



ADMINISTRATIVE COUNCIL PACKET

MEMO TO: ADMINISTRATIVE COUNCIL
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: KEITH DENNIS, COMMUNITY DEVELOPMENT PROGRAM MANAGER
DATE: FEBRUARY 3, 2021
SUBJECT: RESOLUTION NO. 2021 – 01: CARES ACT CDBG CV-1 and 2

CARES Act CDBG CV 1 and 2 Funds

The Coronavirus Aid, Relief, and Economic Security Act went into effect on March 27, 2020. This was a \$2.2 trillion economic stimulus bill meant to mitigate the effects of the COVID-19 pandemic. The program included a \$5 billion addition to the nationwide Community Development Block Grant program.

The Arizona Department of Housing (ADOH) issued a Notice of Funding Availability (NOFA) on December 22, 2020 for CARES Act CDBG funds available in Arizona. There are two funding lines. One is a \$13,069,520 allocation “for the conversion, acquisition and/or rehabilitation of emergency shelter or transitional housing.”

The other CARES Act CDBG fund provides \$2,500,000 for “Emergency Subsistence Payment programs where payments are disbursed directly to providers on behalf of individuals or families for items such as food, clothing, housing (emergency rental or mortgage assistance) or utilities for up to six consecutive months.”

Both the Emergency Shelter and the Emergency Subsistence Payment funds are required to “prevent, prepare for or respond to COVID-19 and must not be a duplication of benefits of financial assistance from any other source.”

The NOFAs for these grants, as well as application forms and detailed instructions can be found in the Documents section of the ADOH Community Development and Revitalization site: <https://housing.az.gov/documents-links/forms/community-revitalization>.

Normally, CDBG applicants/recipients must be local units of government, with non-profits or other service providers being a sub-recipient. The CARES Act CDBG funds described here are unique in that non-profits can apply directly. As such, the SEAGO Community Development Department is bringing forward a proposal to the Administrative Council and Executive Board to request approval to apply for \$500,000 from the Emergency Subsistence Payment program funds.

Our preliminary budget for the allocation of these funds is as follows:

- \$150,000 for Rental Assistance
- \$150,000 for Mortgage Assistance
- \$100,000 for Utility Assistance
- \$30,000 for Food Assistance
- \$30,000 for Clothing Assistance, and
- \$40,000 for Administration
- \$500,000 Total

These numbers are preliminary, and subject to change based on the needs in our region.

Implementation, Qualification and Staffing

Per ADOH, the program will provide for “payments made on behalf of individuals or families for items such as food, clothing, housing (emergency rental or mortgage assistance) or utilities for up to six consecutive months. Emergency payments must be made directly to the provider of such food, clothing, housing or utilities behalf of an eligible individual or family. Subsistence payments must be consecutive and cannot be broken into smaller periods with a lapse between the next payments.”

SEAGO will utilize existing staff to administer the program over a two year period or until all funds are expended. The Community Development Program Manager will be responsible for ensuring the program is staffed for the duration. Implementation will include staffing and marketing the program; qualifying and serving persons and households; ensuring that the funds are fully expended on behalf of the program beneficiaries; and financial management of the grant and fulfilling reporting requirements.

To determine eligibility for this program, SEAGO staff will: ensure potential applicants meet low-to-moderate income limits or other National Objective as mandated by the CDBG program; document that potential applicants need assistance in one or more of the areas funded by the program (late notices for rent, utilities, etc.); and that the need is related to economic impact from the Coronavirus pandemic as required by ADOH.

Food or clothing vouchers will most likely take place through a debit card provider; purchases made with these cards would be limited to food or clothing items similar to EBT cards. A procurement process would be required to secure a provider for these cards.

Service Area

The service area for our proposal includes three of the four Counties in the SEAGO region: Cochise, Graham and Greenlee. Santa Cruz County is submitting its own application. The funds would be available to any qualifying household or person within these Counties.

Program Duration

This program is intended to be implemented as soon as possible and for the funds in the grant to be expended on qualifying activities in an expedited manner. ADOH requires that “funds will be expended within 24 months, with not less than 80% of funds expended by September 30, 2022, and the remaining 20% of funds expended by September 30, 2023.”

Public Participation and Public Hearings

As with any CDBG application, the CARES ACT CDBG CV 1 and 2 applications require a public participation component. There are some significant differences however: the two required public hearings can be advertised in one combined notice, advertisements can be online only, and the notice and comment periods are shorter. SEAGO will advertise(d) two public hearings, to occur during the regular Administrative Council and Executive Board meetings. As such, today’s agenda includes a public hearing in which members of the public from the service area have been invited to participate and give input on community needs and the structure of the preliminary project budget. After today’s hearing there will be a five-day comment period as required by ADOH’s Public Participation Plan, amended last fall in anticipation of the NOFA for these funds.

After holding a second public hearing at the February 26, 2021 Executive Board meeting, staff intends to bring the attached Resolution No. 2021 – 01, authorizing SEAGO to apply to ADOH for the activities described above, to the Board for their consideration. An additional five day comment period will follow this second hearing. SEAGO will, meanwhile, build the application and have it ready to submit to ADOH during the first week of March. If awarded, SEAGO will be required to begin implementation within 30 days of award, to expedite getting these funds to families in need of COVID related relief.

Attachments: Resolution No. 2021 – 01; [P-2 Hearing Notice](#).

Action Requested: Information Only Action Requested Below

A motion to recommend that the Executive Board approve Resolution No. 2021 – 01 authorizing SEAGO to submit an application to the Arizona Department of Housing for CARES Act CDBG-CV 1 and 2 funding for Emergency Subsistence Payments as described above.