



Arizona State Senate Issue Brief

November 10, 2022

Note to Reader:

The Senate Research Staff provides nonpartisan, objective legislative research, policy analysis and related assistance to the members of the Arizona State Senate. The *Issue Briefs* series is intended to introduce a reader to various legislatively related issues and provide useful resources to assist the reader in learning more on a given topic. Because of frequent legislative and executive activity, topics may undergo frequent changes. Nothing in the Brief should be used to draw conclusions on the legality of an issue.

ENERGY ASSISTANCE AND HOME REPAIR PROGRAMS

HOME REPAIRS AND EMERGENCY ASSISTANCE

Home Rehabilitation and Emergency Repairs

Home rehabilitation and repair programs assist homeowners with making necessary repairs to achieve compliance with local housing standards, as well as to improve the comfort and safety of the homes' occupants. Eligibility is based on income, number of persons in the household, home ownership and citizenship status. Programs vary by community based on the source of the funding.

The Arizona Department of Housing (ADOH) administers federal funding from Community Development Block Grants (CDBGs) authorized by the Housing and Community Development Act of 1974 and the HOME Investment Partnerships Program created by the National Affordable Housing Act of 1990.¹

CDBGs and the HOME Investment Partnership Program provide monies to programs administered by local governments and nonprofit organizations in rural Arizona for the rehabilitation of single-family structures, condominium units and certain manufactured housing units owned and occupied as primary residences by low-income homeowners. A manufactured housing unit is eligible if the unit: 1) will be placed on a permanent foundation; 2) is connected to permanent utility hook-ups; 3) is located on land held in fee-simple title or long-term ground lease with a term of at least 99 years, or 50 years for tribal land; and 4) meets certain construction standards or applicable local and state codes, depending on the date of manufacture. Housing rehabilitation may include roof replacement, electrical rewiring, painting, major plumbing repairs and replacement of doors and windows.

ADOH also administers CDBG funding for programs that provide emergency repair of properties owned and occupied as a primary residence by low-income homeowners. These funds may be used for basic emergency repairs when the housing unit has one or more hazardous conditions that threaten the health and safety of the

¹ [42 U.S.C. Ch. 69](#); [42 U.S.C. Ch. 130](#)

occupants and may include single purpose activities such as handicapped accessibility or lead-based paint removal. The cost to rectify the hazardous conditions may not be more than \$10,000 and the correction must result in a unit that is decent, safe and sanitary. Emergency repair funds may also be used when the owner and housing unit are on a waiting list to receive assistance through an owner-occupied housing rehabilitation program and correction of the hazardous conditions is necessary to avoid displacement of the occupants. Examples of emergency home repairs include smaller items such as patching of the roof, addition of a wheelchair ramp or an emergency electrical repair.²

Homes approved for rehabilitation must meet Arizona's home rehabilitation standards upon completion of work. The rehabilitation standards are intended for use in the inspection and evaluation of residential properties considered for rehabilitation, to determine whether rehabilitation is feasible and to serve as a minimum standard for improvement when rehabilitation will take place.³

Weatherization Assistance Program

The federal Weatherization Assistance Program (WAP) was established by the Energy Conservation and Production Act of 1976 to help decrease home energy costs for low-income families and to be attentive to energy-related health and safety issues in the home.⁴ WAP is a formula grant program flowing to state and territorial governments.

The ADOH WAP provides nonemergency energy conservation measures to lower the amount of energy needed to heat or cool an owner-occupied home and reduce the electric bill. More than 26,000 of Arizona's low-income households have been provided with weatherization assistance services since WAP's inception in 1977.⁵ Arizona's current annual program funding

allocation from the U.S. Department of Energy is approximately \$1.6 million.⁶ Energy conservation measures may include repairing or replacing windows and doors, shading sun-exposed windows, repairing heating and cooling units, providing attic insulation or installing low-flow showerheads and other general energy and water efficiency measures. Low-income homes are eligible for WAP once in a lifetime. A home must be structurally sound to qualify; other qualifications vary by location.

Short-Term Crisis Services

The Short-Term Crisis Services Program (STCS Program) is a state program administered by the Arizona Department of Economic Security (DES) that provides temporary assistance to low-income persons who have emergency needs that cannot be met immediately by their own income and resources to help stabilize an immediate financial crisis. The STCS Program provided services to 7,927 households in FY 2021.⁷ STCS Program services: 1) emergency assistance with rent or mortgage payments to avoid eviction or foreclosure and prevent homelessness; 2) emergency shelter; 3) utility payments and utility deposit assistance; 4) special needs that will help an individual secure or maintain employment; and 5) first month's rent or rental deposits in certain areas. Services are provided by community-based organizations, including community action agencies (CAAs) and homeless and domestic violence shelters, and are funded through federal, state and local government entities and local charitable and faith-based organizations.

To qualify for STCS Program assistance, an applicant must: 1) be an Arizona resident; 2) have a child under 18 years old who meets U.S. citizenship or qualified legal resident criteria; 3) meet certain crisis conditions, such as loss of income, a separation of the family that resulted from domestic violence where the applicant cannot return home, unforeseen circumstances

² [ADOH Emergency Repairs and Housing Rehabilitation](#)

³ [State Rehabilitation Standards CDBG & Home Handbook](#)

⁴ [42 U.S.C. Ch. 81](#)

⁵ [ADOH Weatherization Assistance Program](#)

⁶ [ADOH FY 2023 Operating Budget Request & Strategic Plan](#)

⁷ [FY 2023 Baseline Book: Department of Economic Security](#)

that increase expenditures or a condition that endangers the health and safety of the household; and 4) have a total gross household income not exceeding 125 percent of the 2022 federal poverty level, or \$34,687 for a household of four. Income can be slightly higher for households that include elderly individuals or individuals with disabilities. Services will not be provided to an applicant who has refused employment or training for employment in the 30 days before the application or who is receiving services from the Temporary Assistance for Needy Families Diversion Program. Applicants must be able to explain and provide proof of the cause of the emergency need for assistance, which is limited to once per year. Individuals must apply at a local CAA office or a homeless or domestic violence shelter. Emergency payments are made by providing vouchers directly to the vendor; applicants do not receive direct cash assistance through STCS.⁸

ENERGY ASSISTANCE PROGRAMS

Energy assistance programs, coordinated among federal and state governments and utility companies, are available to help low-income households meet their energy needs. DES subcontracts with community agencies to administer the Low-Income Home Energy Assistance Program (LIHEAP), the Utility Repair, Replacement and Deposit Program (UURD Program) and the Neighbors Helping Neighbors Fund Program (NHNF Program). These programs served 30,388 households with energy assistance payments in 2021.⁹

Low-Income Home Energy Assistance Program

LIHEAP is a combined heating and cooling federal assistance program designed to help qualified low-income individuals pay their utility bills.¹⁰ This federal block grant program is operated by CAAs and several community-based organizations.

LIHEAP benefits can be used to pay for the current month's electric or gas bill, a past-due bill, a utility deposit or late or reconnect fees. In some cases, assistance may be provided for water and sewer systems that are directly related to cooling systems in the summer months. LIHEAP monies may also be used for propane or wood used for home energy and for temporary emergency shelter when warranted by an energy-related crisis. If utility costs are included in an individual's rent payment, the portion of rent attributed to utility costs may be paid with LIHEAP benefits. The amount of assistance depends on factors such as household size, gross monthly income and energy burden. The average payment provides for one month of energy assistance.

To qualify for LIHEAP assistance, a household's total gross annual income may not exceed 60 percent of the state median income, or \$49,337 for a family of four in 2022. Priority for service is determined at the local agency level, with higher priority given to households with a higher energy burden relative to income, children under six years old, elderly individuals, individuals with disabilities, and with a greater number of household members and very low income. LIHEAP regular assistance may be received once a year but a LIHEAP supplemental payment may be issued if the applicant demonstrates a crisis reason and has a shut-off notice.¹¹

Utility Repair, Replacement and Deposit Program

The URRD Program was established by the Legislature in 1989 and is funded by unclaimed utility deposits.¹² On an annual basis, a utility must transmit all abandoned deposits to a qualified private nonprofit for assistance to eligible recipients in making utility deposits and owner repairs or replacement of utility-related

⁸ [A.R.S. Title 46, Ch. 2, Art. 2.1; DES Short-Term Crisis Services](#)

⁹ [FY 2023 Baseline Book: Department of Economic Security](#)

¹⁰ [42 U.S.C. Ch.. 94](#)

¹¹ [DES LIHEAP](#)

¹² [LIHEAP Clearinghouse](#)

appliances or systems.¹³ Assistance is limited to once in a 12-month period and may not exceed \$2,000 per fiscal year through local community agencies.¹⁴

Neighbors Helping Neighbors Fund Program

The NBNF Program was established by the Legislature in 1991 and is funded by contributions from income tax refunds and other donations and interest earnings. The purpose of the NBNF Program is to provide eligible recipients with assistance in paying utility bills, conserving energy and weatherization. Eligible recipients are individuals who have a household income at or below 125 percent of the United States Office of Management and Budget's (OMB) poverty level or individuals who are 60 years or older or persons with disabilities and who have a household income at or below 150 percent of the OMB's poverty level. NBNF Program monies are available to designated CAAs or other agencies providing energy assistance services to eligible individuals. Up to 2 percent of the monies may be used by DES, and up to 8 percent of the monies may be used by the designated agencies for administrative costs.¹⁵

Home Energy Assistance Fund Program

In a 2004 legal settlement between the State of Arizona and El Paso Natural Gas Company and its subsidiaries, approximately \$3 million was allocated for low-income energy assistance programs. DES entered into a contract with the Arizona Community Action Association, now Wildfire: Igniting Community Action to End Poverty in Arizona, in December 2006 to administer the settlement funds and implement the Home Energy Assistance Fund Program (HEAF Program).¹⁶ In addition to the seed money, HEAF Program funds are obtained from private donations and utility companies

participating in the fund.¹⁷ The monies are used exclusively for utility payments and utility repair and replacement assistance to eligible low-income customers throughout Arizona. Grant application intake and utility service counseling is conducted by community-based organizations. Applicants are required to provide proper identification, household income, recent utility bills and/or notices and other documentation. Further details regarding documents and intake processes are provided when appointments are scheduled.¹⁸

Utility Company Programs

Most utility companies provide customers who are having financial difficulties with services, such as payment plans, credit counselors or customer advocates to assist with billing problems. Although some companies require the customer to demonstrate a hardship in order to qualify. Utility companies also work with social service and government agencies that provide programs to help low-income customers with utility bills. For example, most of Arizona's major utilities offer monthly rate discounts to customers who have a combined yearly household income at or below 150 percent of the federal poverty level, which is \$41,625 for a family of four in 2022. Though program specifics vary by utility, most offer a declining block discount structure, with the customer receiving a smaller percentage discount as the monthly usage increases.

In addition to the general residential discount, some utilities offer similar discounts to qualified low income customers who require the use of life-sustaining medical equipment in their homes and low-income senior discount rates. Most utility companies also maintain a list of those customers with life threatening medical conditions requiring the use of life-sustaining electrical equipment. Special provisions may be made for these individuals, such as advance notification of power

¹³ [A.R.S. § 46-731](#)

¹⁴ [Wildfire: People's Information Guide](#)

¹⁵ [A.R.S. §§ 43-616 and 46-741](#)

¹⁶ [LIHEAP Clearinghouse](#)

¹⁷ [Wildfire: Energy Assistance](#)

¹⁸ [Wildfire – People's Information Guide](#)

outages. To be included on a list, the customer must provide the utility company with documentation of his or her condition by a licensed physician.

Finally, most utilities in Arizona allow customers to donate money, to provides a one-time payment to assist individuals and families who are either facing emergencies, unexpected financial situations or who meet certain age and income requirements. The Salvation Army selects the recipients and disburses the monies for the donation programs.

ADDITIONAL RESOURCES

- Wildfire: Igniting Community Action to End Poverty in Arizona
<https://wildfireaz.org/>
- Arizona Department of Housing, Home Rehabilitation and Emergency Repairs
<https://housing.az.gov/emergency-repairs-and-housing-rehabilitation>
- U.S. Department of Health and Human Services, LIHEAP Clearinghouse
<https://liheapch.acf.hhs.gov/>
- Arizona Public Service
<https://www.aps.com/en/Residential/Account/Assistance-Programs>
- Salt River Project
<https://www.srpnet.com/customer-service/residential-electric/limited-income-assistance-programs>
- Southwest Gas Corporation
<https://www.swgas.com/en/az-special-programs>
- Tucson Electric Power Company
<https://www.tep.com/payment-assistance>
- Unisource Energy Services
<https://www.uesaz.com/payment-assistance/>