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Governor



MICHAEL TRAILOR  
Director

**STATE OF ARIZONA  
DEPARTMENT OF HOUSING**

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April 12, 2012

Town of Prescott Valley  
Ruth Mayday  
7501 E. Civic Circle  
Prescott Valley, AZ 86314

RE: State Housing Fund  
OOHR  
Response Due By: May 11, 2012

Dear Ms. Mayday:

Congratulations! Your State Housing Fund application, submitted to the Arizona Department of Housing, has met the Owner Occupied Housing Rehab program thresholds and has been selected to receive a conditional reservation of State Housing Funds.

The reservation will be for a grant of \$300,000 HOME and \$30,000 HTF dollars. Detailed information regarding the reservation amounts and contingencies that must be addressed before a contract can be prepared are on the attached Homeownership Program Reservation and Contingency Form.

In order that we might finalize this commitment, we would appreciate your written acceptance or declination of this reservation no later than May 11, 2012. Your correspondence should also include a response to each item identified as an action in the Concerns and Action section of the attached information.

We look forward to working with you on this program. If you have any questions on your reservation, please feel free to contact me at (602) 771-1021 or [Kathy.blodgett@azhousing.gov](mailto:Kathy.blodgett@azhousing.gov).

Sincerely,

A handwritten signature in black ink that reads "Katherine E. Blodgett".

Katherine E. Blodgett  
Community Development and Revitalization Administrator

Cc: Toni Lombardozzi, Community Development and Revitalization Specialist

HOMEOWNERSHIP PROGRAM  
RESERVATION AND CONTINGENCY FORM  
STATE HOUSING FUND

*Program Reservation Details*

Town of Prescott Valley

Owner-Occupied Housing Rehabilitation Program

**Project Funds**

The State has reserved \$300,000 from State Housing Fund HOME dollars for project funding. Approved uses include: direct construction, Lead paint inspection/clearance, permits and fees, temporary relocation expenses if attributable to an individual unit and project specific administration.

**Administrative Funds**

The State has reserved \$30,000.00 from the Housing Trust Fund for general administration. Approved uses include: salaries, wages and ERE for positions identified in the application, professional services, travel, general office supplies, equipment maintenance and repair, rent and operating services.

*Contingency Issues*

**This reservation is contingent upon:**

- A. The program assisting 14 households throughout the Town of Prescott Valley, Arizona.
- B. Assistance is reserved for the following incomes:
  - a. 50% (7 households) for households at or below 50% of area median income.
  - b. 21% (3 households) for households at or below 60% of area median income.
  - c. 29% (4 households) for households at or below 80% of area median income.
- C. The program will serve the following priority populations:
  - a. 26% (4 households) for physically disabled persons;
  - b. 13% (2 households) families with children under the age of 18; and
  - c. 60% (9 households) elderly (62 years of age and older);
- D. All owner occupied housing rehabilitation activities must meet local code and the State rehabilitation guidelines.
- E. Maximum investment per unit is not to exceed \$45,000 and will include project specific administration for the unit.
- F. Satisfactory ERR completed prior to any expenditure of funds.
- G. All Manufactured housing units must meet the following
  - a. Placed on a permanent foundation (requires certification) and is connected to permanent utility hook-ups;
  - b. Is located on land that his held in fee-simple title, or long-term ground lease with a term of at least 99 years (50 yrs for tribal land); and
  - c. Meets the construction standards of 24 CFR 3280 if manufactured after June 15, 1976, or, meets applicable local and/or state codes if manufactured prior to June 15, 1976.
- H. Manufactured housing units must be permanently affixed to land owned by household and not in a leased mobile park.
- I. The award must be under contract and the program in operation within 6 months of the award reservation letter. Failure to proceed by this date will result in the State's recapture of this reservation.
- J. All work must be completed within 24 months of the contract award.

K. Acceptance of this award is certification that Recipient will adhere to the provisions of Title II of the National Affordable Housing Act of 1990, as amended (HOME Investment Partnerships Act) ("HOME") and A.R.S. § 41-3955 (State Housing Trust Fund) ("HTF").

*Concerns and/or Action Items*

During the review of the application, the Department has identified issues of concern. The concerns noted with an action strategy must be addressed and resolved prior to entering into contract.

N/A

Note: Please be advised that expenditures earmarked for reimbursement with State Housing Funds may NOT be legally encumbered until a contract is successfully executed and all of the action items identified above have been met.