAN CARE COTTONWOOD 1	BLDG.		2,565	\$272.39	
ESTIMATE #	PRELIMINARY BUDGET - NEW ADDITIONS	SITE				
DATE:	4/18/2012					
ACCOUNT NO	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM TOTAL	ACCT. TOTAL
					\$0	
08200	WOOD DOORS				\$0	\$2,035
	S.C. WOOD DOOR 3'-0" x 7'-0"	11	EA	185.00	\$2,035	
					\$0	
					\$0	
08410	ALUM. WINDOWS/GLAZING				\$0	\$4,365
	ALUMINUM WINDOWS	9	EA	485.00	\$4,365	
					\$0	
					\$0	
08700	FINISH HARDWARE				\$0	\$3,950
	DOOR HARDWARE - SINGLE	11	SET	250.00	\$2,750	
	DOOR HARDWARE - PAIR	2	SET	600.00	\$1,200	
					\$0	
					\$0	
09250	GYPSUM WALLBOARD				\$0	\$12,778
	5/8" GYP BD. NAIL-ON/TAPE/TEXTURE	5232	SF	1.20	\$6,278	
	1 HR. DRYWALL CEILINGS (5/8 on RC)	3250	SF	2.00	\$6,500	
					\$0	
					\$0	
09300	TILE				\$0	\$9,092
	QUARRY TILE	636	SF	9.00	\$5,724	
	QUARRY TILE BASE	148	LF	9.50	\$1,406	
	TILE FLOOR	54	SF	8.00	\$432	
	TILE BASE	30	LF	8.50	\$255	
	TILE WALLS	150	SF	8.50	\$1,275	
					\$0	
					\$0	
09680	CARPET & RESILIENT				\$0	\$9,704
	CARPET	142	SY	23.00	\$3,266	
	SHEET VINYL	158	SY	36.00	\$5,688	
	6" RUBBER BASE	600	LF	1.25	\$750	
					\$0	
					\$0	
09900	PAINTING				\$0	\$3,978
	PAINT ON DRYWALL	8482	SF	0.40	\$3,393	
	PAINT FRAMES/DOORS	13	EA	45.00	\$585	
					\$0	
					\$0	
10400	CODE COMPLIANCE SIGNAGE - ALLOWANCE				\$0	\$750
	CODE SIGNAGE & BUILDING NUMBERS	1	LS	750.00	\$750	
					\$0	
					\$0	
10520	FIRE EXTINGUISHERS				\$0	\$260
	FIRE EXTING/CABINETS	2	EA	115.00	\$230	
	INSTALLATION	2	EA	15.00	\$30	
					\$0	
					\$0	
10800	TOILET ACCESSORIES				\$0	\$355
	GRAB BARS (48", 36" 18")	1	SET	95.00	\$95	
	SEAT COVER DISPENSER	1	EA	30.00	\$30	
	TOILET PAPER DISPENSER	1	EA	20.00	\$20	
	NAPKIN DISPOSAL	1	EA	60.00	\$60	
	SOAP DISPENSER	1	EA	45.00	\$45	
	PAPER TOWEL DISPENSOR	1	EA	60.00	\$60	
	MIRROR	1	EA	45.00	\$45	
					\$0	
					\$0	
11400	KITCHEN EQUIPMENT				\$0	\$50,000
	KITCHEN EQUIPMENT - ALLOWANCE	1	LS	50,000.00	\$50,000	
					\$0	

PROJECT: ALCP CONVERSION		AREA		\$ /SQ. FT.		
LOCATION:	CHRISTIAN CARE COTTONWOOD 1	BLDG.	2,565	\$272.39		
ESTIMATE #	PRELIMINARY BUDGET - NEW ADDITIONS	SITE				
DATE:	4/18/2012					
ACCOUNT NO	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM TOTAL	ACCT. TOTAL
					\$0	
12400	WINDOW COVERINGS - ALLOWANCE				\$0	\$1,125
	BLINDS - ALLOWANCE	225	SF	5.00	\$1,125	
					\$0	
					\$0	
15400	PLUMBING SYSTEMS				\$0	\$28,370
	DOMESTIC WATER	1430	SF	2.00	\$2,860	
	SEWER MAIN	1430	SF	2.00	\$2,860	
	KITCHEN ROUGH-IN	1	LS	15,000.00	\$15,000	
	DRINKING FOUNTAINS	2	EA	1,400.00	\$2,800	
	WATER HEATERS	1	EA	2,000.00	\$2,000	
	WATER CLOSETS	1	EA	650.00	\$650	
	SINKS	1	EA	750.00	\$750	
	FLOOR DRAINS	2	EA	650.00	\$1,300	
	HOSE BIBB	1	EA	150.00	\$150	
					\$0	
					\$0	
15500	FIRE PROTECTION SYSTEMS				\$0	\$6,413
	WET SPRINKLER SYSTEM	2565	SF	2.50	\$6,413	
					\$0	
					\$0	
15800	H.V.A.C.				\$0	\$26,283
	H.V.A.C. (250sf/ton)	10	TNS	2,500.00	\$25,000	
	CONDENSATE DRAIN PIPING	2565	SF	0.50	\$1,283	
					\$0	
					\$0	
16000	ELECTRICAL				\$0	\$39,693
	POWER DISTRIBUTION & LIGHTING	2565	SF	13.00	\$33,345	
	FIRE ALARM SYSTEM	2565	SF	1.50	\$3,848	
	PRIMARY CONDUIT - ALLOWANCE	50	LF	50.00	\$2,500	
					\$0	
					\$0	
	SUB TOTAL WORK				\$456,854	\$456,854
	GENERAL CONDITIONS	1	LS	\$124,813.00	\$124,813	\$124,813
	PAYROLL BURDEN	0	LS	\$0.00	\$0	\$0
	INSURANCE	1	LS	\$5,648.50	\$5,649	\$5,649
	PERMITS	0	LS	\$0.00	\$0	\$0
	SUB. BONDS	0	LS	\$0.00	\$0	\$0
	CONTINGENCY	0.05000	%	\$29,365.78	\$29,366	\$29,366
	CONTRACTOR FEE	0.05000	%	\$30,834.06	\$30,834	\$30,834
	G.C. BONDS	0.01100	%	\$7,122.67	\$7,123	\$7,123
	SALES TAX	0.06728	%	\$44,040.77	\$44,041	\$44,041
	SUB TOTAL				\$241,825	\$241,825
	TOTAL PROJECT ESTIMATE				\$698,679	\$698,679
	EXCLUSIONS:					
	CITY PERMITS & FEES					
	DEVELOPMENT FEES					
	WATER METER & SEWER TAP FEES					
	UTILITY COMPANY CHARGES OR FEES					
	SUBCONTRACTOR P & P BONDS					
	ARCH & ENGINEERS FEES					
	BLUE PRINT COSTS					
	HAZARDOUS MATERIAL REMOVAL					
	HARDROCK EXCAVATION					
	TELEPHONE/DATA SYSTEM & CABLING					
	FURNITURE/FIXTURES & EQUIPMENT					

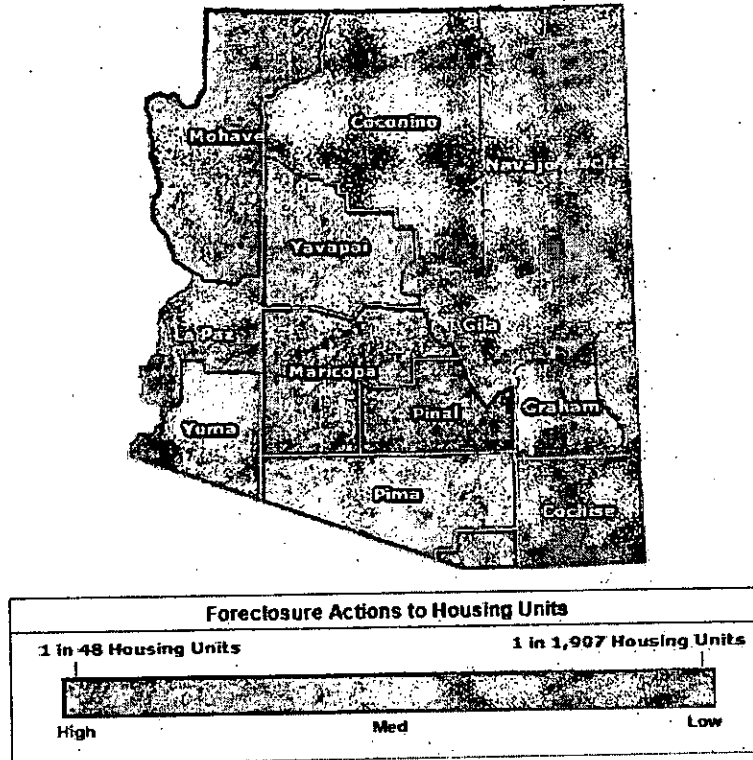
PROJECT: ALCP CONVERSION				AREA		\$ /SQ. FT.	
LOCATION: CHRISTIAN CARE COTTONWOOD 1				BLDG.		15,890	
ESTIMATE # PRELIMINARY BUDGET - REMODEL				SITE		\$58.36	
DATE: 4/18/2012							
ACCOUNT NO	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM TOTAL	ACCT. TOTAL	
02050	DEMOLITION				\$0		
	REMOVE RANGES	20	EA	25.00	\$500	\$31,388	
	REMOVE REFRIGERATORS	20	EA	25.00	\$500		
	REMOVE FLOORING	15890	SF	0.40	\$6,356		
	REMOVE TOILETS	20	EA	25.00	\$500		
	REMOVE LAVS	20	EA	30.00	\$600		
	REMOVE KITCHEN SINKS	20	EA	30.00	\$600		
	REMOVE TUBS	20	EA	100.00	\$2,000		
	SAWCUT/REMOVE SHOWER FLOOR	20	EA	650.00	\$13,000		
	REMOVE BATHROOM CABINET	20	EA	45.00	\$900		
	REMOVE KITCHEN CABINET & COUNTER TOP	227	LF	16.00	\$3,632		
	REMOVE KITCHEN UPPERS	280	LF	10.00	\$2,800		
					\$0		
03000	CONCRETE WORK				\$0	\$8,400	
	CONCRETE FLOOR PATCH	400	SF	10.00	\$4,000		
	A/C UNIT PAD	550	SF	8.00	\$4,400		
					\$0		
06100	ROUGH CARPENTRY				\$0	\$2,604	
	MISC BLKG./BACKING	1	LS	1,000.00	\$1,000		
	FURR OUT BATHROOM WALL	20	EA	80.20	\$1,604		
					\$0		
06400	MILLWORK				\$0	\$66,219	
	CORRIDOR HANDRAIL	204	LF	26.00	\$5,304		
	BATHROOM BASE CABINETS & TOPS	20	EA	250.00	\$5,000		
	KITCHEN BASE CABINETS & TOPS	227	LF	145.00	\$32,915		
	UPPER CABINETS	280	LF	80.00	\$22,400		
	REMOVE/RELOCATE CLOSET RODS	40	EA	15.00	\$600		
					\$0		
08410	ALUM. WINDOWS/GLAZING				\$0	\$4,100	
	ADJUST WINDOW HARDWARE	41	EA	100.00	\$4,100		
					\$0		
09250	GYPSUM WALLBOARD				\$0	\$40,236	
	GYP BD. WALL REPAIR	20288	SF	1.20	\$24,346		
	DRYWALL CEILING REPAIR	15890	SF	1.00	\$15,890		
					\$0		
09300	CERAMIC TILE				\$0	\$16,320	
	SHOWER FLOORS	400	SF	10.00	\$4,000		
	SHOWER WALLS	1540	SF	8.00	\$12,320		
					\$0		
09500	ACOUSTICAL CEILINGS				\$0	\$3,399	
	2x4 LAY-IN CEILING - REPAIR	2060	SF	1.65	\$3,399		
					\$0		
09680	CARPET & RESILIENT				\$0	\$44,618	
	CARPET - UNITS	1066	SY	21.00	\$22,386		
	CARPET - COMMON AREAS	276	SY	23.00	\$6,348		
	SHEET VINYL	399	SY	36.00	\$14,364		
	6" RUBBER BASE	1216	LF	1.25	\$1,520		
					\$0		

PROJECT: ACCT. CONVERSION				AREA		\$ /SQ. FT.	
LOCATION: CHRISTIAN CARE COTTONWOOD 1				BLDG.		15,890	
ESTIMATE # PRELIMINARY BUDGET - REMODEL				SITE			
DATE: 4/18/2012							
ACCOUNT NO	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM TOTAL	ACCT. TOTAL	
					\$0		
09900	PAINTING				\$0	\$20,475	
	PAINT ON DRYWALL	55266	SF	0.32	\$17,685		
	PAINT FRAMES/DOORS	62	EA	45.00	\$2,790		
					\$0		
					\$0		
11400	RESIDENTIAL APPLIANCES				\$0	\$19,900	
	REFRIGERATORS	20	EA	520.00	\$10,400		
	RANGE & HOOD	20	EA	475.00	\$9,500		
					\$0		
					\$0		
10800	TOILET ACCESSORIES				\$0	\$22,700	
	GRAB BARS (48", 36" 18")	20	SET	185.00	\$3,700		
	GRAB BARS SHOWER (18", 72")	20	EA	255.00	\$5,100		
	TOILET PAPER DISPENSER	20	EA	19.00	\$380		
	MEDICINE CABINETS - RECESSED	20	EA	37.00	\$740		
	SHOWER CURTAIN ROD	20	EA	16.00	\$320		
	MIRROR - 48"x36"	20	EA	31.00	\$620		
	SHOWER FOLD-DOWN SEAT	20	EA	360.00	\$7,200		
	SHOWER GRAB BARS	20	EA	232.00	\$4,640		
					\$0		
					\$0		
15400	PLUMBING SYSTEMS				\$0	\$61,190	
	DOMESTIC WATER - REWORK	15890	SF	0.50	\$7,945		
	SEWER MAIN - REWORK	15890	SF	0.50	\$7,945		
	SHOWER TRENCH DRAIN (5 ft)	20	EA	600.00	\$12,000		
	SHOWER VALVE/DRAIN/HEADS	20	EA	540.00	\$10,800		
	TOILETS	20	EA	360.00	\$7,200		
	BATHROOM LAV	20	EA	285.00	\$5,700		
	KITCHEN SINKS	20	EA	425.00	\$8,500		
	GARBAGE DISPOSAL	20	EA	55.00	\$1,100		
					\$0		
					\$0		
15500	FIRE PROTECTION SYSTEMS				\$0	\$10,329	
	WET SPRINKLER SYSTEM	15890	SF	0.65	\$10,329		
					\$0		
					\$0		
15800	H.V.A.C.				\$0	\$128,595	
	DEMO EXISTING A/C UNITS	22	EA	200.00	\$4,400		
	NEW APARTMENT A/C for UNITS (1.5 tons/ unit)	31.5	TNS	2,500.00	\$78,750		
	NEW A/C for COMMON AREAS	15	TNS	2,500.00	\$37,500		
	CONDENSATE DRAIN PIPING	15890	SF	0.50	\$7,945		
					\$0		
					\$0		
16000	ELECTRICAL				\$0	\$212,873	
	ELECTRICAL DEMO	15890	SF	1.00	\$15,890		
	RE-WIRE ALL UNITS	15890	SF	8.00	\$127,120		
	FIRE ALARM SYSTEM	15890	SF	1.25	\$19,863		
	GENERATOR 25KW	1	EA	25,000.00	\$25,000		
	NEW S.E.S.	1	LS	20,000.00	\$20,000		
	RELOCATE S.E.S.	1	LS	5,000.00	\$5,000		
					\$0		
					\$0		
17000	SPECIAL SYSTEMS				\$0	\$4,000	
	PULL CORD at BED and SHOWER	20	EA	200.00	\$4,000		
					\$0		

PROJECT # ADCP CONVERSION				AREA		\$ /SQ. FT.	
LOCATION: CHRISTIAN CARE COTTONWOOD 1				BLDG.		15,890	
ESTIMATE # PRELIMINARY BUDGET - REMODEL				SITE		\$55.38	
DATE: 4/18/2012							

III. COMMUNITY NEEDS

Figure B
Foreclosure Actions to Housing Units



RENTAL HOUSING

There are 695,725 total renter households within Arizona that represent approximately 31 percent of all households. Within the renter households, 60 percent fall into low-income categories (see Table 24). There reflects a continued need for increased affordable rental housing opportunities for Arizona's lower income households.

Table 24
Renters by Income Level, 2009

Income Category	Number	Percentage of All Renter Households
Extremely low ($\leq 30\%$ AMI)	136,645	19.6%
Very low ($> 30-50\%$ AMI)	121,035	17.4%
Low ($> 50-80\%$ AMI)	157,845	22.7%
Moderate and above ($> 80\%$ AMI)	280,200	40.3%
TOTAL	695,725	100%

Source: HUD, 2009 CHAS Data

III. COMMUNITY NEEDS

Rents and Affordability

In Arizona, the 2009 fair market rent (FMR) for a two-bedroom apartment was \$782, which includes an allocation for utility costs. In order to afford this rent without paying more than 30 percent of income for housing, a household must earn at least \$2,600 monthly, or \$31,200 annually. Assuming a workweek of 40 hours, this level of income translates into a housing wage of \$15.03. In Arizona, a minimum-wage worker earns an hourly wage of \$7.25. Therefore, in order to afford the FMR for a two-bedroom apartment, a minimum-wage earner must work approximately 83 hours per week, or a household must include more than two minimum-wage earners working 40 hours per week in order to make the two-bedroom FMR affordable.

Monthly Supplemental Security Income payments (usually received for a disability) for an individual were \$637 in Arizona in 2008. If that represents an individual's sole source of income, \$191 in monthly rent would be considered affordable, while the FMR for a one-bedroom was \$676 in 2008.

Table 25 represents fair market rents for each county, as published by HUD. Fair market rents include an estimated utility cost.

Table 25
Fair Market Rents by County, 2009

County	Fair Market Rent by Bedroom Size			
	1	2	3	4
Apache	\$502	\$593	\$822	\$1,042
Cochise	\$557	\$699	\$965	\$1,186
Coconino	\$924	\$1,044	\$1,343	\$1,693
Gila	\$615	\$809	\$1,111	\$1,144
Graham	\$587	\$657	\$908	\$1,045
Greenlee	\$554	\$695	\$918	\$1,004
La Paz	\$560	\$672	\$951	\$979
Maricopa	\$727	\$877	\$1,277	\$1,495
Mohave	\$640	\$746	\$1,032	\$1,151
Navajo	\$489	\$522	\$689	\$928
Pima	\$579	\$743	\$1,070	\$1,131
Pinal	\$727	\$877	\$1,277	\$1,495
Santa Cruz	\$575	\$729	\$1,063	\$1,094
Yavapai	\$668	\$844	\$1,230	\$1,267
Yuma	\$642	\$767	\$1,088	\$1,333

Source: HUD, 2009

As a comparative analysis, in 2008, to afford a rental at the two-bedroom FMR, a renter household had to be at 109 percent of the estimated median renter household income, which was \$33,681. In 2008, the median income rent was \$743 per month. The affordable rent for the median-income renter for the state was \$788 per month. About 54 percent of renters are unable to afford the two-bedroom fair market rent.

Based on this data, it can be concluded that many renter households have problems affording housing units of sufficient size for their families. Very low-income and extremely low-income renter households will have even greater affordability challenges.

III. COMMUNITY NEEDS

Cost Burden

Table 25 captures a recent summary of housing problems experienced by renter households. Low-income households faced increased cost burdens and other housing problems. Only 19 percent of non-low-income households experienced any form of housing problem, but 60 percent of low-income renters and 94 percent of extremely low-income renters faced a housing problem. When looking at cost burdens specifically, just 13.4 percent of non-low-income households experienced a cost burden, while nearly 81 percent of extremely-low income households experienced one.

Table 25
Summary Housing Problems – Renter, 2009

Income Category	Percentage Renter Households With Housing Problems		
	Cost Burden > 30%	Cost Burden > 50%	Any Housing Problem
Extremely low ($\leq 30\%$ AMI)	80.8%	73.6%	93.9%
Very low ($> 30\text{--}50\%$ AMI)	75.4%	36.7%	89.3%
Low ($> 50\text{--}80\%$ AMI)	50.9%	12.4%	60.2%
Moderate and above ($> 80\%$ AMI)	13.4%	5.3%	18.6%
All households	22.3%	21.3%	48.6%

Source: HUD, 2009 CHAS Data

In summary, the state has adequate rental housing and it is generally affordable to low-income households and above. Arizona generally lacks rental housing that is affordable to very low-income and extremely low-income households. The unmet need of affordable housing for small-related, large-related, elderly and other households living at or below 50 percent of area median income remain high or medium level priorities as these households are frequently experiencing a cost burden or some other form of housing problem 75 percent or more of the time. Table L-1 in Appendix L provides greater detail for the unmet needs of Arizona's extremely low- and very low-income households.

PUBLIC AND ASSISTED HOUSING

Operated by the Arizona Department of Housing, the Arizona Public Housing Authority administers approximately 124 Section 8 Housing Choice Vouchers in Yavapai County, with approximately 50 additional "portable" vouchers being administered by the PHA at any one time. The Public Housing Authority also has oversight and monitoring responsibilities for 114 Section 8 project-based properties throughout the state, under a competitively procured contract with HUD.

The Arizona Public Housing Authority (PHA) does not own or manage any public housing. Therefore, the authority does not have a strategy to revitalize or restore any public housing units nor to improve the management and operations of such public housing. However, the PHA will strive to continue to provide the same services to the same number of individuals and families even though financial resources are increasingly scarce. Application would be made for additional vouchers should they be made available. The PHA received a "high" performance score from HUD as a result of their 2009 Section 8 Management Assessment Program review.

ADOH does provide multiple sources of funding to develop and support thousands of assisted housing units every year. For fiscal year 2009, the Department assisted 34 housing units with federal HOME funds, 12,302 housing units with state Housing Trust Funds, 1,080 housing units with Low-Income Housing Tax Credits, and

III. COMMUNITY NEEDS

1,582 units with HOPWA subsidies. At this time, the only anticipated reduction in assisted units and inventory for fiscal year 2010 would occur as a result of the severe reduction in Housing Trust Funds. Other public and assisted housing efforts and inventories are not anticipated to experience notable reductions over the next fiscal year.

BARRIERS TO AFFORDABLE HOUSING

Barriers to affordable housing are created by market, infrastructure, environmental, and governmental factors. Barriers may result in housing that is not affordable to low-income households or an inadequate supply of housing. Some potential barriers or constraints to the development of affordable housing that ADOH identified are as follows:

URBAN AREAS

- Availability of financing
- Limited funding
- High land cost/availability of land
- Impact/development fees
- Zoning
- Design guidelines
- Lack of infrastructure

NON-URBAN AREAS

- Limited funding
- Wage gap
- Lack of employment opportunities
- Lack of infrastructure
- Availability of financing
- Lack of local capacity
- High land cost/availability of land

In addition, ADOH and the Arizona Housing Commission recommended in the publication "Affordable Incentives to Affordable Housing Task Force" (June 2005) premises that could assist in the increase of affordable housing. Listed in the publication were barriers and incentives, which were sent to the Governor in order to improve the housing environment for more hard-working Arizonans. The recommendations encourage new partnerships. The recommendations for the barriers and incentives section include:

III. COMMUNITY NEEDS

- 1) Improve procedures at the local level to reduce housing costs, such as processing time, development process, development standards, financial requirements, and market considerations.
- 2) Identify strategies for greater collaboration among state agencies, such as the Departments of Housing, Commerce, Transportation, Land, and Corrections, around land use and housing development.
- 3) Establish consistent methods locally to determine development/impact fees so that builders can plan for the cost of fees at the development stage.

The feasibility report can be found at ADOH website; the report is called "Economic Feasibility of Select Strategic Recommendations Pertaining to Housing Access and Affordability, October 2007."

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Housing and community development needs for affordable housing, public facilities, infrastructure improvement, public services, and economic development are described in this section. The following community needs were determined as the result of the needs assessment process. This process consisted of an analysis of the community setting, including housing and population characteristics, consultations with local service providers and other state agencies, ADOH staff meetings, public workshops, and an online survey. While all of the needs listed below are important, limited resources are available to fund all of these activities.

During consultation, public meetings, conference calls, and the online survey, the following needs were captured:

RENTAL HOUSING NEEDS

- Preservation and rehabilitation of existing rental units
- Energy efficiency
- Rental housing for the elderly
- Rental assistance
- Rental units for larger families

HOMEOWNERSHIP NEEDS

- Rehabilitation and repair of existing affordable single-family homes
- Energy efficiency
- Modifications for persons with disabilities
- Homebuyer assistance
- Lead-based paint screening and abatement

III. COMMUNITY NEEDS

- Case management
- Transitional housing
- Emergency housing

OTHER SPECIAL NEEDS

- Housing for persons with serious mental illness
- Assisted living (senior housing)
- Housing for persons with drug/alcohol addictions

FAIR HOUSING

Fair housing is crucial to ensuring that persons of like income levels have equal access to housing. HUD requires that jurisdictions receiving federal funds commit to affirmatively further fair housing. A key part of achieving this goal is the preparation of an Analysis of Impediments to Fair Housing Choice (AI). Southwest Fair Housing Council completed the AI for the State of Arizona in 2010.

ADOH takes an active role in the education and training of housing providers to ensure awareness of fair housing laws. ADOH has a Special Needs/Fair Housing Specialist who provides public education and workshops for fair housing issues. Fair housing training and workshops are provided throughout the State of Arizona. At least four fair housing workshops are conducted within each of the 13 rural counties in Arizona per year, with at least two workshops per year in Pima and Maricopa counties. Half of the fair housing workshops are geared toward housing professionals, such as site managers, property owners, leasing agents, lenders, and housing authority staff. However, the workshops are open to anyone that would like to attend.

Impediments to Fair Housing

The AI identified the following impediments to fair housing:

1. **Illegal housing discrimination is occurring in non-metro counties in Arizona.**

It is difficult to determine the prevalence of housing discrimination, but the AI found evidence that housing discrimination is occurring in rural Arizona. Although the State Attorney General's Office handles fair housing enforcement, ADOH will continue to address housing discrimination predominately through education and outreach.

2. **Many housing consumers are unaware of their fair housing rights and available fair housing resources; and housing discrimination often goes unreported and unresolved.**

The survey results and the experience of education and outreach providers throughout Arizona show that an unacceptably high number of Arizonans are currently unaware of their fair housing rights and available fair housing resources.

3. **Many housing providers illegally discriminate because of inadequate knowledge and understanding of their responsibilities under the Fair Housing Act.**

III. COMMUNITY NEEDS

Many real estate agents, property managers, property owners, media advertising agents, home insurance agents, lenders and other providers need to better understand their responsibility to comply with fair housing laws. Many providers (a) do not obtain free fair housing training; (b) experience considerable expenses to receive fair housing training; (c) have high staff turnover; (d) mistakenly believe they do not need to comply with the Fair Housing Act; and/or (d) lack up-to-date information.

4. Many public and private agencies in non-metro Arizona lack effective fair housing referral procedures.

Many public and private agencies do not have clear and consistent procedures for referring people with fair housing problems. This creates an impediment to fair housing because many people in rural areas who contact a local an agency for fair housing assistance do not get the information they need or receive misinformation. In addition, inquiries, allegations and complaints are often not logged and the true prevalence of housing discrimination is obscured.

5. Disparities in lending and predatory lending practices are impediments to fair housing choice in Arizona.

The AI found among others, the following:

- Minorities with similar or better qualifications than non-minorities continue to experience higher rates of loan denials and higher rates of subprime loans from lenders;
- Subprime lending targeted minorities prior to the collapse of the housing market in 2007;
- Subprime borrowers have been hardest hit by the impact of the market collapse; and
- Foreclosure rescue and mortgage modification scammers are targeting minorities and people with limited English proficiency (LEP).

6. "Not in my Backyard" (NIMBYism) can obstruct plans and policies to provide affordable housing and special needs housing that serves protected classes.

It is not unusual for residents to coordinate attendance at public hearings and council meetings to express opposition to such things as affordable housing, group homes and/or transitional housing. Freedom of speech is valued in our country and cannot be restricted or prohibited in most circumstances, so the only viable response is targeted education and outreach to market the advantages of fair housing to residents.

7. The lack of affordable housing throughout the state has a disparate negative impact on Fair Housing Act protected classes. Further, the lack of fair housing planning in federally funded affordable housing developments fails to address the requirement to affirmatively further fair housing.

Demographic, employment, and income data show that minorities, families with children (including single-parent families), and persons with disabilities are proportionally overrepresented in low-income data and are most in need of affordable housing. The AI also identified the following:

- The term "affordable" to some has become a metaphor for housing for minorities, families with children and persons with disabilities and is laden with inaccurate stereotypes.

III. COMMUNITY NEEDS

- The accessibility of affordable housing, to public transportation, employment, good schools and other amenities is critically important to the financial, educational and social well-being of protected classes.
- The disparate and less favorable provision of public services to affordable neighborhoods may create safety concerns, lower property values, induce redlining, and facilitate the deterioration of the neighborhood.

8. On-going data gathering from CDBG sub recipients will need to improve to meet evolving AI requirements.

The ability of CDBG jurisdictions to plan for fair housing, collect information, organize information, monitor performance, evaluate the effectiveness of the implementation of plans and report on outcomes have improved. To meet expanding and accelerating needs, ADOH will need to do more in the future to stay ahead of the curve.

Actions to Address Fair Housing Impediments

The AI addresses these impediments to fair housing and recommends actions to address these impediments in greater detail. In general, ADOH has identified several opportunities to reduce and/or eliminate fair housing impediments including, but not limited to, the following:

- Educate housing consumers to make them more aware of housing discrimination and where to go for help.
- Identify and establish sites in each rural county where fair housing literature will be distributed on an on-going basis (English and Spanish), and ensure the materials are maintained and the sites are kept stocked.
- Conduct fair housing training to housing providers throughout the rural areas of the state; continue to fund fair housing referral training at no cost to public and private agencies.
- Collaborate with organizations to co-sponsor trainings for people at risk of foreclosure, and promote counseling efforts to people wanting a loan modification.
- Require that information on predatory and abusive lending practices be included in the education and outreach materials that are distributed throughout the state.
- Provide public hearings throughout the state to provide residents an opportunity to learn about the benefits of affordable housing and diversity in neighborhoods and express their concerns regarding affordable housing projects.
- Train grant recipients to recognize housing discrimination and then to refer them to agencies that can help them remedy the issue.

IV. STRATEGIC PLAN

- **Medium Priority:** As funds are available, activities that are designated medium priority are expected to be funded.
- **Low Priority:** Activities assigned a low priority are not expected to be funded during the five-year period.
- **No Such Need:** ADOH has determined that there is no need for these activities in the community. Funding will not be provided, and applications by other agencies will not be supported.

The discussion of priority needs is grouped into four major categories:

- Housing
- Homelessness
- Special needs
- Non-housing community development

PRIORITIES, PROGRAMS, AND GOALS

The discussion of each basic need is further divided into a statement of need, one or more priorities, programs to address the needs, and five-year goals. Achievement of five-year goals is dependent on the availability of federal, state, and private resources. Additional information on priority needs and goals can be found in **Appendix L – HUD-Required Tables**.

AFFORDABLE HOUSING

Statement of Need

The need for affordable housing was a predominant theme throughout demographic analysis, public meetings, the online survey, and consultations with local governments and service providers. Almost every type of affordable housing was mentioned, from rental subsidies to new construction to down payment assistance.

The housing market profile indicated a high need for rental housing, especially for extremely low- and very low-income households. Renter households in these income ranges face extraordinary challenges paying for housing and securing decent, safe, and sanitary housing. Minimum wage earners, who work in many of Arizona's service occupations, need to work more than 83 hours per week to afford a two-bedroom apartment at the fair market rent. The elderly, disabled, and large families were special needs groups inadequately served by existing affordable housing resources.

Owners faced somewhat fewer challenges than renters, but about half of low-income households faced a cost burden or other housing problem, and the percentage only increased for very low- and extremely low-income households. While recent changes in the housing market have had the effect of making ownership opportunities available to many low-income households without subsidy, significant difficulties still exist for very low- and extremely low-income households. Some areas of the state, such as Coconino and Gila counties, still have median housing prices that are well outside the range of affordability for low-income households.

Housing rehabilitation, both for owner and renter units, was also identified as a high need. Ten percent of the state's housing stock is now more than 70 years old, the age at which housing is assumed to need replacement. Throughout the state, it was estimated that over 230,000 households faced a lead hazard risk.

IV. STRATEGIC PLAN

Housing Priorities

Priority 1: Expand the supply of affordable rental housing for very low-income and extremely low-income households. When possible, emphasize projects that assist families, seniors, and persons with disabilities.

Priority 2: Preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock.

Priority 3: Expand homeownership opportunities for low-income homebuyers in areas of the state where median home prices are beyond the reach of low-income households.

Priority 4: Ensure that all households in the state have adequate access to fair housing resources.

Housing Programs and Goals

The following housing programs will address the priority needs of low-income households. ADOH may carry out programs directly, or grant funds to local or regional governments to carry out programs.

Affordable Housing Development

Through this program, ADOH will assist eligible nonprofit and for-profit housing builders with financial subsidies for the development of rental properties affordable to low-income households. The program will be implemented through the State Housing Fund, which combines HOME funds and the State Housing Trust Fund into a single housing program called the State Housing Fund. Funds are made available for the development of affordable permanent and transitional rental housing units through a competitive application process. Financed units must comply with long-term income restrictions and rent limits.

Funding: State Housing Fund, HOME, LIHTC, HTF, and leveraged funds

Five-Year Goal: 5,000 new affordable rental units

- 250 units (5 percent) – planned for extremely-low-income households
- 3,500 units (70 percent) – planned for low-income households
- 1,250 units (25 percent) – planned for moderate-income households

Responsibility: ADOH staff, nonprofit and for-profit developers

Owner-Occupied Housing Rehabilitation Program

This program will fund comprehensive rehabilitation of housing owned and occupied by low-income homeowners. The program will focus on bringing each unit into compliance with local, state, and federal building codes, and will also abate lead-based paint as necessary. Low-interest and/or deferred loans will be provided to qualifying low-income homeowners.

Funding: CDBG, HOME

Five-Year Goal: 250 owner-occupied units rehabilitated

Responsibility: COGs, local governments

IV. STRATEGIC PLAN

predominant throughout the state, but the need for services tends to be more prevalent in rural areas, where travel is more complicated.

Elderly were the most frequently mentioned special needs group during public meetings. Most attendees felt that housing programs were needed for elderly homeowners and renters, including new rental housing construction, assisted living facilities, and assistance to make units accessible. A high priority service for the elderly was transportation, and this was a major concern in rural areas.

Disabled persons' needs were similar to those of the elderly. There was a focus on construction of accessible rental units, and on housing rehabilitation programs that would make accessibility improvements for existing homes. Infrastructure improvements to make public spaces more accessible, local health care resources, and transportation options are also considered high-priority for disabled persons.

While there is generally enough housing available for large families, very low- and extremely low-income households have difficulty affording many of these units, since larger units are generally more expensive.

Persons with alcohol/drug problems, persons with HIV/AIDS, and victims of domestic violence generally have a wide range of services available to them, but these services are more difficult to access for rural residents. Additional coordination is needed to allow rural residents access to the full range of options that exist in urban areas.

Special Needs Priorities

Priority 8: Increase and preserve the supply of affordable housing available to the elderly, disabled, and large families.

Priority 9: Improve housing accessibility and safety (existing and new).

Special Needs Programs and Goals

The following programs will address the priority needs of special needs populations. ADOH may carry out programs directly or grant funds to nonprofit agencies to carry out programs.

Affordable Housing Development

For a full description of this program, please see the above "Housing Programs" section. The State Housing Fund will be available to fund a variety of affordable rental housing, including rental housing for special needs groups like the elderly and large families. A goal of this program is to provide a certain percentage of all units built as accessible to disabled persons. Any units produced with federal funds that are designed to be accessible to persons with disabilities must meet affirmative marketing requirements.

Owner-Occupied Housing Rehabilitation Program

For a full description of this program, please see the above "Housing Programs" section. This program will fund a range of rehabilitation activities that benefit special needs groups, such as accessibility accommodations for the disabled or room additions to alleviate overcrowding in large family households.

Minor Home Repair Program

For a full description of this program, please see the above "Housing Programs" section. This program will fund minor improvements that are needed to correct health and safety hazards. A key goal of this program is to provide accessibility modifications for disabled households.

IV. STRATEGIC PLAN

Program Activities

The remaining 90 percent of the grant award will be spent on direct service provision. ADOH will contract with nonprofit organizations to administer the HOPWA program within the thirteen rural counties. Contracts with nonprofits will be reviewed periodically, with additional proposals solicited as necessary.

CONSOLIDATED PLAN IMPLEMENTATION

ADOH is a department of the Arizona state government. ADOH is headed by a Director and Deputy Director under which five administrators oversee programs, operations, and intergovernmental coordination. The activities prescribed in the Plan are implemented by governmental, nonprofit, and for-profit entities under contract with ADOH. Contracts are awarded based on the ability of an entity to demonstrate the capacity to undertake eligible activities through a written proposal process. ADOH works in conjunction with four councils of government to develop a plan for the targeting and distribution of funds throughout the state.

REMOVING BARRIERS TO AFFORDABLE HOUSING

ADOH is committed to removing or reducing barriers to affordable housing whenever possible. The Arizona Housing Commission has recommended the following policies and actions to address barriers; ADOH has taken action on some and continues to examine the feasibility of others.

- Provide professional education and technical assistance to local governments to address barriers to housing affordability. ADOH now maintains a Technical Assistance Unit with three full-time staff who travel throughout the state to provide technical assistance upon request or as targeted according to need. One of these individuals specializes in tribal housing concerns.
- Undertake a comprehensive and systematic review of zoning and subdivision ordinances, building codes and related development control ordinances, and administrative procedures to identify and remove excessive, duplicative, or unnecessary barriers to housing affordability. ADOH's Community and Government Relations Administrator continues to monitor relevant local and state actions.
- Review agency administrative procedures to identify and remove unnecessary barriers to housing affordability. As the state's affordable housing policy leader, ADOH routinely and systematically evaluates the impacts of processes and decisions to ensure barriers are broken down, not created.
- Identify and disseminate innovative solutions to housing affordability barriers used successfully by other states, including the promotion of alternative building materials and methods, land banking, and planning and zoning reservations for affordable development.

"The Arizona Affordable Housing Profile," jointly published by the Arizona Department of Housing and the U.S. Department of Housing and Urban Development in 2002, suggests additional strategies to overcome barriers. For the urban areas (Maricopa and Pima counties), the study recommends:

- Educating the public on affordable housing programs and the need for more affordable housing;
- Reducing development and impact fees for affordable housing;
- Offering incentives to encourage infill affordable housing development;

IV. STRATEGIC PLAN

- Increasing the amount of small-lot single-family and multifamily development through less restrictive zoning; and
- Creating joint efforts to develop affordable housing by local government and private business.

For the nonurban areas (the remainder of the state), the study recommends:

- Promoting the development of new employment opportunities;
- Increasing the flexibility and amount of private financing for affordable housing;
- Upgrading and improving community infrastructure to promote affordable housing development; and
- Rehabilitating the existing affordable housing stock.
- Although some strategies could be applied statewide, stakeholders in the urban areas tend to suggest higher-density development while those in the nonurban areas are more focused on economic development and job creation.

OBSTACLES TO MEETING UNDERSERVED NEEDS

There are several obstacles Arizona will face in implementing the five-year strategies. The limited amount of funds available to meet the many needs of Arizona residents is possibly the most significant barrier. Recent federal and state cutbacks in social services programs will limit the amount of assistance that can be provided over the next five years.

There remain a number of significant obstacles to meeting underserved needs in Arizona:

- Rapid population growth.
- Inadequate funding to acquire and rehabilitate all existing housing units in need of repair.
- Lack of knowledge of social services and service providers in Arizona for low-income residents.
- Lack of funding to address the huge amount of unmet need that exists for affordable housing, infrastructure and facility improvements, and social services.
- Absence of service providers: the geographically expansive service areas in rural Arizona make it nearly impossible for providers to maintain a consistent, physical presence in most communities; this is further complicated by the limited ability of many low-income residents to travel for services.
- Lack of capacity in existing agencies: many service providers experience higher than average attrition rates among their employees; recruitment and retention of staff continues to be a challenge.
- Lack of consensus: stakeholders within a particular jurisdiction often do not agree on priority needs and this can lead to little action.

IV. STRATEGIC PLAN

- **Community Services Administration (CSA)** - The CSA funds networks of provider agencies to assist low-income Arizona residents to move through and out of crisis situations and toward self-sufficiency. They partner with provider agencies to plan and develop programs and services, encourage services integration whenever possible, and mobilize resources. Community agencies and funded networks serve as advocates for low-income households, hungry families, victims of domestic violence, refugees, and homeless individuals and families. The CSA awards approximately \$50 million from various federal and state funding sources to over 120 contractors across the state to administer a variety of social services.
- **Family Assistance Administration** - The Family Assistance Administration promotes the safety, well-being, and self-sufficiency of children, adults, and families by helping individuals and families achieve independence and self-sufficiency through temporary assistance in meeting their immediate basic needs. The FAA provides cash assistance and food stamps to eligible participants, determines eligibility for Medical Assistance, and refers participants to other departmental and community resources for assistance.
- **Aging and Adult Administration** - The Aging and Adult Administration provides information and services to seniors within Arizona through Adult Protective Services, Benefits Counseling, Long Term Care Ombudsman, Program Legal Services Assistance, and the Older Workers Program/Title V. Each of these services assists in accomplishing the administration's number one goal to provide opportunities for keeping vulnerable adults and older persons in their homes and communities.
- **Arizona Early Intervention Program (AzeIP)** - AzeIP is a statewide system of supports and services for families of children, birth to three, with disabilities or developmental delays.
- **Arizona Department of Health Services (DHS)** - DHS' strategic priorities include responding to Arizona's increasing older population and their health needs, reducing the rates of injury, being prepared to respond to emergencies that threaten the health of Arizona's residents, and improving the system for serving persons with behavioral health problems.
- **Arizona Health Care Cost Containment System (AHCCCS)** - AHCCCS is Arizona's Medicaid program, designed to deliver quality health care under cutting-edge concepts of managed care. AHCCCS contracts with health plans and other program contractors, paying them a monthly "capitation" amount prospectively for each enrolled member. AHCCCS receives federal, state and county funds to operate, plus some monies from Arizona's tobacco tax. Eligibility is not performed under one roof, but by various agencies, depending on the category. For example, pregnant women, families and children generally enter AHCCCS by way of the Department of Economic Security. State-only categories such as the Medically Needy generally come from the various counties. The blind, aged or disabled who receive Supplemental Security Income enter through the Social Security Administration. Each eligibility group has its own income and resource criteria.
- **Arizona Department of Veterans' Services** - Veterans' Services provides a network of Veterans Benefits Counselors (VBC's) who give information, counsel and assistance to veterans, their dependents and survivors in matters pertaining to federal and state benefits earned by honorable service in the armed forces of the United States. Veteran Benefits Counselors travel to all fifteen counties of the state. Veterans Benefits Counselors help process compensation and pension applications, appeal VA decisions, file for survivors death benefits, apply for aid and attendance and housebound benefits, certification of claim documents, request for military service records, upgrade military discharges, apply for special veteran license plates, provide information on general state benefits and assist with other questions about veteran benefits and entitlements.

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

e. Exhibit V – Market Analysis. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market containing:

(3) The current market study must be specific to the type of project and units being proposed in the application.

Contained in the Market Analysis prepared for Christian Care Cottonwood by Brecht Associates, Inc. is the following summary and recommendations:

- Christian Care is located in Cottonwood, a small town about 40 miles southwest of Flagstaff and 80 miles north of Phoenix, Arizona.
- Cottonwood is in a very rural area lying between two mountain ranges and the Prescott National Forest and the Coconino National Forest.
- In calculating the demand from the market at large, a market area was defined based on where the majority of the residents moved from. Given the very rural nature of this region, that market area is reasonable given that it draws from about 10 to 15 miles and up to 20 miles.
- Residents living in an AL at the Project will require a maximum income of \$0 - \$19,850. We calculated the demand for seniors age 65+ with an income of \$0 - \$20,000 a year. In 2012 there are 2,389 age qualified households with an income of \$20,000 or less and by 2017 there will be 2,638. That represents an average annual increase of 2.0%.
- The Project is part of a larger Cottonwood campus where there is a total of 88 IL apartments. 16 residents are currently in need of AL services campus wide. In the last 24 months, 13 residents moved out of the campus to a higher level of care. There are no other subsidized communities for the elderly in the area.
- Based on the demand analysis, we show a market for 41 AL units for low income seniors.

- There are no subsidized developments within the area providing AL care to seniors.

Based on this analysis, we recommend the conversion of IL to AL.

Please see attached Market Analysis prepared for Christian Care Cottonwood I by Brecht Associates, Inc. dated May, 2012, which further supports the need for the proposed Assisted Living units including information from both the project and the housing market.

EXHIBIT 5: MARKET ANALYSIS

CHRISTIAN CARE CENTER - COTTONWOOD, ARIZONA



Submitted By:

Brecht Associates, Inc.
201 S. 25TH Street
Philadelphia, PA 19103
Telephone: (215) 545-2905
Fax: (215) 545-2904

May, 2012

BACKGROUND

According to the HUD Guidelines outlined in the FY 2012 Assisted Living Conversion Program (ALCP) Notice of Funding Availability (NOFA), Exhibit 5 requirements, this analysis must show evidence for the need for AL units by the very low-income elderly and disabled households within the Market Area (MA). This MA analysis includes information from both the project and the housing market specific to the type of project and units being proposed in FY 2012 ALCP funding application for Christian Care.

SPONSOR

Christian Care (CC) provides housing for seniors under the Section 202 program with locations in Phoenix, Mesa, Tucson and Cottonwood, Arizona. During the past 25 years, CC has added assisted living (AL) units to four of their five communities in Arizona.

The CC campus in Cottonwood consists of eight buildings with a total of 88 independent living (IL) subsidized apartments. The complex was completed in September 1995 and maintains an average annual occupancy of 99%. CC is interested in converting 20 of the 88 apartments at Christian Care Cottonwood in Building 1 (Project) to assisted living (AL). The Project is located at 859 South 12th Street, Tract Code 0020.00, Cottonwood, 86326, Yavapai County, Arizona.

RESIDENT DEMOGRAPHICS

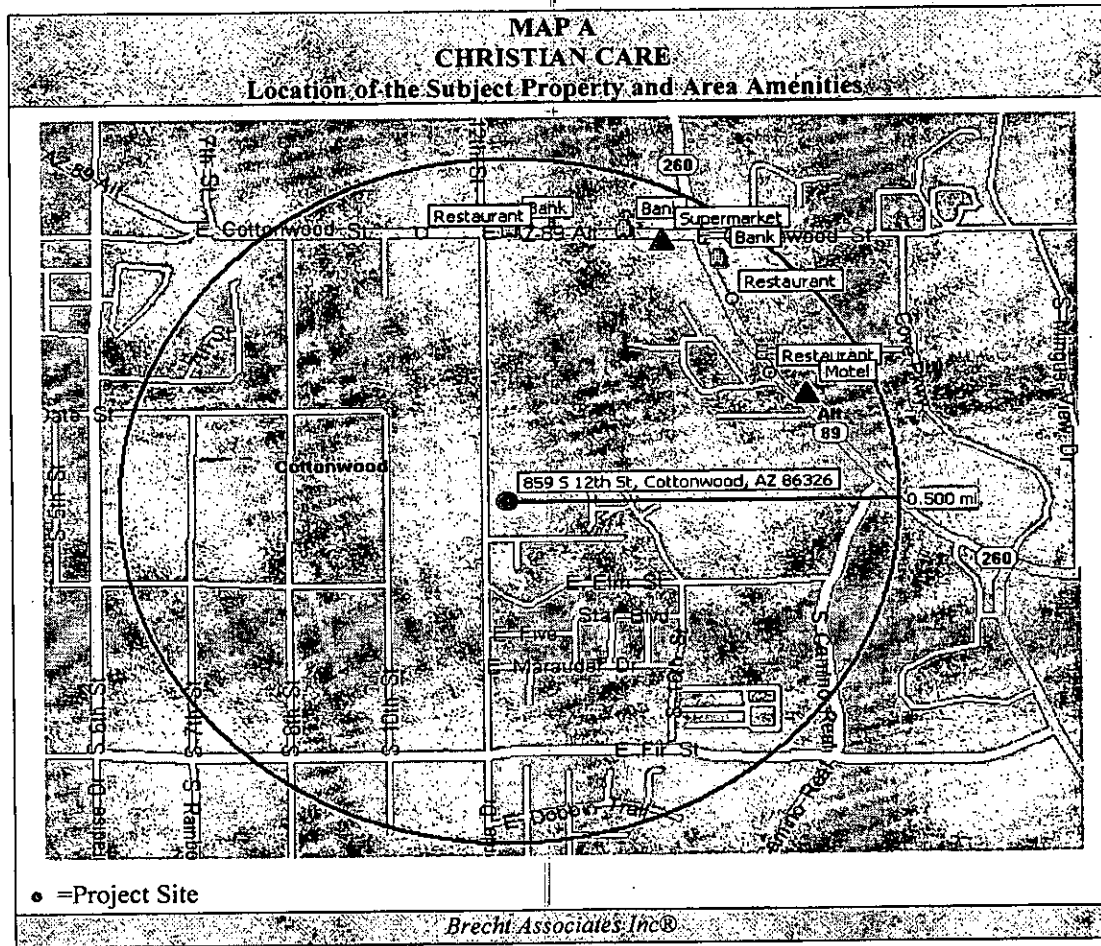
TABLE 1 CHRISTIAN CARE Resident Demographics			
Current number of residents	24	100%	
Residents over the age of 62	24	100%	
Residents over the age of 70	17	70.1%	
Distribution by Sex:			
	Male	6	25%
	Female	18	75%
Racial Ethnic Breakdown of Residents			
	Caucasian	21	88%
	Black	0	0
	Asian	0	0
	Hispanic	3	12%
	Other (Veterans)	4	17%
Estimate of # of residents with frailties/limitations in activities in daily living (ADL's)	1	4.2%	
Limitations of Two or more Activities of Daily Living	6	25%	
Number of Residents in Need of Assisted Living Services	5	25%	
Estimate of # of residents who have limited English proficiency	0	0%	
Services currently available and or provided on or off-site	See Table 7		
Source: Christian Care Center			

TABLE 2 CHRISTIAN CARE Resident Turnover in Last 24 Months			
Year	Residents moved to higher level of care	Death	Other
2010 (Feb – Dec)	6	5	16
2011 (Jan – Dec)	7	2	15
2012 (Jan)	0	0	0
TOTAL	13	7	31
Source: Christian Care Center			

In the last 24 months, 13 residents have moved out of Christian Care to a higher level of care. There are currently an additional 16 residents in need of AL care.

SITE ANALYSIS

The Project is well situated near the heart of downtown Cottonwood. This area is generally flat with most of the shops and services located along Cottonwood Road and Main Street, all within half a mile of the Project site.



The area immediately surrounding the site is residential and those pockets that have not been developed are primarily scrubland and desert.

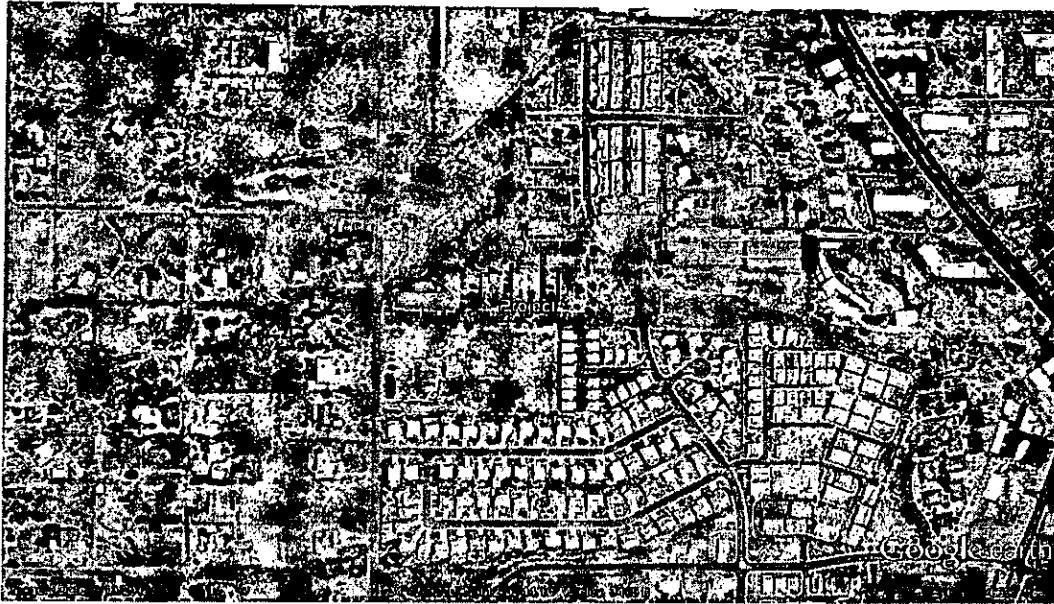
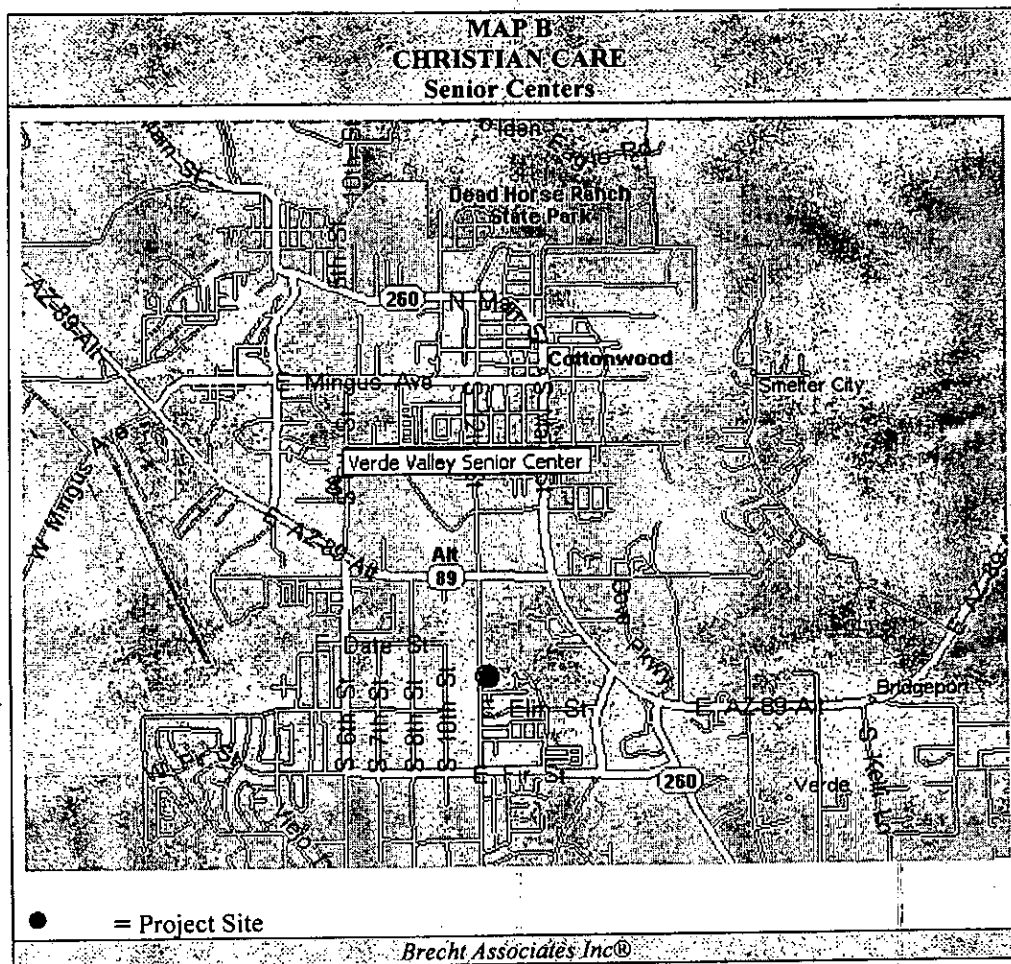


TABLE 3 CHRISTIAN CARE Site Analysis	
Public Transportation	<p>The Cottonwood Area Transit System, known as CATS, provides both demand and "Dial A Ride" route services. The Dial-A-Ride is a door-to-door service provided to all residents of the communities of Cottonwood, Clarkdale, Bridgeport and Verde Village.</p> <p>The Area Agency on Aging offers a program for persons who have no transportation to medical facilities, for shopping purposes, to pay bills, to attend the meal programs, etc.</p>
Immediate Neighborhood	Primarily residential.
Neighborhood Amenities	The Project is within half a mile of a wide selection of shops, banks, restaurants and other services.
Health Care	<p>Located less than two miles from the Project site, Verde Valley Medical Center is a 110-bed, nonprofit hospital serving North Central Arizona. VVMC a member of Northern Arizona Healthcare.</p>
Brecht Associates Inc®	

Verde Valley Senior Center is within 1.5 miles of the site.

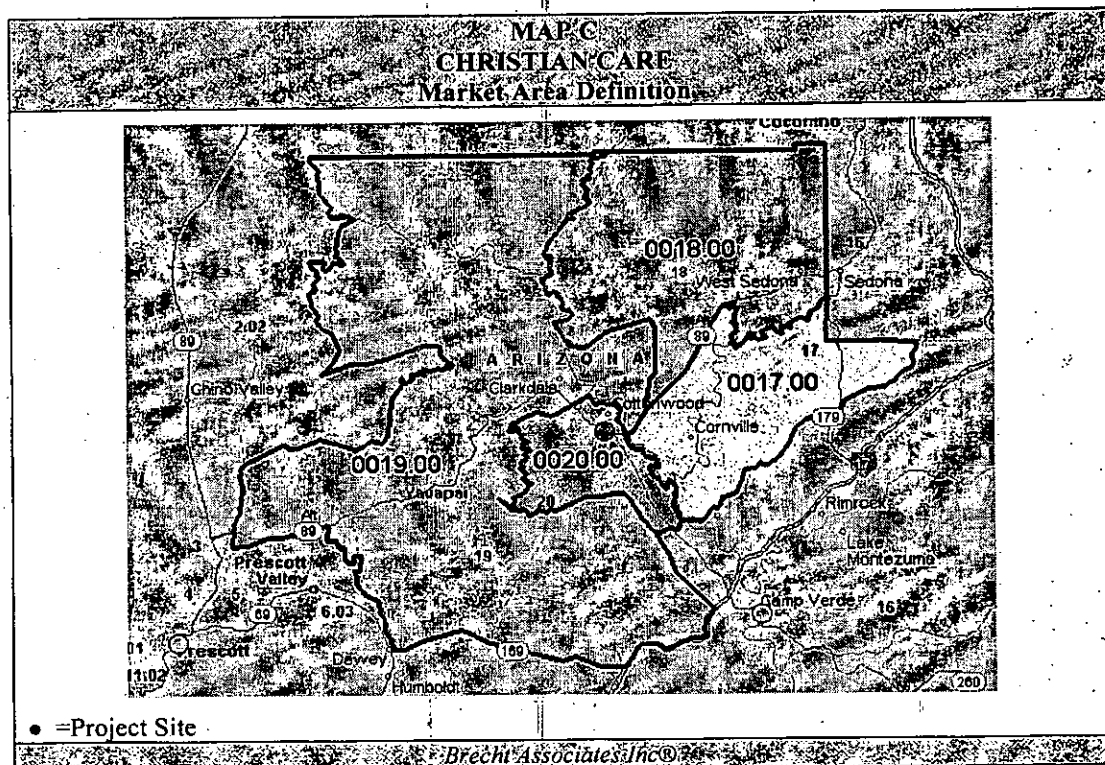


MARKET AREA DEFINITION

The Market Area (MA) for the Project is that geographic area from which the majority of residents of the community can be expected to be drawn. The MA is based on the resident origin of those residents age 65+ at Christian Care.

In many studies this would be considered a very large market area as some sections are about 20 miles from the Project site. This is a very rural area and travelling long distances for services is not unusual. Therefore the primary market area for the Project is comprised of the following census tracts:

- 0017.00 (Cornville)
- 0018.00 (Clarkdale)
- 0019.00 (Sedona)
- 0020.00 (Cottonwood)



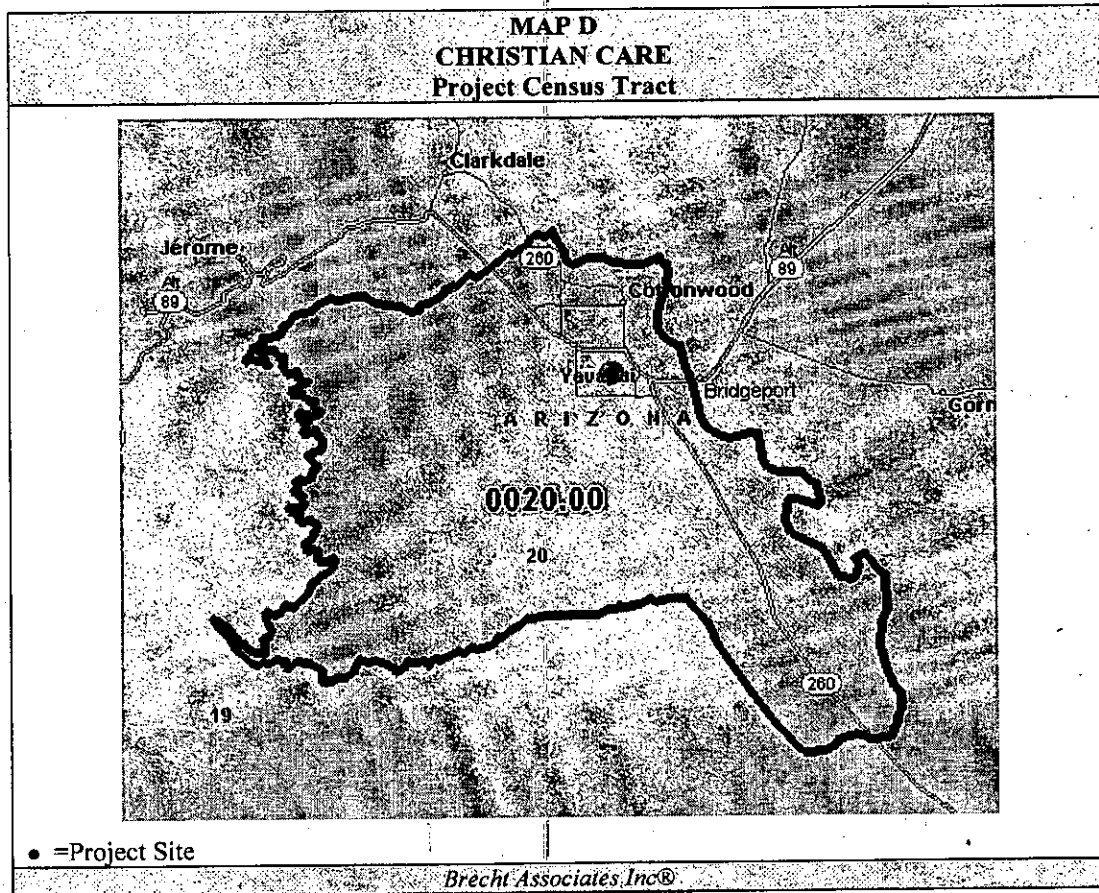
TARGET MARKET

The target market for the Project consists of households age 62 and older with incomes below the "very low income" criteria set by HUD. Very low income for one person in Yavapai County, Arizona (2012) is \$19,850. Given the limitations in the census data, we will analyze the anticipated changes between 2012 and 2017 for those with an income of \$20,000.

DESCRIPTION OF THE TRENDS IN ELDERLY POPULATION IN THE MA AND HOUSEHOLD CHANGE

TABLE 4 CHRISTIAN CARE Demographic Trends For MA			
	2012	2017	Avg. Annual % Change
H/H Age 65+ w/\$0 - \$20,000	2,389	2,638	2.0%
Source: Claritas			

DATA ON THE DEMOGRAPHIC CHARACTERISTICS OF THE VERY LOW INCOME ELDERLY IN NEED OF AL SERVICES



The following are the demographic characteristics for the census tract where the Project is located¹.

TABLE 5: CHRISTIAN CARE Households Age 65+ Below Poverty Line in the Past 12 Months by Household type in Tract 0020.00					
	65 - 74		75+		Total
Population Age	272 (59.3%)		187 (40.7%)		459
Male (#/%)	73	26.8%	90	48.1%	163 35.5%
Female (#/%)	199	73.2%	97	51.9%	296 64.5%

Source: US Census¹

TABLE 5:A CHRISTIAN CARE Racial/Ethnic Characteristics of Age 65+ Below the Poverty Line In Tract 0020.00	
White	459
Black	0
American Indian	0
Asian	0
Native Hawaiian and Other	0
Other	0
TOTAL	459
Hispanic	0

Source: US Census¹

TABLE 5:B CHRISTIAN CARE Households Below Poverty Status In The Past 12 Months By Household Type by Age 65+ Householder in Tract 0020.00	
Type of Household	Age 65+
Married-couple Family	65
Other Family	
Male	0
Female	0
Nonfamily	
Male	81
Female	261
TOTAL	407

Source: US Census¹

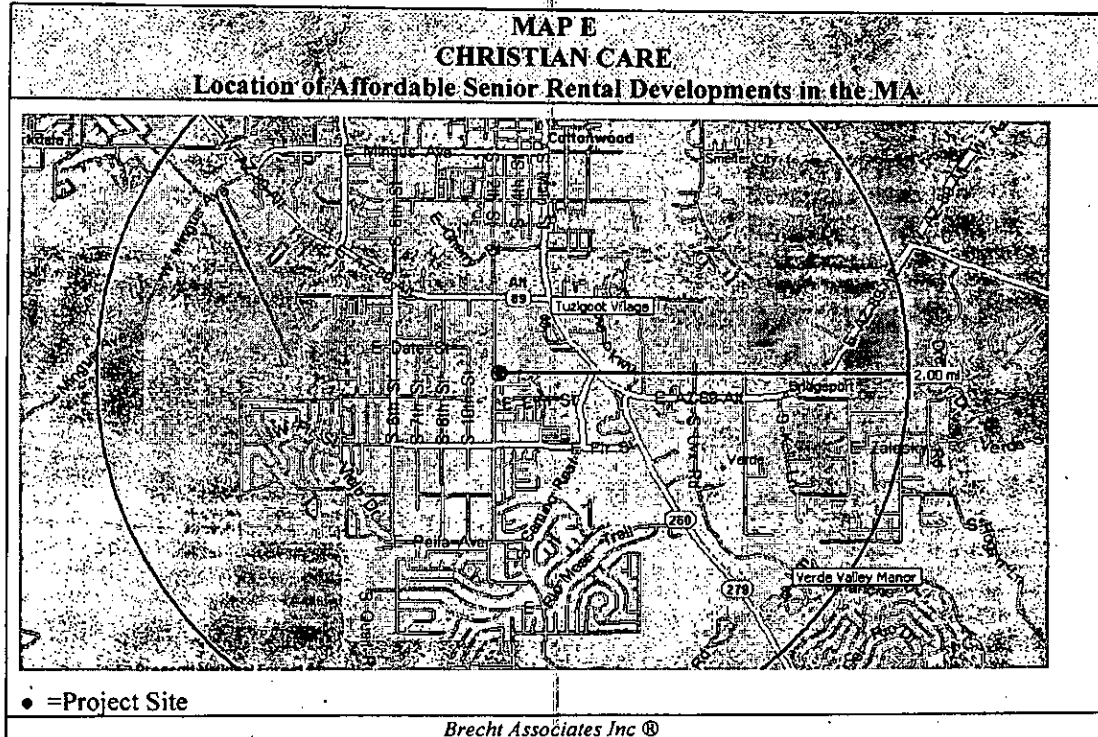
¹According to the U.S. Census, poverty counts at the tract level are based on a sampling of the population and/or households in the 2006-2010 ACS data (the source of the following tables). Therefore, the entire population/household is not necessarily selected and a particular property (and its residents) may not be included

EXTENT OF RESIDENTS WITH FRAILTY/LIMITATIONS IN EXISTING FEDERALLY AL HOUSING FOR THE ELDERLY

In Arizona, The Division of Licensing Services Office of Assisted Living Licensing licenses and inspects Assisted Living Homes and Centers, Adult Foster Care Homes, and Adult Day Health Care Facilities.

There are a number of low income housing developments in the area. None have an AL program in place for their residents although each report that a percentage of their residents do receive AL services that would make them appropriate for an AL environment.

TABLE 6 CHRISTIAN CARE CENTER Low-Income Housing Communities		
	# Units	AL
PROJECT (Cottonwood 1)	20	0
Cottonwood Manor 2	9	0
Cottonwood Manor 3	10	0
Cottonwood Manor 4	10	0
Cottonwood Manor 5	10	0
Cottonwood Manor 6	10	0
Cottonwood Manor 7	10	0
Cottonwood Manor 8	9	0
Tuzigoot Village	31	0
Verde Valley Manor	232	0
TOTAL AL		0
Brecht Associates, Inc. © 2012		



DESCRIPTION OF THE EXTENT, TYPES, AVAILABILITY AND COST OF ALTERNATE CARE AND SERVICES AVAILABLE LOCALLY

TABLE 7 CHRISTIAN CARE CENTER Services			
EXTENT	TYPE	AVAILABILITY	COST
5 locally (within 5 mile radius)	Medicare/Medicaid Certified. Offer nursing, aide, all therapies, and specialty services	Primarily Mon-Fri. Weekends if needed, limited staffing. On-call 24-hours a day, 7 days a week	RN-Price per visit Private Pay=\$18./hr Medicaid=\$0 Medicare=\$0
Adult Day Health			
0 locally (within 5 mile radius)	Medical	Monday-Friday 8 AM-4 PM	Price per client per day
Comments	No weekends; no major holidays		
Housekeeping			
2 private organizations within a 5 mile radius	Private	Very limited availability, only available certain days and times by appointment	Price per hour: Private=(\$10-15hour minimum, \$10 per hour)
Comments	These agencies provide light housekeeping only. The Area Agency on Aging does not provide housekeeping.		
Meal Programs			
2 options locally	Meals on Wheels, Senior Center(s)	M.O.W: Monday-Friday (one meal/day) Senior Center(s): Monday-Friday (lunch only)	Free if qualified \$2.25/meal
Comments	For Meals on Wheels must be homebound.		
Transportation			
2 options locally	One ambulance vendor, one city transit bus system,	Ambulance: With advance notice. City/Senior bus: Mon- Fri	City bus: .200 one- way. Senior bus: \$1.00 one way
Source: Christian Care Center			

AN ESTIMATE OF THE VERY LOW INCOME ELDERLY AND DISABLED IN NEED OF AL

The determination of the need for AL units consists of a series of steps that build on each other.

Step A: Age Qualification

In Step A, the income reflects seniors age 65+ whereas the Project may accept residents age 62+. In addition, Step A reflects those households age 65+ with an income between \$0 and \$20,000 a year whereas the community may accept seniors with an income of no more than \$19,850.

Step B: Size Qualification

Experience has clearly indicated that the vast majority of residents in AL communities are single individuals rather than couples. The one-person household is based on the US Census tables P26 and H17 for those ages 75+.

Step C: Frailty Qualification

Based on US Census data, we have determined the percentage of individuals with a disability by age group.

Step D: Total Qualified Households

In Step D we have shown the total age, income and frailty qualified one-person households in the MA.

E: Competitor Adjustments

Based on Table 6 there are no subsidized elderly housing units offering AL services.

Step F: Unit Potential

For purposes of this analysis, we have assumed that 10 percent of the net age, income and frailty qualified one-person households are likely to move to AL. For purposes of this analysis, we will assume that 100 percent of the AL residents will move from the MA.

TABLE 8 CHRISTIAN CARE APARTMENTS Assisted Living Market Depth Analysis			
	Year of Analysis		2012
	Income Screen		\$20,000
A	Total 65+ H/H Within the MA w/\$0 - \$20,000/year income:	65 - 74 75+	962 1,427
B	Total 65+ One-Person Households (45.6%)	65 - 74 75 +	439 651
C	Frailty-Qualified One-Person Households	65 - 74 22.5% 75+ 45.1%	99 294
D	Total Age, Income and Frailty Qualified One Person Households		393
E	Less Competitive Adjustments (Table 6)		0
	Net Qualified Households		393
F	Unit Potential		
	Likely to Move 10%		39
	Adjusted for Occupancy 95%		41
	TOTAL UNIT POTENTIAL		41
Brecht Associates Inc ®			

It is important to recognize that this analysis reflects the following:

1. In Step A, the income reflects seniors age 65+ whereas the Project may accept residents age 62+. In addition, Step A reflects those households age 65+ with an income between \$0 and \$20,000 a year whereas the community may accept seniors with an income of no more than \$19,850 therefore this aspect of the analysis is slightly overstated.
2. In Step B the "one person household" data reflects census data showing Age 75+ therefore it is likely that we have overstated the one-person households slightly. It would make sense that fewer households age 65 - 74 are one-person households.
3. In Step F we are using a 10% move rate. The senior housing industry as a whole accepts that about 5% - 10% of age and income qualified seniors will move to an assisted living community.

FINDINGS and RECOMMENDATIONS

- Christian Care is located in Cottonwood, a small town about 40 miles southwest of Flagstaff and 80 miles north of Phoenix, Arizona.
- Cottonwood is in a very rural area lying between two mountain ranges and the Prescott National Forest and the Coconino National Forest.
- In calculating the demand from the market at large, a market area was defined based on where the majority of the residents moved from. Given the very rural nature of this region, that market area is reasonable given that it draws from about 10 to 15 miles and up to 20 miles.
- Residents living in an AL at the Project will require a maximum income of \$0 - \$19,850. We calculated the demand for seniors age 65+ with an income of \$0 - \$20,000 a year. In 2012 there are 2,389 age qualified households with an income of \$20,000 or less and by 2017 there will be 2,638. That represents an average annual increase of 2.0%.
- The Project is part of a larger Cottonwood campus where there is a total of 88 IL apartments. 16 residents are currently in need of AL services campus wide. In the last 24 months, 13 residents moved out of the campus to a higher level of care. There are no other subsidized communities for the elderly in the area.
- Based on the demand analysis, we show a market for 41 AL units for low income seniors.
- There are no subsidized developments within the area providing AL care to seniors.

Based on this analysis, we recommend the conversion of IL to AL.

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

e. Exhibit V – Market Analysis. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market containing:

(4) A description of the extent, types and availability and cost of alternate care and services locally, such as home health care; adult day care; housekeeping services; meals programs; visiting nurses; on-call transportation services; health care; and providers of supportive services who address the needs of the local low income population.

Please see the following chart which describes the extent, types and availability of alternate care and services available for elders at Christian Care Cottonwood I and the City of Cottonwood

Cottonwood I – FY 2012 ALCP
Local Alternate Care and Services

SERVICE	EXTENT	TYPE	AVAILABILITY	COST	COMMENTS
Home Health Care	5 locally (within 5 mile radius)	Medicare/Medicaid Certified. Offer nursing, aide, all therapies, and specialty services	Primarily Mon-Fri. Weekends if needed, limited staffing. On-call 24-hours a day, 7 days a week	RN-Price per visit Private Pay=\$18./hr Medicaid=\$0 Medicare=\$0	
Adult Day Health	0 locally (within 5 mile radius)	Medical	Monday-Friday 8 AM-4 PM	Price per client per day: Private Pay=\$ Medicaid=\$	No weekends, No major holidays
Housekeeping	2 private organizations within a 5 mile radius	Private	Very limited availability, only available certain days and times by appointment	Price per hour: Private=(\$10-15hour minimum, \$10 per hour)	These agencies provide light housekeeping only. The Area Agency on Aging does not provide housekeeping only.
Meals Programs	2 options locally	Meals on Wheels, Senior Center(s)	M.O.W: Monday-Friday (one meal/day) Senior Center(s): Monday-Friday (lunch only)	Free if qualified \$2.25/meal	For M.O.W must be homebound. For Senior Center(s)
Transportation	2 options locally	One ambulance vendor, one city transit bus system,	Ambulance: With advance notice. City/Senior bus: Mon-Fri	Ambulance: \$1130-one-way + \$ per mile. City bus: 2.00 one-way. Senior bus: \$1.00 one way	Ambulance: Cannot provide transportation for w/c bound client with extra attendant. Senior bus: Must give 24 hours advance notice

Fares and Passes

Pay your fare to the driver when boarding the bus. Drivers only carry a small amount of change, so no bills larger than \$10.00 please.

Cash Fare: \$1.00

20-Trip Pass: \$16.00

Available from the Driver or by calling CAT at 634-2287.

Boletos y pases

Páguete el boleto al conductor al subirse al autobús. Abone con billetes menores de \$10.00, ya que los conductores sólo tienen una pequeña cantidad de cambio.

En efectivo: \$1.00

Pase de 20 viajes: \$16.00

Puede solicitarlo al conductor o conseguirlo llamando a CAT al 634-2287.



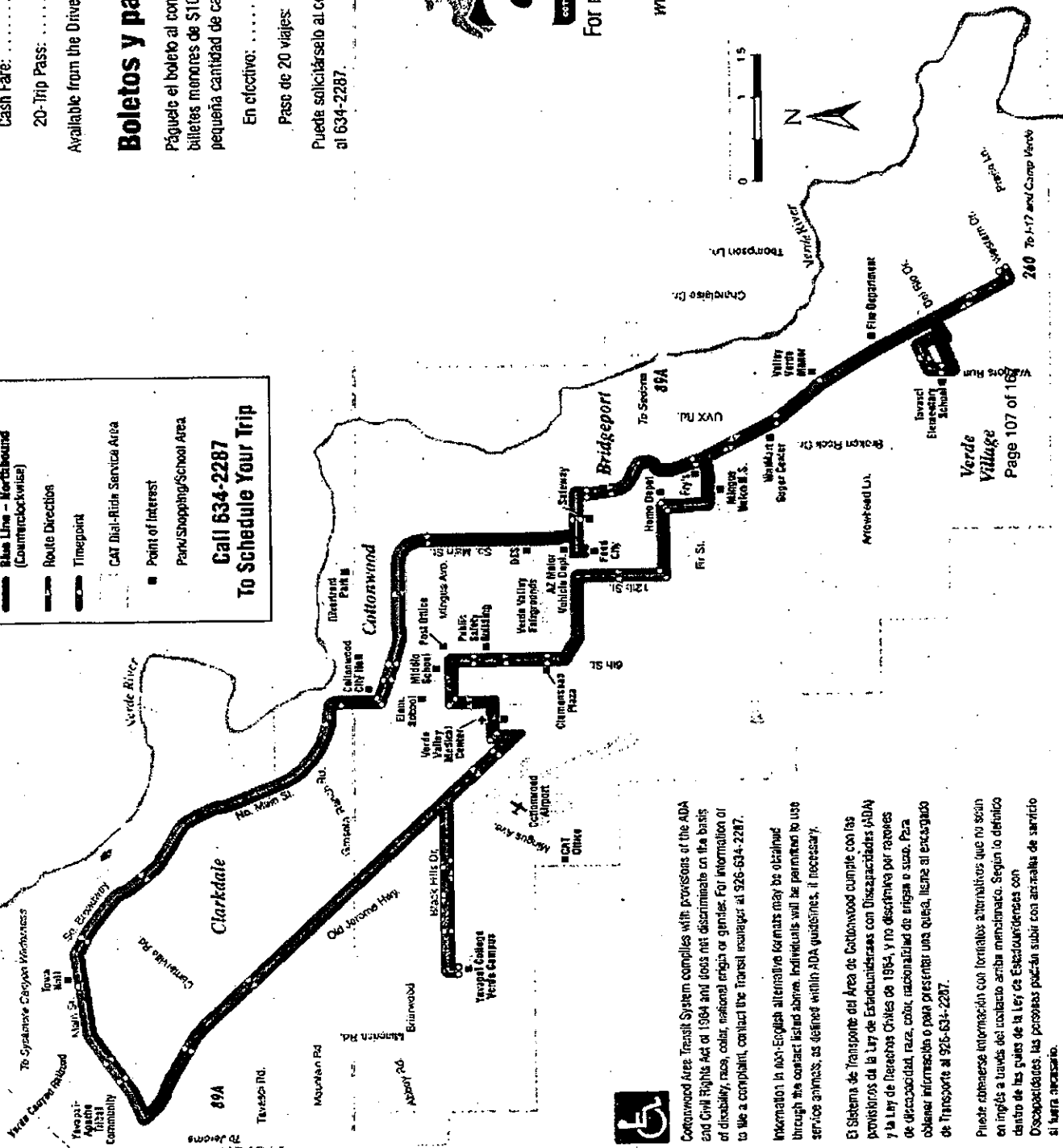
For more information, call
634-2287

www.ci.cottonwood.az.us

LEGEND

- Red Line - Southbound (Clockwise)
- Blue Line - Northbound (Counterclockwise)
- Route Direction
- Timepoint
- CAT Dial-Ride Service Area
- Point of Interest
- Park/Shopping/School Area

Call 634-2287 To Schedule Your Trip



Cottonwood Area Transit System complies with provisions of the ADA and Civil Rights Act of 1964 and does not discriminate on the basis of disability, race, color, national origin or gender. For information or to file a complaint, contact the Transit Manager at 926-634-2287.

Information in non-English alternative formats may be obtained through the contact listed above. Individuals will be permitted to use service animals, as defined within ADA guidelines, if necessary.

El Sistema de Transporte del Área de Cottonwood cumple con las disposiciones de la Ley de Estadounidenses con Discapacidades (ADA) y la Ley de Derechos Civiles de 1964, y no discrimina por razones de discapacidad, raza, color, nacionalidad de origen o sexo. Para obtener información o para presentar una queja, llame al encargado de Transporte al 926-634-2287.

Puede obtenerse información con formatos alternativos que no sean en inglés a través del contacto arriba mencionado. Según lo definido dentro de las guías de la Ley de Estadounidenses con Discapacidades, las personas podrán subir con animales de servicio si fuera necesario.

Red Line (Southbound)

Bus Stop	Minutes after the hour	First Bus a.m.	Last Bus p.m.
827 N. Main (Cottonwood City Hall)	:00	7:00	5:00
3rd St. and Main St.	:02	7:02	5:02
5th St. and Main St.	:04	7:04	5:04
Apache and Main St.	:05	7:05	5:05
324 S. Main St. (Tina's Diner)	:06	7:06	5:06
1389 E. Hwy. 89A (Cottonwood Cinema/Food City)	:07	7:07	5:07
1635 E. Cottonwood (Safeway Parking Lot)	:08	7:08	5:08
993 S. Main St. (Cove Parkway)	:09	7:09	5:09
1100 S. Hwy. 260 (Fry's Parking Lot)	:13	7:13	5:13
Del Rio/Warrior's Run	:16	7:16	5:13
Western Drive (Dr. Petersen)	:19	7:19	5:19
Verde Valley Manor	:22	7:22	5:22
Wal-Mart at Bus Shelter	:25	7:25	5:25
Camino Real and Elm St.	:28	7:28	5:28
12th St. (Methodist Church)	:30	7:30	5:30
515 E. Hwy. 89A (Clemenceau Plaza)	:32	7:32	5:32
100 S. 6th St. (eastside of Library/County Offices)	:33	7:33	5:33
Willard and Mingus	:34	7:34	5:34
10 S. 6th St. (W Medical Center - out patient)	:36	7:36	5:36
S. Candy Lane (Candy Lane Medical Offices)	:37	7:37	5:37
Airport Rd. and Black Hills Rd.	:39	7:39	5:39
Windy St. and Black Hills Rd.	:40	7:40	5:40
Yavapai College	:43	7:43	5:43
2050 W. Highway 89A (Pine Shadows Golf Course)	:47	7:47	5:47
112 Lampliter Village	:48	7:48	5:48
Yavapai Apache Nation Housing	:51	7:51	5:42
1615 Main St. (Clarkdale-Jerome Elementary)	:52	7:52	5:52
Clarkdale/9th St. (Bus Shelter)	:53	7:53	5:53
Hollow Reed Rd./Bent River	:55	7:55	5:55
1034 N. Main St. (Sundial Motel)	:58	7:58	5:58
827 N. Main (Cottonwood City Hall)	:00	8:00	6:00

Bus goes out of service at 6:00 p.m.

Blue Line (Northbound)

Bus Stop	Minutes after the hour	First Bus a.m.	Last Bus p.m.
827 N. Main (Cottonwood City Hall)	:00	7:00	5:00
1045 N. Main St. (Foxy Fashions - Old Town)	:01	7:01	5:01
Hollow Reed Rd./Bent River Rd.	:04	7:04	5:04
Clarkdale Laundromat	:05	7:05	5:05
1615 Main St. (Clarkdale-Jerome Elementary)	:07	7:07	5:07
Yavapai Apache Nation Housing	:08	7:08	5:08
112 Lampliter Village	:09	7:09	6:09
2050 W. Highway 89A (Pine Shadows Golf Course)	:10	7:10	6:10
Airport Rd. and Black Hills Rd.	:14	7:14	5:14
Windy St. and Black Hills Rd.	:15	7:15	5:15
Yavapai College	:16	7:16	5:16
S. Candy Lane (Candy Lane Medical Offices)	:19	7:19	5:19
10 S. 6th St. (W Medical Center - out patient)	:20	7:20	5:20
Willard and Mingus (Cottonwood Village)	:21	7:21	5:21
100 S. 6th St. (westside of Library/County Offices)	:23	7:23	5:23
515 E. Hwy. 89A (Clemenceau Plaza)	:24	7:24	5:24
12th St. (Methodist Church)	:27	7:27	5:27
Camino Real and Elm St.	:28	7:28	5:28
Wal-Mart at Bus Shelter	:32	7:32	5:32
Del Rio/Warrior's Run	:35	7:35	5:35
Western Drive (Dr. Petersen)	:37	7:37	5:37
Verde Valley Manor	:40	7:40	5:40
1100 S. Hwy. 260 (Fry's Parking Lot)	:45	7:45	5:45
993 S. Main St. (Cove Parkway)	:48	7:48	5:48
1635 E. Cottonwood (Safeway Parking Lot)	:49	7:49	5:49
1389 E. Hwy. 89A (Cottonwood Cinema/Food City)	:51	7:51	5:51
321 S. Main St. (Stronboli's)	:53	7:53	5:53
127 N. Main St. (Conn Pest Control)	:54	7:54	5:54
5th St. and Main St.	:55	7:55	5:55
3rd St. and Main St.	:58	7:58	5:58
827 N. Main St. (Cottonwood City Hall)	:00	8:00	6:00

Bus goes out of service at 6:00 p.m.

Where to Catch-a-Ride

CAT bus stops are located all along the route and are shown on the map included in this guide. For your safety, buses can only stop at designated bus stops.

When to Catch-a-Ride

Buses run once an hour in each direction. The bus schedule lists the pickup time (minutes past the hour) for each bus stop. Be sure to look at the schedule for your direction of travel. Buses run from 7 a.m. to 1 p.m. and from 2 p.m. to 6 p.m.



Requesting a Deviation

If you live within 1/4 mile of the bus route, but are unable to get to the bus stop, you can request to be picked up at your curb. Call 634-2287 to request a deviation. Deviations are provided on a time-available basis, so call as far in advance as possible.

Tips and Rules

- 1) Be at the bus stop a few minutes early as watches and clocks may vary.
- 2) Please be courteous of other passengers. Rudeness and vulgarity will result in removal from the bus.
- 3) No smoking or eating onboard the bus.
- 4) Service animals are allowed onboard with proper identification.
- 5) Pets are allowed onboard in a pet carrier.
- 6) No drinking of alcohol onboard. (Alcohol may be brought onboard in factory sealed containers only.)
- 7) If you have any questions, just ask your driver for assistance.

CAT Dial-a-Ride

CAT also offers curb-to-curb service to persons who are unable to get to or from the bus stop. Dial-a-Ride reservations must be made at least 24 hours in advance and depend on space availability. The Dial-a-Ride fare is \$1.50 within the Cottonwood City limits and \$2.00 for all other locations. To schedule a trip or find out more about Dial-a-Ride call 634-2287.

634-2287

www.ci.cottonwood.az.us

Dónde tomar un autobús de Catch-a-Ride

Las paradas de autobús del Transporte del área de Cottonwood (CAT) están ubicadas a lo largo del recorrido y se muestran en el mapa incluido en esta guía. Cada parada está marcada con la señal verde de parada de autobús que se muestra en la portada. Para su seguridad, los autobuses sólo pueden detenerse en las paradas de autobús designadas.

Cuándo tomar un autobús de Catch-a-Ride

Los autobuses pasan una vez por hora en cada dirección. El horario del autobús incluye el horario de recogida (algunos minutos pasada la hora) en cada parada de autobús. Asegúrese de verificar su dirección de viaje en el horario. Los autobuses circulan de 7 a.m. a 1 p.m. y de 2 p.m. a 6 p.m.

Solicitud de desvío

Si usted vive dentro de 1/4 de milla de distancia del recorrido del autobús y no puede ir a la parada, puede solicitar que se lo recoja en su casa. Llame al 634-2287 para solicitar un desvío. Los desvíos se realizarán según la disponibilidad horaria, por lo tanto, llame con la mayor anticipación posible.

Consejos y reglas

- 1) Esté en la parada del autobús unos minutos antes, ya que entre diferentes relojes puede haber una variación de minutos.
- 2) Sea respetuoso con los demás pasajeros. La mala educación y la vulgaridad serán motivo de expulsión del autobús.
- 3) Está prohibido fumar o comer en el autobús.
- 4) Se permiten animales de servicio en el autobús si llevan la identificación correspondiente.
- 5) Se permiten mascotas en el autobús si están dentro de una jaula.
- 6) Está prohibido beber alcohol en el autobús. (Sólo puede transportarse alcohol en el autobús si se encuentra en envases sellados de fábrica).
- 7) Si tiene alguna inquietud, pídale ayuda al conductor.

Dial-a-Ride de CAT

CAT también ofrece un servicio de puerta a puerta para personas que no pueden llegar a la parada del autobús o retirarse de ésta. Las reservaciones telefónicas de Dial-a-Ride deben realizarse con al menos 24 horas de anticipación y dependen de la disponibilidad de espacio. El boleto de Dial-a-Ride cuesta \$1.50 dentro de los límites de Cottonwood City y \$2.00 para todos los demás lugares. Para programar un viaje u obtener más información acerca de Dial-a-Ride, llame al 634-2287.

CottonwoodALCP2012
Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

e. Exhibit V – Market Analysis. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market containing:

(5) A description of how information in the community's Consolidated Plan was used in documenting the need for the ALF or SEH (covering items in c. above). Your applications should also describe the specific steps you plan to undertake in affirmatively furthering fair housing to:

(a) Remedy discriminations in housing;

(b) Promote fair housing rights and fair housing choice; and

(c) Affirmatively market properties to those least likely but eligible to apply.

This exhibit addresses these components as presented in this project's Logic Model.

- *Policy Priority- Capacity Building - Participation in at least two information sharing sessions/seminars with ALF/SEH staff, residents, state/local government or non-profit organizations to address the challenges and/or solutions of serving ALF/SEH residents*
- *Policy Priority- Capacity Building - Number of new strategies discussed and implemented to address service needs and increase local capacity as a result of information sharing or seminars*
- *HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4C)- Ensure open, diverse, and equitable communities*

- **HUD Goal- Build Inclusive and Sustainable Communities Free from Discrimination (4E) - Build the capacity of local, state and regional public and private organizations**
- **HUD Priority-Job Creation/Employment (1c)- Expanding economic and job creation opportunities for low-income residents and creating better transportation access to those jobs and other economic opportunities by partnering with federal and nonprofit agencies, private industry, and planning and economic development organizations and by leveraging federal and private resources**
- **HUD Priority- Capacity Building and Knowledge Sharing (4b) - Strengthen the capacity of state and local partners, including governments and nonprofit organizations, to implement HUD programs, participate in decision making and planning processes, and coordinate on cross-programmatic, place-based approaches through grantmaking and technical assistance**
- **HUD Priority- Capacity Building and Knowledge Sharing (4c)-Support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas**
- **Policy Priority- Capacity Building - Participation in, or creation of face-to-face networking meetings with other HUD-funded Service Coordinators and local government aging/disability staff to address the adequacy of supportive services in your jurisdiction**
- **HUD Priority- Sustainability (2f) Promote coordinated planning, integrating federal resources, and targeting technical assistance at the local, state, and regional levels for sustainable housing and communities**

A description of how information in the community's Consolidated Plan was used in documenting the need for the ALF or SEH:

"Arizona Department of Housing's Consolidated Plan 2010-2014" determined the following challenges caused by the lack of affordable housing as follows:

Senior populations: As Seniors grow older, senior housing, assisted care, long-term-care housing, and supportive services will be in demand to meet increasing senior needs.

- The ALCP project proposed for Christian Care Cottonwood (CCC) will address this challenge by improving access to housing as well as provide services to promote independence and security to the low and very low income frail elderly and disabled residents at the project.

Low-Income Households: Over 42 percent of Arizona residents were low-income in 2009. Households with low incomes, and especially those very low- and extremely low-income households have the most difficult time securing affordable housing in Arizona.

- CCC's FY 2012 ALCP project will develop Assisted Living units which will, in turn, improve the quality and availability of affordable supportive housing for the low and very low frail elders of Cottonwood and Yavapai County. The low income seniors will pay no more than 30% of their adjusted gross income for rent.

Special Needs Housing: Many special needs groups, particularly the elderly, persons with disabilities, have difficulty securing adequate and affordable housing in most counties served by Arizona Department of Housing (ADOH).

- CCC is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes. The unit conversions from tubs to showers and new cabinetry will accommodate changing needs as residents age

in place over at least the next ten years. The increase in common spaces and available services in an integrated setting will serve the special needs of the frail elderly by providing safe accessible spaces where they can socialize, exercise, and get assistance with daily activities including meals.

In addition, for the 2010-2014 Consolidated Plan period, ADOH determined several priorities, listed below, to guide funding decisions. Each of the priorities is equally important to ensuring quality of life for low-income households over the next five years.

Please see letter Andrew Rael, Assistant Deputy Director of Programs for the State of Arizona Department of Housing wherein it states "The State of Arizona's Department of Housing recognizes that housing low income seniors and providing appropriate supportive services is critical and therefore supports the application of Christian Housing-Cottonwood, Inc."

HOUSING PRIORITIES

Priority: Expand the supply of affordable rental housing for very low-income and extremely low-income households. Emphasize projects that assist seniors, and persons with disabilities;

CCC will provide affordable rental housing for very low income and extremely low income seniors and persons with disabilities in the greater Cottonwood community. CCC's ALCP funding will improve the quality of this existing housing project in order to enhance the living environment for its low income elder and frail elder residents

Priority: Preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock;

The proposed ALCP conversion for 20 units at CCC will improve the long-term life of this existing affordable rental housing project. The ALCP conversion will allow residents to "age in place".

Priority: Ensure that all households in the state have adequate access to fair housing resources;

CCC ALCP project will create equal housing opportunities for all persons by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status.

Priority: Increase and preserve the supply of affordable housing available to the elderly and disabled;

The proposed ALCP conversion for 20 units at CCC will improve the long-term life of this existing affordable rental housing project. The ALCP conversion will allow residents to "age in place".

Priority: Improve housing accessibility and safety (existing and new);

CCC is proposing to renovate all of the units and to create new spaces for common space, staff offices, a commercial kitchen, dining room, and wellness/rehab room in two additions to the building to facilitate the delivery of services in an economic manner to the residents of the building. All renovations and additions will meet or exceed compliance with current applicable handicapped accessibility codes.

Priority: Improve infrastructure and physical environments to promote sustainable and accessible communities; and

The services provided at CCC help in creating a sustainable living environment in the City of Cottonwood. The ALCP project at CCC will improve the basic infrastructure at this project which will, in turn facilitate a livable, sustainable neighborhood and community.

Priority: Ensure a variety of public facilities are available to meet the recreational, human development, and service needs of low-income households and priority populations.

CCC has forged community ties and linkages with organizations, agencies, and individuals advocating for and delivering services to elderly persons in the City of

Cottonwood as an inherent result of the creation and operation of its existing housing development and coordination of its wide array of supportive services to the most vulnerable citizens of this community.

The following is a list of community organizations with whom CCC has direct ties in delivering services:

1. AHCCCS/ALTCS – assessments for program acceptance;
2. Adult Protective Services (APS) – protective services to residents;
3. Cottonwood Area Transit Services (CATS)/ADA – transportation to medical appointments, shopping and other activities;
4. Verde Valley Guidance Center – counseling services;
5. NACOG – area services ranging from home health care to cleaning services;
6. DES Food Stamps – PRN for registration;
7. VVMC Senior Lifestyles (BHU) – behavior health issues;
8. Verde Valley Senior Center – meals and clinics;
9. RES Care – area agency that helps with in-home care ranging from grooming to cleaning; visiting nurses;
10. Angels Care Home Health – in-home care and nursing services;
11. N.A.V.A.H.C.S. (Veterans Affairs) – provides transportation to disabled veterans;
12. Austin House – area adult day care and assisted living;
13. Catholic Charities – area agency that helps with displacement of Seniors;
14. Meals on Wheels (Cottonwood Senior Center);
15. Old Town Mission – provides clothing, food, helps with free vision checks and glasses;
16. Postal – U.S. Postal Office, UPS;

17. Central Arizona Food Bank – provides food boxes, bread, pastries, etc;
18. Cottonwood Chamber of Commerce – area resources of Verde Valley;
19. Verde Valley Hospice – hospice care;
20. Preferred Homecare – oxygen providers, medical supplies;
21. ALL MED – medical equipment, oxygen and supplies;
22. Tender Hearts Home Health – meal preparation, errands, light housekeeping;
23. CJ's Need a Lift – transportation services;
24. Lion's Club – vision and hearing services;
25. Nurses Network – nursing services;
26. Methodist Church – food baskets every other Wednesday;
27. Verde Valley Caregiver's Coalition – Adopt a resident at Christmas; free light cleaning and handyman services;
28. Avon lady – provides reduced cost product and hand massage services; and
29. Clarence – mechanic services for resident vehicles.

The City of Cottonwood General Plan 2003-2013 identifies CCC as a **resource organization in the Cottonwood Community** with a master plan that includes the development of approximately one hundred (100) units of elderly housing. CCC will address the following key issues outlined in Cottonwood's general plan with the proposed ALCP conversion at CCC:

- CCC will provide a Balance of Housing for the low income frail elders in Cottonwood and Yavapai County; and
- CCC will provides supportive housing for Cottonwood's aging population

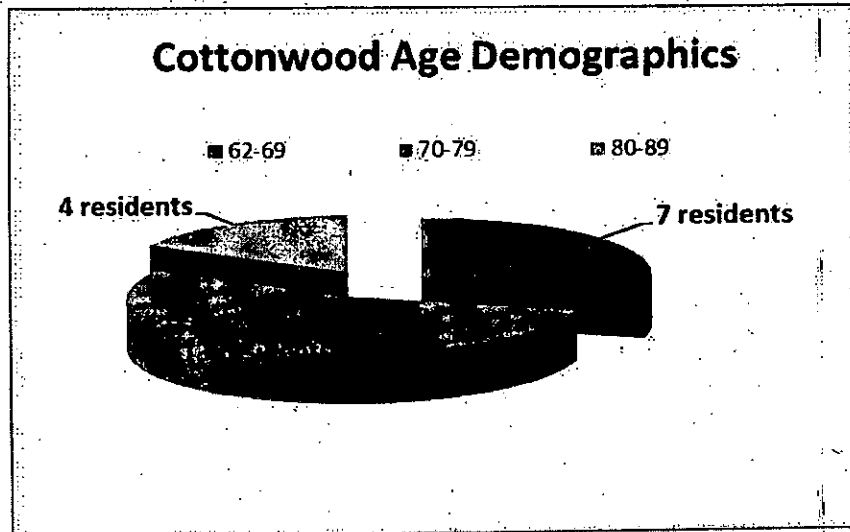
The CCC project will successfully utilize the available federal resources provided by the Assisted Living Conversion Program (ALCP) funding to fulfill specific objectives

(a) A description of the demographic characteristics of the elderly residents currently living in the project:

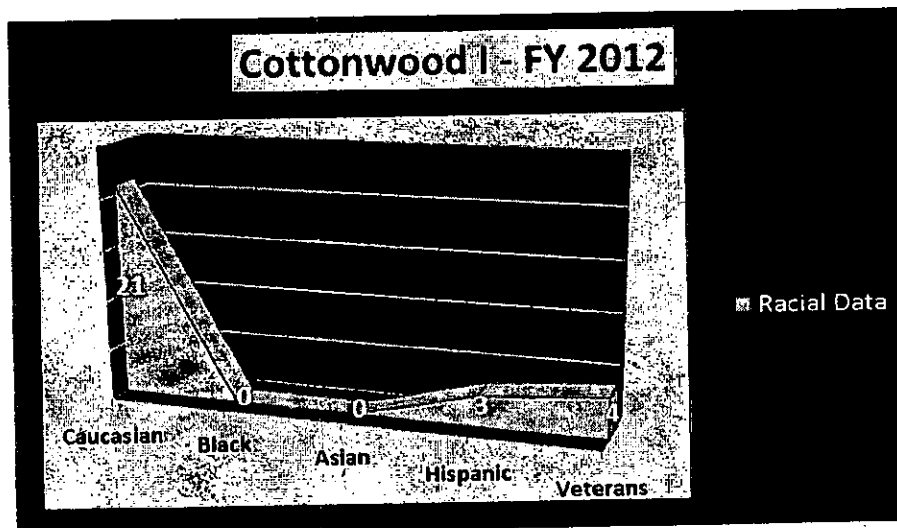
i. Current Number of Residents:

Christian Care Cottonwood I is located at 859 S. 12th Street in Cottonwood, Arizona. It is a 20-unit, HUD apartment complex for very low-income elderly. The complex was completed in September 1995 and maintains an average annual occupancy of 99%. With the addition of Christian Care Cottonwood phases II-VIII, the Cottonwood campus is now home to ninety-three (93) elderly residents. **Presently there are twenty-four residents at Christian Care Cottonwood I.** While adequate for some of its low-income older residents, this housing does not provide the flexibility to allow all of its residents to age in place, nor does it necessarily provide the range of housing options needed to serve the increasing number of frail seniors at the project. **As the CCC residents have aged, their independence has decreased and their need for supportive services has increased.** These once independent elderly residents now need assistance with several Activities of Daily Living (ADLs). In its final report delivered to Congress on June 28, 2002, the **Commission on Affordable Housing and Health Facility Needs in the 21st Century** reported that many seniors across the income spectrum are at risk of institutionalization or neglect due to declining health and the loss or absence of support and timely interventions. The risk is greatest for those with lower incomes. The report went on to state **"the need for Home- and Community-Based Services (HCBS) will grow substantially owing to the desire for seniors to age in place. Providing housing options for the growing number of seniors with disabilities will require markedly increased efforts to provide housing options that include supportive services."**

ii. Distribution of Residents by Age, Race and Sex:

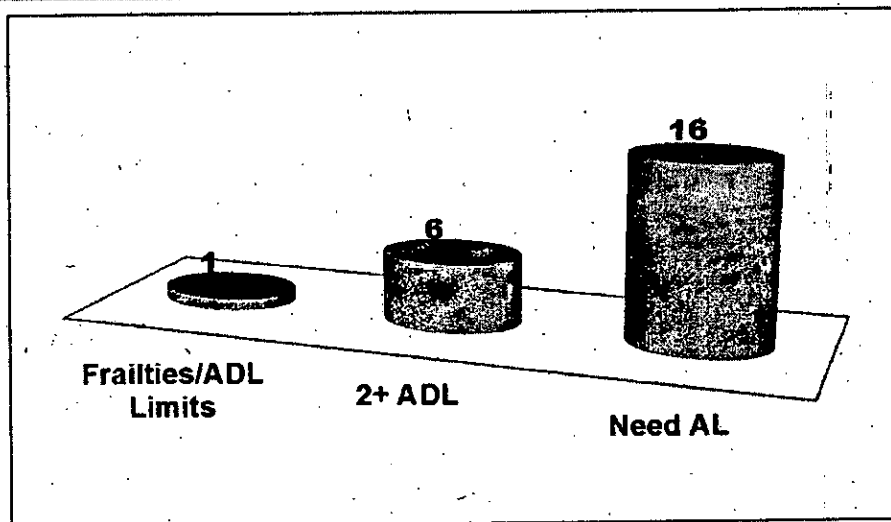


The racial/ethnic breakdown of residents at Cottonwood I is as follows:



iii. An estimate of the number of residents with frailties/limitations in activities of daily living; and

iv. An estimate of the number of residents in need of assisted living services;



The country's elderly resident population is changing radically, bringing new challenges to supportive housing projects. Their residents are not only poorer than the general senior population, they are also older, disproportionately minority and female, and more likely to be alone. The demographic characteristics of the elderly residents at CCC indicate an aging population which becomes frailer each year. The following chart shows that 92% of the CCC residents are categorized as frail, limited in two (2) or more daily living activities and in need of Assisted Living.

In 2006, the Institute for the Future of Aging Services (IFAS) accomplished a study for the American Association of Homes & Services (AAHSA) entitled, Creating New Long-Term Care Choices for Older Adults: A Synthesis of Findings from a Study of Affordable Housing Plus Service Linkages (attached). Research from that study found "about 1.8 million older adults-mostly poor, single women in their mid-70s to early 80s-live in federally subsidized housing -". Eighteen (18) or Seventy-Five

percent (75%) of the current residents at CCC are female and Six (6) or Twenty-Five percent are male.

v. An estimate of the number of residents who have limited English proficiency:

At this time, there are no residents with very limited English proficiency at CCC, however CCC takes reasonable steps to ensure meaningful access to their programs and activities to residents with limited English proficiency by providing written material and information in languages other than English. These include activity and program notices, marketing materials, applications and other materials in languages other than English that are common in the CCC community.

Further description of the demographic characteristics of the elderly residents currently living in the project, including age, race, sex and residents in need of assisted living at the Christian Care Cottonwood campus, including the Christian Care Cottonwood I project can be found in the market analysis prepared for this application by Brecht Associates, Inc. dated May, 2012 and contained in Exhibit V (3).

(b) A description of the services currently available to the residents and/or provided on or off-site, and what services are lacking.

As part of its mission to assist residents to successfully age in place and to live independently, CCMT offers amenities and services to all residents on campus:

- Campus amenities include 24-hour emergency call system, outdoor patio's, book libraries, laundry facilities, and a common kitchen with a multi-purpose room.
- Activities designed to stimulate personal and intellectual growth include a computer lab, craft classes, and monthly potlucks.
- The campus wellness program includes informational classes, health screenings

and life enrichment events.

- The organization has a campus-wide social services continuum to provide supportive and referral services for residents in all areas of housing. The service coordinator meets with individual residents in an effort to provide the best possible options, depending on need.

Service Coordination

Since January 2006, Christian Care Cottonwood has had a HUD funded service coordinator. The role of the service coordinator is determined by the HUD service coordinator guidelines. If licensed for ALF, the service coordinator's role would also be determined by the State of Arizona's Assisted Living Regulations. The service coordinator works as a "gatekeeper" in identifying and assisting residents in securing community based services as well as in determining if residents are eligible for Arizona Long term Care System (ALTCS) program or in need of home care services to remain at the Christian Care Cottonwood. Furthermore, if the facility becomes a licensed ALF, the service coordinator would work closely as a part of an interdisciplinary team to review and revise service plans. Additionally, the service coordinator will work with the skilled nursing providers in the Cottonwood area to determine if a resident needs a higher level of care.

The following services are currently available to residents through Christian Care Cottonwood and community based home health organizations which are agencies approved by Arizona Long Term Care System (ALTCS) Home and Community Based Services.

Supervisory, Personal and Directed Care

Supervisory, Personal and Directed Care consists of supervision of and assistance with medication management, Activities of Daily Living (ADL) such as bathing, dressing, and ambulation and Instrumental Activities of Daily Living (IADL) such as laundry, housekeeping, and socialization. These services are available 7 days a week.

Emergency Response

The following is the emergency response system which is currently available and will be provided to residents in the ALF:

- Emergency call system (Personal Emergency Response System – PERS). The receiver/transmitter is located in each unit with residents wearing water-proof medallions to activate the two-way voice communication. This system is monitored by CCMT's 24 hour Security staff.

Meals

Three meals a day plus 2 snacks will be provided for residents in the ALF. Meals will be served in our spacious dining room by Christian Care Cottonwood's food service staff. Meals can be delivered to apartments if needed.

Housing Keeping Services

Residents in the ALF will receive weekly housekeeping and laundry services, provided by Christian Care Cottonwood staff.

Wellness Program

A wellness program will be offered to all Christian Care Cottonwood residents and will be available to residents in the ALF: exercise classes, fitness equipment, educational activities, weekly blood pressure screening and life enrichment activities.

Activities Program

These activities are offered to all Christian Care Cottonwood residents and will be available to residents in the ALF: computer lab and classes, craft class, and entertainment. In addition, ALF residents will be provided with special recreational and social activities designed by the ALF staff.

On-Campus Amenities

These amenities are offered to all Christian Care Cottonwood residents and will be available to residents in the ALF: book and video libraries, nondenominational bible studies, computer lab, and a self-serve laundry.

Transportation:

Residents of CCC have many convenient accessible transportation options available to them. CCC is serviced by the Cottonwood Area Transit System (CATS) with a fixed stop located at the right next to the property providing the elder residents with convenient access to local amenities and service programs within the City of Cottonwood. Attached is the CATS schedule showing its stop next to the CCC campus. Additional transportation services are available from:

- Dial-a-Ride
- CJ's Need a Lift
- The Northern Arizona Veterans Affairs Health Care System also provides transportation to disabled veteran residents on the Cottonwood campus. Currently, 10% of the residents on the Cottonwood campus are veterans.

Each of these transportation options allows CCC residents to easily reach local amenities such as shopping and medical appointments all located close by within the Cottonwood area.

Improving Access to Persons with Limited English Proficiency:

CCC takes reasonable steps to ensure meaningful access to their programs and activities to residents with limited English proficiency by providing written material and information in languages other than English. These include activity and program notices, marketing materials, applications and other materials in languages other than English that are common in the CCC community.

Optional Services:

Housekeeping Services

Additional services may be purchased through Christian Care Cottonwood's housekeeping department.

Nursing Services and Home Health Services

Medical skilled services are available from a variety of providers located in the Cottonwood area. There is an additional fee for these services.

On-Campus Medical Services

The following are provided on-site at the Christian Care Cottonwood campus. Fees for these services are separate from the basic service plan. Outpatient Rehabilitation services for speech, occupational and physical therapy, hearing, podiatric, massage therapy and physician care.

Exhibit 5
DUNS: 9647017390000
FaxID: 1332880170-8498

Archive

Welcome

Commission delivered final report to Congress on June 28, 2002

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Field Hearings

Hearing Schedule

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Columbus, OH - 9/24/01

San Diego, CA - 11/7/01

Miami, FL - 01/14/02

Boston Forum - 03/01/02

Baltimore, MD - 03/11/02

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MHC



Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century

**PART III: KEY DEMOGRAPHIC FINDINGS AND PROJECTIONS**

The next three decades will see a tremendous increase in the size of the senior population as the Baby Boom generation ages and the lifespan of Americans increases. In meeting elements of its Mandate, the Commission conducted independent research, including original analysis of the American Housing Survey and other data sources,¹⁸ hearings, and reviews of scholarly work. The Commission's research included groundbreaking work using U.S. Census Bureau data from the American Housing Survey, analysis of the Current Population Survey (CPS), and the Survey on Income and Program Participation (SIPP). The Commission noted several important trends regarding current and future seniors and their housing and health services needs. (Note: In general, seniors means persons 65 and older unless otherwise noted. Data describing today's housing are based on 1999 information.)

The Present

- In 1900, the senior population was less than 5% of the total U.S. population. Numbering 35 million seniors, it is now 12.4%. By 2030, the senior population will double to 70 million, or 20% of the U.S. population.¹⁷
- Nearly 20% of seniors have significant long-term care needs. In 1997, more than 5.8 million or 18% of non-institutionalized persons age 65 and older required assistance with their everyday activities, and about 1.2 million (3.7%) were severely impaired and required assistance with three or more activities of daily living (ADLs).¹⁸
- Many seniors across the income spectrum are at risk of institutionalization or neglect due to declining health and the loss or absence of support and timely interventions. The risk is greatest for those with lower incomes.¹⁹
- There are nearly six times as many seniors with unmet housing needs as are currently served by rent-assisted housing.²⁰ Waiting lists for many types of subsidized housing are long. For example, in 1999, nine applicants were waiting for each Section 202 unit that became vacant within a year,²¹ compared with eight applicants in 1988.²²
- The affordable housing stock is in danger, losing significant numbers of units. There are 324,000 Section 8 assisted units in senior properties that are at risk of "opting out," according to Commission research.²³

The Future

The Commission developed projections of the future needs for housing and services between now and 2020 based on existing and contracted research. The Commission's research led to the following key

Exhibit 5

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^aNumbers all refer to units except for skilled nursing which are reported in terms of beds and treated as one-person households.

^bThe householder is the first household member listed on the questionnaire who is an owner or renter of the housing unit.

^cAn unknown, but probably small, percentage of the units in this category are probably counted twice, because the U.S. Census erroneously treats them as households rather than "group housing" and they are also being counted in the "Supportive Seniors Housing Units" category. As this percentage increases in size, it artificially increases the relative share of dwelling units considered as "conventional housing units."

^dCCRC: Continuing Care Retirement Communities

^eIncludes Board and Care facilities

^fIncludes hospital-based facilities, private-pay facilities, and facilities managed by Department of Veterans Affairs

^gIncluding both "Conventional Housing Units" and "Supportive Seniors Housing Units"

Notes for computing households: For the Congregate Care and Independent living units in CCRCs, an occupancy rate of 94.1% was computed. For assisted living facility units, an occupancy rate of 89.4% was computed. Occupancy rates obtained from financial indicators reported in unpublished data from National Investment Conference. A nursing home occupancy rate of 88.35% was computed and the share of beds occupied by age 65 and seniors in nursing facilities was computed as 90.29% See: Gabrel, C. and A. Jones. 2000. *The National Nursing Home Survey: 1997 Summary*, National Center for Health Statistics. Vital Health Statistics 13 (147). Washington: U.S. Government Printing Office. To count only senior occupants, the number of assisted living units was reduced by 3.1% and the number of independent living units was reduced by 2.9%.

Notes for computing number of persons: The following assumptions were made. First, of the 2,166,000 nonsenior households occupied by seniors, 170,000 households were occupied by two or more persons. For computation purposes, only two seniors per household were computed. This will understate the number of seniors to the extent that some households will contain 3 or more seniors. To estimate the number of persons occupying supportive senior housing units other than nursing facilities, it was assumed that there were 1.27 persons per unit.

Source: Supportive Seniors Housing Units data is modified from original tabulations found in Promatura Group, LLC. 2000. *NIC National Supply Estimate of Seniors Housing & Care Properties*. Annapolis, Maryland: National Investment Center for the Seniors Housing & Care Industries.

Conventional housing unit data from U.S. Census Bureau. *Current Housing Reports, Series H150/99, American Housing Survey for the United States: 1999*. Washington, DC: U.S. Government Printing Office.

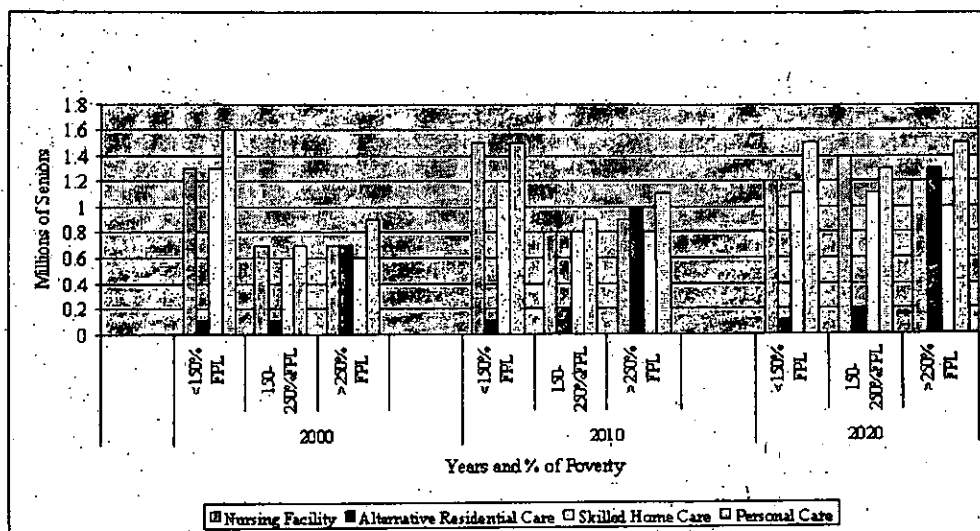
Senior Income

Income distribution is an important factor in determining need and eligibility for assistance for both housing and health programs. In some instances, those with incomes of less than 80% of area median income (AMI) are eligible for housing assistance. Those with incomes below 50% of AMI are, however, more likely to apply for and receive such assistance.³² Given that most seniors have fixed incomes due to retirement or decreased participation in the workforce, it is not surprising that nearly 40% of senior households

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Source: The Lewin Group analysis of the Long-Term Care Financing Model supplemented by the National Long-Term Care Survey, prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, March 2002.

A large percentage of those who live in rent-subsidized housing (27%) are likely to have service needs. The largest aggregate group of those in need of services is likely to be homeowners (Exhibit 13). This group faces two-fold challenges because their environment may not be conducive to service provision and they may face housing quality challenges that drain the income available to purchase services or necessary modifications. Finally, seniors who live in unsubsidized rental housing will likely face the challenge of both inadequate income and lack of access to services. Increased supply of service-rich subsidized housing would alter the distribution of those in need of services and those likely receiving such services.

The data indicate potential vast disparities between the number of seniors in need of services and the subsidized services available, either because of income or choice of residence. Although the statistics are daunting with many issues to be addressed, if the right policies are adopted and obstacles overcome, the housing and health needs of future generations of seniors can be addressed effectively.

Predicting Assisted Living Growth

Providing housing options for the growing number of seniors with disabilities will require markedly increased efforts to provide housing options that include supportive services. Because of the integration of housing and services found in assisted living facilities, we present projections of the growth in assisted living facilities for 2020.

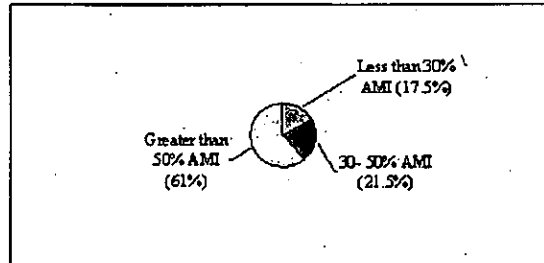
Exhibit 13 - Projected Number of Seniors with Disabilities by Housing Tenure, 2000 to 2020

Dwelling Tenure and Type of Disability	Number of Persons			
	1996	2000	2010	2020
Total Owners	26,202,110	27,158,000	30,399,000	41,232,000
No ADL or IADL	21,921,872	22,581,000	25,639,000	35,429,000
Any ADL or IADL	4,280,238	4,578,000	4,760,000	5,802,000
IADLs only, no ADLs	2,329,497	2,469,000	2,562,000	3,140,000

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reported incomes below 50% AMI, i.e. the lowest income quartile, according to Current Population Survey data (Exhibit 2).

(Exhibit 2: Income Distribution of 65+ Population, 2000, by Area Median Income)



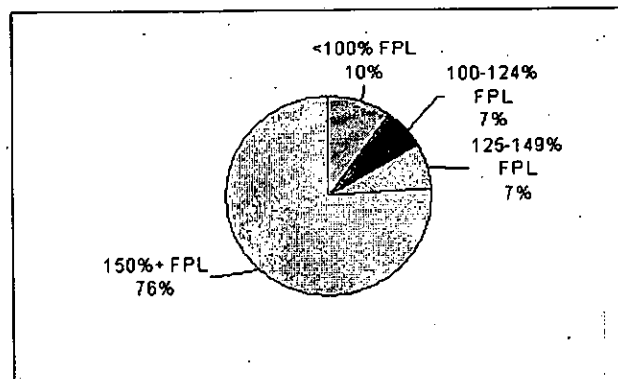
Source: The Lewin Group tabulation of the Current Population Survey (CPS) 2001 March Supplement (which reports income data for 2000) for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, 2002.

The Medicaid program uses variations of Supplemental Security Income (SSI) eligibility levels or the Federal Poverty Level (FPL) to determine eligibility. About 10% of seniors live at or below the FPL and another 14% live below 150% of that level (Exhibit 3).

One of the principle challenges to public policy is to reconcile the multiple standards. AMI is a local standard used by HUD to determine eligibility for many of its subsidized rental programs, while the SSI level is largely a national standard with 100% SSI equal to about 74% FPL.³³ The maximum income eligibility for HCBS under Medicaid is generally 300% SSI, although variations exist among States.³³

Although some States have higher and lower levels for eligibility for Medicaid or other services, and HUD and other agencies have higher and lower standards for subsidized housing eligibility, 300% SSI and 50% AMI are the most useful eligibility standards for broad comparisons.³⁴ Therefore, for evaluation purposes, seniors with incomes below 300% SSI are compared with seniors at 50% of AMI to demonstrate potential eligibility discrepancies (Exhibit 4). Even this comparison is fraught with inadequacies because any national compilation of AMI leads to averaging that does not reflect vast differences in AMI at the local level.

Exhibit 3: Income Distribution of the Age 65 and Older Population, 2000 by Federal Poverty Level

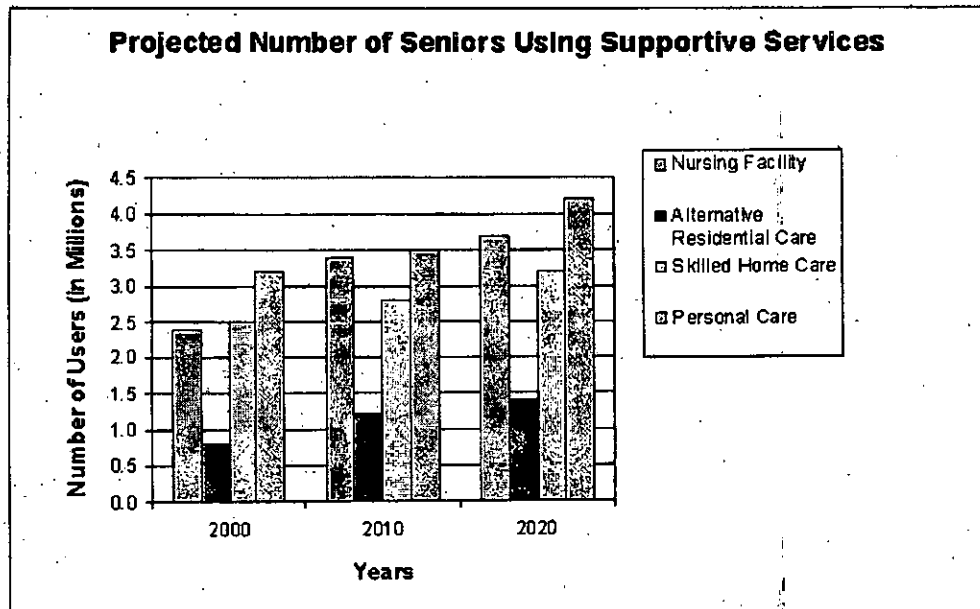


Source: The Lewin Group tabulation of the Current Population Survey (CPS) 2001 March Supplement (which reports income data

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Source: The Lewin Group analysis of Long-term Care Financing Model supplemented by the National Long-term Care Survey, prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, March 2002.

In 2000, 4.1 million seniors with incomes below 150% of the poverty level required health and health-related services (Exhibit 12).⁵⁶ That number is expected to decline to 3.7 million in 2020 as a result of the decline in the number of seniors who fall within this population group. For those in the 150% to 249% of poverty range, 2.1 million required services in 2000. By 2020, that number is expected to nearly double to 4 million as a result of growth in this population. Under current policy, many in this group are not eligible for Medicaid.⁵⁷ This is critical because of differences in eligible services under

Medicaid and Medicare. Finally, of those with incomes that exceed 250% of poverty, 2.9 million currently require services; that number is expected to increase to 5 million in 2020. Although many in this group have sufficient income or insurance to provide for necessary services, a large number do not,⁵⁸ and the Medicare program does not cover most of the services required to meet the long-term care needs of eligible seniors.⁵⁹

Exhibit 12: Service Needs by Income Level 2000-2020

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for 2000) for the Commission on Affordable Housing and Health
Facility Needs for Seniors in the 21st Century, 2002.

**Exhibit 4: Estimates of the Number of Households Headed by an Individual Age 65+ Meeting
Alternative Housing and Service Income Eligibility Criteria, 1999 (in thousands)³⁶**

Typical Income Eligibility Criteria for Medicaid Home and Community- Based Waiver Services:	Typical Income Eligibility Criteria for Subsidized Housing		Total
	<50% National AMI	>50% National AMI	
	Row % Column %	Row % Column %	Row % Column %
<300% SSI	7,923	2,467	10,390
Row %	76%	24%	100%
Column %	95%	19%	48%
>300% SSI	460	10,653	11,113
Row %	4%	96%	100%
Column %	5%	81%	52%
Total	8,383	13,120	21,503
Row %	39%	61%	100%
Column %	100%	100%	100%

Note: AMI levels are assessed against household income, while poverty and SSI levels are assessed against family income.

Source: The Lewin Group tabulations of the March 2000 Current Population Survey matched to HUD Section 8 income limits from <http://www.huduser.org/datasets/il/fmr99rev/index.html> for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century (March 2002).

Many seniors who are eligible for one type of assistance may not be eligible for the other, based largely on where they live in the Nation or even in a particular region of a State. In high-cost areas, many seniors qualify for housing assistance but not for Medicaid because the median incomes in those areas are quite high and do not compare well with the 300% SSI standard.³⁶ Likewise, although many seniors qualify for housing assistance, the shortage of affordable rental housing units or home repair and maintenance assistance compels them to "go without."³⁷ Finally, in some areas, because of very low median income levels, seniors may qualify for services but not for housing assistance, even if it is available.

Just as noteworthy as the discrepancies regarding income is the percentage of seniors who have incomes above these limits (Exhibits 2 & 3). These seniors represent a large group, many of whom have moderate incomes but do not qualify for housing assistance or appropriate health and services assistance.³⁸

Health- and Service-Related Data

In 1999, more than 1.5 million seniors lived in skilled nursing facilities.³⁹ In addition, recent data show that more than 5.8 million or 18% of persons aged 65 and older, who did not reside in institutions such as nursing facilities, had difficulty performing either their everyday activities of daily living (ADLs) — or their instrumental activities of daily living (IADLs) — without assistance. This included about 3.18 million or 10%

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of seniors with at least one IADL limitation involving the following activities: preparing meals, doing light housework, taking a prescribed amount of medicine, keeping track of money or bills, and going outside the home. It also included about 2.61 million or 8% of seniors with at least one ADL limitation involving the following activities: getting in and out of bed or a chair, taking a bath or shower, dressing, walking, eating, and using or getting to a restroom. A smaller share of these seniors, 1.19 million or 3.7%, were especially impaired with limitations in three or more ADLs (Exhibit 5).

Exhibit 5: Age 65 and Older Persons by Poverty Status, in Percentages (1996)

Poverty Level/Threshold	No ADL or IADL Disabilities	1 to 2 IADLs	3 to 6 IADLs	1 to 2 ADLs	3 to 6 ADLs	Total	At least one IADL Disability	At least one ADL Disability
Below 100%	71.2	13.6	3.2	7.0	4.9	99.9	16.8	11.9
100% to 149%	73.7	12.0	3.0	6.0	5.4	100.1	15.0	11.4
150% and above	85.2	6.2	1.7	3.7	3.2	100.0	7.9	6.9
All Income Levels	81.9	7.9	2.0	4.4	3.7	99.9	9.9	8.1

Source: The Lewin Group Projections from the 1996 Survey of Income and Program Participation, Wave 5, prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, 2002.

A little more than 2.6 million or 8% of seniors have a mental disability that seriously interferes with their everyday activities.⁴⁰ Older seniors are more likely to suffer from these limitations. A little more than 15% of those age 75 and older have IADL impairments, almost 13% have ADL impairments, and just under 12% have a mental or cognitive disability that interferes with everyday activities.⁴¹

Proportionally, subsidized renters are the most likely to have impairments and homeowners are the least likely (Exhibit 6). As an aggregate, however, because of the large number of senior homeowners, there are four times as many with impairments as unsubsidized renters and nearly ten times as many as subsidized renters. Therefore, the Nation faces a challenge in serving seniors in diverse settings, including their own single-family homes, rental housing, retirement communities, and homes of family members.

Exhibit 6: Disability Among Seniors by Housing Tenure, 2000

All	%	Owners	%	Unsubsidized Renters	%	Rent-Assisted	%
Total 65+	33,328,000	100.0	27,158,000	100.0	4,858,000	100.0	1,397,000
No ADL or IADL	27,130,000	81.4	22,581,000	83.1	3,670,000	75.5	929,000
Any ADL or IADL	6,198,000	18.6	4,577,000	16.9	1,188,000	24.5	468,000
At least one IADL	3,372,000	10.1	2,469,000	9.1	629,000	12.9	290,000
At least one ADL	2,826,000	8.5	2,109,000	7.8	49,000	11.3	177,000
With a mental disability	2,742,000	8.2	2,055,000	7.6	528,000	10.9	163,000

Source: The Lewin Group Projections from the 1996 Survey of Income and Program Participation, Wave

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5, prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, 2002.

Because nearly one-fifth of all seniors have impairments, the availability and affordability of health and services is vitally important to their well being and quality of life.

Future Housing Needs of Seniors

According to Harvard Joint Center for Housing Studies projections from 2000 to 2020 the number of senior households is expected to grow by nearly 53%. Owner households are expected to grow by more than 60% and renter households by 22% (Exhibit 7).⁴² The growth in both groups will impact an already overburdened housing and health care system extensively, requiring flexible responses to meet the needs of renters and homeowners.

Research into the unmet needs of seniors was conducted by the Commission using American Housing Survey data and Harvard Joint Center projections. AHS and HUD use specific formulas to gauge and describe needs, found in the box below.

Exhibit 7: Household Growth Projections 2000-2020

	Owner Households	Renter Households	Total Households	Ownership Rate
Age Groups and Year				
2000				
Age 65-75	9,470,000	1,972,000	11,442,000	82.80%
Age 75 and Older	8,784,000	2,637,000	11,421,000	76.90%
2000 Totals	18,254,000	4,609,000	22,863,000	79.80%
2020				
Age 65-75	16,880,000	2,790,000	19,670,000	85.80%
Age 75 and Older	12,424,000	2,838,000	15,262,000	81.40%
2020 Totals	29,304,000	5,628,000	34,932,000	83.80%

Source: "State of the Nation's Housing 2001," Joint Center for Housing Studies, Harvard University (2002).

Priority Problems: Refers to households with a serious housing cost burden⁴³ who pay 50% or more of their monthly income on their housing costs or that occupy dwellings with severe physical problems.
Less Serious Problems:⁴⁴ Refers to households with a moderate housing cost burden who pay 30% to 49% of their monthly incomes for their housing costs or that occupy dwellings with moderate physical problems.⁴⁵

AHS data are self-reported and suffers from the shortcomings related to underreporting of income and assets.⁴⁶ Nevertheless, it is the most comprehensive national data set available for analyzing of the scope of the housing challenges seniors face, now and in the future (Exhibit 8). Those who have "priority" and "less serious" problems are considered "at-risk" in terms of their housing costs and quality.

Exhibit 5

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Currently, 1.2 million rent-assisted units are occupied by age 65 and older households.⁴⁷ There is an at-risk population of 7.1 million households (owners and renters) who are not receiving rental assistance identified as having priority or less serious housing problems.⁴⁸ This translates into 5.82 unassisted senior households with problems for every one existing rent-subsidized unit now occupied by a senior household.

To estimate the number of rent-assisted units that will be needed to accommodate at-risk low-income senior households by 2020, the analysis makes two general assumptions. First, projections are based on the number of rent-assisted units necessary to accommodate the growth of all current age 65 and older *unassisted* owners and renters with priority or less serious problems (of all urgencies) — a total of 7.1 million households. Second, the projections assume that these owner and renter groups of households will grow at the same rate for all senior owners and renters.⁴⁹

Exhibit 8: Current and Projected Number of Low- and Higher-Income Age 65 and Older Households in Unaffordable or Poor Quality Dwellings (by Housing Tenure, 1999 to 2020)

Income Group	1999			2020		
	Total	Owners	Renters	Total	Owners	Renters
All Income Levels						
With priority problems	3,890,000	2,468,000	1,422,000	6,099,070	4,205,761	1,893,309
With less serious problems	3,868,000	2,667,000	1,201,000	6,140,905	4,543,177	1,597,729
With all problems	7,758,000	5,135,000	2,623,000	12,239,976	8,748,938	3,491,038
Extremely Low-income						
<30% AMI with priority problems	2,699,000	1,630,000	1,070,000	4,202,353	2,777,711	1,424,642
<30% AMI with less serious problems	1,406,000	995,000	411,000	2,242,819	1,695,597	547,222
<30% AMI with all problems	4,105,000	2,625,000	1,481,000	6,445,171	4,473,308	1,971,864
Very-Low-income						
<50% AMI with priority problems	3,375,000	2,064,000	1,311,000	5,262,817	3,517,298	1,745,519
<50% AMI with less serious problems	2,662,000	1,795,000	867,000	4,213,250	3,058,890	1,154,359

findings about the future senior population.

By 2020:

- The number of senior households is expected to grow by nearly 53%.
- More than 80% of senior householders will be homeowners.²⁴
- Nearly three-fourths of households with housing needs will likely be owners of their housing.²⁵
- Almost 44% of senior householders will be age 75 and older.²⁶
- Even if current rates of disability continue to decline, the number of seniors with disabilities is expected to increase from 6.2 million in 2000 to 7.9 million.²⁷
- The need for Home- and Community-Based Services (HCBS) will grow substantially owing to the desire for seniors to age in place.²⁸

The number of seniors in need of affordable housing will also increase at a steady pace. In 2020, 730,000 additional rent-assisted units²⁹ will be needed to accommodate the senior households age 65 and older who are likely to have housing problems at the same 5:8 to 1 ratio at which they are accommodated today.³⁰

The data shows that current and future populations of seniors require creative and diverse use of significant resources to meet their needs. The following demographic data shed light on the breadth of current and future needs.

Housing and Health Characteristics of the Senior Population³¹

Housing

Seniors currently occupy a diverse array of housing types. Their housing reflects both economic decisions and life circumstances such as the purchase of a house in middle age, new retirement lifestyles, the disability or death of a spouse, and/or changes in financial well being, personal health, and mobility.

Just over 21.4 million or almost 82% of older (age 65 and older) American householders live in conventional homes that they own or rent. Although homeownership is the norm, more than 16% of senior householders rent their accommodations, with most (70%) living in private market-rate housing, rather than government-subsidized or rent-assisted housing (Exhibit 1).

In 1999, the AHS database enumerated a total of 6.2 million rent-assisted units in the United States — 1.2 million (or 20%) of which, were occupied by age 65 and older households and another 200,000 or 2% of which were occupied by age 62 to 65 households.³²

Exhibit 1: Major Types of Housing Occupied by Senior Householders and Persons (Age 65 and Older) in the United States, 1999

Type of Housing	Number of Units ^a	Percentage Distribution	Number of Persons	Percentage Distribution
CONVENTIONAL HOUSING UNITS: SENIOR HOUSEHOLDERS ^{b,c}	21,423,000	81.5	29,138,000	84.5

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in comparison with resources dedicated to facility-based skilled nursing care. Below are the Commission's key findings on the challenges to addressing the growing affordable housing and health services crisis.

- One-third of senior households are expected to have housing needs.
- Almost one-fifth of seniors will likely have service needs and current programs are not well structured to meet those needs.
- Current production of affordable housing does not meet demand.
- Subsidized rental units are being lost due to expiring Section 8 project-based rental assistance contracts and mortgage prepayments and
- Federal housing and health policies are not synchronized, often leading to premature institutionalization as a more costly, yet practical option.

The Commission has developed numerous recommendations to address the health and housing challenges of a growing senior population. It is essential that these challenges be addressed before the Nation is overwhelmed with the needs of retiring Baby Boomer generation.

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The page was last modified on July 22, 2002



Creating New Long-Term Care Choices for Older Adults

A Synthesis of Findings from a Study of
Affordable Housing Plus Services Linkages

Mary F. Harahan • Alisha Sanders • Robyn Stone, Dr. P.H.



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Creating New Long-Term Care Choices for Older Adults: A Synthesis of Findings from a Study of Affordable Housing Plus Services Linkages

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Creating New Long-Term Care Choices for Older Adults

A Synthesis of Findings from a Study of Affordable Housing Plus Services Linkages

Introduction

The aging of the baby boomers will profoundly influence the delivery of health and long-term care services in this country. By 2030, older adults will comprise 20 percent of the population—doubling from 35 to 70 million people. As they age and face chronic illness and disability, the boomers will demand greater and more innovative long-term care choices. Of particular concern to lower-income seniors and their families will be finding affordable long-term care solutions.

Over the past several decades consumer advocates, policy makers and service providers have supported the development of new models of organizing and delivering health and supportive services to meet these new demands. In recent years, for example, substantial attention has been paid to developing licensed assisted living as a potentially less expensive and more attractive alternative to nursing homes.

The purpose of this study is to examine long-term care strategies that integrate affordable independent housing with health and supportive services so that low- and modest-income older adults who are frail and/or disabled are able to remain in the community. In this report, these strategies are called Affordable Housing Plus Services (AHPS).

Definition

The Institute for the Future of Aging Services (IFAS) the applied research arm of the American Association of Homes and Services for the Aging (AAHSA), defines AHPS as having three elements:

- Independent, unlicensed, largely subsidized multi-unit housing where large numbers of low- and modest-income older adults live in close proximity.
- Health-related and supportive services, funded separately from the housing, and available to at least some older residents (e.g., personal care, housekeeping, meals, transportation, health and wellness services, etc.).
- A purposeful linkage connecting residents to these services supporting their ability to “age in place” despite declining health and increasing disability.

About 1.8 million older adults—mostly poor, single women in their mid-70s to early 80s—live in federally subsidized housing—more than the number who live in nursing homes.

Methods

Findings from this study were generated through several methods:

1. A review of the research and evaluation literature.
2. Two informal workgroups held with AAHSA members and staff and other experts to develop definitions and identify policy and practice issues to be addressed in invitational workshops.
3. Telephone and in-person discussions with AAHSA members, other housing providers and aging and housing experts to identify exemplary programs.
4. Four invitational workshops attended by housing and aging services stakeholders to discuss the merits of, challenges to and opportunities for AHPS.

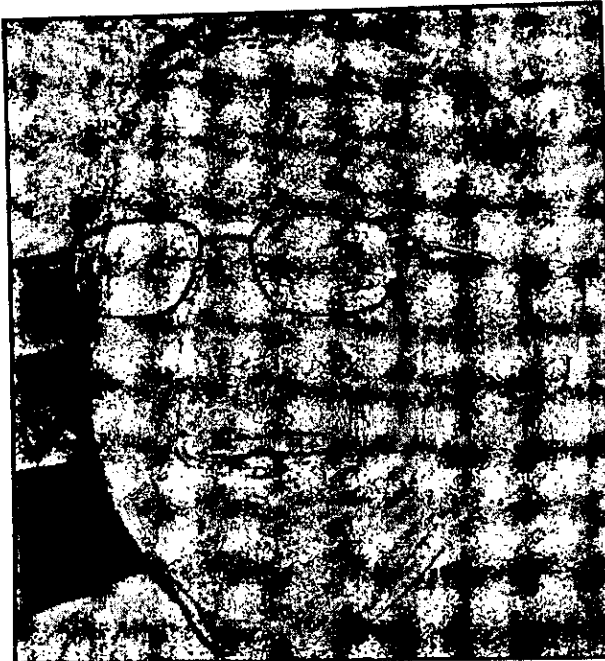
Findings from the Literature

About 1.8 million older adults—mostly poor, single women in their mid 70s to early 80s—live in federally subsidized housing—more than the number who live in nursing homes (Wilden and Redfoot, 2002). The majority live in public housing, Section 202 Supportive Housing for the Elderly, Low Income Housing Tax Credit (LIHTC) and Section 515 Rural Rental Housing properties. Unknown numbers of low-income seniors also live in rental properties subsidized through state and municipal programs and in privately financed unsubsidized housing rented or sold at market rates without regard to income.

Research shows that many of these older residents need assistance with routine activities. (The 2002 American Community Survey found that subsidized older renters were twice as likely to be disabled as were older homeowners (Redfoot and Kochera, 2004). Over half reported limitations in activities like walking and climbing stairs, compared to one quarter of older homeowners. A third reported difficulty with shopping or going to the doctor, twice that of older homeowners. Likewise, surveys of Section 202 property managers indicate the proportion of residents having difficulty preparing meals or performing personal care tasks increased almost fourfold between 1988 and 1999. Managers in the 1999 survey also reported that 30 percent of vacancies are due to residents transferring to nursing homes (Heuman, Winter-Nelson and Anderson, 2001).)

Connecting residents to needed assistance is not straightforward. Discontinuities between housing and long-term care agencies are well documented (Pynoos, Liebig, Alley and Nishita, 2004; Golant, 2003; Wilden and Redfoot, 2002; Redfoot and Kochera, 2004; Lawler, 2001). For example, housing policy is largely about “bricks and mortar” and, with few exceptions, housing funds cannot pay for services. Conversely, health and supportive services financing cannot be used to pay rent unless an individual is willing to enter a nursing home or, in some states, an assisted living facility (ALF). Diverting a resident's transfer to a nursing home is rarely the goal of housing policy. Nor is the availability of AHPS typically considered in developing long-term care policy.

Older residents themselves face barriers to getting the support they need (Pynoos, Liebig, Alley and Nishita, 2004; Golant, 2003; Wilden and Redfoot, 2002; Lawler, 2001). They are less likely than older homeowners to have family members to rely on. Community providers may incorrectly believe the housing provider is responsible for providing services. Other tenants may pressure management to evict residents who look too old and frail. Families may face difficulty in locating service providers. Housing managers may worry about their liability if confused residents leave the stove on or disturb other residents. Most often, housing providers and community services agencies simply view their missions through different lenses and lack experience working together.



The impact of AHPS is largely untested. In the 1990s, the U.S. Department of Housing and Urban Development (HUD) evaluated two of its programs designed to help seniors age in place through case management and supportive services—the Congregate Housing Services Program (CHSP) and the Hope for Elderly Independence Demonstration Program (HOPE IV). Researchers found participants were satisfied with both programs, but observed no significant impact on their nursing home use or length of residence in independent housing. These findings are not surprising given participants were found to be less disabled than those eligible for nursing homes (Ficke and Berkowitz, 2000).

The lack of research leaves policy makers and providers with little guidance on whether and which AHPS strategies are wise investments. Fortunately, however, a variety of existing programs can serve as natural laboratories in conducting impact evaluations.

Research shows that many of these older residents need assistance with routine activities. The 2002 American Community Survey found that subsidized older renters were twice as likely to be disabled as were older homeowners.



Inventory of Affordable Housing Plus Services Strategies

FAS has developed an inventory of AHPS programs across the country. These programs have been largely pieced together through the initiative and persistence of individual housing providers, community services agencies and, in a few cases, committed state leaders. Although not formally evaluated, they provide a rich set of examples for others.

The inventory could have been categorized in several ways. However, given the fact that a third of AAHSA's members sponsor housing that is largely publicly subsidized, we chose to divide our examples by how the housing is financed. We created further subcategories to help organize the examples. Unfortunately, it is difficult to neatly define the varying strategies and we acknowledge that some of the programs could fall under several subcategories. Also note that the examples identified here and the details included about them are not exhaustive, but are merely used for illustrative purposes.

A more detailed inventory can be found at www.futureofaging.org.

A. Privately Financed Housing refers to multi-unit owner and rental housing that receives no public subsidies, but is still affordable to low- and moderate-income older adults. It may include neighborhoods of single-family homes with large concentrations of senior households. Strategies include:

1. **Housing Cooperatives** allow residents to own and control their apartments through a cooperative arrangement in which they own stock and are involved in management and programming of the property. Maintaining affordability is difficult and is typically achieved by capping the resale price (limited-equity cooperatives). Services can be informal or formal, involving joint purchasing and/or scheduling or a coordinated program staffed by community agencies or the cooperative itself. **Penn South Cooperative**, New York, NY, is a limited-equity cooperative built in 1961 with 6,200 residents. As res-

idents began to age, the co-op established a collaborative program with community agencies to provide supportive services. Now a separate nonprofit agency, the program offers cultural and educational activities, case management, day care, home care services, primary health care, wellness services, personal care and a variety of other supportive services to residents of the cooperative. **7500 York Cooperative**, Edina, MN, is a limited-equity cooperative with 330 units developed in 1978. As residents aged, the co-op offered office space to a home health agency, through which residents can arrange for services. With an onsite office, the agency can offer services in 15-minute intervals rather than the customary two-hour blocks—allowing residents to better target services to their needs. The agency also may serve seniors in surrounding apartment buildings out of this office.

2. **Shared Housing** involves two or more unrelated individuals living together in a private single-family home. Some programs match elderly homeowners with individuals willing to help with household chores in return for reduced rent. Others involve small numbers of older people living together and providing mutual support. Accessory housing is another type of shared housing where a trailer or portable manufactured home is placed next to a main home, enabling a frail senior to maintain independence and still be close to a family member or caregiver. **HomeShare Vermont, Burlington, VT**, helps seniors and persons with disabilities live independently by linking them with individuals seeking affordable housing or caregiving opportunities. Typically, a student or working-age adult is matched with an elderly homeowner for whom they carry out household chores in exchange for free or reduced rent.
3. **Mobile Home Parks/Manufactured Home Communities** provide homeownership opportunities to some lower-income seniors. Usually the housing unit is owned, the lot is leased and upkeep and maintenance are included in the lot fee. Social and recreational amenities are often shared. While many mobile home parks have been disappearing as land values increase, some are being converted to cooperative ownership to maintain their existence and affordability. Formal programs to link residents to services are hard to find, although aging in place is an issue. **Millennium Housing, Newport Beach, CA**, operates several senior parks in California. Residents receive a monthly magazine with information on where to get help with meals, bills, etc. A partnership with a community program provides homebound residents with home repairs and emergency response systems.
4. **Single Room Occupancy Hotels (SROs)** rent small private rooms, usually in

depressed downtown areas, to low-income individuals on a weekly or monthly basis. Some space—like bathrooms, living rooms and kitchens—is typically shared. Urban renewal has eliminated many SROs; however, several cities have converted run-down hotels into SROs with supportive services. **Project Hotel Alert, Los Angeles, CA**, is funded by the city aging department to provide older adults living in SROs a wide range of services, including case management, information and referral, transportation, meals and medical screening. One SRO has been retrofitted with wheelchair-accessible bathrooms to accommodate disabled elderly residents.

- B. **Publicly Subsidized Housing** refers to multi-unit rental housing owned or subsidized by federal, state or municipal governments. Strategies for integrating services include:
 1. **Co-Location and Volunteerism** is a low-cost approach in which the housing manager encourages local providers to locate health and/or supportive services programs on or near the property and recruits volunteers to fill service gaps. Commonly co-located services include a Title III meals site, senior center or health and wellness programs. **Golden West Senior Residence, Boulder, CO**, a 255-unit refinanced Section 202 property, provides space to Medically Based Fitness (MBF) for operation of a wellness center. MBF staffs the center with a physical therapist and an exercise physiologist. Golden West also partners with several other programs or individuals who provide services at the property on a regular basis, such as footcare, massage, reflexology, hearing aid maintenance and banking services.
 2. **Service Coordination** entails a full- or part-time staff person employed by the housing property to help residents identify and arrange for needed services, advocate on their behalf and provide

educational programs. About 37 percent of Section 202 housing properties have onsite service coordinators (Heuman, Winter-Nelson and Anderson, 2001). **National Church Residences (NCR)**, headquartered in Columbus, OH, employs 154 service coordinators serving 194 of its senior housing properties. Service coordinators typically conduct an intake evaluation of residents requesting assistance; assess behavior, functioning and needs; develop a case management plan; and refer residents to community agencies. **Schwenkfeld Manor**, Lansdale, PA, employs nurses as service coordinators. In addition to traditional information and referral and case management, they informally observe changes in residents' status, provide health education and advise residents when they should call their doctor.

3. **Enriched Services and Formal Service Coordination** are strategies offering resi-

dents formal assessment, case management and a range of personal care and supportive services provided by onsite staff and/or a service agency owned by or under contract to the housing provider. Although the amount and intensity of services varies, 24-hour oversight, personal care, medication management, homemaking and transportation are likely to be available. With HUD approval, **Peter Sanborn Place**, Reading, MA, gives priority to prospective residents with high levels of need. Frail residents receive a comprehensive assessment and detailed care plan, and their status is monitored. A Section 202 loan refinance freed up resources that were reinvested in building renovations and resident services. The property operates its own home care agency, which provides case management, personal care, medication monitoring, homemaker services and transportation to eligible residents and the surrounding community. The local Visiting



Peter Sanborn Place, Reading, MA

Nurses Association provides care and rehabilitation services under contract.

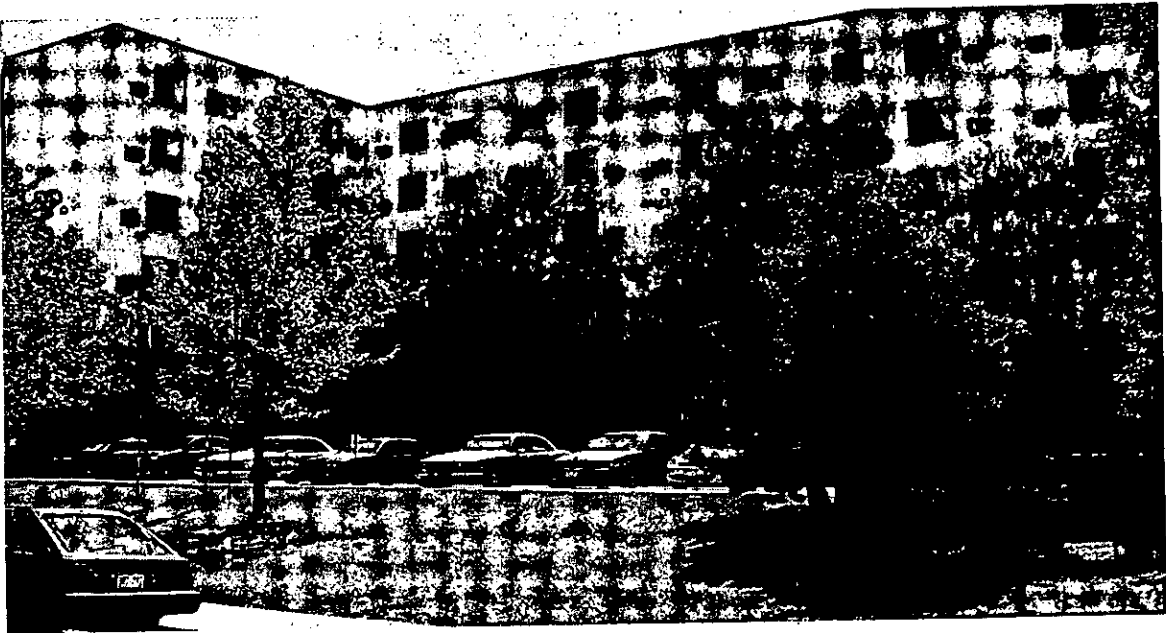
4. **NORC Service Programs** target naturally occurring retirement communities (NORCs), defined as a geographic area, neighborhood or building originally populated by people of all ages that has evolved to contain a high proportion of older adults. In some NORCs, property managers, residents and service providers have collaborated to develop programs to address elderly residents' changing needs. Services are available to all NORC residents, regardless of income, health or functional status. **Vladeck Cares/NORC Supportive Services Program**, New York, NY, serves seniors living in Vladeck House, a public housing project with 27 buildings and 3,000 residents, 860 of whom are elderly. Funded by the city, the state aging departments and private sources, it provides preventative health and social services, medical

and health services, case management, mental health counseling and educational and cultural opportunities.

5. **State Supportive Housing Partnerships** are generally aimed at reducing Medicaid costs by delaying institutionalization. Partnerships among state housing agencies, subsidized housing properties and state aging and health agencies expand services to state-subsidized housing residents. State-designated providers are licensed to deliver personal care and supportive services to residents. **The Marvin, Norwalk, CT**, is a senior congregate housing community funded through LIHTC and low-interest loans from the state. All residents have access to supportive services through Connecticut's Congregate Housing for the Frail Elderly program, including a daily meal, weekly housekeeping and access to a service coordinator. Onsite, 24-hour oversight, an on-call nurse, health and wellness service-



The Marvin, Norwalk, CT



Eaton Terrace Residence, Eaton Senior Programs, Lakewood, CO

es and emergency transportation also are subsidized. Residents pay a monthly congregate services fee based on their income. Those eligible for assisted living services under the state's Medicaid waiver receive nursing and personal care assistance.

6. **Assisted Living as a Service Program** is a state strategy to provide licensed assisted living as a package of services rather than as facility-based care. In Minnesota, most assisted living services are provided in facilities registered with the state health department as "housing with services establishments." These facilities offer, for a fee, one or more regularly scheduled health-related services or two or more regularly scheduled supportive services. If the property provides the services directly, it must have the appropriate license from the health department. Otherwise, it must contract with a licensed home care provider.
7. **A Campus Network Strategy** takes advantage of independent senior housing

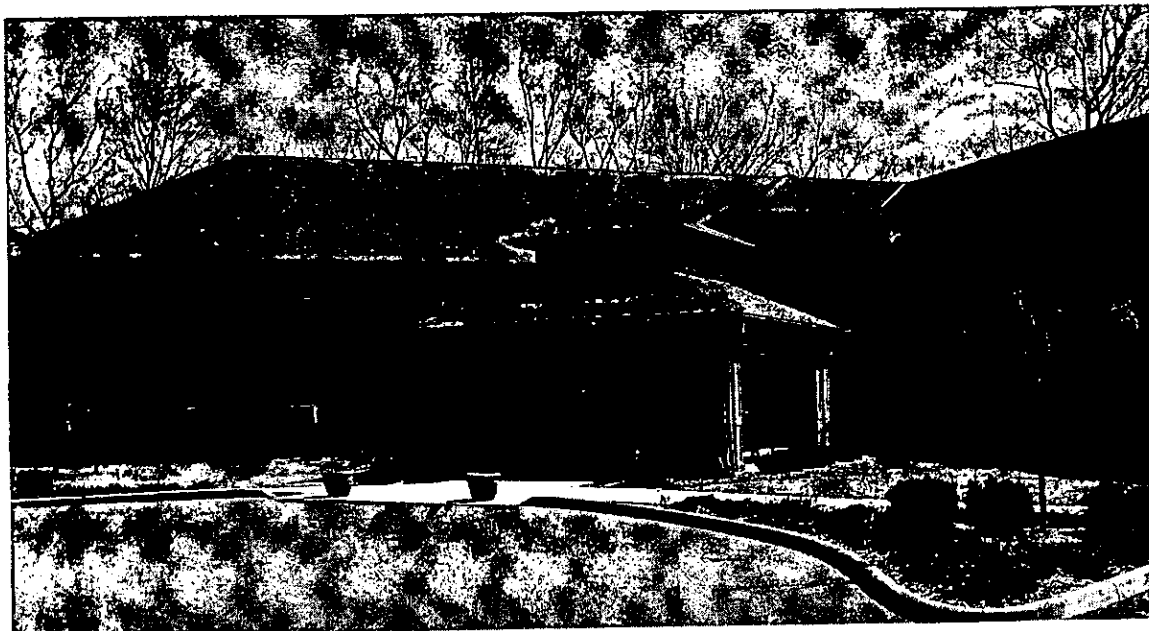
and licensed assisted living on the same campus to provide low- and modest-income residents some of the benefits of a continuing care retirement community. There is no entrance fee, and residents pay separately for different levels of care. **Eaton Senior Programs (ESP), Lakewood, CO**, operates Eaton Terrace Residence (ETR), a 162-unit subsidized senior housing property and Eaton Terrace II (ET II), an adjacent assisted living facility. ESP is able to leverage resources across both residential properties. ET II has an assisted living and home care license, which allows staff to provide services anywhere in the community. ETR residents may purchase personal care, housekeeping and medication monitoring services at whatever level they need. Residents pay out-of-pocket, unless Medicaid covers their costs. ESP also has created a "care consultation team" to support resident needs, which includes a nurse, social workers, activities coordinators, pastoral counselors, resident assistants and other staff.

Although each property has staff that focuses specifically on their residents, they are able to leverage expertise and resources across the team. Staff from the assisted living property are also able to provide after hours emergency response to ETR.

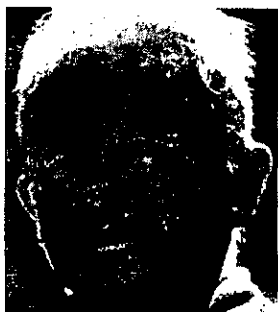
8. **Integrated Housing, Health Care and Supportive Services** enable residents to age in place by offering access to medical, health and long-term care services. They involve a formal collaboration between one or more affordable housing providers, neighborhood health care providers and aging services agencies. **Lifelong Medical Care, Oakland, CA**, anchors a collaboration between a housing developer, a federally qualified health center and a PACE (Programs of All-Inclusive Care for the Elderly) program to provide an assisted living level of care without special licensing or funding. The health center serves healthy and moderately disabled seniors, providing primary care, mental health services, adult day care, podiatry, dental care and other serv-

ices. PACE serves residents eligible for skilled nursing facilities with a full spectrum of primary, acute and long-term care services. **The Sixty Plus Program**, Atlanta, GA, run by Piedmont Hospital, partners with four affordable housing properties to send a nurse to each weekly. Residents can schedule appointments, and the nurse follows up with patients discharged from the hospital. Piedmont physicians can also ask the nurse to check on their patients.

9. **Housing/Health Partnerships** are collaborations between one or more health providers and low-income housing sponsors to increase the supply of affordable housing. The potential exists for the two partners to create programs providing residents access to medical and health-related services. **Mercy Housing's Strategic Health Partnerships** is an initiative between Mercy Housing and seven Catholic health care systems to increase the supply of affordable housing for low-income seniors and poor families by leveraging health system resources.



The Ravine at Central College, National Church Residences, Westerville, OH



Lessons from the Regional Workshops

In 2005, IFAS held four invitational workshops, bringing together 230 stakeholders from 14 states to examine the merits of, challenges to and opportunities for the development of AHPS strategies. Participants represented housing, health care and aging services providers; federal and state policy makers; architects; investment bankers; insurers; and consumer advocates. The first workshop, targeting the Cleveland area, was hosted by the A.M. McGregor Home. The other three, hosted by AAHSA state affiliates in California, Rhode Island and Georgia, facilitated statewide and regional participation. The following summarizes lessons learned.

A complete workshop report can be found at www.futureofaging.org.

Do AHPS strategies work? Although most participants understood that the benefits of linkages between independent affordable housing and services had not been carefully evaluated, several apparent strengths were noted:

- The product is attractive. Vast majorities of seniors want to stay in their home, even as their health declines.
- Co-location of services such as adult day care and health services, particularly in larger housing communities, helps seniors with significant disabilities, including dementia, stay in their apartments.

- AHPS programs allow health professionals and aging service providers to more efficiently target services because potential consumers are clustered.
- Exploiting economies of scale through bulk purchasing of services and supplies and/or coordinated scheduling saves money.
- Since many communities already have a rich array of services, purposefully linking residents to these services helps meet residents' needs at very low marginal costs.

Several apparent strengths of affordable housing plus services strategies were noted:

- ...meets resident desire to remain in their own home.*
- ...capitalizes on existing community resources and strengths.*
- ...exploits economies of scale in purchasing and scheduling.*

- Much of the burden of caring for aging residents is transferred from the housing provider to community services agencies, which typically have greater capacity.

However, there was some disagreement about whether AHPS can or should support all residents regardless of their health condition and/or level of disability. Several housing providers believed all residents should be able to live out their lives in the property, maintaining that services comparable to a nursing home can be provided effectively. Others said keeping residents with significant disabilities who may need access to services 24/7—especially those with severe cognitive and/or mental health problems—is not possible or even appropriate. There was widespread agreement on the importance of evaluating and comparing the outcomes of alternative AHPS approaches for different populations.

What does an effective strategy look like? No one strategy was endorsed as appropriate for all environments. Some participants said caregiving staff should be employees of the property. Others thought housing providers should not deliver services directly, except for service coordination. Most agreed that a wide range of models could work, as long as they are anchored by a case management mechanism. Attendees felt that a particular AHPS approach should emerge from the state regulatory environment, the housing providers' capacity and service availability in the community. AHPS models also should be responsive to the changing characteristics of residents, such as the growing prevalence of new residents with

cognitive impairments, mental health conditions or pre-existing disabilities. Some participants also said attention should be paid to the differences in the demand for and the availability of services in rural areas.

Which services are critical? Discussants emphasized the need for AHPS strategies to provide residents access to a full range of health-related and supportive services. Transportation ranked highly although questions were raised about the capacity of some housing communities to organize access to transportation services. Much less agreement was expressed about the desirability of incorporating primary health care and chronic care management. Some thought these services were too complex and risky for many housing providers and were only feasible as part of a PACE program. Others noted the growing experience with "house call" programs, where physicians and nurses offer primary care, preventive services and chronic care management to residents in their own apartments by using technology and a team approach. These programs seem ideally suited to affordable housing arrangements with large numbers of seniors.

What are the prerequisites of a successful strategy? Participants identified three fundamentals for AHPS strategies:

- Informed housing providers who understand the need for services—Housing providers must see themselves as more than property managers who collect rent and maintain the physical plant. They must understand residents' need for

No one affordable housing plus services strategy was endorsed as appropriate for all environments. Attendees felt that a particular approach should emerge from the state regulatory environment, the housing providers' capacity and services availability in the community.

Participants identified three fundamentals for successful affordable housing plus services strategies:

Informed housing providers who understand the need for services.

Persistence and creativity.

A person of a group to act as a catalyst.

services, accept at least some of the responsibility for meeting these needs and ensure that service coordinators and onsite managers share this understanding. In addition to employing a service coordinator, they must be prepared to make financial and human resource investments to fill gaps in community services and be flexible enough to allow residents to refuse services and make some bad choices. Learning how to support aging residents to take risks was perceived to be part of maintaining an independent living environment.

- **Persistence and creativity**—Successful organizations are proactive—seeking out community partners, networking with policy and practice stakeholders, staying on top of new funding opportunities and working around policy and regulatory barriers. Knowing how to “work the system” was deemed essential.

- **A catalyst**—Some individual or organization must take ownership of the goal, identify and convene stakeholders, facilitate information gathering, mobilize resources and coordinate ongoing activities.

What are the obstacles? A number of barriers were acknowledged:

- **Licensing/regulation**—Licensing and regulation was identified as an impediment to the ability of independent housing providers to support residents’ aging in place. For example, Internal Revenue

Service rulings appear to limit the level of health and medical services that can be provided in properties financed through low-income housing tax credits (LIHTC). LIHTC properties also may not pay for health services with rent proceeds. Some states prohibit independent housing providers from providing direct services. In most states, assisted living services can only be provided to eligible residents in a licensed facility. Many housing providers expressed strong opposition to becoming licensed caregiving facilities to obtain services for residents. Providers said licensing requirements often result in increased costs, forcing them to rely on Medicaid, for which all residents may not be eligible. Participants pointed to assisted living regulations as an example of what they wished to avoid. Publicly reimbursed assisted living services were judged too rigid, serving only a narrowly defined population. A number of participants urged HUD and the Department of Health and Human Services to review federal and state regulations governing Section 202 and LIHTC properties, the assisted living conversion program, service coordinators and fair housing to identify and remove regulatory barriers to AHPS programs

- **Liability**—Housing providers expressed concerns about how to balance resident choice, including freedom to reject services, with their perception that they would be liable for poor choices that compromised resident health or safety.

- **Fair housing laws**—These laws were regarded as confusing. They prohibit housing providers from giving preference to frail and disabled residents unless a special waiver is obtained. Many participants also believed the unattended consequences of these laws discourage providers from determining a prospective resident's physical and mental health needs, even though such information is crucial to their ability to meet new residents' needs. Fair housing rules also seem unclear about when a tenant can be evicted when decision making is impaired. Several attendees suggested HUD needs to clearly spell out the implications of fair housing rules for AHPS.
- **Difficulty of bridging housing and aging services**—There was widespread agreement that housing and aging services providers know little about each other's programs or policies. Several said the workshop was the first time they had even been together in the same room. Housing providers rarely participate in long-term care policy forums and vice versa. According to several workshop attendees, both the housing and aging services communities need to be educated about their mutual interests.
- **Resources**—Finding funding was regarded as the major challenge facing AHPS program development. Relying on a single funding source, such as the Section 202 program or Medicaid, is shortsighted, several participants said. In their view, future needs cannot be accommodated without putting together a mix of funding. Several pointed out that AHPS strategies also must be designed around resident needs rather than allowing a funding source to determine who is served and how.
- **Limited understanding/capacity of certain housing providers to meet resident service needs**—Housing representatives were more likely than others to observe that a number of their colleagues saw their roles in traditional terms—leasing, collecting rents and maintaining the physical plant—rather than as architects of a housing environment that must adapt to changing needs of increasingly frail residents. They said it's not unusual for housing managers to interpret "independent housing" literally—if a resident needs help, she must move or find it herself. Housing providers also may lack sufficient knowledge about community resources and have limited skills in developing partnerships.
- **Resident opposition**—Several housing providers said residents themselves often oppose aging-in-place strategies. Many don't want to be reminded that they may lose independence as they age. To overcome this challenge, residents must be educated about and have sustained involvement in planning AHPS programs.
- **Affordability**—Participants said AHPS programs must minimize costs to residents, the housing sponsor and public entities. One suggested approach was to work with a home health agency or other community provider to break down the amount of services that can be purchased into short increments. Residents do not always need, nor can they afford, the two- or four-hours blocks of time typically available.

The workshops demonstrated that linking affordable senior housing and services is doable, and is widely perceived to be beneficial. Participants also identified a variety of obstacles to achieving wider implementation of promising strategies.

- **Nursing home influence**—Attendees had differing perspectives on the role of nursing home providers. Some thought nursing homes would oppose AHPS strategies. Others thought they could be valuable partners, given their interest in managing beds to keep acuity levels high for reimbursement.

What are funding opportunities? The workshops clearly demonstrated that funding is a primary challenge in developing new AHPS programs. Having concluded that neither Medicaid nor the Section 202 program are likely to be reliable funding sources on their own, participants identified other potential ideas that include:

- **New public initiatives**

- ◆ Creating a state tax credit or bond program to fund resident services as well as affordable housing.
- ◆ Developing health-related and supportive services "savings accounts" where pre-tax contributions of housing providers and residents could accumulate over time.

- **Housing provider strategies**

- ◆ Developing mixed-income properties where the costs of services for lower-income residents are cross subsidized by wealthier ones, as in nursing homes.
- ◆ Developing "win-win" partnerships between housing communities and health-care entities. These partnerships can enhance resident access to primary care and chronic care management and increase referrals to providers and improve their ability to monitor and manage the resident's care.

- **Changes to HUD programs**

- ◆ Increasing the limit on the proportion of savings from refinancing HUD loans (currently 15 percent) that can be spent on services.

- ◆ Allowing federally subsidized housing providers to add the costs of some services, in addition to service coordination, to their operating budgets.
- ◆ Capitalizing the cost of services in publicly subsidized housing up front in the debt service.
- ◆ Charging higher-income residents extra fees for service coordination.

- **Expanding existing opportunities**

- ◆ Documenting and disseminating to affordable housing providers the probable "return on investment" if they contribute their own resources to resident services.
- ◆ Educating service coordinators on how to reduce service costs (e.g., capitalizing on economies of scale, working with community providers to deliver services in smaller increments, etc.).
- ◆ Documenting the benefits of renting out commercial space for resident services to housing communities.
- ◆ Encouraging wider participation in the HUD-funded service coordinator program.
- ◆ Educating Section 202 providers about the potential of refinancing old loans to invest in services.





Next Steps

The workshops brought together a variety of stakeholders to identify common interests and seek common ground. For that alone, most participants judged them a success. Several additional initiatives were proposed to move an AHPS agenda forward:

■ Resident and Family Education

Programs—Residents and their families often aren't aware of the services available in their community. As one participant put it, many residents see services as a light switch—either “on” or “off.” This participant thought the concept of a “dimmer switch” was more appropriate with residents and families learning how to seek services as needed, rather than waiting for a crisis. Service coordinators, AAHSA state affiliates, area agencies on aging, AARP chapters, the Red Cross and Alzheimer's Association chapters could develop and disseminate educational materials describing a community's resources and how to use them.

■ Provider Education and Technical

Assistance—Participants stressed the value of educating affordable housing providers about aging residents' service needs, available community resources and how to access them, promising AHPS strategies and how to overcome regulatory barriers. Some participants suggested AAHSA develop and operate a clearinghouse for members to provide technical assistance.

■ National Awareness Campaign

—There was significant support for raising the visibility of AHPS as a potential vehicle for meeting the long-term care needs of at least some low- and modest-income seniors. Participants spoke of subsidized elderly housing residents being “off the radar screen” of advocates and policy officials seeking long-term care solutions. Some observed that while

funding has significantly grown for home and community-based services over the past several decades, little is known about the extent to which seniors in subsidized housing have benefited. One suggestion was to move AHPS onto the agenda of the Conference of Mayors since municipalities are now dealing with the problem of poor seniors who are unable to remain independent. It was also noted that advocates for the homeless have been effective in educating government about the importance of linking housing options with services to sustain independent living. Affordable housing providers might develop a similar platform for aging seniors in affordable housing.

■ Replication of Workshops in Rural Areas

—All workshops were held in urban areas, primarily for an urban or suburban audience. AHPS strategies that work in rural communities may be different. Holding one or more workshops in rural areas was suggested, possibly in partnership with the U.S. Department of Agriculture.

■ Developing AHPS in Market-Rate

Housing—The experience of subsidized housing providers dominated the workshops. IFAS was unable to identify more than a handful of AHPS programs in privately financed housing arrangements that are affordable to modest-income seniors. Future work should be directed at identifying and supporting housing cooperatives, mobile home parks, neighborhood-based NORCs, SROs and other market-rate housing arrangements to develop AHPS programs.



Applied Research and Evaluation Agenda

The information base on AHPS is extremely weak. The functional and cognitive characteristics of seniors in affordable housing, the services they receive and what difference they make and where these seniors go when they leave independent housing are simply not known. There is almost no evidence regarding the impact of AHPS programs on residents, families, housing providers, the larger community and funding sources such as Medicaid. IFAS has developed a policy, applied research and evaluation agenda to address these questions. It includes:

- Studies of the supply and demand for AHPS.
- A comparative evaluation of the outcomes of AHPS strategies.
- A comparison of the outcomes of AHPS programs and licensed ALFs.
- A review of state and federal regulations that impede AHPS development and implementation.
- The costs and benefits of options for organizing service coordination within AHPS programs.
- Practice-oriented studies investigating effective approaches within AHPS programs to organize after-hours care and unscheduled services, support cognitively/mentally impaired seniors, improve risk management and increase insurability and integrate primary care and chronic care management.

IFAS has developed an applied research and evaluation agenda to build the evidence base on the impact and cost effectiveness of affordable housing plus services strategies.

Conclusion

This was the first time such wide-ranging groups of stakeholders came together to examine the potential of replicating AHPS models. Across all workshops, a great deal of interest and enthusiasm was evident. Anecdotally, these providers believed linking affordable housing properties with supportive and health-related services could support lower-income seniors' desire to age in place despite declining health and increasing frailty—all while using public resources cost efficiently. Current models can serve as natural laboratories to evaluate the efficacy of meeting these goals. They also offer a shared learning opportunity for other communities and housing and service providers to ignite or expand their own housing with services programs. Stakeholders at all levels should look at the lessons learned from these workshops to see what they can do to ease the challenges to expanding affordable housing with services options.



Participants at the workshop in Decatur, GA, one of four held across the country.

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CottonwoodALCP2012
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e. Exhibit V – Market Analysis. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market containing:

(2) Evidence of the need for ALF or SEH units by very low-income elderly and disabled households in the market area including:

(a) A description of the trend in elderly and disabled population and household change;

(b) Data on the demographic characteristics of the very low-income elderly in need of assisted living services (age, race, sex, household size, and tenure); and

(c) Extent of residents with frailty/limitations in existing federally assisted housing for the elderly (HUD and Rural Housing Service); and an estimate of the very low-income elderly and disabled in need of assisted living taking into consideration any available state or local data.

(a) A description of the trend in elderly and disabled population and household change

According to the "Arizona Department of Housing's Consolidated Plan 2010-2014", Yavapai County's senior population grew 22.6 percent between 2000 and 2009, which was the second largest senior population increase in the State of Arizona. Seniors (age 65 and over) were 13 percent of the state's population in 2008. Of those over 60, the fastest growing age group is persons over 85 years. The need for affordable housing opportunities with services is growing; Arizona's elderly resident population is one of the fastest growing sub-populations in the State. As stated in the Plan, as the state's

senior populations grow older, senior housing, assisted care, long-term-care housing and supportive services will be in demand to meet increasing senior needs.

DESCRIPTION OF THE TRENDS IN ELDERLY POPULATION IN THE MARKET AREA (MA) AND HOUSEHOLD CHANGE

CHRISTIAN CARE Demographic Trends For MA			
	<i>2012</i>	<i>2017</i>	<i>Avg. Annual % Change</i>
H/H Age 65+ w/\$0 - \$20,000	2,389	2,638	2.0%
<i>Source: Claritas</i>			

(b) Data on the demographic characteristics of the very low-income elderly in need of assisted living services (age, race, sex, household size, and tenure)

The Christian Care (CC) campus in Cottonwood consists of eight buildings with a total of 88 independent living (IL) subsidized apartments. The complex was completed in September 1995 and maintains an average annual occupancy of 99%. CC is proposing to convert 20 units at Christian Care Cottonwood I to assisted living (AL).

In addition to the twenty-four (24) seniors presently residing at Christian Care Cottonwood I (CCC), the following chart shows the demographic characteristics of the other low income elderly residing in the remaining Cottonwood buildings (II-VIII) located on campus:

CHRISTIAN CARE COTTONWOOD CAMPUS			
Resident Demographics			
Current number of residents	93	100%	
Residents over the age of 62	93	100%	
Residents over the age of 70	31	33%	
Distribution by Sex:			
Male	30	32.3%	
Female	63	67.7%	
Racial Ethnic Breakdown of Residents			
Caucasian	87	94%	
Black	0	0	
Asian	0	0	
Hispanic	6	6%	
Other (Veterans)	10	10.8%	
Estimate of # of residents with frailties/limitations in activities in daily living (ADL's)	2	2.2%	
Limitations of Two or more Activities of Daily Living	23	24.7%	
Number of Residents in Need of Assisted Living Services	16	17.2%	
Estimate of # of residents who have limited English proficiency	0	0%	
<i>Source: Christian Care Center</i>			

The following are the demographic characteristics for the census tract where the Project is located:

CHRISTIAN CARE COTTONWOOD						
Households Age 65+ Below Poverty Line in the Past 12 Months by Household type in Tract 0020.00						
	65 - 74		75+		Total	
Population Age	272 (59.3%)		187 (40.7%)		459	
Male (#/%)	73	26.8%	90	48.1%	163	35.5%
Female (#/%)	199	73.2%	97	51.9%	296	64.5%

CHRISTIAN CARE COTTONWOOD	
Racial Ethnic Characteristics of Age 65+ Below the Poverty Line In Tract 0020.00	
White	459
Black	0
American Indian	0
Asian	0
Native Hawaiian and Other	0
Other	0
TOTAL	459
Hispanic	0
Source: US Census	

CHRISTIAN CARE COTTONWOOD	
Households Below Poverty Status In The Past 12 Months	
By Household Type by Age 65+ Householder in Tract 0020.00	
Type of Household	Age 65+
Married-couple Family	65
Other Family	
Male	0
Female	0
Nonfamily	
Male	81
Female	261
TOTAL	407
Source: US Census	

(c) Extent of residents with frailty/limitations in existing federally assisted housing for the elderly (HUD and Rural Housing Service); and an estimate of the very low-income elderly and disabled in need of assisted living taking into consideration any available state or local data

There are a number of low income housing developments in the area. None have an AL program in place for their residents although each report that a percentage of their residents do receive AL services that would make them appropriate for an AL environment.

CHRISTIAN CARE COTTONWOOD Low-Income Housing Communities		
	<i># Units</i>	<i>AL</i>
PROJECT (Cottonwood 1)	20	0
Cottonwood Manor 2	9	0
Cottonwood Manor 3	10	0
Cottonwood Manor 4	10	0
Cottonwood Manor 5	10	0
Cottonwood Manor 6	10	0
Cottonwood Manor 7	10	0
Cottonwood Manor 8	9	0
Tuzigoot Village	31	0
Verde Valley Manor	232	0
TOTAL AL		0
<i>Brecht Associates Inc®</i>		

Extreme need is evidenced by the number of residents that have had no alternative but to move from their apartments at CCC and seek living arrangements with more resources for specialized care. The following chart shows that at least twenty-four (24%) of CCC residents have left over the past twenty-four (24) months for housing that could give them living assistance and a higher level of care. As market studies show, the need for affordable assisted living for the frail elderly is far outpacing the supply. Further improvements in architectural features and service delivery are needed in

existing affordable elderly housing units in order to enable existing residents to "age in place":

Chart of Residents Leaving Cottonwood In the Last 24 Months

Month	Year	To Higher Level of Care	Death	Other
February	2010	1	1	1
March	2010	1		2
April	2010			1
May	2010	1	1	
June	2010	1		
July	2010		2	1
August	2010	1		6
September	2010	1		2
October	2010			1
November	2010			1
December	2010			1
Sub Total		6	5	16
January	2011	3		
February	2011			2
March	2011	1		2
April	2011			
May	2011	0	0	0
June	2011	1		4
July	2011			2
August	2011	0	0	0
September	2011			2
October	2011			2
November	2011	1		1
December	2011	1		2
Sub Total		7	2	15
January	2012			
Sub Total		0	4	26
TOTAL		13	11	31
% of Total		24%	20%	56%
Total Number of Residents Leaving For Higher Level of Care in the past 24 months				13

Further evidence of the need for additional AL units by very low-income elderly and disabled households in the market area for Christian Care Cottonwood I is more particularly described in the Market Study prepared for this ALCP application by Brecht Associates, Inc. dated May 2012 and contained in Exhibit V (3).

The Arizona Department of Housing's Consolidated Plan 2010-2014, referenced in this exhibit is attached and overwhelmingly indicates the significant need for affordable assisted living facilities for low and very low income elders who are frail and at-risk in the greater Cottonwood area.

STATE OF ARIZONA

CONSOLIDATED PLAN 2010-2014

MAY 14, 2010

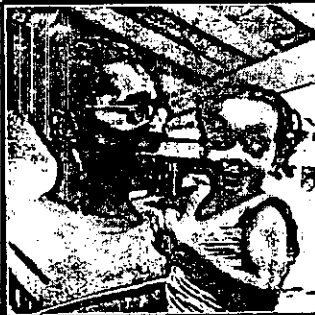


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EXECUTIVE SUMMARY

THE STATE OF THE STATE

On February 14, 2012, Arizona will celebrate 100 years as the 48th state in the Union, and as such is still a relatively new, undeveloped state in many respects. Today, Arizona produces a majority of the country's copper and become known for the manufacturing of electrical, aeronautical, and communications-based products. Much of the state also relies heavily on tourism as an industry. In the past decade or more, Arizona has experienced significant growth in residential construction to accommodate a growing population. As a result of the reliance on tourism and the building industry, the economic recession experienced nationwide has been especially felt in Arizona.

The State of Arizona experienced substantial changes in its population and economic conditions over this past decade, including:

- The State's population of 6,683,129 in 2009 was an increase of 30 percent since 2000. Population is expected to continue to grow, but not at the higher rates projected just a few years ago due to the economic downturn.
- Over two-thirds of the people live in urban areas. Five million people reside in the Phoenix and Tucson areas.
- Some areas are growing much faster than others. Pinal County's population grew by 98 percent since 2000, while Greenlee County grew by less than two percent.
- Youth age 19 and under made up 29 percent of the population, as of 2008.
- Seniors (age 65 and over) were 13 percent of the state's population in 2008. Of those over 60, the fastest growing age group is persons over 85 years. The senior group is projected to represent up to 14.3 percent of the population by 2014 – the last year of this Consolidated Plan, and as much as 20 percent by 2020.
- The recession has heavily impacted the state's primary job generation industries: tourism and construction. Unemployment in late 2009 rose to 9.1 percent and Arizona fell to 49th in job growth compared to other states.
- Unemployment in rural counties was higher than in urban areas, with some counties seeing rates in the high teens at the end of 2009.
- Arizona is racially and ethnically diverse. Hispanics/Latinos comprised in 2008 almost 30 percent of the state population, and a much higher percentage in some southern counties. Native Americans represented 4.1 percent of the population statewide, and up to 27 percent in the Northern Arizona Council of Governments region.

SUMMARY OF PRIMARY HOUSING NEEDS

Homeownership Affordability – The Community Needs Assessment provides data indicating that even with housing prices falling by up to 50 percent between 2006 and 2009, opportunities to purchase a home in Arizona remain out of reach for a significant percentage of low-income households, especially for very low-income households. In Arizona, more than half of low-income homeowners experienced some form of housing problem. While they represent a significant portion of Arizona's workforce, less than 30 percent of low-income households are homeowners.

EXECUTIVE SUMMARY

Foreclosures – As of early 2010, Arizona was second in the nation in home foreclosure levels. There were 120,855 area foreclosures as of January 2010 and 1 in every 126 housing units had received a foreclosure filing. The economic recession and housing crisis has severely impacted Arizonans, especially low-income households.

Rental Housing Affordability – The situation in 2010 for low-income renters is somewhat better than for owners. While over 54 percent of renters have problems with affording housing, the state has adequate rental housing and it is generally affordable to low-income households and above. However, Arizona generally lacks rental housing that is affordable to very low-income households. Securing safe, decent, and affordable rental housing for several special needs groups remains a challenge.

Seniors and Youth – As the state's middle-aged and senior populations grow older, senior housing, assisted care, long-term-care housing, and supportive services will be in demand to meet increasing senior needs. Similarly, as the state's youth population increases and ages, jobs at livable income and affordable starter homes will be needed.

Female-Headed Households – Roughly 40 percent of female-headed families with children live in poverty, a total of about 173,000 households. Single-parent households, including female-headed households, have special needs for housing and related support services, including day care, education, parenting help, recreation activities, and public transportation in close proximity to jobs and affordable housing.

Low-Income Households – Over 42 percent of Arizona residents were low-income in 2009. Households with low incomes, and especially those very low- and extremely low-income households have the most difficult time securing affordable housing in Arizona. Even considering the recent sharp decline in housing prices, homeownership is not affordable to many low-income households in the state. Some of reasons are lack of sufficient income, high rates of unemployment, insufficient credit, and lack of funds for down payments.

Special Needs Housing – Many special needs groups, particularly the elderly, persons with disabilities, and large families, have difficulty securing adequate and affordable housing in most counties served by ADOH. These populations also need additional social services, especially in rural areas. Other non-homeless special needs groups include persons with HIV/AIDS, persons with severe mental illness and persons suffering from substance abuse.

Homeless Persons – There remains a substantial need for a range of housing options and support services for people who are homeless and at risk of becoming homeless. The January 2009 statewide homeless count recorded over 14,000 homeless persons, over 6,000 of them unsheltered. The economic recession is placing an additional burden on the state's resources to provide housing and support services. Homeless persons and at risk homeless persons have a significant need for prevention services, emergency shelter, transitional housing, and permanent supportive housing.

Age of Housing Stock – Over a third of the existing housing stock in Arizona (more than half a million residential structures) is over thirty years old. A significant portion of those units suffer from deferred maintenance and upkeep and are in need of repair and rehabilitation in order to preserve and extend their useful life.

Lead-Based Paint Hazards – Lead-based paint in residential units can pose severe health risks to children. Arizona requires public health agencies to identify children at risk of lead poisoning and mandates that all children up to six years of age be evaluated. An estimated 111,000 low-income owner-occupied housing units and 121,000 low-income rental units may contain lead-based paint hazards.

EXECUTIVE SUMMARY

SUMMARY OF 2010-2014 ARIZONA STRATEGIC PLAN (PRIORITIES)

For the 2010-2014 Consolidated Plan period, ADOH determined several priorities, listed below, to guide funding decisions. Each of the priorities is equally important to ensuring quality of life for low-income households over the next five years.

HOUSING PRIORITIES

Priority 1: Expand the supply of affordable rental housing for very low-income and extremely low-income households. Emphasize projects that assist families, seniors, and persons with disabilities.

Priority 2: Preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock.

Priority 3: Expand homeownership opportunities for low-income homebuyers in areas of the state where median home prices are beyond the reach of low-income households.

Priority 4: Ensure that all households in the state have adequate access to fair housing resources.

HOMELESS PRIORITIES

Priority 5: Encourage a range of services to help people move from homelessness to permanent housing and maintain independent living.

Priority 6: Increase the number of transitional and permanent supportive housing units for the homeless.

Priority 7: Offer services and funding to help prevent people from becoming homeless.

SPECIAL NEEDS PRIORITIES

Priority 8: Increase and preserve the supply of affordable housing available to the elderly, disabled, and large families.

Priority 9: Improve housing accessibility and safety (existing and new).

COMMUNITY DEVELOPMENT PRIORITIES

Priority 10: Improve infrastructure and physical environments to promote sustainable and accessible communities.

Priority 11: Ensure a variety of public facilities are available to meet the recreational, human development, and service needs of low-income households and priority populations.

Priority 12: Encourage job training and employment opportunities.

EXECUTIVE SUMMARY

ADDITIONAL CONSOLIDATED PLAN INFORMATION

The 2010-2014 Consolidated Plan also includes detailed information about:

- Method of distributing funding to recipients
- Plan implementation by ADOH
- Actions to remove barriers to affordable housing
- Obstacles to meeting underserved needs
- Gaps in the delivery system and public housing
- Anti-poverty strategy
- Lead-based paint hazard reduction actions
- Institutional cooperation
- Governor's 2010 Planning Initiative, and
- ADOH's Monitoring Program

COMMENTS

The final version of the Consolidated Plan includes a summary of comments received during the public hearings and comment period, and ADOH's response to these comments. The public comment period was held from April 1, 2010 through April 30, 2010.

HUD APPROVAL

The Arizona 2010 – 2014 Consolidated Plan will be submitted to HUD prior to the deadline of May 15, 2010. It will include the HUD required signed certifications and federal application for assistance forms for each of the four HUD formula programs administered by ADOH. HUD has until the beginning of the program year on July 1, 2010, to comment on the Consolidated Plan.

Once the Consolidated Plan is approved by HUD, an official version will be available on the ADOH website at www.housingaz.com or upon request at:

Arizona Department of Housing
1110 W. Washington Street, Suite 310
Phoenix, AZ 85007
PHONE: 602.771.1000 **TTY:** 602.771.1001 **FAX:** 602.771.1002

I. INTRODUCTION

The Consolidated Plan is a five-year plan required by the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding. This section provides information on the contents of the Consolidated Plan, community involvement in the Plan, and a listing of resources used in the development of the Plan.

WHAT IS THE CONSOLIDATED PLAN?

The Consolidated Plan serves as a comprehensive strategy to address the needs of low-income residents of Arizona. The Plan contains two main components:

• **Community Needs Assessment.** This section describes in detail the needs of Arizona's low-income population over the next five years. Needs are determined through collection of demographic data such as the Census and the American Community Survey, and through consultations with social service agencies and the public.

- **Strategic Plan.** This section takes the information collected on needs and identifies priorities for the next five years. It also discusses what resources should be devoted to meeting priority needs, how those resources will be distributed, and goals for each type of proposed activity.

LEAD AGENCY

The Arizona Department of Housing (ADOH) is the lead agency overseeing the development and implementation of the Consolidated Plan. ADOH is a cabinet-level state agency, established in October 2002. ADOH works closely with the Arizona Housing Finance Authority. These two entities share a common goal of creating affordable housing in Arizona communities.

ADOH is responsible for the administration of the State's Community Development Block Grant (CDBG), HOME Investment Partnerships Program (referred to as "HOME"), and Housing Opportunities for Persons with AIDS (HOPWA) funding. The Arizona Department of Economic Security (DES) is responsible for Emergency Shelter Grant (ESG) funding. In addition, ADOH administers numerous other federal resources as well as the State Housing Trust Fund, which are discussed elsewhere in this document.

INCOME DEFINITIONS

Throughout the Consolidated Plan, there are many references to income levels. Income is the most important factor affecting a household's ability to access housing and services. For purposes of the Consolidated Plan, HUD defines income levels that are based on the area median income (AMI). The AMI is adjusted based on household size, but is commonly quoted for a four-person household. HUD updates income limits for each county annually. Refer to **Appendix A – Income Limits** for a full list of all Arizona counties' income limits for 2009.

HUD's income definitions differ by program. **Table 1** shows income definitions for CDBG, HOME, HOPWA, and the Section 8 Housing Choice Voucher Program (commonly referred to as "Section 8"). For the purposes of this Plan, the Section 8 definitions are used:

- Low-income refers to households earning at or below 80 percent of the AMI.
- Very low-income refers to households earning at or below 50 percent of the AMI.
- Extremely low-income refers to households earning at or below 30 percent of the AMI.

III. COMMUNITY NEEDS

BACKGROUND

The State of Arizona has a colorful history that includes diverse people, sweeping landscapes, and historic events that defined the Old West. For much of the 20th century, most of Arizona's economy and its communities revolved around mining and agriculture. On February 14, 2012, Arizona will celebrate 100 years as the 48th state in the Union, and as such is still a relatively new, undeveloped state in many respects.

Today, Arizona still produces a majority of the country's copper but has also become known for the manufacturing of electrical, aeronautical, and communications-based products. Much of the state also relies heavily on tourism as an industry. In the past decade or more, Arizona has experienced significant growth in residential construction to accommodate a growing population. As a result of the reliance on tourism and the building industry, the economic recession experienced nationwide has been especially felt in Arizona.

Over the last ten years, Arizona has experienced some dramatic changes. In 2009, the State's population was estimated to be just under 6.7 million people, an increase of more than 25 percent since 2000. More than three-quarters of the state's total population lives in urban areas. About 5 million people reside in the Phoenix and Tucson metropolitan areas. Arizona's growth is expected to continue, albeit at a much slower rate.

In early 2010, the unemployment rate hovered near 10 percent, Arizona led the nation at second in its foreclosure rate, and the heyday of the construction industry leading the state's economy is past. Arizona's state budget has suffered significantly with historic budget and service reductions. In the past two years alone, ADOH has contributed more than \$50 million in housing funds to assist with the state's General Fund budget deficit. Most significant of those losses is the permanent loss of funding to the state's Housing Trust Fund. The Housing Trust Fund was once funded at 55 percent of unclaimed property proceeds (which provided about \$30 million annually), but the fund has now been capped at \$10.5 million per year and could be further reduced if the economy does not improve. Arizona still continues to deal with housing and community development issues brought about by unprecedented growth since 2000, as well as emerging issues like high foreclosure rates.

DEMOGRAPHIC PROFILE

The demographic profile provides detailed information on the population, age, and racial/ethnic composition of the State of Arizona, as well as anticipated future changes. Information on employment trends is also included in this section.

STATEWIDE POPULATION

Arizona's population was estimated at 6,683,129, according to the Arizona Department of Commerce population estimates (July 2009). Arizona's population growth rate has varied widely with the economic cycle, but averaged growth of close to three percent per year. However, since 2006, Arizona's population growth has slowed to less than the average annual rate.

Arizona's total population is overwhelmingly situated in urban areas. About 81 percent of Arizona residents live in the Phoenix and Tucson metropolitan areas (ACS, 2006-2008).

POPULATION BY COUNTY

The greatest population change between 2000 and 2009 occurred in Pinal County, which had an increase in population of 98 percent. Six other counties saw population increases of greater than 20 percent during the

III. COMMUNITY NEEDS

same period (U.S. Census, Arizona Department of Commerce). Greenlee County had the smallest total population percentage change (1.6 percent).

Table 2 shows each county's population in 2000 and 2009, and the rate of growth between those two years.

Table 2
Population Change by County, 2000-2009

Area	2000 Population	2009 Population	Percentage Change
Arizona	5,130,632	6,683,129	30.3%
WACOG			
La Paz County	19,715	21,616	9.6%
Mohave County	155,032	206,763	33.4%
Yuma County	160,026	205,940	28.7%
WACOG Total	334,773	434,319	29.7%
MAG			
Maricopa County	3,072,149	4,023,331	31.0%
MAG Total	3,072,149	4,023,331	31.0%
NACOG			
Apache County	69,423	76,668	10.4%
Coconino County	116,320	136,735	17.6%
Navajo County	97,470	115,420	18.4%
Yavapai County	167,517	228,494	36.4%
NACOG Total	450,730	557,317	23.6%
CAAG			
Gila County	51,335	57,204	11.4%
Pinal County	179,727	356,303	98.2%
CAAG Total	231,062	413,507	79.0%
PAG			
Pima County	843,746	1,018,012	20.7%
PAG Total	843,746	1,018,012	20.7%
SEAGO			
Cochise County	117,755	140,263	19.1%
Graham County	33,489	39,792	18.8%
Greenlee County	8,547	8,688	1.6%
Santa Cruz County	38,381	47,900	24.8%
SEAGO Total	198,172	236,643	19.4%

Source: 2000: U.S. Census (SF3)

2009: Arizona Department of Commerce - Population Statistics Unit (Population Estimates for Arizona's Counties, Incorporated Places and Balance of County)

AGE

Age distribution is an important factor in predicting current and future housing and social service needs. Two primary populations of interest are youth (age 19 and under) and seniors (age 65 and older). These populations tend to have higher housing and social service needs than middle-aged adults.

III. COMMUNITY NEEDS

As of 2008, youth made up 29 percent of the state's population and seniors comprised 13 percent (ACS). Arizona's percentage share of each remained similar from 2000 to 2008. Please see Table 3 for 2000 and 2008 populations by age.

The largest segment of the state's population was middle-aged adults. The median age in Arizona was 34.2 in 2000, rose to 35.0 years in 2008, and is projected to be 36.2 by 2014 (U.S. Census, ACS, Environmental Systems Research Institute (ESRI)). This indicates an aging population.

By 2014, 15.3 percent of Arizona residents will be age 65 or older (ESRI). By 2020, an estimated 20 percent of Arizona's population will be over 60 years of age, compared to 17 percent in 2003. For those over the age of 60, the fastest-growing age group is persons over 85 years of age. (Arizona Department of Economic Security, Five-Year Strategic Plan, FY 2010-2014)

The 2000s saw a significant increase in population for many age groups, with a more than 50 percent increase in persons aged 55-59 and 85 and over. Because the percentage share of each age group remained relatively static, the growth in these populations can largely be attributed to the growth of Arizona's population overall.

Given the significant economic downturn of the last few years, projections of population trends may not be reliable at this time. However, it does seem evident that as the state's middle-aged and senior populations grow older, senior housing, assisted care, long-term-care housing, and supportive services will be in demand to meet increasing senior needs. Similarly, as the state's youth population increases and ages, there will need to be an emphasis on youth services and affordable starter homes.

Table 3
Population by Age, 2000-2008

Age	2000 Population	Percentage Share	2008 Population	Percentage Share	Percentage Change 2000 to 2008
Under 5	377,908	7.4%	500,031	7.9%	32.3%
5-9	394,937	7.7%	453,626	7.2%	14.8%
10-14	378,451	7.4%	447,354	7.1%	18.2%
15-19	360,694	7.0%	436,007	6.9%	20.8%
20-24	362,458	7.1%	424,896	6.7%	17.2%
25-34	739,977	14.4%	912,910	14.4%	23.3%
35-44	783,041	15.3%	863,838	13.6%	17.0%
45-54	626,685	12.2%	824,021	13.0%	31.4%
55-59	236,416	4.6%	355,325	5.6%	50.2%
60-64	202,458	3.9%	300,211	4.7%	48.2%
65-74	365,677	7.1%	423,403	6.7%	15.7%
75-84	234,025	4.6%	300,118	4.7%	28.2%
85+	67,905	1.3%	102,212	1.6%	50.5%
Total Population	5,130,632		6,343,952		

Source: 2000: US Census (SF3, Table P8)

2008: 2006-2008 American Community Survey (ACS)

Note: The 2008 population estimate is derived from the 2006-2008 ACS data, which is different from the 2009 Arizona Department of Commerce estimates used in Table 2.

III. COMMUNITY NEEDS

SENIOR POPULATION

Of Arizona's counties, Maricopa County had the highest number of seniors, primarily because Maricopa County was by far the largest county in the state. However, seniors represented a larger proportion of the population in other areas. The county with the highest proportion of seniors was La Paz County, where seniors make up 32 percent of its total population, followed by Yavapai County (22 percent) and Gila County (21 percent). Table 4 provides a breakdown of total senior population and percentage by county.

Counties with the highest proportion of seniors face an increased need for senior housing and social services.

Table 4
Senior Population by County

County	Total Population of Seniors	Percentage of Population
Apache	7,524	10.8%
Cochise	21,756	17.0%
Coconino	10,086	7.9%
Gila	11,158	21.5%
Graham	4,480	12.8%
Greenlee*	841	9.8%
La Paz	6,408	32.0%
Maricopa	433,127	11.2%
Mohave	41,122	21.1%
Navajo	13,123	11.8%
Pima	147,995	14.9%
Pinal	40,216	13.5%
Santa Cruz	5,355	12.6%
Yavapai	47,796	22.6%
Yuma	34,853	18.4%
ARIZONA	825,733	13.0%

Source: 2006-2008 American Community Survey (ACS)

Note: Data for Greenlee County was unavailable from ACS due to the county's population size of less than 20,000 persons; therefore the 2000 Census was used for this county.

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HOUSEHOLD PROFILE

The type, size, and composition of households can affect housing and service needs. A household is made up of all persons who occupy the housing unit. Occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Family households are those in which the householder is related to at least one other member of the household by birth, marriage, or adoption.

Across the state, most households comprise at least two people. The remaining households are non-family households of two or more persons or single-person households. In 2008, Arizona had 2,250,241 total households, and this is projected to increase to 2,744,881 households in 2014 (ACS, ESRI). In 2008, the average household size in Arizona was 2.77 persons (ACS).

- 27.2 percent (614,007) were single-person households, a 3 percent increase from 2000 to 2008.
- 72.7 percent (1,636,234) were two or more person households, a 3 percent decrease from 2000 to 2008. Of the total households with two or more persons:
 - 65.9 percent (1,483,518) were family households.
 - 34.0 percent (766,723) were non-family households.
- Of the 1,483,518 total households with two or more persons:
 - 74.6 percent are married-couple families. Of the married-couple families, 41.6 percent have children under age 18.
 - 25.3 percent are single-parent families (both male-headed and female-headed). From 2000 to 2008, there was a 2.9 percent increase in the number of single-parent households.
 - 58.8 percent (220,869) are single-parent families with children under age of 18.
 - The majority of the single-parent households are female.
 - Households with one or more persons 65 years and over make up 24.9 percent (560,537) of all households.
 - 35.7 percent are one-person households.
 - 64.2 percent are households made up of two or more persons.
 - Of all seniors, 7.2 percent are males living alone and 17 percent are females living alone.
 - A little more than two percent of seniors live in institutional settings (such as nursing homes).
 - About three percent of senior households (17,713) have one or more grandchild living with them for whom they are responsible.

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Female-Headed Households

- Single-parent households are likely to have special needs for housing. Some of the considerations for a single-parent household include the need to have day care, recreation activities, and access to public transportation in close proximity to housing. Generally, women earn less than men in comparable occupations and therefore may need additional assistance.
- Of Arizona's 376,200 single-parent households, 69.5 percent are female-headed households (ACS).
- About 40 percent of female-headed families with children live in poverty.

Housing and Social Service Needs

The household profile data shows that about one-quarter of family households are headed by a single-parent. Single-parent households tend to be lower-income than two-parent households. As a result, they are likely to encounter more difficulty affording housing, childcare, and other expenses, and may benefit from additional affordable housing opportunities and social service programs, including childcare.

The high percentage of female-headed households with children living in poverty suggests a need for additional resources for this particular population. Potential opportunities include job training or education, childcare assistance, food assistance, and affordable housing.

Seniors living alone also comprise a sizable population. As they age, they may benefit from supportive services that help them to stay in their homes. Seniors who live alone typically live on one income, and therefore may experience difficulty finding adequate affordable housing.

EDUCATION PROFILE

Education level plays a critical role in determining the income level of a household. Based on the 2006–2008 ACS data, the education level of residents 25 years or older was as follows:

- 24.4 percent of residents have attended some college but have no degree.
- 23.9 percent had obtained an associate or bachelor's degree.
- 9.2 percent had earned a master's, professional school, or doctorate degree.
- 26.1 percent earned a high school diploma or equivalent.
- 16.3 percent have a 12th grade education or less.

Educational attainment does not differ significantly between men and women.

EMPLOYMENT TRENDS

In September 2009, the U.S. Bureau of Labor Statistics issued a report of states with statistically significant employment changes from August 2008 to August 2009, as seasonally adjusted. Over that year, nonfarm employment decreased in 49 states. Overall, Arizona was one of the states that had the largest year-over-year percentage decreases (-7.4 percent). Arizona's unemployment rate during the same period increased from 5.9 percent to 9.1 percent. Job growth trends have not been positive: in 2006, Arizona was ranked second in the nation for job growth, in 2007 fell to 22nd, and in 2008 was ranked 47th. In 2009, Arizona fell to 49th in job growth compared to other states.

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RACE/ETHNICITY

Race and ethnicity play an important role in planning for housing and community development in the state. Different cultures may have different preferences that affect the type of housing needed. The racial/ethnic breakdown within regions may also affect the type of services that are needed.

Arizona has a diverse racial and ethnic population. Over one-quarter of the state's population (29.5 percent) is Hispanic or Latino, while the majority of Arizona's population is white (58.9 percent). The most significant non-white subgroups in Arizona are American Indian/Alaskan Native (4.1 percent), Black or African American (3.4 percent), and Asian (2.3 percent).

Table 9 shows the racial/ethnic breakdown for each COG and for the state. The information presented for each COG is its individual racial/ethnic breakdown and is not a percentage of the total state number.

Table 9
Race/Ethnicity for Arizona and by COG

Race/Ethnicity	Arizona		WACOG	MAG	NACOG	CAAG	PAG	SEAGO
	Number of Persons	Percentage Share	Percentage Share	Percentage Share	Percentage Share	Percentage Share	Percentage Share	Percentage Share
White	3,734,983	58.9%	60.4%	59.5%	58.8%	59.5%	57.5%	50.4%
Black or African American	213,996	3.4%	1.2%	4.1%	0.8%	2.9%	3.1%	2.9%
American Indian and Alaska Native	262,372	4.1%	1.7%	1.6%	26.9%	6.5%	2.5%	3.0%
Asian	145,208	2.3%	0.9%	2.8%	0.7%	1.2%	2.3%	1.2%
Native Hawaiian and Other Pacific Islander	8,940	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%
Some other race	10,615	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%
Two or more races	92,640	1.5%	1.9%	1.4%	1.5%	1.5%	1.6%	1.9%
Hispanic persons (all races)	1,871,654	29.5%	33.7%	30.3%	11.1%	27.9%	32.7%	40.4%
TOTAL	6,340,408	100%	404,304	3,862,036	519,271	350,809	994,244	209,744

Source: 2006-2008 American Community Survey (ACS).

Note: Data for Greenlee, Santa Cruz, and La Paz counties was unavailable from ACS and therefore 2000 Census data was used for these counties.

The majority of persons of Hispanic descent resided in the SEAGO region. Within that region, Santa Cruz County had the highest percentage of Hispanic persons, with 80.9 percent Hispanic persons. However, Cochise County had the highest number of Hispanic persons (40,165 Hispanic persons).

The majority of persons of African American or Black descent resided in the MAG (4.1 percent) and PAG (3.1 percent) regions.

The majority of persons of American Indian and Alaskan Native descent resided in the NACOG region (26.9 percent). Within that region, both the highest number and the highest proportion of American Indian and

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Alaskan Native persons resided in Apache County, with a total of 51,055 persons or 73.2 percent of the County population.

Geographic Concentrations of Racial and Ethnic Subpopulations

A racial or ethnic concentration is considered to exist when a racial or ethnic group's percentage in a certain area is greater than that of the group's overall population percentage in the community. For the State of Arizona, a high concentration is considered to exist when the group's population in an area is at least 10 percentage points higher than the group's percentage representation in the state as a whole. For a visible representation of racial and ethnic concentrations by county, refer to **Appendix G – Racial and Ethnic Concentration Maps**. A short summary of the conclusions for each County is presented in the Appendix.

Areas of highest minority concentrations were along Arizona's border with Mexico and on Arizona's 22 Native American reservations. Minorities other than Hispanics and Native Americans were rarely found to be concentrated.

LOW-INCOME HOUSEHOLDS

Most federally funded housing and community development programs are made available to eligible low-income households. Low-income as defined in this Plan means households with annual incomes at or below 80 percent of the area median income (AMI), adjusted for household size. Annually, HUD updates these income limits for each county in the nation (see Appendix A – Income Limits). Areas of the state that are primarily residential and consist of at least 51 percent low-income households are considered to be low-income areas.

Overall, 42.4 percent of Arizona's residents were estimated to be low-income in 2009. Almost 75 percent of the state's low-income residents lived in Maricopa and Pima counties, as shown in **Table 10**. However, the proportion of low-income persons in these counties is less than the state average. Apache, Mohave, and Pinal counties have the highest percentage of low-income residents, all above 51 percent. Greenlee and Yavapai counties have the lowest percentage of low-income residents. Data on low-income populations is available at the Maps in **Appendix H – Low-Income Area Maps** depict the areas in each county that have at least 51 percent low-income populations.

Table 10
Population in Low-Income Areas by County, 2009

County	Number	Percentage of Low-Income Persons in County	Percentage of State Total
Apache	39,655	58.2%	2.6%
Cochise	45,772	40.8%	1.6%
Coconino	49,540	43.8%	2.5%
Gila	21,091	41.8%	0.6%
Graham	13,876	45.9%	0.3%
Greenlee	3,058	35.9%	0.1%
La Paz	9,491	48.8%	0.2%
Maricopa	1,230,699	40.7%	58.4%
Mohave	86,521	56.2%	4.9%
Navajo	46,810	49.2%	2.2%

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County	Number	Percentage of Low-Income Persons in County	Percentage of State Total
Pima	344,743	42.0%	16.5%
Pinal	88,316	53.7%	4.9%
Santa Cruz	18,391	48.2%	0.8%
Yavapai	63,932	39.0%	1.4%
Yuma	64,567	41.9%	2.8%
ARIZONA	2,126,462		

Source: HUD, Low and Moderate Income Summary Data, 2009.

POVERTY LEVELS AMONGST RACIAL/ETHNIC GROUPS

According to the 2006-2008 American Community Survey 3-Year Estimates, 14.3 percent of Arizona residents earned a household income below the federal poverty level. Two racial/ethnic groups carried a disproportionately higher percentage of persons living below the poverty level when compared to the total population. According to the ACS data, approximately 22.8 percent of the Hispanic/Latino population is living in poverty. The second population group with a disproportionate percentage of persons living below the poverty level is American Indian and Alaskan Native group. Approximately 32.1 percent of American Indian and Alaskan Natives in Arizona are living with household incomes below the federal poverty level. Other racial groups that exceeded the state average for persons living in poverty are Black/African American at 20.2 percent and persons indicated as "Some Other Race," who have just under 21.0 percent of the population group living in poverty. The White and Asian population groups recorded a poverty rate of approximately 12.0 percent.

SPECIAL NEEDS POPULATIONS

Special needs populations may have difficulty finding housing or require specialized services to access housing and/or assistance to maintain their quality of life. Due to their circumstances, these population groups are statistically more likely to have low-incomes. Special needs groups recognized by the U.S. Department of Housing and Urban Development (HUD) include the elderly, frail elderly, persons with disabilities, large households, female-headed households, persons with substance abuse problems, persons experiencing homelessness, victims of domestic violence, and persons with HIV/AIDS.

ELDERLY AND FRAIL ELDERLY

There are many facilities throughout Arizona that offer supportive housing and services to elderly and frail elderly persons. These facilities can provide services that help meet the physical, mental and spiritual needs of adults 65 years or over. In addition to such supportive services, facilities can offer affordable housing opportunities to elderly persons who may or may not require additional services. The need for such housing opportunities and facilities providing services is growing Arizona's elderly resident population is one of the fastest growing sub-populations in the State.

- In 2008, Arizona had a total of 825,733 elderly residents (ages 65 and older), representing 13 percent of the total population (ACS). There was a high correlation between age and disability. The state's overall proportion of seniors with disabilities (frail elderly) was 39.7 percent. The percentage of seniors with a disability for individual counties was close to the statewide percentage (within 5 percentage points), except in Apache County where 63.0 percent of seniors were disabled, Greenlee County (52.3 percent), and Navajo County (50.2 percent).

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- Of all the disabilities tallied in the state in 2006 (the most recent year for which ACS disability data was available), elderly persons reported the following types of disabilities:
 - 16 percent had a sensory disability.
 - 29 percent had a physical disability.
 - 11 percent had a mental disability.
 - 9 percent had a self-care disability.
 - 6 percent had a go-outside-home disability.
- Elderly households made up a total of 494,795 (22 percent of all households). Of elderly households, 83.6 percent owned their homes and 16.3 percent rented, as of 2008 (ACS).
- About 8.4 percent of elderly persons live at or below the poverty level. Female seniors are somewhat more likely to suffer from poverty than male seniors.
- In September 2009, there were 1,932 licensed assisted living facilities and 138 licensed nursing and skilled nursing facilities in the state (Arizona Department of Health Services, Division of Licensing Services).
- Many elderly persons live on fixed incomes, such as Social Security or pensions, and may have difficulty affording housing. This is especially true for seniors below or near the poverty level. Additional housing and facilities are needed to meet the needs of low-income seniors.
- The percentage of elderly persons with a disability is high; more than one third of all seniors. Additionally, many disabled persons report more than one disability. The frail elderly are in need of supportive service programs to allow them to stay in their homes. They also need accessible housing resources, including rental housing and programs to assist them with making accessibility modifications to their homes.

PERSONS WITH DISABILITIES

Persons who live with physical, developmental or mental disabilities often need supportive housing and related services on a frequent or continuous basis. Within Arizona, there are numerous facilities and programs that help meet such needs by offering supportive services to persons living with disabilities. These facilities can offer specific supportive services and programs that deal with education, employment, housing, treatment and social interaction. Services offered by most of the facilities that work with persons with disabilities within Arizona are designed to help the individuals live life and develop to their fullest potential. Accessible services and facilities are growing in demand throughout the state as the number of individuals living with disabilities is on the rise.

- Of Arizona residents aged five years and older, 796,382 persons had a disability in 2006, the most recent year for which detailed disability data is available (ACS).
- Of Arizona's population, 14.2 percent reported one or more disabilities. Going-outside-home disabilities were the most common, followed by physical disabilities and employment disabilities. Below are the percentage of the state's population aged five years and older reporting various types of disabilities:

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HOUSING MARKET PROFILE

Arizona saw its housing market rapidly expand in the early to mid-2000s, then quickly decline between 2008 and 2010. As of 2010, housing permits in Arizona are down 92.3 percent, which is significantly higher than the national 75.3 percent decline in housing permits. Arizona's housing market has seen a significant amount of negative economic news recently, including a record number of foreclosures, a consumer credit crunch, households that are overextended with high debt, unemployment rates hovering around 9 percent, loss of home equity, and many homeowners "underwater" in their mortgages. Arizona is experiencing an extremely slow recovery in housing resells and new home sales. During the writing of this Plan, the housing market showed some signs of improvement. The University of Arizona, Eller College of Management reported an uptick in housing permits in the fourth quarter of 2009.

Although housing prices have declined in recent years, housing is still not affordable for many Arizona residents. Arizona's general economy and employment has declined significantly. Affordable housing continues to be a major need for low-income households. The following discussion identifies housing characteristics, trends, and needs across the state.

HOUSING TYPES IN ARIZONA

Detached single-family homes are the primary housing type throughout the state. The housing stock comprised 50 percent or more single-family homes in most areas of the state, with a low percentage of attached single-family homes and a higher percentage of mobile homes (see Table 13). La Paz County was the exception, with the lowest percentage of detached homes (37.3 percent), the lowest percentage of multifamily homes (3.3 percent), and the highest percentages of mobile homes (49.2 percent) and of buses, RVs, vans, etc. (8.7 percent). These percentages may indicate the presence of a higher proportion of potentially mobile households that likely comprise lower-income persons.

Table 13
Housing Types by County, 2008

	Detached	Attached	Multifamily (2-4 units)	Multifamily (5+ units)	Mobile Home	Other
State of Arizona	62.8%	5.2%	4.9%	15.5%	11.1%	0.5%
Apache	72.8%	1.3%	4.5%	0.7%	20.7%	0.0%
Cochise	63.5%	3.1%	3.4%	8.5%	20.4%	1.1%
Coconino	60.4%	4.6%	5.7%	13.4%	15.8%	0.1%
Gila	69.8%	0.7%	2.6%	2.6%	24.2%	0.2%
Graham	63.9%	0.6%	2.8%	5.2%	26.8%	0.7%
Greenlee*	66.8%	1.6%	2.6%	1.3%	26.1%	1.5%
La Paz*	37.3%	1.4%	0.8%	2.5%	49.2%	8.7%
Maricopa	64.4%	5.5%	5.2%	19.2%	5.4%	0.2%
Mohave	58.9%	2.4%	4.4%	5.9%	27.5%	0.9%
Navajo	68.7%	1.7%	3.7%	2.6%	22.7%	0.5%
Pima	58.4%	8.3%	4.7%	17.6%	10.8%	0.3%

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Cost Burden

According to HUD, a household which pays more than 30 percent of its gross household income on housing is defined as having a housing cost burden (overpayment). Households spending more than 50 percent of their gross income on housing are considered to have a severe cost burden. Overpayment is a concern for low-income households since they may be forced to live in overcrowded situations or have to cut other necessary expenditures, such as health care, in order to afford housing. The HUD definition of housing cost includes not only monthly rent and mortgage payments but an estimate of utility costs.

Table 24 provides a summary of housing problems among Arizona's owner households. Less than 19 percent of non-low-income households experienced any form of housing problem, while 49 percent of low-income, 61.4 percent of very low-income, and 84.9 percent of extremely-low income owner households experienced some form of housing problem. Only 2.5 percent of above-moderate income owner households experienced a cost burden of greater than 50 percent, while 62.2 percent of extremely-low income households experienced the same level of cost burden. These trends identify a growing need for programs, funding, and other supportive services to help low-income households address affordability and other housing problems.

Table 24
Summary Housing Problems for Owners, 2009

Income Category	Percentage Owner Households with Housing Problems		
	Cost Burden >30%	Cost Burden >50%	Any Housing Problem
Extremely low (\leq 30% AMI)	75.5%	62.2%	84.9%
Very low (>30-50% AMI)	54.5%	32.5%	61.4%
Low (>50-80% AMI)	43.1%	16.3%	49.2%
Moderate and above (>80% AMI)	16.6%	2.5%	18.9%
All households	27.6%	11.0%	31.2%

Source: HUD, 2009 CHAS Data

Foreclosure Activity

As of early 2010, Arizona is second in the nation in home foreclosure levels (RealtyTrac, February 2010). A four percent month-over-month increase in foreclosure activity boosted Arizona's foreclosure rate to second highest among the states in January. There were 120,855 area foreclosures as of January 2010 and 1 in every 126 housing units received a foreclosure filing (RealtyTrac, March 2010). Figure 2 depicts foreclosure actions filed for housing units by county with darker shading representing the highest rates of foreclosure. Maricopa, Mohave, and Pinal County have the highest foreclosure rate where up to 1 in 48 units are in the foreclosure process. Apache County and the northeastern part of Graham County have the lowest foreclosure rates.