

# Project Investment Justification

## Homeowner Assistance Fund (HAF) Financial Management System

### HD22001

#### Department of Housing

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# 1. GENERAL INFORMATION

**PIJ ID:** HD22001

**PIJ Name:** Homeowner Assistance Fund (HAF) Financial Management System

**Account:** Department of Housing

**Business Unit Requesting:** Executive

**Sponsor:** Cindy Stotler

**Sponsor Title:** Deputy Director

**Sponsor Email:** cindy.stotler@azhousing.gov

**Sponsor Phone:** (602) 771-1041

## 2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

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The Arizona Department of Housing (ADOH) is required to implement a Federal Homeowner Assistance Fund Program (HAF). The HAF was established under section 3206 of the American Rescue Plan Act of 2021 (the ARP). Administered by the US Department of the Treasury, the Program allocates \$9.9 billion to state and municipal governments to provide financial assistance and housing stability services to eligible households. Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF if they experienced a financial hardship after January 21, 2020 and have incomes equal to or less than 150% of the area median income. A HAF participant may provide HAF funds only to a homeowner with respect to qualified expenses related to the dwelling that is such homeowner's primary residence.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

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An automated application and payment process will streamline the Statewide implementation of the Homeowner Assistance Fund Program (HAF). The HAF was established to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

2.3 Describe the proposed solution to this business need.

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The Arizona Department of Housing (ADOH) seeks to utilize a SaaS Solution currently being utilized by the Department of Economic Security for the Emergency Rental Assistance Program (ERAP). The ERAP Solution provides an automated process by which eligible applicants impacted by the COVID-19 Pandemic may apply for and receive rental and utility assistance benefits. ADOH requires the same general functionality for homeowners, including the landing site, application process, identification process, document upload and storage, utility assistance, and electronic payments with a few modifications to accommodate mortgage assistance payments to mortgage servicers rather than landlords. The proposed solution will have a duration of not more than two years and will be reflected in the financial summary of the PIJ.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

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Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

### 3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

### 4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

The vendor shall provide one thru eight of the task order.

ADOH Responsibilities

Remain engaged throughout the duration of the Professional Services by actively participating, providing requested integration information, and otherwise completing its obligations as set forth in this SOW in a timely manner ("Cooperate").

ADOH Project Contacts:

- Cindy Stotler, Deputy Director – cindy.stotler@azhousing.gov
- Ruby Dhillon-Williams, Deputy Assistant Director – ruby.dhillon@azhousing.gov
- Chris Zygmunt, IT Manager – chris.zygmunt@azhousing.gov

Please task order for remaining items.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

No

4.5 Is this project referenced in your agency's Strategic IT Plan?

No

## 5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

Yes

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

7/26/2021 12:00:00 AM

10/1/2021 12:00:00 AM

5.3 How were the start and end dates determined?

Based on project plan

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Pre-application/eligibility form on the website - updated landing page.	07/16/21	07/20/21
Program implementation and configuration. Set to begin upon HAF plan approval by US Treasury (estimated two weeks after submission on 7/31/21).	07/16/21	09/01/21
Banking system and utility servicer integration. Set to begin upon HAF plan approval by US Treasury (estimated two weeks after submission on 7/31/21).	07/16/21	09/01/21

UAT	08/11/21	08/31/21
Final payment due - 30 days after go-live	10/01/21	10/01/21

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

## 6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

No

6.1a Have the identified conflicts been taken into account in the project plan?

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

No

6.4 Will the proposed solution result in a change to a public-facing application or system?

Yes

## 7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g. hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

No

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

No

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

Yes

## 8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

The project is using a statewide enterprise solution

8.2 Will the technology and all required services be acquired off existing State contract(s)?

Yes

8.3 Will any software be acquired through the current State value-added reseller contract?

No

8.3a Describe how the software was selected below:

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

No

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

Yes

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment,

e.g., upgrade to server needed before new COTS solution can be installed?

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No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

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8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

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No

8.11 Is this replacing an existing solution?

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No

8.11a Indicate below when the solution being replaced was originally acquired.

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8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

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8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

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Based on a similar platform used for ERAP, the Emergency Rental Assistance Program, the provider has determined what is necessary to successfully implement the HAF program for ADOH. This includes a successful launch of ERAP services for AZDES as well as other state HAF programs in development.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

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No

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

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Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

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8.15 Will the vendor need to configure the proposed solution for use by your agency?

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Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

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Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

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Yes

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future

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versions?

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No

8.16b Describe who will be customizing the solution below:

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The vendor chosen for customizing the solution is Speridian Technologies.

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

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Yes

8.16d Please select the application development methodology that will be used:

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Other

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

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Financial Assistance Management System (FAMS) must be customized as per US Treasury guidelines for use by Arizona citizens. The true amount of customization is unknown at this time as this is a new federal program.

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

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Yes

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at [aset.az.gov/resources/psp](http://aset.az.gov/resources/psp)?

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Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

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No

8.18a Please explain all unidentified high risk project issues below:

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## 9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

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Yes

9.1a Please select from the following vendor-hosted options:

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Commercial data center environment, e.g AWS, Azure

9.1b Describe the rationale for selecting the vendor-hosted option below:

The existing system offered by Speridian is already in use.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

Yes

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

Yes

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

- FAMS solution has multilayered security controls on each layer and components of the solution such as Infrastructure, Databases, Services, Applications, and Content
- Data is secured at rest and transit using native cloud technologies
- Financial data is encrypted in the database and transmitted to payment providers/gateways over a TLS secured data exchange.
- FAMS platform goes through quarterly penetration testing and all critical vulnerabilities are addressed.
- Application support team performs regular monitoring and patching of the solution to keep it secure and highly available.

## 10. AREAS OF IMPACT

### Application Systems

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#### Other

Joining existing platform deployment in use by AZDES.

### Database Systems

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#### Other

Financial Assistance Management System (FAMS)

### Software

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### Hardware

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### Hosted Solution (Cloud Implementation)

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#### Other

Financial Assistance Management System (FAMS)

### Security

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### Telecommunications

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### Enterprise Solutions

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Management Systems - Financial, Grants, Asset

### Contract Services/Procurements

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## 11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
ONE TIME FEE HAF Portal website development and launch - includes new/updated landing page and placeholder.	Professional & Outside Services	Development	1	1	\$10,000	\$10,000	860.00 %	\$860	\$10,860
ONE TIME FEE FAMS "Hypercare" support service for a period of 9 months - includes unlimited and expedited processing of Change Orders initiated by both program mandate or the agency. Support period to begin 9/1/21 through 5/30/22.	License & Maintenance Fees	Development	1	1	\$474,720	\$474,720	860.00 %	\$40,826	\$515,546
ONE TIME FEE FAMS License Fee for the duration of the program.	License & Maintenance Fees	Development	1	1	\$334,750	\$334,750	860.00 %	\$28,789	\$363,539
ONE TIME FEE FAMS Implementation Fee - Includes customization to accommodate requirements as set forth by the US Department of Treasury for the HAF program. Base product was used for the DES ERAP system, which is similar in functionality.	Professional & Outside Services	Development	1	1	\$576,000	\$576,000	860.00 %	\$49,536	\$625,536
ONE TIME FEE FAMS External System Integrations (up to 10 systems) - Includes all setup and configuration of external integrations with third-party vendors, such as financial institutions and utility providers.	Professional & Outside Services	Development	1	1	\$372,310	\$372,310	860.00 %	\$32,019	\$404,329
MONTHLY	License &	Development	1	1	\$258,000	\$258,000	860.00 %	\$22,188	\$280,188

RECURRING FEE FAMS 5x12 Hosting & Support - Includes all necessary hosting fees and customer support. Support period beginning 9/1/21 through July 2023 - May be extended based on duration of HAF program.	Maintenance Fees	ent							
MONTHLY RECURRING FEE FAMS 5x12 Hosting & Support - Includes all necessary hosting fees and customer support. Support period beginning 9/1/21 through July 2023 - May be extended based on duration of HAF program.	License & Maintenance Fees	Operational	2	1	\$258,000	\$258,000	860.00 %	\$22,188	\$280,188

<b>Base Budget (Available)</b>	<b>Base Budget (To Be Req)</b>	<b>Base Budget % of Project</b>
\$0	\$0	0%
<b>APF (Available)</b>	<b>APF (To Be Req)</b>	<b>APF % of Project</b>
\$0	\$0	0%
<b>Other Appropriated (Available)</b>	<b>Other Appropriated (To Be Req)</b>	<b>Other Appropriated % of Project</b>
\$0	\$0	0%
<b>Federal (Available)</b>	<b>Federal (To Be Req)</b>	<b>Federal % of Project</b>
\$5,000,000	\$0	100%
<b>Other Non-Appropriated (Available)</b>	<b>Other Non-Appropriated (To Be Req)</b>	<b>Other Non-Appropriated % of Project</b>
\$0	\$0	0%

<b>Total Budget Available</b>	<b>Total Development Cost</b>
\$5,000,000	\$2,199,997
<b>Total Budget To Be Req</b>	<b>Total Operational Cost</b>
\$0	\$280,188
<b>Total Budget</b>	<b>Total Cost</b>
\$5,000,000	\$2,480,185

## 12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be

specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

**Note:** The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

**Example:** Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

#### Performance Indicators

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As this is a new federal program, we are unable to predict the amount of assistance required for Arizona citizens. The agency expects to experience similar success to that of AZDES ERAP program. Key goals:

- Process applications timely
- Disburse all available funding

Per DES Dashboard, this system has these performance indicators:

As of 7/9/21, 4,357 applications were received, 1837 approved, and \$10.3M in assistance was disbursed.

## 13. CONDITIONS

#### Conditions for Approval

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Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on August 15, 2021.

## 14. OVERSIGHT SUMMARY

#### Project Background

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The Arizona Department of Housing (ADOH) vision is a state where individual lives are impacted by our commitment to providing the opportunity for people to live the life they love in their own home. To bring that vision to reality, we CONTINUOUSLY IMPROVE ways to create, finance, repair, community build and provide services. We produce progressive solutions which create strong, vibrant neighborhoods for citizens throughout Arizona.

(ADOH) is required to implement a Federal Homeowner Assistance Fund Program (HAF). The HAF was established under section 3206 of the American Rescue Plan Act of 2021 (the ARP). Administered by the US Department of the Treasury, the Program allocates \$9.9 billion to state and municipal governments to provide financial assistance and housing stability services to eligible households. Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF if they experienced a financial hardship after January 21, 2020 and have incomes equal to or less than 150% of the area median income. A HAF participant may provide HAF funds only to a homeowner

with respect to qualified expenses related to the dwelling that is such homeowner's primary residence.

The proposed solution addresses the stated problem. The proposed project aligns with the budget unit's Strategic IT Plan; and the proposed solution complies with statewide IT standards.

#### Business Justification

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The Arizona Department of Housing (ADOH) seeks to utilize a SaaS Solution currently being utilized by the Department of Economic Security for the Emergency Rental Assistance Program (ERAP). The ERAP Solution provides an automated process by which eligible applicants impacted by the COVID-19 Pandemic may apply for and receive rental and utility assistance benefits. ADOH requires the same general functionality for homeowners, including the landing site, application process, identification process, document upload and storage, utility assistance, and electronic payments with a few modifications to accommodate mortgage assistance payments to mortgage services rather than landlords. The proposed solution will have a duration of not more than two years and will be reflected in the financial summary of the PIJ. As this is a new federal program, we are unable to predict the amount of assistance required for Arizona citizens. The agency expects to experience similar success to that of AZDES ERAP program. Key goals:

- Process applications timely
- Disburse all available funding

Per DES Dashboard, this system has these performance indicators:

As of 7/9/21, 4,357 applications were received, 1837 approved, and \$10.3M in assistance was disbursed.

There is sufficient sponsorship and support by budget unit leadership, I spoke with the project sponsor as well as the project manager and the PIJ submitter.

#### Implementation Plan

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The vendor shall provide a technology solution that will enable ADOH to manage applications for: 1)mortgage payment assistance; 2)financial assistance to reinstate a mortgage or pay other costs associated with forbearance, delinquency, or default; 3)mortgage principal reduction; 4)mortgage interest rate reduction; 5)payment assistance for utilities, internet service, insurance, association fees, and down payment assistance loans; 6)payment assistance for delinquent property taxes; 7)payments for measures to prevent homelessness such as home repairs to maintain habitability of a home; 8)referrals for counseling or educational efforts or legal services to eligible Arizonans, including intake, case management and payments. The Partner will provide the implementation plan including a needs assessment, program implementation, bank and mortgage service integration, system configuration, training, outreach, and on-going maintenance and support services in relation to the Homeowner Assistance Fund (HAF). The solution will allow for completed applications to be automatically directed to the appropriate Community Action Agency or ADOH based on the property address.

Furthermore, this solution will adjudicate the application and issue payment directly to the loan service and/or utility company.

#### ADOH Responsibilities

Remain engaged throughout the duration of the Professional Services by actively participating, providing requested integration information, and otherwise completing its obligations as set forth in this SOW in a timely manner ("Cooperate").

#### ADOH Project Contacts:

- Cindy Stotler, Deputy Director – cindy.stotler@azhousing.gov
- Ruby Dhillon-Williams, Deputy Assistant Director – ruby.dhillon@azhousing.gov
- Chris Zygmunt, IT Manager – chris.zygmunt@azhousing.gov

Establish a communication and escalation plan including assigning appropriate resources who are knowledgeable about the technical and business aspects involved in the project including a dedicated Project Manager.

Provide access to any third-party services or software, as required.

Procure services or software and license rights necessary for the Partner Service to integrate to such services or software.

Provide complete and accurate data for integration with the Partner Service.

ASET believes that the business unit is competent to carry out the project successfully; and supported by sponsorship and budget unit leadership exists.

#### Vendor Selection

The existing system offered by Speridian is already in use. The Arizona Department of Housing (ADOH) Housing Assistance Fund (HAF) task order with Speridian.

While Speridian was awarded this task order, ADOH also held vendor demonstrations with the following suppliers for the HAF project:

- Speridian, • IEM, • ProLink, • Neighborly Software
- Speridian was selected as they are currently providing the platform for the Emergency Rental Assistance Program for DES and this will provide a timely implementation for the Housing Assistance Fund, as there is similar functionality in both projects. Having a singular platform for Arizonans seeking emergency assistance is beneficial.

#### Budget or Funding Considerations

The project development and implementation are accounted for in the following manner:

Base budget 42%:	= \$248,795.76
Federal 58%:	= \$338,852.10
Total Project:	\$587,647.88

ASET has confirmed the cost estimates provided are accurate.  
The budget unit is competent to carry out the project successfully.

## 15. PIJ REVIEW CHECKLIST

Agency Project Sponsor  
Cindy Stotler

Agency CIO (or Designee)  
Cindy Stotler

Agency ISO (or designee)  
Chris Zygmunt

OSP Representative

ASET Engagement Manager

ASET SPR Representative  
Thomas Considine

Agency SPO Representative

Agency CFO