



Arizona  
Department  
of Housing

# State of Arizona Citizen Participation Plan and FY2019 HUD Annual Action Plan Substantial Amendment for ESG-CV2, CDBG-CV1, and CDBG-CV2 CARES Act Funding

**PUBLIC HEARING**

November 19, 2020

## HEARING FORMAT

Review and take comments on:

- Planned uses and distribution of Emergency Solutions Grant coronavirus response (ESG-CV2) funding
- Revisions to the State of Arizona HUD Citizen Participation Plan for State CDBG-eligible units of local government
- Planned uses and distribution of Community Development Block Grant coronavirus response (CDBG-CV1 and CDBG-CV2) funding

Presenter: Martina Kuehl, Kuehl Enterprises LLC



# Emergency Solutions Grant Coronavirus Response (ESG-CV2)

- ▶ \$16,373,488 Allocation
  - Administered by Arizona Department of Economic Security (DES)
  - All activities must:
    - Be ESG eligible and meet ESG program requirements
      - Beneficiaries must meet HUD definition of homeless
    - Prevent, prepare for or respond to the coronavirus COVID-19
- ▶ Method of Distribution
  - ▶ Grants process pursuant to ARS 41-2703
    1. Needs of service area
    2. Availability of service providers in an area
      - ▶ Service provider must participate in HMIS and with a Continuum of Care
    3. Availability of other resources to meet current and emerging needs
      - ▶ No duplication of benefits



# Emergency Solutions Grant Coronavirus Response (ESG-CV2)

## ▶ Planned Uses & Anticipated Outcomes

1. Street Outreach - 9.5% (\$1,555,481)
  - ▶ 1,600 people
2. Emergency Shelter - 21% (\$3,438,432)
  - ▶ 3,500 people
3. Homelessness Prevention - 15% (\$2,446,023)
  - ▶ 1,000 people
4. Rapid Rehousing - 50% (\$8,186,744)
  - ▶ 1,100 households
5. HMIS Activities- 2.5% (\$409,337)
6. Administration - 2% (\$327,470)

- ▶ Funds may be reprogrammed based on infection control needs and response efforts

## COMMENTS AND QUESTIONS



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Emergency Solutions Grant coronavirus response (ESG-CV2) planned uses and method of distribution

# Citizen Participation Plan (CPP) Amendment



- State CDBG-eligible Units of Local Government - CDBG-CV
  - Notices
    - May be posted prominently on local government website
      - Newspaper advertising optional
      - Distribution to mailing list suggested
    - May combine public hearing and public comment notices in one publication
  - Public review and comment period - minimum of five (5) days
    - Must make available a preliminary budget and description of each activity prior to the second public hearing
  - Public hearings
    - May be held virtually
  - Substantial amendment requires new citizen participation process
  - Accommodations for non-English speaking residents & persons with disabilities, provision of technical assistance, grievance/complaint procedures, notice translation, public access to records, documentation and certification of compliance procedures apply

## COMMENTS AND QUESTIONS



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## Citizen Participation Plan Revisions



# Community Development Block Grant Coronavirus Response (CDBG-CV1 and CDBG-CV2)

- ▶ CDBG-eligible activities must prevent, prepare for or respond to the coronavirus COVID-19
- ▶ This amendment = \$23,883,305
  - ▶ CDBG-CV1 - \$5,743,880
  - ▶ CDBG-CV2 - \$18,139,425
- ▶ Future amendment - CDBG-CV3 - \$8,308,668





# CDBG-CV Program Rules Waivers and Alternative Requirements

- ▶ FR-6218-N-01 issued August 7, 2020
  - ▶ All geographic areas of the State
    - ▶ \$5,743,880 set-aside for units of local government eligible to participate in the State CDBG program
      - ▶ Includes Rural COG Technical Assistance funding
    - ▶ Activities taking place on or serving people on tribal lands require written consent of tribal jurisdiction
  - ▶ State may carry out activities directly through employees, contractors and subrecipients in all geographic areas of the state
  - ▶ Documented allowable and pre-award costs incurred on or after January 21, 2020 may be reimbursed, when
    - ▶ Environmental review was completed or activity is exempt
      - ▶ Generally limited to public service activities
    - ▶ Citizen participation process activity description includes pre-award costs



# CDBG-CV Program Rules Waivers and Alternative Requirements

- ▶ Public service activities may exceed 15% of the allocation
  - ▶ Must be new or represent a quantifiable increase above the level of an existing service in the 12 calendar months ending November 30, 2020
- ▶ Emergency grant payments on behalf of individuals and families allowed for up to *six* consecutive months
  - ▶ Payments must be made to the provider of items or services on behalf of the eligible individual or family
- ▶ Procurement requirements imposed by other Federal grants may be used to satisfy procurement requirements for non-Federal cost share (match)
  - ▶ Other Federal agency must impose requirements of 2 CFR part 200



# CDBG-CV Program Rules Waivers and Alternative Requirements

- ▶ Cross-cutting requirements (environmental review, citizen participation, labor standards, URA, anti-speculation, etc.) apply unless noted
- ▶ Quarterly reporting
  - ▶ Detailed list and description of all projects and activities implemented
    - ▶ Funds obligated and expended for each project or activity
    - ▶ Detailed description of subcontracts and/or subgrants awarded
- ▶ All subrecipients and direct beneficiaries must agree to repay assistance that is determined to be duplicative or does not comply with CDBG program and/or cross-cutting regulations
  - ▶ Includes units of local government, nonprofit organizations, families/households, and businesses
- ▶ 80% of funds must be expended by September 30, 2022 and the remaining 20% by September 30, 2023

# Community Development Block Grant Coronavirus Response (CDBG-CV1 and CDBG-CV2) Planned Uses



1. Rural COG Technical Assistance - \$57,439 (0.2%)
2. ADOH Administration - \$321,919 (1.3%)
3. Public services (statewide)- \$10,434,427 (43.7%)
  - ▶ Subsistence Payments - \$2,500,000
    - ▶ Administered by ADOH
  - ▶ Non-Federal Share (match) and other public services activities - \$7,934,427
    - ▶ Administered by Arizona Department of Emergency and Military Affairs (DEMA)
4. Conversion, acquisition and/or rehabilitation of emergency shelter or transitional housing - \$13,069,520 (54.7%)
  - ▶ Rural set-aside - \$5,686,441
  - ▶ Statewide - \$7,383,079



# Public Service Activities Method of Distribution

- ▶ Non-Federal Share (match) Requirements for FEMA Public Assistance funds & other CDBG-eligible public service activities not eligible for FEMA funding
  - ▶ DEMA to follow grants process pursuant to ARS 41-2703
    - ▶ May issue RFP
    - ▶ Will include pre-award costs
- ▶ Subsistence payments
  - ▶ ADOH to issue Notice of Funding Available - early December 2020
    - ▶ Applications accepted until all funds committed
    - ▶ NOFA will describe requirements and process



# Emergency Shelter / Transitional Housing Method of Distribution

- ▶ ADOH to issue Notice of Funding Available - early December 2020
  - ▶ Applications accepted until all funds committed
    - ▶ NOFA will describe requirements and process
  - ▶ Minimum Requirements
    - ▶ Result in individual units or evidence ability to physically distance inhabitants
    - ▶ Evidence ability to meet ongoing operating costs
    - ▶ Underwriting
      - ▶ Readiness, organization capacity, compliance with zoning and local codes and ordinances, cross-cutting requirements

## COMMENTS AND QUESTIONS



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Community Development Block Grant  
coronavirus response (CDBG-CV1 and  
CDBG-CV2) planned uses and method of  
distribution

## NEXT STEPS

- Accept written comments through November 20, 2020
  - Submit written comments to:
    - [publiccomment@azhousing.gov](mailto:publiccomment@azhousing.gov)
- Submit substantial amendment to HUD

