

# AGENDA MATERIAL

DATE 8-17-20 ITEM NO. RA#17

## MEMORANDUM

**Date:** August 14, 2020

**To:** C.H. Huckelberry  
County Administrator

**From:** Daniel Tylutki  
Deputy Director

*DT*

Jan Leshner  
Chief Deputy County Administrator

Arnold Palacios  
Director

*A.P.*

**Via:** Francisco Garcia  
Deputy County Administrator

*FG*

**Re:** Additional Clarification, Annual Action Plan Amendment  
Board of Supervisors Meeting Agenda August 17, 2020, Item 17

### Purpose

To provide additional clarification re County COVID-19 funding priorities and CARES' CDBG-CV/ESG I/II funding recommendations scheduled for Board of Supervisor consideration August 17, 2020. Regrettably, due to the overwhelming, in-office, demand for community resources during the pandemic, pre-occupied department staff missed the opportunity to schedule and brief respective Board offices regarding these funding recommendations, as is standard practice. In addition, descriptive titles of agency programs were inadvertently left out of the recommendation list arguably creating unintended confusion. Nonetheless, despite the uncharacteristic communication lapse, for which the Deputy Director takes full responsibility, the Department's process to recommend HUD CDBG and ESG funding allocations remains a consistent, transparent and collaborative effort in direct partnership with local community stakeholders, County departments and jurisdictions.

The intent of this memorandum is to provide needed information and address any concerns from non-profit partners, in addition to, County policy and decision makers. In summary, the need to provide rental assistance, eviction prevention, and re-housing resources to COVID-19 impacted households has emerged as a top priority for CDBG-CV and ESG I/II funds nationwide. Specifically, recommendations to initially allocate significant CDBG-CV and ESG II funding directly to the Pima County Community Action Agency (CAA); and, Community Investment Corporation, Inc. (CIC), a local non-profit that will serve as a lead entity—with five (5) to eight (8) other outside agency housing providers—and fiscal agent to directly assist landlords and tenants in the eviction process. Finally, for many of the CDBG-CV applicants, their application served double duty effectively serving as a CARES application for other stimulus resources, including US Treasury Coronavirus Relief Funds (CRF).

### Background

On May 4, 2020, the Department made available CDBG-CV and ESG-CV I/II resources totaling \$4,938,289 to respondent agencies that best addressed the following COVID-19 related HUD priorities in response to the current public health crisis:

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### **CDBG-CV Funding Priorities**

1. Increase food security resources in County communities outside the City of Tucson.
2. Internet and computer access for school aged children and families in low- to moderate-income communities outside the City of Tucson.
3. Increase access to childcare including increasing staff capacity and implementing health and safety measures.
4. Small business grants or loans.
5. Rental and utility assistance.

### **ESG-CV I / II Funding Priorities**

1. Expand and renovate existing homeless shelters and facilities that assist special populations.
2. Re-housing recently homeless individuals and families currently residing in converted “isolation hotels” into safe and affordable rental housing.
3. Increase programmatic capacity and fiscal resources to deliver rental assistance.
4. Create an agency driven eviction prevention mitigation strategy to assist families negatively impacted by the pandemic.
5. Rapidly re-house recently evicted, pandemic impacted, families that are now newly homeless.

### **Discussion**

The Department conducted an application and HUD CARES funding technical assistance workshop for interested applicants. Respective funding priorities were clarified with over 45 participants in attendance on the virtual meeting. During this presentation, staff also indicated that agency submitted applications would be considered for both of HUD’s anticipated CARES CDBG-CV and ESG-CV funding “tranches” as anticipated for entitlement cities and counties including Pima County. In addition to CDBG-CV I and ESG-CV I, HUD has made available ESG-CV II likely in response to the national rent and eviction crisis. CDBG-CV II is still forthcoming. Pima County received a total of 52 applications and \$14,927,954 in requests.

### **CDBG-CV Funding Recommendations**

As with traditional CDBG, County ultimately prioritized CDBG-CV funds for pandemic related programs and projects in unincorporated Pima County, City of South Tucson, and the Towns of Oro Valley, Marana, and Sahuarita. (The City of Tucson is also a HUD entitlement jurisdiction and received its own allocation of CDBG-CV and ESG-CV I/II resources it prioritizes within city limits.) The majority of County CDBG-CV submitted agency applications where to address food security issues. Fortunately, in consultation with Grants Management & Innovation (GMI), and with the approval of County Administration, it was deemed appropriate to utilize CARES CRF to fund 10 CDBG-CV applicants including rural food pantries and agencies addressing the digital, internet, divide and totaling \$1,923,455 (Attachment A). An exception was Sahuarita Food Bank, which proposed an eligible, shovel-ready, community facility expansion to address increased demand in the County, i.e., most appropriate for CDBG-CV as a traditional construction and capital improvement resource. Agencies that best met the County CDBG-CV priorities include:

- ☐ Pio Decimo to increase personnel and operations to accommodate an anticipated increase in childcare and youth services primarily at South Tucson John Valenzuela Youth Center (JVYC).
- ☐ CIC to utilize their non-profit financing expertise to develop a small business grant program in stressed Pima County CDBG Community Development Target Areas.
- ☐ Friends of Robles Ranch to increase area capacity in response to the pandemic and complete an organizational transition from the Community Food Bank of Southern Arizona.
- ☐ Saint Luke's Home to competitively procure and install an Emergency Call System, similar to what is seen in hospital bathrooms, for its elder, quarantined, population which are currently using whistles.
- ☐ Pima County CAA to provide up to three (3) months rental assistance to COVID-19 impacted households identified at 80% or below Area Median Income (AMI).
- ☐ Department of Community & Workforce Development (CWD) administrative funds and County Indirect Cost Rate Policy.

As previously noted, many CDBG-CV applicants have been awarded other CARES funds. Others did not fully meet County priorities or later, unselfishly, indicated to staff to program available CDBG-CV funds to other responsive agencies.

### **ESG-CV I / II Funding Recommendations**

With respect to ESG-CV I/II funding recommendations, City of Tucson and Pima County homeless services and community development staff have been meeting weekly since March in a collaborative strategy to best deploy said resources and not duplicate efforts. In addition, HUD requires the local Continuum of Care, Tucson Planning Council for the Homeless, to be consulted regarding the allocation recommendations for ESG-CV I/II. At the onset of the pandemic, finding safe, temporary, housing conditions for homeless individuals was a priority. At that time, the City opted to use its allocation of various CARES funds, including ESG-CV I, to requisition hotels to house homeless individuals and families. The County, in turn, elected to utilize its ESG-CV I funds to contract with agencies to "Rapidly Rehouse" these households currently residing in the City funded "isolation hotels" into permanent rental housing. Through this collaborative process, Community Bridges Inc., and Our Family Services are recommended as the most responsive applicants to meet this need with County ESG-CV I funds. Additionally, Sister Jose's Women's Shelter is recommended for funding to expand services for that important, underserved, population. Finally, ESG-CV I funds will support CWD staff and the County's indirect cost recovery policy.

As previously noted, the need for rent and eviction resources for County landlords and renters is a priority. As such, significant ESG II funding is recommended to support the County Community Action Agency to provide multiple months of rental assistance to pandemic impacted households at 60% AMI. In concert, CIC is recommended ESG II funds to establish a non-profit partnership to directly assist families facing eviction; at risk of becoming, what is now termed, "newly homeless." CIC will serve as a fiscal agent effectively sub-contracting to known housing providers to assist newly homeless households with securing affordable rental housing including but not limited to: case management; temporary, "extended stay" lodging accommodations as necessary; security deposits; first and future month's rent; and, other eligible

relocation costs. CIC has currently serves in this single fiscal agent capacity to process City of Tucson and Pima County HUD HOME Investment Partnership Funds for its joint down-payment assistance to first time-homebuyers program.

In late May, staff initiated a call for interest to all Outside Agencies working in the housing non-profit community to vet the “single fiscal agent” model and received positive feedback from nearly 30 agencies. These agencies include many of the applicants for ESG-CV funds, that expressed support for a “single fiscal agent model” strategy to get funds disbursed in a timely and efficient manner. Said agencies would potentially sub-contract with CIC to reimburse for staff time and effort to broker new leasing agreements keeping families off the streets. CIC has already begun sub-contract negotiations with housing providers, and pursuant to Board consideration and approval, will look to contract with five to eight of the following agencies that have expressed interest, including, but not limited to:

Compass Affordable Housing	Southwest Fair Housing Council
Chicanos Por la Causa	Green Valley Assistance Services
Family Housing Resources	Step Up To Justice
Old Pueblo Community Services/Help Tucson	Interfaith Community Services
Pima County Community Land Trust	Catholic Community Services
Southern Arizona Legal Aid	Primavera Foundation
Pima County Community Land Trust	Our Family Services

### **Conclusion**

The effort to formulate and make available CDBG-CV and ESG-CV I/II funding recommendation for Board consideration continues to follow the same standard public and community process as traditional HUD entitlement funding. CWD staff continues to work collaboratively with its community partners to process and recommend programs in the best interest of County residents. As such, pursuant to Board approval, should any of the recommended internal or outside agencies not perform, funds will be recaptured and made available. Staff also anticipates issuing a new HUD CARES Community Planning Application for CDBG-CV II funds when available.

Attachment

c: Regina Kelly, Director, Grants Management & Innovation

**ATTACHMENT**

ATTACHMENT A

Pima County Community Development Block Grant Coronavirus Funds(CDBG-CV)

Location / Applicant	Program	Activity	District	CDBG-CV Request	CDBG-CV Recommendation	CRF Allocation
Administration of Resources and Choices	COVID19 Thriving in Place Program	ps	All	\$ 125,000	\$0 \$	-
Ajo - Center for Sustainable Agriculture	Ajo Covid-19 Emergency Food Relief Program	ps	3	\$ 175,670	\$0 \$	295,001
Ajo - Community Health Center; d.b.a. Desert Senita	Pharmacy Delivery Service Model (COVID-19)	pf	3	\$ 68,690	\$0 \$	-
Ajo - International Sonoran Desert Alliance	Making Community Cleanup more COVID-safe	ps	3	\$ 50,000	\$0 \$	-
Arivaca Helping Hearts	Helping Hearts Shelter	pf	3	\$ 50,000	\$0 \$	-
AZ Board of Regents, UA	Addressing the digital divide and improving health resiliency by bringing the U of A into to community	pf	All	\$ 215,756	\$0 \$	-
AZ Board of Regents, UA	Mobile Health Care for Residents At Risk for	pf	All	\$ 156,730	\$0 \$	-
Decimo Center	Children's Safety at JVYC	ps	All	\$ 159,019	\$159,019 \$	-
Chicanos Por La Causa	CPLC Pima County Small Business COVID-19 Emergency Relief & Recovery Program	ed	All	\$ 400,000	\$0 \$	-
Chicanos Por La Causa	CPLC Workforce Solutions	ps	All	\$ 100,000	\$0 \$	-
City of South Tucson	Food Pantry JVYC	ps	2	\$ 64,364	\$0 \$	70,874
Community Food Bank	COVID-19 Warehouse Upgrades	pf	All	\$ 85,000	\$0 \$	826,591
Community Home Repair of Southern	Safe at Home	ps	All	\$ 50,000	\$0 \$	-
Community Investment Corporation	COVID-19 Small Business Relief Fund	ed	All	\$ 1,000,000	\$250,000 \$	-
Greater Vail Community Resources	Greater Vail Community Resources Food Bank Upgrade	ps	4	\$ 60,000	\$0 \$	42,000
Flowing Wells School District	Flowing Wells Family Resource Center	ps	3	\$ 50,000	\$0 \$	50,000
Higher Ground a Resource Center	Restart S.M.A.R.T.	ps	2	\$ 180,000	\$0 \$	-
IMPACT of Southern Arizona	IMPACT Food Bank Bonus Distributions	ps	1	\$ 50,000	\$0 \$	140,640
Interfaith Community Services	Added sites for food distribution in response to COVID-19	ps	1	\$ 92,743	\$0 \$	92,743
Jewish Family & Children's Services	Shopping Assistance Program	ps	5	\$ 61,177	\$0 \$	72,132
Mobile Meals of Southern Arizona	Home-Delivered Meals for Isolated, Low-Income Seniors	ps	All	\$ 105,493	\$0 \$	133,474
Old Pueblo Community Services	Center for Housing First COVID-19 Response	pf	All	\$ 517,125	\$0 \$	-
Old Pueblo Community Services	Flower Street Apartments	pf	All	\$ 702,000	\$0 \$	-
Pima County CWD / Friends of Robles Ranch	Food Pantry & My Sisters Closet	ps	3	\$ 25,000	\$25,000	-
Pima County CWD	Administration	admin	All	\$ 349,619	\$314,658 \$	-
Pima County CWD	CAA Rental Assistance	ps	All	\$ 500,000	\$472,002 \$	-
Pima County CWD	Indirect Cost Recovery Policy	other	All	\$ 49,962	\$0 \$	-
Pima County CWD	Project Delivery	pf	All	\$ 400,000	\$0 \$	-
Portable Practical Educational Preparation	Amado Youth Center Covid Response	pf	3	\$ 75,000	\$0 \$	-
Sahuarita Food Bank	Sahuarita Food Bank COVID-19 Response	pf	4	\$ 940,000	\$502,420 \$	-
Sister Jose Womens Shelter	Shelter Conversion Project	pf	2	\$ 153,138	\$0 \$	-
St. Luke's Home	Prevention	pf	5	\$ 56,384	\$25,000 \$	-
Sunnyside Foundation	Sunnyside Foundation Resource Center	ps	2	\$ 200,000	\$0 \$	200,000
Three Points Fire District	Community be Safe	pf	3	\$ 15,000	\$0 \$	-
YWCA of Southern Arizona	Women's Business Center	ed	All	\$ 60,000	\$0 \$	-
<b>Total</b>				<b>\$ 7,342,870</b>	<b>\$1,748,099 \$</b>	<b>1,923,455</b>

HUD CDBG-CV Eligible Activity Abbreviations: admin = Administration; ps = Public Service; pf = Public Facility Improvement; ed = Economic Development

**Pinna County Emergency Solutions Grant Coronavirus Funds(ESG-CV I/II)**

Agency	Program	ESG Component	District	ESG-CV Request	ESG-CV I Recommendation	ESG-CV II Recommendation
Catholic Community Services dba Pio Decimo Center	Homeless Prevention	Emergency Shelter	All	\$ 125,848	\$0	\$0
Chicanos Por La Causa	CPLC Homeless Prevention	Emergency Shelter	All	\$ 77,636	\$0	\$0
Family Housing Resources	Covid-19 Rental Assistance (CERA) Program	Emergency Shelter	All	\$ 300,000	\$0	\$0
Family Housing Resources	Foreclosure Prevention & Relief Program	Emergency Shelter	All	\$ 382,100	\$0	\$0
Green Valley Assistance Services dba Valley Assistance Services	MAP-a-Plan COVID-19 Response	Emergency Shelter	4	\$ 80,000	\$0	\$0
Interfaith Community Services	Homeless Prevention Response to COVID-19	Emergency Shelter	1,4	\$ 129,580	\$0	\$0
International Rescue Committee	IRC Homeless Prevention COVID-19 Response	Emergency Shelter	All	\$ 200,000	\$0	\$0
Old Pueblo Community Services	Community COVID-19 Raid Response	Emergency Shelter	All	\$ 768,545	\$0	\$0
Our Family Services	ESG CV Homeless Prevention	Emergency Shelter	All	\$ 158,924	\$0	\$0
Pima County Community Land Trust	Emergency Counseling Services	Emergency Shelter	All	\$ 75,900	\$0	\$0
Sister Jose Women's Center (ESG Renovation)	Shelter Conversion Project	Emergency Shelter	2	\$ 153,138	\$137,152	\$0
Sister Jose Women's Center	SJWC Mitigation & Preparedness Plan	Emergency Shelter	2	\$ 161,520	\$0	\$0
Sunnyside Foundation	Sunnyside Emergency Relief Support	Emergency Shelter	2	\$ 50,000	\$0	\$0
Administration of Resources & Choices	ARC Rapid Rehousing Program	Homeless Prevention	All	\$ 140,000	\$0	\$0
Catholic Community Services dba Pio Decimo Center	Rapid Rehousing	Homeless Prevention	All	\$ 80,296	\$0	\$0
Community Bridges Inc	Pima County Covid19 Pandemic Eviction Prevention	Homeless Prevention	All	\$ 2,200,000	\$0	\$1,079,061
Our Family Services	ESG CV Rapid Rehousing	Rapid Rehousing	All	\$ 791,525	\$350,000	\$0
Old Pueblo Community Services	COVID-19 Support Services	Rapid Rehousing	All	\$ 80,913	\$325,000	\$0
The Salvation Army	Salvation Army	Rapid Rehousing	All	\$ 196,484	\$0	\$0
Community Investment Corporation	COVID-19 Staying Home Assistance	Homeless Prevention/Rapid Rehousing	All	\$ 73,305	\$0	\$0
Pima County CWD	Administration	Admin	All	\$ 1,287,000	\$0	\$1,000,000
Pima County CWD	Project Delivery	Other	All	\$ 89,000	\$80,324	\$205,621
Pima County	Indirect Cost Recovery Policy	Other	All	\$ 120,976	\$0	\$0
<b>Total</b>				<b>\$ 7,738,222</b>	<b>\$ 892,476</b>	<b>\$ 2,284,682</b>