



Summary - City of Tucson Amendment to the 2019 HUD Annual Action Plan for CDBG-CV and ESG-CV funding

Overview

The City of Tucson is preparing an Amendment to the 2019 Annual Action Plan (AAP) submitted to the U.S. Department of Housing and Urban Development (HUD) in response to the COVID-19 Pandemic. This is the third Substantial Amendment to the 2019 AAP. On Wednesday, July 7th, 2021 there will be a public hearing at the Mayor and Council Regular Council Meeting regarding the proposed Amendment. The City of Tucson Department of Housing and Community Development will be requesting Mayor and Council approval of a Substantial Amendment to the 2019 Annual Action Plan to include changes to the distribution of funding for Community Development Block Grant – Coronavirus (CDBG-CV) and Emergency Solutions Grant Coronavirus (ESG-CV) programs. These changes come as a result of an updated assessment of need and other resources made available to maximize the impact of the CV funding.

Background

On June 4, 2019, the Mayor and Council approved the FY2020 Annual Action Plan (Program Year 2019). In 2020, the City of Tucson received additional funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The U.S. Department of Housing and Urban Development (HUD) provided guidance on the CARES funding that instructed cities to amend their Program Year 2019 Annual Action Plans to include the new CARES funding. Accordingly, the City of Tucson Mayor and Council approved two substantial amendments (May 19 and October 20, 2020) to the 2019 AAP in 2020 to program the two rounds of CARES HUD funding given to the City of Tucson.

Third Substantial Amendment — 2019 Annual Action Plan

Over the past year more information on the current needs as well as other funding availability has provided greater clarity on how to maximize the CARES funding. For example, through the P-CHIP Call for Projects, several agencies submitted proposals that are eligible for CARES funding and HCD recommended adding CARES funding to the P-CHIP funding sources to fund additional agencies than cannot be normally supported. Mayor and Council approved the P-CHIP list of projects on May 4, 2021 and this amendment includes the addition of those projects. Below is a summary of the proposed changes that require this substantial amendment to be adopted by Mayor and Council. In addition, attached is an updated summary of the HCD

allocation of the HUD CARES Act Funds. Public comments are being accepted June 21, 2021 – July 7, 2021.

Summary of Substantial Amendment Changes

CDBG-CV1 and CDBG-CV2

The City of Tucson received combined CDBG-CV1 (\$3,295,930) and CDBG-CV2 (\$4,924,434) funding in the amount of \$8,220,364. Housing and Community Development (HCD) is proposing to combine several activities and recategorize others. This amendment is necessary due to changing community conditions, the infusion of additional funding, and to make a technical correction.

Human and Public Services

A combined \$5,435,769 was originally allocated to human and public services to benefit 1,182 people and 144 households. Human and public services funding will be reduced by \$2,417,423 to **\$3,018,346** to benefit 2,000 people. Included in this category are agencies funded through the P-CHIP Call for Projects process. The amendment includes:

1. Recategorizing the expansion of bridge housing to community facilities and infrastructure.
2. Eliminating homelessness prevention funding as other resources are available to address this need.
3. Adding security deposits and housing placement assistance to facilitate households securing permanent housing.

Mortgage Assistance to Prevent Homelessness

Originally \$500,000 was allocated to mortgage assistance to benefit 100 households. This funding has been reallocated to address the high priority needs of expanding shelters and to address supportive services for those experiencing homelessness.

Community Facilities and Infrastructure

Originally \$3,105,769 was allocated to expansion of bridge housing as a human and public services activity to benefit 44 households. This activity is being recategorized as a community facilities activity. Funding will be reduced by \$356,465 to **\$2,749,304** to benefit 130 people.

Rental Housing Acquisition/Rehabilitation

Originally \$1,056,744 was allocated to rental housing acquisition/rehabilitation to benefit 15 households. Funding for this activity will be increased by \$143,256 to **\$1,200,000** to rehabilitate a city-owned multi-family apartment to benefit 15 households.

[Administration](#)

Originally \$1,227,851 was allocated to program administration. The proposed amendment increases program administration by \$24,863 to **\$1,252,714** to include housing navigation, essential services to promote permanent housing placement, and administrative funding for agencies operating rental and utility assistance programs. The administration funding is still below the eligible 20% allowed through CDBG.

ESG-CV1 and ESG-CV2

The City of Tucson received combined ESG-CV-1 (\$1,167,776) and ESG-CV2 (\$5,562,939) funding in the amount of \$7,230,715. Housing and Community Development (HCD) is proposing to reduce funding for some activities and add two new activities.

[Rapid Rehousing](#)

Originally **\$2,500,000** was originally allocated to rapid rehousing (tenant-based rental assistance) to benefit 400 households. No changes are proposed.

[Emergency Shelter Operations](#)

Originally \$4,730,715 was allocated to emergency shelter operations, including the hotel program, to benefit 2,000 people. In order to fund other projects, funding for this activity will be reduced by \$397,535 to **\$4,333,180** to benefit 1,750 people. This activity includes operations and services provided by the Salvation Army, CBI, Emerge!, Sister Jose, and Old Pueblo Community Services, including funding allocated through the P-CHIP Call for Projects.

[Street Outreach](#)

No funds were originally allocated to street outreach. **\$235,000** will be added for HCD outreach and navigation staff and supplies to benefit 150 people.

[Program Administration](#)

No funds were originally allocated to program administration; **\$162,535** will be added for general program administrative costs.