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
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
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
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
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

• Submit substantial amendment to HUD