

CITY OF TUCSON-PIMA COUNTY CONSORTIUM

2020-2024 HUD CONSOLIDATED PLAN CITIZEN SUMMARY



The City of Tucson Community Development Department works to preserve and enhance the assets of the community through housing assistance and human services.

The Pima County Community Development and Neighborhood Conservation Department works to create a more livable and viable county and to improve the quality of life for residents with emphasis on economically and socially disadvantaged communities.

What is the Consolidated Plan?

The Consolidated Plan is a document that serves as the City and County application for HUD Community Planning and Development resources. The Plan establishes 5-year goals and objectives for approximately \$68 million in HUD funding through the following programs:

- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnership Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

Each year, the City and County develop Annual Action Plans that describe how funds will be distributed and the annual allocations will be used. Planned activities are tied to the 5-year goals and objectives of the Consolidated Plan.

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| FY2020 Consolidated Plan Resources | | |
|------------------------------------|--------------------|--------------------|
| | City of Tucson | Pima County |
| CDBG | \$5,602,779 | \$2,971,606 |
| ESG | \$483,655 | \$258,818 |
| HOME Consortium | \$2,517,707 | \$1,032,359 |
| HOPWA | \$750,028 | n/a |
| Total | \$9,354,169 | \$4,262,783 |

Citizen Participation & Stakeholder Engagement

The City of Tucson and Pima County marketed an online resident survey to secure input on housing and community development priorities and needs. The survey was available in both English and Spanish and received 798 responses due to a concerted marketing effort consisting of radio ads and flyers posted in public places, including public facilities and bus shelters.

Nine Consolidated Plan forums were conducted over a three-day period and were also widely marketed through print, radio, and email to resident and neighborhood organizations. One forum was held during the evening hours and focused on neighborhood and community priorities and education about past and potential uses of Consolidated Plan funds. The forums were attended by 110 individuals. An online stakeholder survey was also conducted to identify priorities and solicit input into needs.

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COMMUNITY DEVELOPMENT BLOCK GRANT

Community Development Block Grant (CDBG) funds may be used for a variety of activities that meet the needs of low- and moderate-income residents, neighborhoods and communities. Eligible activities include public services, and capital improvements such as infrastructure, facilities, and housing. Many activities are targeted to vulnerable populations, such as people experiencing homelessness and people with disabilities. Each activity must meet a CDBG national objective.

The following goals reflect planned uses of CDBG funds for the year beginning July 1, 2020 and ending June 30, 2021. Activities are planned annually and both the City and County anticipate that CDBG resources will be used similarly in future Consolidated Plan years; however, not all activities will be undertaken each year.

FY2020 City of Tucson CDBG Funding and Goals

The City of Tucson will combine 15% of CDBG resources with City human services funding to provide services to vulnerable City residents. The City will then utilize remaining CDBG funds to improve owner and renter housing and to develop and improve facilities and infrastructure. The City will dedicate 40% of community facilities and infrastructure funding to the CDBG target area, which has the largest proportion of low- and-moderate income residents.

- \$1,230,000 for non-housing community facilities and infrastructure to benefit 10,000 people, expending at least 40% in the City's CDBG target area.
- \$300,000 for housing facilities and infrastructure in support of housing to benefit 20 households.
- \$210,000 to clear sites and demolish 6 substandard buildings.
- \$840,417 for human and public services to benefit 1,500 people.
- \$1,401,806 for rental housing acquisition and rehabilitation to benefit 52 low-and-moderate income renters.
- \$500,000 for owner housing rehabilitation to benefit 101 low-and-moderate income homeowners.
- \$100,000 for façade improvements to benefit 5 businesses that employ low-and-moderate income people.
- \$1,220,556 for CDBG program administration and fair housing activities.

FY2020 Pima County CDBG Funding and Goals

Pima County annually holds meetings with incorporated and unincorporated communities outside the City of Tucson to assist them in identifying eligible activities that meet their needs. Many of these communities are Community Development Target Areas, where at least 51% of residents are low-and-moderate income. Communities then submit applications to the County for CDBG funding.

- \$1,077,825 for non-housing community facilities and infrastructure to benefit 100,000 people.
- \$200,000 for housing facilities and improvements to benefit 25 households.
- \$40,000 to clear sites and demolish 2 substandard buildings.
- \$30,000 for housing code enforcement.
- \$440,000 for human and public services to benefit 20,000 people.
- \$700,000 for owner housing rehabilitation to benefit 90 low-and-moderate income homeowners.
- \$50,000 for a debt service reserve to assist businesses that employ low-and-moderate income people, and for nonprofit organization capacity building.
- \$594,321 for CDBG program administration and fair housing activities.

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HOME INVESTMENT PARTNERSHIP PROGRAM

The City of Tucson and Pima County created a HOME Consortium to utilize HOME Investment Partnership Program (HOME) funds to assist LMI owners and renters through new construction of housing, acquisition and/or rehabilitation of housing, tenant-based rental assistance, and homeownership assistance. 15% of HOME funds are set aside for development activities carried out by specially-formed nonprofit organizations called Community Housing Development Organizations (CHDO). The City of Tucson is the lead agency for the Consortium. Approximately 71% of HOME funds are set-aside for eligible activities in the City and 29% for activities in Pima County outside the City of Tucson.

Nonprofit and for-profit developers, including CHDOs, may apply to the City and County for funding to support the development of rental and homeowner housing. When the City or County invests in the development of rental and homeowner housing it must follow HUD rules to ensure it invests only the amount of HOME funds needed to make housing affordable.

The following goals reflect planned uses of HOME funds for the year beginning July 1, 2020 and ending June 30, 2021. Activities are planned annually and both the City and County anticipate that HOME resources will be used similarly in future Consolidated Plan years; however, not all activities will be undertaken each year. HOME funds significantly leverage other funding and goals reflect only those units that are directly funded using HOME resources.

FY2020 City of Tucson HOME Funding and Goals

The City of Tucson will utilize HOME funds to provide rent, security and utility deposits, to assist first-time homebuyers and to acquire, rehabilitate or develop affordable rental housing.

- \$1,754,165 for rental housing, including:
 - Acquisition and/or rehabilitation of 40 housing units;
 - New construction of 25 housing units; and
 - Rent, security and utility deposits for 60 households.
- \$260,000 for owner housing, including:
 - First-time homebuyer assistance for 25 households; and
 - New construction or acquisition, rehabilitation and resale for 10 first-time homebuyers.
- \$503,541 for HOME program administration.

FY2020 Pima County HOME Funding and Goals

Pima County will utilize HOME funds to provide tenant-based rental assistance to renters on the path towards independence, to assist first-time homebuyers, to perform major rehabilitation of owner housing units, and to rehabilitate or develop affordable rental housing.

- \$521,887 for rental housing, including:
 - Acquisition and/or rehabilitation of 2 housing units;
 - New construction of 5 housing units; and
 - Monthly rental assistance for 5 households.
- \$304,000 for owner housing, including:
 - First-time homebuyer assistance for 12 households;
 - New construction or acquisition, rehabilitation and resale for 5 first-time homebuyers; and
 - Substantial rehabilitation or replacement of 1 owner housing unit.
- \$206,472 for HOME program administration.

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EMERGENCY SOLUTIONS GRANT AND HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Emergency Solutions Grant

The Emergency Solutions Grant (ESG) program provides funding to: 1) engage homeless individuals and families living on the street; 2) improve the number and quality of emergency shelters; 3) help operate shelters; 4) provide essential services to shelter residents; 5) rapidly re-house individuals and families experiencing homelessness; and 6) prevent families and individuals from becoming homeless.

ESG funding is awarded on a competitive basis to nonprofit organizations. The City of Tucson and Pima County jointly make some funding allocations. Members of the allocation committee are selected for their knowledge of services and participation in the Continuum of Care. Every effort is made to involve in the process a person who is currently experiencing homelessness or formerly experienced homelessness.

The following goals reflect planned uses of ESG and HOPWA funds for the year beginning July 1, 2020 and ending June 30, 2021. Activities are planned annually and both the City and County anticipate that ESG resources will be used similarly in future Consolidated Plan years; however, not all activities will be undertaken each year. ESG funds significantly leverage other funding and goals reflect only those units that are directly funded using ESG resources.

FY2020 City of Tucson ESG Goals

- Provide ESG funding to nonprofit organizations to:
 - Prevent homelessness for 20 households;
 - Perform street outreach and provide services to 100 people;
 - Provide move-in and monthly rental assistance for 100 households;
 - Provide operating support for emergency and transitional shelter to benefit 250 people.
- Utilize not more than 7.5% of ESG funding for program administration.

FY2020 Pima County ESG Goals

- Provide ESG funding to nonprofit organizations to:
 - Prevent homelessness for 60 households;
 - Perform street outreach and provide services to 50 people;
 - Provide move-in and monthly rental assistance for 10 households;
 - Provide operating support for emergency and transitional shelter to benefit 100 people.
- Utilize not more than 7.5% of ESG funding for program administration.

City of Tucson Housing Opportunities for Persons with AIDS

The Housing Opportunities for Persons with AIDS (HOPWA) program funds housing assistance and support services for low-income persons with HIV/AIDS and their families. HOPWA funds are administered by the Southern Arizona AIDS Foundation.

FY2020 HOPWA Goals

The Southern Arizona AIDS Foundation will utilize HOPWA funding to provide:

- Short-term rent, mortgage and utility assistance, permanent housing placement services, support services and emergency shelter services for 200 households; and
- Move-in and monthly rental assistance to 40 households.

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LEVERAGING CONSOLIDATED PLAN RESOURCES

Both the City of Tucson and Pima County and their project partners utilize other resources to maximize the benefit of Consolidated Plan funding. These leverage resources may come from other federal agencies, from state agencies and from local sources. Resources leveraged by the City and County include:

- Approximately \$9.2 million annually of Continuum of Care funding for emergency and transitional housing, permanent housing placement, essential services, rapid rehousing (rental assistance), and permanent housing in facilities.
- Section 8 Housing Choice Vouchers and Veterans Affairs Supportive Housing Vouchers from HUD for rent subsidies to low-income households and Veterans experiencing homelessness. The City of Tucson PHA manages 4,578 Vouchers, including 877 for Pima County.
- Public Housing Capital and Operating funds from HUD for the development, financing and modernization of public housing developments, and administration of public housing developments.
- Lead-Based Paint Hazard Control Program funds that serve low to very-low income families with children under six years of age residing in or frequenting housing built prior to 1978, including \$3.9 million for the City of Tucson and \$1.7 million for Pima County.
- FEMA Emergency Food & Shelter Program (EFSP) funding of approximately \$490,000 to Pima County to help nonprofit and local government agencies feed the hungry, shelter people experiencing homelessness, and prevent hunger and homelessness for people facing non-disaster emergencies.
- Approximately \$700,000 of Pima County Neighborhood Stabilization Program 2 (NSP2) Program Income for acquisition and rehabilitation, down-payment assistance, demolition and land-banking, and redevelopment of vacant land.
- EPA Brownfields Program to assess, safely clean up and sustainably reuse sites that are difficult to expand, redevelop or reuse due to the presence or potential presence of a hazardous substance, pollutant, or contaminant.
- Housing Opportunities for People with AIDS – Competitive (HOPWA-C) from HUD to Pima County to provide a continuum of care for people who are low-income and HIV positive.
- Approximately \$1.3 million of City of Tucson General Fund Human Services funding for services for low-income and particularly-vulnerable populations. Funds are granted to agencies through a competitive Request for Proposals process.
- Approximately \$3.9 million of Outside Agency Program resources funded by the Pima County General Fund for nonprofit agencies that provide overarching services, emergency food and clothing, senior support, services for vulnerable and at-risk children, youth and families, temporary shelter, support services, and homelessness prevention programs.
- Low-income Housing Tax Credit funding from the Arizona Department of Housing (ADOH) for financing for developers of affordable rental housing serving households with income below 60% of the area median income, on a competitive basis. The LIHTC program has financed the development of over 5,000 affordable rental units in Pima County.
- Homelessness prevention funding from the ADOH targeted to preventing eviction and maintaining housing stability.
- Emergency Shelter Grant resources from the Arizona Department of Economic Security.
- HOME and National Housing Trust funds from the ADOH for rental housing development, on a competitive basis
- Federal Home Loan Bank resources that support savings for homeownership and provide financing for affordable housing development and preservation.
- HOME matching funds from the City and County General Fund, project partners, and private resources, including sweat equity, third-party in-kind contributions, and below-market interest rate financing.
- ESG matching funds from allowable costs incurred by sub-grantees, cash donations, and the value of third-party in-kind contributions.

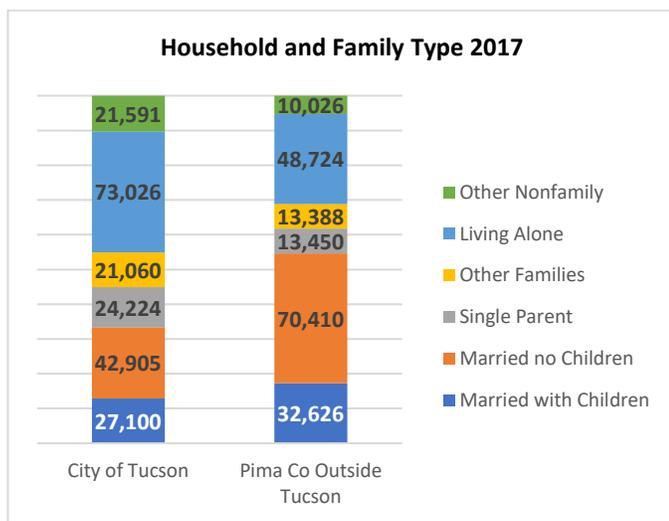
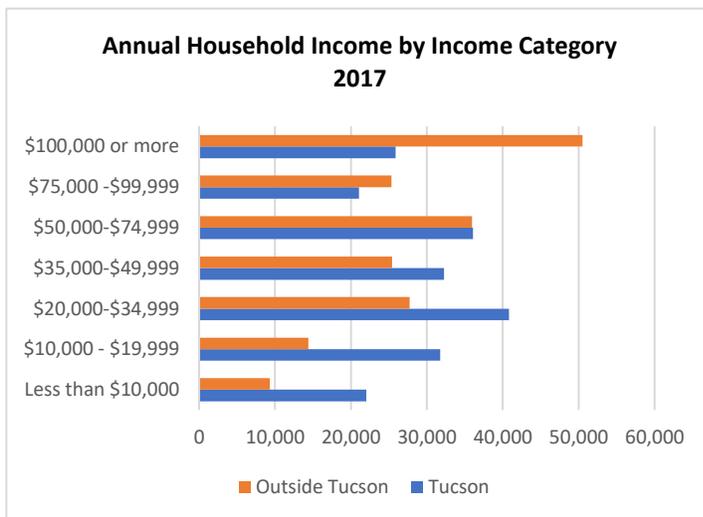
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SOCIO-ECONOMIC PROFILE

Consolidated Plan resources must be used to benefit low-and-moderate income households. Low-and-moderate income households have annual income less than 80% of the County median income determined by HUD annually.

- In 2015, there were 162,360 low-and-moderate income households in Pima County, including 104,950 in the City of Tucson.
- 31,335 Pima County households have annual incomes less than \$10,000, including 22,037 in the City of Tucson.
- An additional 46,163 Pima County households have annual income between \$10,000 and \$20,000, including 31,761 in the City of Tucson.

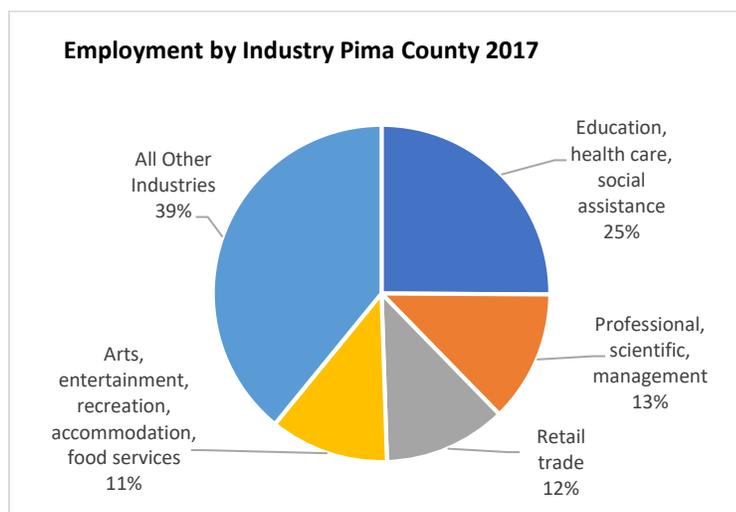


The City of Tucson and the surrounding areas in Pima County are similar in population, number of housing units, and total number of households yet very different in their makeup.

The population outside Tucson is generally older, more educated, and more affluent when compared to Tucson. Pima County outside Tucson has a higher rate of family households and married-couple families.

The population in Tucson is generally younger and more likely to live in nonfamily households (single people, unrelated people living together). The higher rate of younger families, single-parent families and single-person households in Tucson is also reflected in lower household income.

Nearly one-quarter (23%) of Pima County’s employed residents are employed in the retail trade, arts, entertainment, recreation, accommodation and food service industries. These industries often have lower-incomes, with people working in service industries having a median annual income of \$17,729. Unpredictable work schedules and hours that vary from week to week can make it challenging for low-income individuals to arrange childcare, plan and stick to a monthly budget, and attain housing stability.



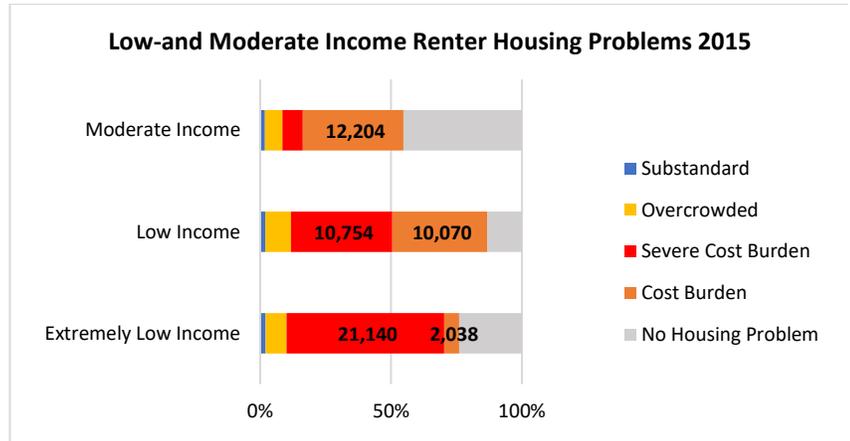
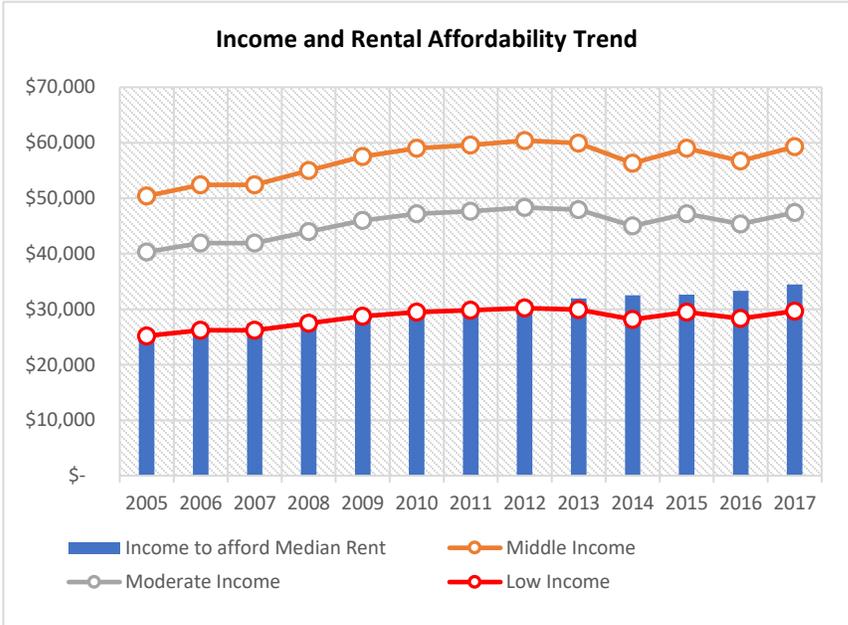
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THE HOUSING MARKET

From 2009 to 2017, rents increased 12% in Pima County, with the greatest increase from 2015 to 2017. In 2017 the median gross rent in Pima County was \$719 and in Tucson was \$676.

To afford the median Pima County rent, a household must have annual income of at least \$28,760 or one earner earning \$13.83/hour working full-time.

To afford the median City of Tucson rent, a household must have annual income of at least \$27,040 or one earner earning \$13.00/hour working full-time.



Severe housing cost burden, or paying more than 50% of household income for rent and utilities is the most common housing problem of Pima County renters.

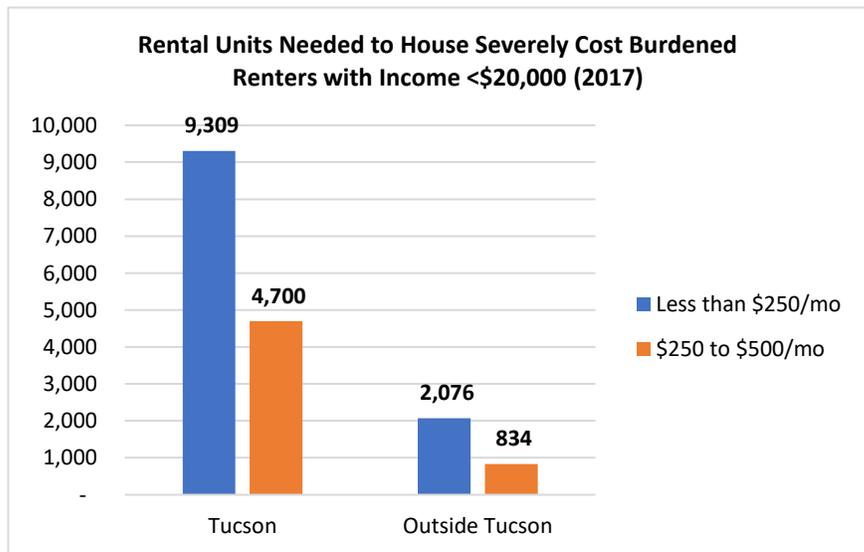
In 2015, 58,600 Pima County renters were housing cost burdened, including:

- 34,300 renters paying more than 50% of income for rent and utilities; and
- 24,300 renters paying more than 30% of income for rent and utilities.

Increasing rents have made it particularly challenging for people with income less than \$20,000 to find and maintain affordable rental housing.

17,369 rental units are needed to affordably house *severely cost burdened renters*, including 14,009 units in the City of Tucson and 2,910 outside the City of Tucson.

To be affordable, 11,835 units must rent for less than \$250/month and 5,534 for between \$250 and \$500/month. Of the units needed with rent less than \$250/month, 9,309 are needed in Tucson.

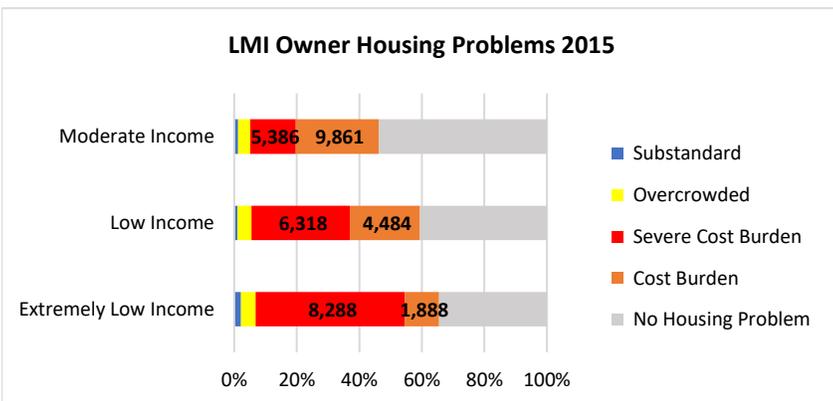
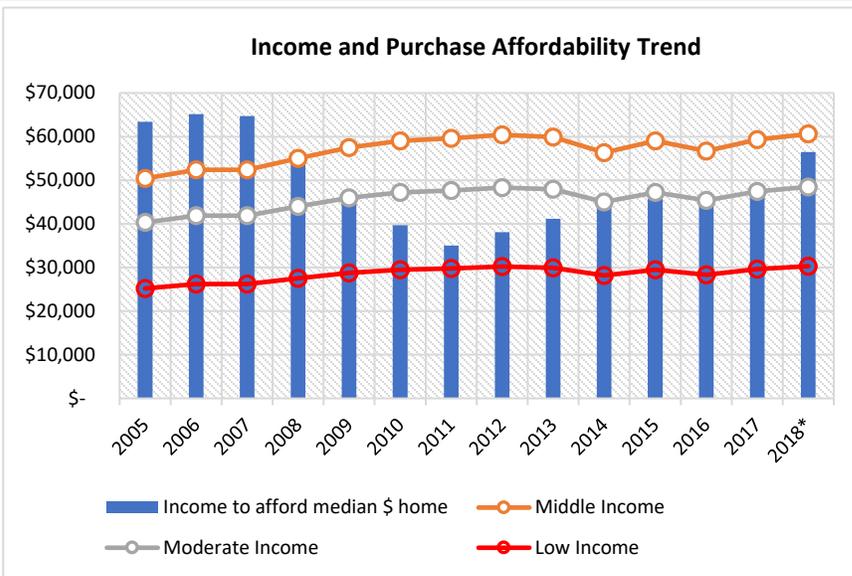


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THE HOUSING MARKET

From 2015 to 2017, median home values increased 23.1% in Pima County to \$196,600, and 29.4% in the City of Tucson to \$169,900. During the same period, median household income increased 5.4%.

A low-and-moderate income household can generally afford to purchase a home priced for less than \$135,000. An estimated 7,500 affordable homeownership units are needed to provide first-time purchase opportunities for low-and-moderate income households.



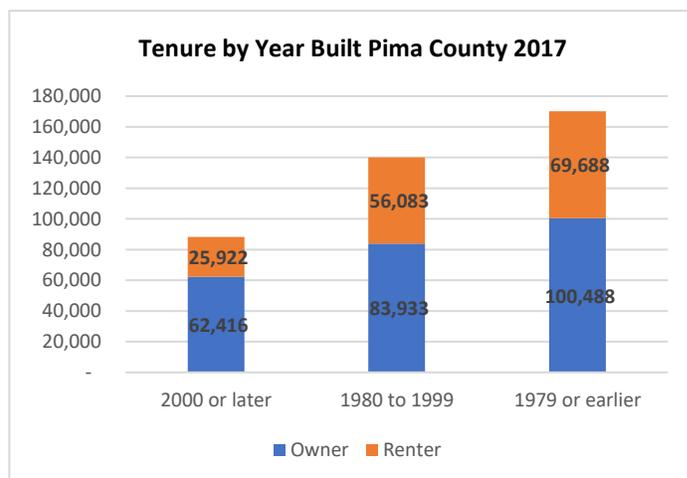
Severe housing cost burden, or paying more than 50% of household income for rent and utilities is the most common housing problem of Pima County renters.

In 2015, 36,300 Pima County owners were housing cost burdened, including:

- 20,000 owners paying more than 50% of income for housing; and
- 16,300 owners paying more than 30% of income for housing.

The age of the housing stock is one indicator of housing quality. Older housing units may be less energy efficient, resulting in higher utility costs for occupants, and some materials such as lead paint (in units built prior to 1978) and asbestos may represent health hazards to occupants. Forty-three percent (43%) of housing units in Pima County are 40 years old or older, and 70% of these units are in Tucson.

Housing units built since 2000 are more likely to be owner occupied. Nearly half of Pima County renters occupy housing built before 1980. Rehabilitation of older housing units is an important community sustainability strategy.



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VULNERABLE POPULATIONS

Homelessness in Pima County

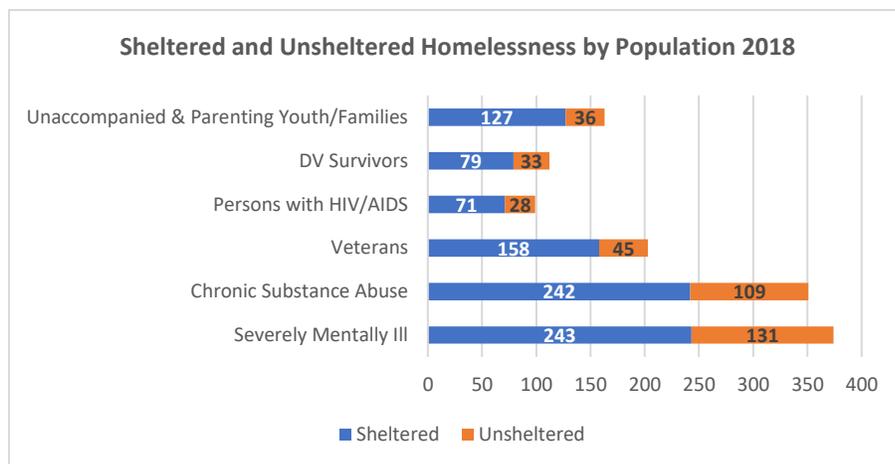
A Continuum of Care is a regional or local planning body that coordinates housing and services funding for families and individuals experiencing homelessness. The Continuum of Care in Pima County is called the Tucson Pima Collaboration to End Homelessness (TPCH).

The number of people experiencing chronic homelessness has increased over the years. In 2018, 350 people met the definition of chronically homeless. People experiencing chronic homelessness 1) live in a place not meant for human habitation, Safe Haven, or Emergency Shelter, 2) have a disability, and 3) have been homeless continuously for one year OR four or more times in the last three years for a combined 12 months or more.

TPCH conducts an annual Point-in-Time count, which is an annual street and shelter count to determine the number of people experiencing homelessness at a given point in time. This count is part of a national effort to identify the extent of homelessness throughout the country.

In 2018, the Point-in-Time count identified 1,372 people experiencing homelessness, including 361 who were unsheltered. One-quarter of people experiencing homelessness were families with children.

Eviction contributes to homelessness. There were over 13,000 evictions in Pima County in 2019.



People with Special Needs

Many people with special needs have very low incomes and are particularly vulnerable to housing instability and social isolation. An array of supportive services coupled with appropriate housing opportunities are critical to their housing stability.

- 43,119 elderly and frail elderly low-and-moderate households are housing cost burdened, including 18,848 renters and 25,721 owners.
- In 2017, there were 223,450 people with disabilities in Pima County; 29% live below the poverty level and 63% were age 65 or older.
- An estimated 52,000 Pima County residents live with severe mental illness, including 9,900 extremely low-income individuals.

- 98,800 Pima County residents reported a substance use disorder in 2018, including 80,600 reporting an alcohol use disorder.
- 10-25% of people exiting correctional institutions experience homelessness.
- 2,963 Pima County residents were living with HIV/AIDS in 2017. In 2017, the City of Tucson had a poverty rate (24%) that is double that of Pima County outside of Tucson (12%).
- The highest rates of poverty are among people under age 18. Low family income is tied to frequent moves, inadequate health care, low education attainment, higher rates of abuse and neglect, and a higher risk of homelessness.
- The International Rescue Committee resettled 578 clients over the last three years in Pima County.
- The Tucson Police Department and the Pima County Sheriff's Office responded to roughly 15,000 domestic violence calls in 2017.