



DRAFT 1 Public Comment Period 4-21-15 Study Session

First Program Year Action Plan

This FY 2016 First Year Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Program Year 1 Annual Action Plan Executive Summary:

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance. *Please note that this document refers to the City of Tucson Fiscal Year (FY) 2016, reflecting HUD's 2015 program year appropriations.* This public document will be formatted to meet the requirements of the HUD eCon Planning Suite program, a new on-line automated system for Consolidated Planning. Pending final Mayor and Council approval of the March 25, 2015 copies of the DRAFT Five-Year City of Tucson/Pima County Consolidated Plan and the DRAFT Analysis of Impediments to Fair Housing Plan revisions may be made to this document after the 30-day public comment period.

Public Comments Invited

The City of Tucson is soliciting public comments on this DRAFT City of Tucson Annual Action Plan for fiscal year 2016 (July 1, 2015 through June 30, 2016).

Copies of the draft Plan can be accessed on the City's website or viewed at the City Housing and Community Development office:

The City's website:

<http://www.tucsonaz.gov/hcd/what-new>

City of Tucson Housing and Community Development, 310 Commerce Park Loop, Tucson, AZ, 85745

Comments will be accepted during the 30-day public comment period beginning March 25, 2015 and ending Friday, April 24 at 5:00 p.m. and may be delivered in writing to:

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Plan Requirements and Background

Cities with populations of at least 50,000 residents are eligible to receive annual entitlement funding from the U.S. Department of Housing and Urban Development (HUD) under the federal programs and regulations listed below. The City of Tucson, as a HUD entitlement jurisdiction will receive the following funds for Fiscal Year (FY) 2016 covering the time period July 1, 2015 through June 30, 2016:

City of Tucson Annual Entitlement/Formula Grant Programs - City of Tucson FY 2016 TOTAL Allocations

Community Development Block Grant (CDBG)	\$5,118,094
24 CFR Part 570*Code of Federal Regulations (CFR)	
HOME Investment Partnership (HOME)	\$2,375,365 Consortium *
(*City \$1,710,262/Pima County \$665,102)	
24 CFR Part 92* Code of Federal Regulations (CFR)	
Emergency Solutions Grant (ESG)	\$455,833
24 CFR Part 576* Code of Federal Regulations (CFR)	
Housing for Persons with Aids (HOPWA)	\$451,530
24 CFR Part 574* Code of Federal Regulations (CFR)	
Total FY 2016 Entitlement Funds with Pima County HOME dollars:	\$8,400,822
Projected City of Tucson FY 2016 Entitlement Funds:	\$7,735,720

The above amounts are subject to change upon notice from the U.S. Department of Housing and Urban Development (HUD).

Federal Entitlement Funding Formulas: The amount received each year from entitlement grant programs is determined by a statutory dual formula using objective measures of the community's needs as they relate to other metropolitan areas. These measures include the amount of poverty in the community, the population of the City, housing overcapacity, the age of existing housing and population growth lag. For details regarding formula funding calculations see HUD.gov, CPD Appropriations Budget.

To receive these federal funds, every five years the City of Tucson Department of Housing and Community Development (HCD) is required to work with the community to prepare a 5-year Consolidated Plan. The City of Tucson/Pima County 5-year Consolidated Plan must be adopted by Mayor and Council and the Board of Supervisors and submitted to HUD for approval. The DRAFT update to the City of Tucson FY 2016 – FY 2020 Consolidated Plan lists needs, priorities, and goals for affordable housing, community development and Human/Public Services programs designed to assist low, very-low and extremely low-income residents for the 5-year period beginning July 1, 2015 through June 30, 2020. These qualifying incomes are calculated, published and updated by HUD on a regular basis and are defined as follows:

Low-income = 80% of area median income based on household size
 Very low-income = 50% of area median income based on household size
 Extremely low-income = 30% of area median income based on household size

See page 27 of this FY 2016 Annual Action Plan for current HUD income guidelines.

As allowed under HUD program regulations, the City of Tucson and Pima County opted to form a HOME Program Consortium for HOME funding and allocations. This identifies Tucson and Pima County as a “participating jurisdiction” (PJ) with the City of Tucson as the lead agency. This PJ designation requires that the two local governments coordinate in the preparation of the 5-year Consolidated Plan.

The 5-year Consolidated Plan serves as a guide for annual investments of City and County project funds. For each of the five years covered by the Consolidated Plan, each local government is required to prepare an Annual Action Plan that correlates with the needs, priorities and goals specified in the Consolidated Plan, showing how annual entitlement funds will be allocated to meet the overall 5-year goals. The City’s Annual Action Plan must be adopted by Mayor and Council and submitted for HUD approval each fiscal year before the City can make local project expenditures using the annual entitlement funding for that fiscal year. This document is the first annual action plan for the 5-year period beginning July 1, 2015 and ending June 30, 2020. It is important to note that there has been an overall decrease in funding for these entitlement programs for federal fiscal years 2010 – 2015 HUD allocations as shown on the table below. There was a decrease of \$216,482 from FY 2015 to FY 2016 in the City of Tucson’s allocations.

City of Tucson – HUD Entitlement Grants (Includes Pima County HOME Funds)

HUD FY Allocation of Entitlements	City CDBG	City/County HOME Consortium	ESG	HOPWA	Total
2010	\$6,713,269	\$4,422,522	\$271,483	\$453,391	\$11,860,665
2011	\$5,597,406	\$3,912,499	\$377,894	\$453,761	\$10,341,560
2012	\$5,104,483	\$2,494,633	\$484,731	\$459,084	\$8,542,931
2013	\$5,231,416	\$2,507,550	\$372,387	\$433,227	\$8,544,580
2014	\$5,113,873	\$2,625,360	\$424,994	\$453,063	\$8,617,290
2015	\$5,118,094	\$2,375,365	\$455,833	\$451,530	\$8,400,822
This Plan					

City of Tucson – General Fund Human Services Allocations*

City FY	General Fund Allocation Amount
2011	\$1,613,340
2012	\$1,464,910
2013	\$1,464,910
2014	\$1,485,910
2015	\$1,464,910
2016	To be determined

*001-113-9124-268 Adopted Budget for all but 2010.

Eligible Activities and Projects

As outlined in Code of Federal Regulations (CFR) for each formula grant program (listed above on page 2), entitlement communities may use their formula grant funding for a wide range of community projects including:

- Acquisition, repair and development of affordable housing;
- Neighborhood revitalization and improvements in low-income neighborhoods;
- Economic development and job creation;
- Public facilities; and
- Supportive Human/Public Services.

To be considered for funding, projects must be consistent with the goals stated in the FY 2016- FY 2020 City of Tucson and Pima County Consolidated Plan under the following HUD categories:

- Affordable Housing;
- Homelessness;
- Community Development; and
- Non-Homeless Special Needs.

Existing City of Tucson Projects supported by entitlement funding from previous program years that are not currently on schedule for completion and/or have not drawn down funds, will be evaluated for progress and compliance before additional funds can be allocated to support those projects in the FY 2016 program year.

Eligible projects may be directly implemented by the local government or administered through partner agencies and eligible contractors, designated as “sub-recipients”. All federal regulations apply to projects that are supported with HUD formula grant funding. This includes federal procurement procedures, financial management and program record keeping, client in-take and household eligibility, fair housing practices, compliance with the Americans with Disabilities Act (ADA), pre-development, project management, job-site employment, and construction practices. These requirements are referenced in the federal program regulations (listed on page 2 of this document) and are incorporated into sub-recipient contracts.

This Annual Action Plan lists the City’s projected allocations, goals, objectives and performance measures for FY 2016 for the identified projects. The projects and funding commitments are subject to change based on project close-out for FY 2015 and City of Tucson FY 2016 budget discussions.

FY 2016 Planning Process and Funding Summary for the City of Tucson

The projected FY 2016 HUD formula grant funding levels (dollar amounts) listed below and the project categories in this FY 2016 Annual Action Plan were determined by:

- 1) Federal funding levels and parameters established in federal program regulations* cited on page 3 of this document;
- 2) Priorities listed in the City’s DRAFT FY 2016 – FY 2020 Consolidated Plan that is currently out for public comment and scheduled for the May 5, 2015 public hearing;
- 3) The City of Tucson CDBG Target Area adopted by the Mayor and Council in the FY 2016 Annual Action Plan and the City of Tucson CDBG Section 108 loan program as approved by HUD;

- 4) Any previously approved and existing multi-year contractual commitments for activities that are supported with these federal entitlement funds; and/or
- 5) Project specific Request for Proposals (RFP) processes as noted in sections of this Annual Action Plan.

Summary of Proposed Expenditures - FY 2016 HUD Formula Grant Programs

This table will be completed upon final approval of project allocations by the Mayor and Council after the 30-day public comment period and final public hearing for the FY 2016 – 2020 City of Tucson and Pima County 5-year Consolidated Plan and the FY 2016 City of Tucson Annual Action Plan.

Funding Category	CDBG	HOME (City Only)	ESG	HOPWA
Total for FY 2016	\$5,118,094	\$1,710,262	\$455,833	\$451,530
Administration	\$1,023,619	\$ 178,152	\$ 34,187	\$ 13,546
Affordable Housing	\$	\$		
CHDO's		\$ 206,539		
Community Development	\$			
Homelessness	\$		\$	
Non-Homeless Special Needs	\$			\$
Economic Development	\$			
Section 108	\$			
Planning	\$			
Other Funds* Carry Forward Program Income Match Leverage	\$ *	\$	\$	0

*Contingent upon approval of final City of Tucson FY 2015 budget.

FY 2016 City of Tucson HUD Formula Grant Allocations

Community Development Block Grant (CDBG) Funds

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. (See the “Housing and Community Development Act of 1974”.) The basic goals of the program are to:

- Provide decent, safe and sanitary housing;
- Provide a suitable living environment; and
- Expand economic opportunities.

Examples of Eligible Activities that can be carried out with CDBG funds include:

- Real Property and Housing-related activities (570.201 and 202);
- Human/Public Services activities (570.201(e));
- Economic Development activities (570.201(o), 203, and 204; and
- Planning and Administration (570.205 and 206).

CDBG assisted activities must be eligible projects and also meet a National Objective by benefiting low to moderate income persons as below:

- Area benefit (570.208(a)(1));
- Limited clientele activities (570.208(a)(2));
- Housing activities (570.208(a)(3)); or
- Job creation or retention (570.208(a)(4)).

Or aid in the prevention of slums or blight (570.208(b)) based on a geographic area, specific location or in a defined Urban Renewal area.

Or meet an urgent community development need due to a serious and immediate threat of recent origin to the health or welfare of the community that cannot be corrected with other funding sources.

CDBG Funding for FY 2016 Annual Action Plan: CDBG Funding for FY 2016 Annual Action Plan

CDBG Program Budget Category	Amount from FY 2016	
<u>Planning (P) & Administration</u> Capped at 20% of Total City Administration Planning Contracts	\$1,023,618	Total
	\$948,618	(admin)
1. Southwest Fair Housing Council (SWFHC) Fair Housing - \$25,000		(planning project set-asides)
	- \$25,000	
2. South 12 th Avenue Corridor Planning \$50,000		
	- \$50,000	
<u>FY 2015 Human/Public Services</u> Capped at 15% of Total Pima Council on Aging \$30,500 Family Self-Sufficiency \$18,000	\$ 767,714	Total
<u>Housing Rehabilitation Collaborative (7 agencies)</u>	\$ 1,670,850	Total
	\$ 777,690	(agency program set-asides)
	\$ 893,160	(city program set-asides)
City Adopted CDBG Target Area – Public Facilities	\$ 641,051	(RFP process)
Sidewalk Project	\$ 444,861	Estimated Program Income included
City Green and Healthy Facilities	\$ 150,000	
Vacant and Neglected Structures (VANS)	\$ 300,000	
Public Facilities – Homeless Services Campus	\$ 120,000	
TOTAL:	\$5,118,094	(projects & planning)
FY 2016 City CDBG Funds: \$5,118,094	\$ 948,618	(admin. only, no planning)
Other funds: \$320,000 (estimated carry forward)		

Total CDBG Grant Funds Available: \$5,438,094

HOME Investment Partnerships Program (HOME) Funds

HOME funds, leveraged with local general funds, will be allocated for new construction and acquisition projects as well as down payment assistance to preserve and improve the supply of affordable housing.

HOME Funding for FY 2016 Annual Action Plan:

HOME Program Budget Category	FY 2016	Pima County Allocation	City of Tucson Allocation
Administration (10% for cap for City and County)	\$237,537	\$59,384	\$178,152
Discretionary Funds	\$1,781,524	\$505,953	\$1,275,571
Community Housing Development Corporations (CHDO)	\$ 356,304	\$99,765	\$256,539
TOTAL for Consortium	\$2,375,365.00	\$665,102.00	\$1,710,262.00

FY 2016 City HOME Funds: **\$1,710,262**

Additional funds

City Tenant Based Rental Assistance - **\$30,000**

General Fund Match – City Homeownership Development - **\$277,120**

Match – Down Payment Assistance from Tucson Housing Trust Fund - **\$125,000**

Emergency Solutions Grant Program (ESG) Funds:

ESG funds are used to assist homeless persons with housing and supportive services.

ESG Funding for FY 2016 Annual Action Plan: HCD accepted ESG proposals and below are the recommendations from the review committee.

ESG Program Budget Category	FY 2016: \$455,833
Administration	\$34,187
Homeless Preference for PHA Rental	\$30,044
Emergency Shelter Support	\$117,000
Homeless Prevention	\$60,000
Rapid Re-Housing	\$100,000
Street Outreach	\$145,000
HMIS	\$5,000
TOTAL:	\$491,231
	(FY 2016 \$455,833 + carry forward \$35,398)

FY 2016 City ESG Funds:

\$455,833

Other Funds

\$455,833 (100% match required)

Carry Forward

\$ 35,398

TOTAL recommended for the above categories:

\$947,064

Housing Opportunities for Persons with AIDS (HOPWA) Funds:

HOPWA funds are used to assist persons with HIV/AIDS with housing and supportive services.

HOPWA Funding for FY 2016 Annual Action Plan

HOPWA Program Budget Category	Amount from FY 2016
City Program Administration	\$13,546
Southern Arizona Aids Foundation (SAAF)	\$437,984
Total:	\$451,530

Proposed FY 2016 Project Distributions for TOTAL Funds

PROPOSED DISTRIBUTION OF FY 2016 CDBG FUNDS

Community Development Block Grant (CDBG) Project Funds

CDBG funds are used to support the Housing Rehab Collaborative, local historic preservation activities, neighborhood improvements and public facilities, economic development and job creation, Americans with Disabilities Act (ADA) compliance and human/public services. The City of Tucson is expected to receive \$5,118,094 in CDBG funds for FY 2016, less than a one percent reduction from FY 2015. CDBG funds are allocated by Project Specific Application (PSA), set-asides (SA) and by Requests for Proposals (RFP). The City will fund the above activities with CDBG project funds. **(chart will be inserted with final Annual Action Plan)**

HOME Investment Partnership (HOME) Project Funds

HOME entitlement grants are used to address the affordable housing needs identified in the City of Tucson and Pima County Consortium 5-year Consolidated Plan. The Consortium is expected to receive \$2,375,365 in HOME funds for FY 2016, approximately a 10% decrease from FY 2015. City of Tucson HOME funds are used to carry out activities associated with development of affordable housing, acquisition and rehabilitation of affordable rental property and tenant based rental assistance. The City of Tucson FY 2016 portion of the Consortium HOME funds is \$1,710,262 (includes program administration); and the Pima County FY 2016 portion of HOME funds is \$665,102 (includes program administration). From those two amounts Community Housing Development Organizations (CHDO's) will receive \$356,305 for projects. As of FY 2015 the Consortium no longer allocated operating funds to CHDO's. HOME funds are allocated by Project Specific Application (PSA) and Set-Asides (SA). The City proposes to fund the following activities using FY 2016 HOME project funds (does not include \$178,152 for City HOME program administration but does include program income and match as indicated on the table below.) HUD regulations require a non-federal match of 25 percent from the local government for the HOME program. City general funds are budgeted to meet this requirement.

City of Tucson HOME Program	Activity	Amount
Housing Development Projects	Develop affordable ownership units	\$277,120 HOME program General fund match
Down Payment Assistance	Assist Low-Income Buyers with home purchase	\$125,000 Match Tucson Housing Trust Fund

Rental Development & Preservation Projects	Develop & preserve rental units	\$1,245,571 HOME
Tenant Based Rental Assistance Projects	Security & Utility Deposits for clients in City of Tucson Housing Assistance Division Specialty Programs: VASH/Family Unification/51 Homes/NED-2 (non-elderly disabled)	\$30,000 HOME
City CHDO Projects		\$256,539 HOME

City of Tucson/Pima County

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

The HOME Program requires that Participating Jurisdictions (PJ's) set aside a minimum of 15% of their HOME allocation funds for utilization by eligible non-profit agencies designated as Community Housing Development Organizations (CHDO's). Under new revisions to the HOME regulations, these CHDO's must now staff a full-time housing director/manager who can document their qualifications and experience as a 'housing professional'. The use of consultants in this capacity is no longer allowed by HOME/HUD. Furthermore, there is no longer annual certification of non-profits as 'CHDO's'. In lieu thereof, CHDO's must actually be certified as such prior to the funding of any qualifying CHDO project by the respective PJ HOME staff.

Emergency Solutions Grant (ESG) Project Funds

ESG funds are used to support the human/public services programs that assist homeless persons. The City of Tucson will receive \$455,833 in ESG funds for FY 2016, a seven per cent increase from FY 2015. ESG funds were allocated through a Request for Proposals (RFP) process which included participation from the agencies involved in the local Continuum of Care for the Homeless. The City will fund the following activities with \$457,044 in ESG project funds (does not include \$34,187 for program administration, but includes carry-forward). **The City/County ESG Policy Manual is attached as Appendix A to this document.**

Agency and Project Name	Homeless Preference for PHA Rental Units	Emergency Shelter Support	Homeless Prevention	Rapid Re-housing	Street Outreach	HMIS	Admin
Emerge! Center Against Domestic Abuse		\$47,000					
Our Family Services		\$30,000					
Primavera Foundation		\$40,000					
Old Pueblo Community Services					\$85,000		
Our Family Services					\$30,000		
Pasadera Behavioral Health Network					\$30,000		

Interfaith Community Services			\$60,000				
Emerge! Center Against Domestic Abuse				\$65,000			
Our Family Services				\$35,000			
Primavera Foundation	\$30,044						
						\$5,000	
							\$34,187
Total	\$30,044	\$117,000	\$60,000	\$100,000	\$145,000	\$5,000	\$34,187

- Primavera Foundation funded \$30,044 through Rapid Rehousing for Homeless Preference for PHA units

Housing Opportunities for People with AIDS (HOPWA) Project Funds

HOPWA funds are used to support the City's housing programs that provide housing opportunities and assistance to people with HIV/AIDS. The City of Tucson will receive \$451,530 in FY 2016, a \$1533 decrease from FY 2015. HOPWA funds were allocated through a set-aside (SA). The City will contract with the Southern Arizona AIDS Foundation (SAAF) to provide the following services to people living with HIV/AIDS:

FY 2016 Annual Action Plan HOPWA Funding

<p>SAAF Project Level Assistance Service Category</p> <ul style="list-style-type: none"> ▪ Short-term rent, mortgage and utility assistance ▪ Short-term facility assistance for emergency shelter vouchers ▪ Rental assistance for tenant-based permanent housing units ▪ Permanent Housing Placement Assistance ▪ Supportive services including case management and transportation assistance 	<p>Services are provided to SAAF clients on a case basis; specific amounts for each service category will be reported in the FY 2016 Consolidated Annual Production & Evaluation Report (CAPER)</p>
Total:	\$451,530

Evaluation of Past Performance

In the DRAFT 2016-2020 Consolidated Plan the City of Tucson established annual and five-year goals and priorities for addressing the identified needs of low-income populations. The following chart lists the stated goals and the City's accomplishments toward meeting those goals. Information from the City of Tucson FY 2014 Consolidated Annual Production and Evaluation Report (CAPER) is included below. This Annual Action Plan is the first year implementation for the updated 5-year

Consolidated Plan. The community needs and priorities have been updated and the first Consolidated Annual Performance and Evaluation Report (CAPER) for the 5-year planning period beginning July 1, 2015 will not be published until September 2016.

City of Tucson Accomplishments – FY 2016 - FY 2020 Consolidated Plan Goals

Activity and Measure	5-year Goals	Projected Annual Goals	FY 2016 Projects	FY 2014 CAPER	Cumulative Totals for 5-year Planning Period FY 2016 – FY 2020 beginning July 1, 2015 and ending June 30, 2020				
					1	2	3	4	5
New Home Owner Units	50			26					
Home Owner Assistance Housing Rehabilitation Units	1,600			504					
New Home Buyers Households	110			67					
Rental Production Units	400			90					
Tenant Based Rental Assistance Households	50			58					
Assistance to Homeless Persons	700			1,398					
Assistance to Persons with Special Needs				12,685					
Persons Assisted with Human and Public Services Programs				ESG & CDBG -14,083 General Funds - 13,685					
Non-Housing Community Development Neighborhood Revitalization (pub. fac.) incl. Hist. Pres./ Spot Blight mitigation /demolition	75			3					
Infrastructure Projects									

Housing Production and Rehabilitation

Housing quality and affordability affects individual households and neighborhoods. Housing that is safe and affordable is crucial to a healthy, vibrant community. Without it, there is an increase in homelessness, need for public assistance and criminal behavior, as well as a decline in educational performance and proper nutritional health. Deteriorating neighborhood conditions and a shortage of safe, decent affordable housing can also have an adverse impact on community health indicators, like increases in disease and mental impairments caused by a toxic environment.

Below are excerpts from the housing market analysis section of the DRAFT FY 2016 – 2020 City of Tucson/Pima County 5-year Consolidated Plan:

- Declining Homeownership Rate. From 2000 to 2011, the homeownership rate declined 3% in Tucson. The decrease in homeownership can be partially attributed to the high number of foreclosures in Pima County, which was hard hit by the housing crisis; many of the foreclosures occurred in areas that developed significantly during the 2003 to 2006 housing boom.
- Median Home Values Decreased. From 2008 to 2011, median home values declined 15% in both Pima County and the City of Tucson.
- Low and Moderate Income Households Require Assistance to Purchase. To purchase a median value home, a Tucson household with income 80% the Tucson median would require assistance of \$19,540, while a household with income 50% of the Tucson median would require \$76,290.
- Owning May be More Affordable than Renting for Large Families. For renters who are prepared to purchase and need a 3-bedroom unit, purchasing a median value home would result in a more affordable monthly payment.
- There are 19,290 LMI cost burdened owners in Tucson; 11,110 (56%) are severely cost burdened. Rates of cost burden and severe cost burden are highest outside of Tucson where housing costs are higher. Countywide, severe cost burden is most prevalent among owners with incomes < 30%.
- 15,327 LMI Elderly Owners Have Housing Problems - 9,252 Age 62-74 and 6,075 Age 75+. There are 16,379 LMI elderly owners. Among LMI elderly owners, 9,252 (56%) have housing problems, including 83% (2,780) of those with income < 30% AMI. There are 15,099 LMI frail elderly owners. Among LMI frail elderly owners, 6,075 (40%) have housing problems, including 70% (1,805) of those with income < 30% AMI.
- 5,275 LMI Owners with Disabilities Have Housing Problems. There are 11,000 LMI owners with a disability. Among LMI owners with a disability, 5,275 (48%) have housing problems, including 69% (1,580) of those with income < 30% AMI.
- Need for Manufactured Housing Rehabilitation and Replacement. Agencies that conduct code inspections and assist occupants with housing rehabilitation indicate a high volume of demand among occupants of manufactured housing, particularly pre-1976 units and units located in mobile home parks. There are 38,584 manufactured homes in Pima County. Of the 24,330 manufactured homes in unincorporated Pima County 79% are owner occupied. Of the 13,296 manufactured homes in Tucson, 74% are owner occupied.
- Nearly 200,000 Pima County Housing Units Built Before 1980; 134,000 units are in Tucson. Forty-five percent (45%) of the Pima County Housing stock was built prior to 1980 and two-thirds of pre-1980 units

The City of Tucson is on track to meet the Homeownership Housing Objectives for this 5-year Consolidated Plan period, which include:

- Rehabilitate and/or replace 379 existing substandard housing units, using historic preservation best practices and the lead abatement program.

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- Support development of 200 new LIHTC rental units.
 - Provide assistance to 50 renters through the tenant based rental program.
 - Coordinate housing counseling and education resources with down payment, closing cost and new development funding to assist 33 homebuyers. Offer counseling and education to owners in gentrifying neighborhoods.
 - Use HOME program income to invest in an infill project to serve 6-10 new home buyers with a lease-purchase option or home purchase.

VACANT AND NEGLECTED STRUCTURES (VANS) PROGRAM

In an effort to support the Neighborhood Preservation Ordinance (NPO), Mayor and Council initiated the Vacant and Neglected Structures (VANS) Program, directing City of Tucson CDBG funds towards the residential demolition, rehabilitation, and interim assistance services for those structures cited/referred to the Code Enforcement Section based on the regulations in the NPO. Moving forward to HUD FY 2015-2016, the predominant service is now residential demolition as the City of Tucson attempts to reduce/eliminate those vacant and neglected structures currently considered to be unsafe, hazardous, and prone to illegal and unhealthy activities. Such activities tend to cause a drain on local police and fire resources, as well. This program includes a new priority for dilapidated mobile home demolition and removal. The City has committed \$300,000 for this activity.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

The HOME Program requires that Participating Jurisdictions (PJ's) set aside a minimum of 15% of their HOME allocation for utilization by eligible non-profit agencies designated as Community Housing Development Organizations (CHDO's). Recent revisions to the HOME regulations require a full-time housing director/manager who can document their qualifications and experience as a 'housing professional'. The use of consultants in this capacity is no longer allowed by HOME/HUD. Furthermore, there is no longer a requirement for annual certification of non-profits as 'CHDO's.' In lieu thereof, CHDO's must actually be certified as such prior to the funding of any qualifying CHDO project by the respective PJ HOME staff.

TUCSON 'HOUSING REHABILITATION COLLABORATIVE'

In February of 2000, the City of Tucson Mayor & Council directed a eight-member network of agencies with the task of addressing, in a collaborative fashion, the issue of deferred maintenance for low- and moderate-income homeowners. The Tucson Housing Rehabilitation Collaborative (HRC) represents all local agencies involved in housing rehabilitation and is beginning its 16th year as a productive and responsive body of housing professionals. The HRC consists of the following agencies:

- Chicanos Por La Causa (CPLC)
- City of Tucson Housing & Community Development Department
- Community Home Repair Projects/Arizona (CHRPA)
- Direct Center for Independence

- Old Pueblo Community Services (OPCS)
- Pima Council On Aging (PCOA)
- TMM Family Services
- Tucson Urban League (TUL)

With shared access to a central database, the HRC is able to monitor the broad delivery of services to eligible households, enabling the partners to efficiently and fairly expend the annual allocation of \$1,670,850 in CDBG funds. Because one or more of the agencies maintain a 'rapid response' capacity, the HRC is able to quickly respond to the most acute and unhealthy situations that arise. As part of its contribution to the HRC, the City of Tucson maintains a housing rehab staff that is certified by the Environmental Protection Agency (EPA) in environmental disciplines such as Lead Inspector, Risk Assessor, and Lead Supervisor, a capacity that is shared by all other members. While the entire City of Tucson is covered by the Collaborative, an extra effort has been made since 2007 to provide related services to those eligible homes within central core neighborhoods. The City of Tucson is in the process of evaluating the housing rehabilitation priorities and program efficiencies and a task force will be assembled to review recommendations that may result in changes in the operation of the HRC.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

In FY 2008 and FY 2011 respectively, the City of Tucson Department of Housing and Community Development applied for and received \$7,286,911 (NSP 1 - FY 2008) and \$2,083,771 (NSP 3 – FY 2011) in two separate competitive awards under the American Recovery and Reinvestment Act of 2009 (the ARRA) Neighborhood Stabilization Program (NSP), first published in Part III Volume 73 #194 of the Federal Register (October 6, 2008). The City was also a sub-recipient in the Pima County NSP 2 Grant. These NSP funds were used to mitigate the impacts of the growing number of foreclosures during the housing market crash. In the first quarter of calendar year 2012, Tucson ranked 42nd in the nation among cities with high foreclosure rates, with 1 out of every 150 homes in Tucson in foreclosure proceedings. In total, the City acquired 131 foreclosed homes with NSP funds and made the necessary repairs to bring them into code compliance. NSP-acquired homes were either sold to qualified low-income buyers through the Pima County Community Land Trust (PCCLT) or added to the City's EI Portal rental housing inventory (42 rentals).

This table will be updated again with the final adoption of the Annual Action Plan.

NSP Year	Grant Award	Owners/PCCLT	Renters – City EI Portal	Program Income Balance as of June 2014
NSP 1	\$7,286,911	52	23	\$3,097,604.56
NSP 2	\$4,789,590	24	12	Returned to Pima County
NSP 3	\$2,083,771	13	7	\$409,451.76

Homelessness and Special Needs Housing and Support Services -

An Executive Order of Governor Janice K. Brewer established the Arizona Commission on Homelessness and Housing (ACHH) on January 13, 2010. The purpose of the ACHH is two-fold. It serves as the statewide homelessness planning and policy development resource for the Governor and the State of Arizona and oversees the implementation and progress of the State Plan to Prevent and End Homelessness.

The Commission developed a revised statewide Plan to Prevent and End Homelessness during SFY 2012 that aligns with the objectives of the United States Interagency Council on Homelessness (USICH) and the Federal Plan to End Homelessness, "Opening Doors." During SFY 2013, the Commission introduced the Arizona Plan to End Homelessness, which focuses on five goals:

- End chronic homelessness by 2016;
- Prevent and end veteran homelessness by 2015;
- Continue work to prevent and end homelessness for families, youth and children by 2021;
- Develop measurement standards, data collection and accurate reporting systems by 2014; and
- Move from a homeless management system to a homeless prevention system by 2021.

The link to the 2014 Arizona Report on Homelessness is:

https://www.azdes.gov/InternetFiles/Reports/pdf/des_annual_homeless_report_2014.pdf

Based on Federal Census Statistics from 2011, Tucson was the sixth-poorest community in the country, with a poverty rate of 20.4%. The City of Tucson created a Commission on Poverty to focus on the following priorities:

- Job creation;
- Developing a HUD Coordinated Entry System to social services; and
- Developing self-sufficiency strategies for low-income Tucsonans.

The 2012 Poverty and Urban Stress Report can be found at the following website:

<http://cms3.tucsonaz.gov/files/hcd/PovReport2012final.pdf>

Consolidated Plan goals and strategies are integral to addressing the priorities established by the City's Commission on Poverty, with ongoing investments in housing and assistance programs for homeless persons and non-homeless persons with special needs as described below.

Homeless Population

The City of Tucson is a member of the Tucson/Pima Collaboration to End Homelessness. TPCH is a coalition of community and faith-based organizations, government entities, businesses, and individuals committed to the mission of ending homelessness and addressing the issues related to homelessness in Tucson and Pima County.

TPCH Goals:

- To act as advocates for the homeless.
- To provide leadership and serve as experts and advisors to local planning and funding bodies on issues that impact services to homeless persons.
- To increase community awareness and support for homeless people, homeless issues, TPCH and member organizations; and to support ongoing implementation of the City of Tucson/Pima County Plan to End Homelessness.

TPCH members coordinate to apply for competitive funding as advertised by HUD's notice of funding availability (NOFA) for resources to support the local Continuum of Care for the Homeless.

The City of Tucson has a new goal of providing service to homeless persons each year. **The amount of person served will be established with ESG contract awards.**

Services for homeless persons include:

- Case management;
- Bed nights;

- Job placement/employment assistance; and
- Food and other crisis assistance

The Annual 'Point in Time' count in January 2014 counted 2110 unduplicated persons in 1,595 households who were homeless and staying in shelters, permanent housing or on the streets. Of these 2110 people, 1,665 (79%) were adults and 445 (21%) were children.

In addition, the 5-year Consolidated Plan includes the goal of adding transitional and permanent supportive housing units to the existing inventory. The Public Housing Authority (PHA) added a preference for homeless households limited to 10% of the PHA's portfolio of 1,506 total units and 10% of the PHA's voucher's (not including vouchers set aside for other special populations). The PHA awarded Human/Public Services Funds to hire an agency to provide case management and 'wrap around services' to help these families transition from living on the street to living in permanent housing.

City staff will continue working with the Tucson/Pima Collaboration to End Homelessness (TPCH) to develop policies and coordinate comprehensive planning in support of the Continuum of Care and the TPCH Strategic Plan. In future program years with the update to the City of Tucson 5-year Consolidated Plan, bed nights, transitional housing and permanent housing units designated to serve homeless persons are tracked using the HMIS system. TPCH is creating a coordinated entry system to allow all persons needing housing assistance to be assessed and referred to appropriate agencies using the Homeless Management Information System (HMIS). Information on the TPCH strategic plan can be found on the internet at: www.tpch.net

Residents with Special Needs

Residents with special needs may require assistance with daily living based on a mental or physical disability or frailty due to age. In light of the increases in aging Baby Boomers and increasing life expectancies, the City can expect an increase in the number of people with disabilities. Programs available in the community to assist residents with special needs include:

- Case management and support services;
- Home repair;
- Retrofitting interiors and exteriors of buildings for handicap accessibility, including installing sidewalks;
- Reverse mortgage counseling and loans;
- Transportation assistance; and
- Housing for persons living with serious mental illness and HIV/AIDS.

In FY 2014, the City met its annual goal, having served 12,685 individuals.

Community Development (non-housing needs)

The goals for the rehabilitation of public facilities were met and there are many projects currently in varying stages of completion. Demolition of structures was slightly less than projected; however several projects are under historical review which may result in preservation rather than demolition. In FY 2016, the City of Tucson will close out the previously funded historic preservation activities. Many projects are in process and will be completed this year. Most of these were under the slum/blight category and restoration of these sites will serve to enhance and stabilize the neighborhoods in which they are located.

FY 2015 Project Tables – Historic Properties Rehabilitation Spot Blight (SB) and Low/Mod Area Benefit (LMA)						
Agency	Project	Funding Source	Total Project Budget/Funds Multi-year	Funds Expended	Units	Status

City of Tucson Office of Integrated Planning (OIP) Historic Preservation Office	El Con Water Tower Façade Repairs Spot Blight (SB)	CDBG	\$100,000	\$0	1	Open Contract
City of Tucson OIP Historic Preservation Office	Neon Sign Restoration Project Spot Blight (SB)	CDBG	\$125,000	\$0	1	Open Contract
City of Tucson OIP Historic Preservation Office	C.O. Brown House Façade Repairs Spot Blight (SB)	CDBG	\$100,000	\$0	1	Open Contract
City of Tucson OIP Historic Preservation Office	Sam Hughes Water Tower Spot Blight (SB)	CDBG	\$100,000	\$0	1	Open Contract
TOTAL CDBG:			\$490,000	\$0		

FY 2015 - Projects completed include Oury Park Neighborhood Center restoration and the Rodeo Parade Museum Façade.

In FY 2014 the Tucson Mayor and Council adopted a CDBG Target Area. This area was identified in response to the Mayor and Council's observations following their review of the 2012 Poverty and Urban Stress Report. The target area consists of contiguous high-stress, low/mod income areas in the city core with documented low-income and high minority concentrations. The City will make investments to upgrade public facilities where there is a disproportionate need or a disparity in the facilities available to serve the surrounding neighborhood. The goal is to direct funding into this area for several years to assist in the reduction of poverty and the comprehensive revitalization of the Target Area. See map on page 26.

The City of Tucson has added three new activities under public facilities:

- 1) For neighborhood safety, connectivity and pedestrian mobility the City added a new sidewalk installation project in areas without sidewalks;
- 2) A first-year demonstration program that includes code enforcement and dilapidated mobile home removal as part of the City's Vacant and Neglected Structures program.
- 3) The acquisition of a site and pre-development activity for a homeless services campus to support the Continuum of Care and coordinated entry.

Total Public Facilities for FY 2016

City Adopted CDBG Target Area – Public Facilities	\$ 641,051
Sidewalk Project	\$444,861

City Safe, Green and Healthy Facilities	\$ 150,000
Vacant and Neglected Structures (VANS)	\$ 300,000
Public Facilities – Homeless Services Campus	\$120,000

Human/Public Services

Human/Public services address the needs of families and individuals who have difficulty maintaining a basic level of security. In FY 2014, a total of 27,768 persons were served with a combination of CDBG, ESG and General Funds.

Objectives and Outcomes

The City of Tucson has incorporated the CPD Outcome Performance Measurement System thereby ensuring that all activities have clearly defined objectives and outcomes. For example, the City intends to fund 13 projects administered by seven (7) agencies that comprise the Housing Rehabilitation Collaborative. An investment of \$1,670,850 is designated to provide housing rehabilitation services under the objective of Decent Housing with a primary outcome of Sustainability and a secondary outcome of Affordability. From the HOME program there will be an additional \$1,245,571 for rental housing and \$30,000 for tenant-based rental assistance. Eight (8) human service projects will be funded with CDBG funds in the amount of \$767,714 with the objective of providing a Suitable Living Environment with an outcome of increased Availability/Accessibility. An additional \$641,051 will be applied to projects that have the objective of Suitable Living Environment through public enhancements in low/mod areas, within the City of Tucson CDBG Target Area. Additional CDBG-funded projects meeting this objective include \$444,861 for a sidewalk project; \$150,000 for Safe, Green and Healthy Facility improvements; \$300,000 for the City's Vacant and Neglected Structures (VANS) program and \$120,000 for Homeless Services Campus.

New Activities FY 2016

Economic Development

City Economic Development Objectives will be carried out as follows:

- Support economic development activities and employment, focusing on employment convenient to public transportation and working in partnership with workforce investment agencies;
- The City of Tucson in partnership with Pima County and the City of South Tucson applied for a Promise Zone designation that establishes workforce community development and goals for education and business assistance;
- Work cooperatively with workforce investment agencies, employers and nonprofit agencies to provide job training and employment services; and
- Incorporate training for contractors and other private sector entities to increase understanding of and participation in HUD programs, with emphasis on Section 3 and Labor Standards that promote economic self-sufficiency.

Section 108 Program (24 CFR 570, Subpart M, Loan Guarantees)

The Section 108 program provides communities with a means of leveraging their CDBG funds to obtain additional financing resources for economic development, public facilities, large scale physical development projects and housing rehabilitation. Types of eligible activities for Section 108 financing include:

- Economic development activities that meet CDBG eligibility requirements;
- Acquisition of real property;
- Rehabilitation of publicly owned real property;
- Housing rehabilitation that meet CDBG eligibility requirements;
- Construction, reconstruction, or installation of public facilities (including streets, sidewalks and other site improvements);
- Related relocation, clearance, and site improvements;
- Payment of interest on the guaranteed loan and issuance costs of public offerings;
- Debt service reserves;
- Public works and site improvements in colonias; and
- In limited circumstances, housing construction as a part of community economic development.

The City of Tucson’s request for a \$20 million loan guarantee pool, under Section 108 of the Housing and Community Development Act of 1974 was approved by HUD on March 7, 2012 and extended in FY 2015. The City continues to market the Section 108 program to organizations seeking gap financing for loans of between \$2 million and \$10 million. See: <http://finance.tucsonaz.gov/business/business-incentives-and-assistance-programs>. On March 17, 2015 HUD conditionally approved the first loan for Section 108 in the amount of \$8 million for a hotel project.

Pending HUD authorization the City is waiting to proceed with the “Department of Transportation Americans with Disabilities (ADA) Sidewalks & Curbs Project” in the amount of \$1,769,000. This infrastructure project will permit the installation of ADA improvements in concert with street projects funded through local Proposition 409 funds. The loan will be repaid over an 18 year term, and the City will initially use its annual CDBG allocation to make loan repayments. See <http://www.tucsonaz.gov/hcd/whats-new>

The following table summarizes the proposed objectives and outcomes for FY 2016.

Activity	Amount	Objective	Primary Outcome
Public/Human/Public Services	\$	Suitable Living Environment	Sustainability
Housing Rehabilitation Collaborative	\$	Decent Housing	Sustainability
VANS/ Historic Stabilization	\$*	Decent Housing	Sustainability
Neighborhood / Public Enhancement to include: public facilities, accessibility, green & healthy, neighborhood revitalization, historic preservation	\$	Suitable Living Environment	Availability Accessibility
Administrative funds, to include Planning	\$	Suitable Living Environment	Sustainability
Economic Development	\$	Economic Opportunity	Sustainability

The project tables at the end of this report will list the individual projects and agencies that will assist in carrying out the City FY 2016 Annual Action Plan identified objectives pending Mayor and Council approval on May 5, 2015.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 1 Action Plan General Questions Response:**GEOGRAPHIC AREAS OF THE JURISDICTION**

Tucson is the second largest city in Arizona, consisting of approximately 227 square miles and is the central city of the metropolitan area. New residents come to Tucson from all over the United States and Mexico, but also from all over the world. The proximity of Mexico and the presence of the University of Arizona and Davis-Monthan Air Force Base are major factors in Tucson's continuing attraction to residents from other countries, strengthening the international flavor of the community.

Tucson follows national trends: the average age of the population of the United States and in Tucson is growing older; the number of traditional families is declining and working mothers are more commonplace. Tucson is also unique in that during ordinary economic times, its population grows at a higher rate than the national average. Tucson is more ethnically diverse, with the Hispanic population three times larger than in the rest of the nation. There is a higher proportion of people 65 years and older, Tucsonans move more frequently, and are more likely to rent housing than most residents of the United States.

Trends in Poverty

Poverty rates and the number of people in poverty are an important means of measuring a community's well-being. The most recent American Community Survey (ACS) report on poverty providing 2011 data ranks the Tucson Metro area as the sixth-poorest large metropolitan area in the nation with an overall poverty rate of 20.4%. In 2000, Tucson's poverty rate was high at 18.4%, compared to 12.4% for the nation. Children comprise the largest group of people living in poverty. According to the 2009-2011 American Community Survey, 25.3% of the City of Tucson's population lives in poverty, compared to 15.2% for the nation. Of those in poverty in Tucson, 33.6% are children, 13.3% are seniors and 24.6% are working age adults. The highest rate of poverty (27.9%) is among families with children. Consolidated Plan funds (except HOPWA) will generally be targeted toward this population or toward activities that benefit residents of low-income areas of the City. City staff has taken a comprehensive look at poverty in Tucson. The 2012 Poverty and Urban Stress Report can be found at the following website:

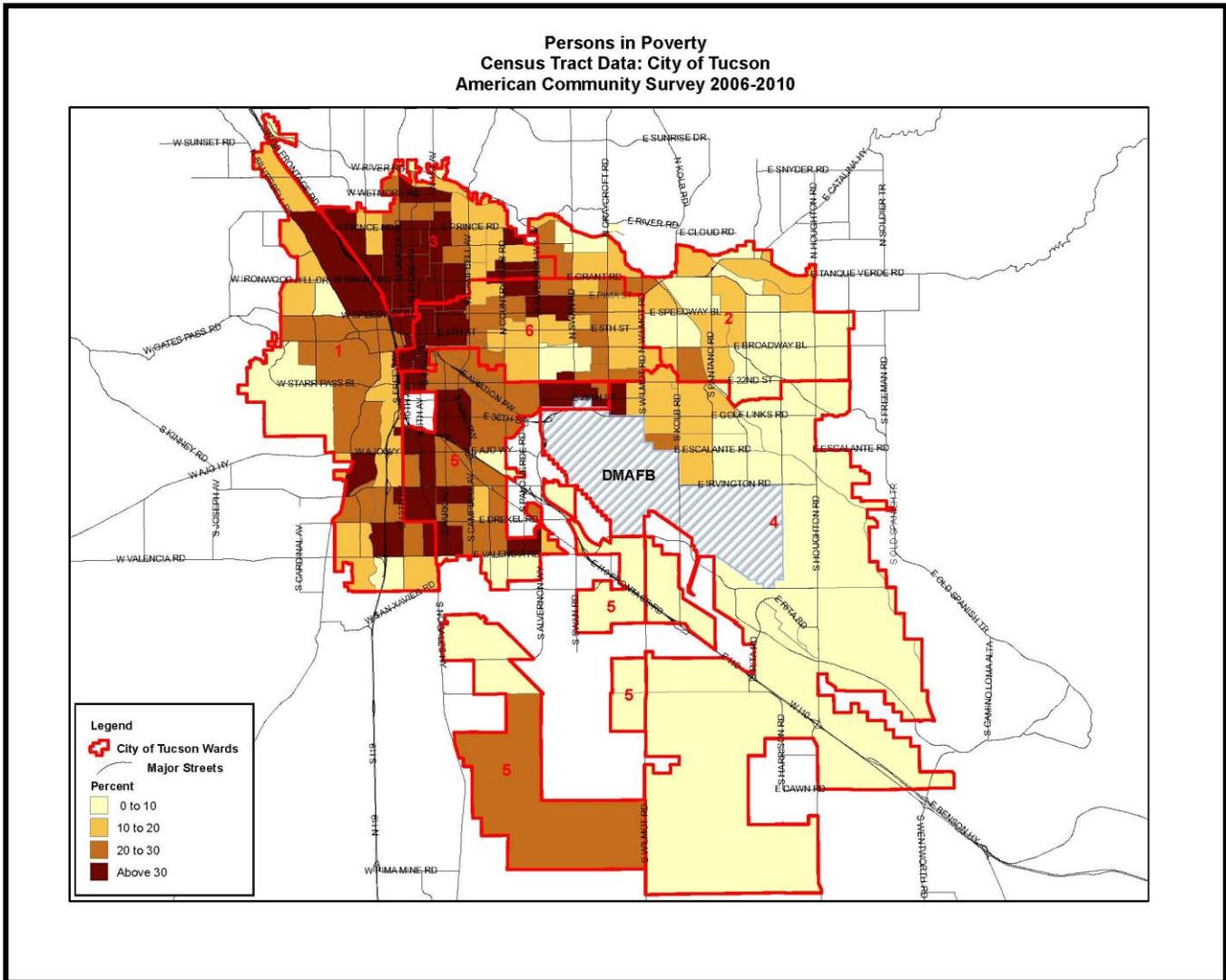
<http://cms3.tucsonaz.gov/files/hcd/PovReport2012final.pdf>

POVERTY AND TRENDS IN POVERTY (2000 – 2011)		
CITY OF TUCSON		
People in Poverty	2000	2009-2011

	Total Pop.	In Poverty	% in Poverty	Total Pop.	In Poverty	% in Poverty
Population	469,210	86,532	18%	522,465	132,184	25.3%
Children Age 0 – 17	116,566	28,318	24%	119,282	40,079	33.6%
Adults Age 18 – 64	312,913	51,921	17%	340,460	83,753	24.6%
Adults Age 65+	57,112	6,293	11%	62,723	8,342	13.3%

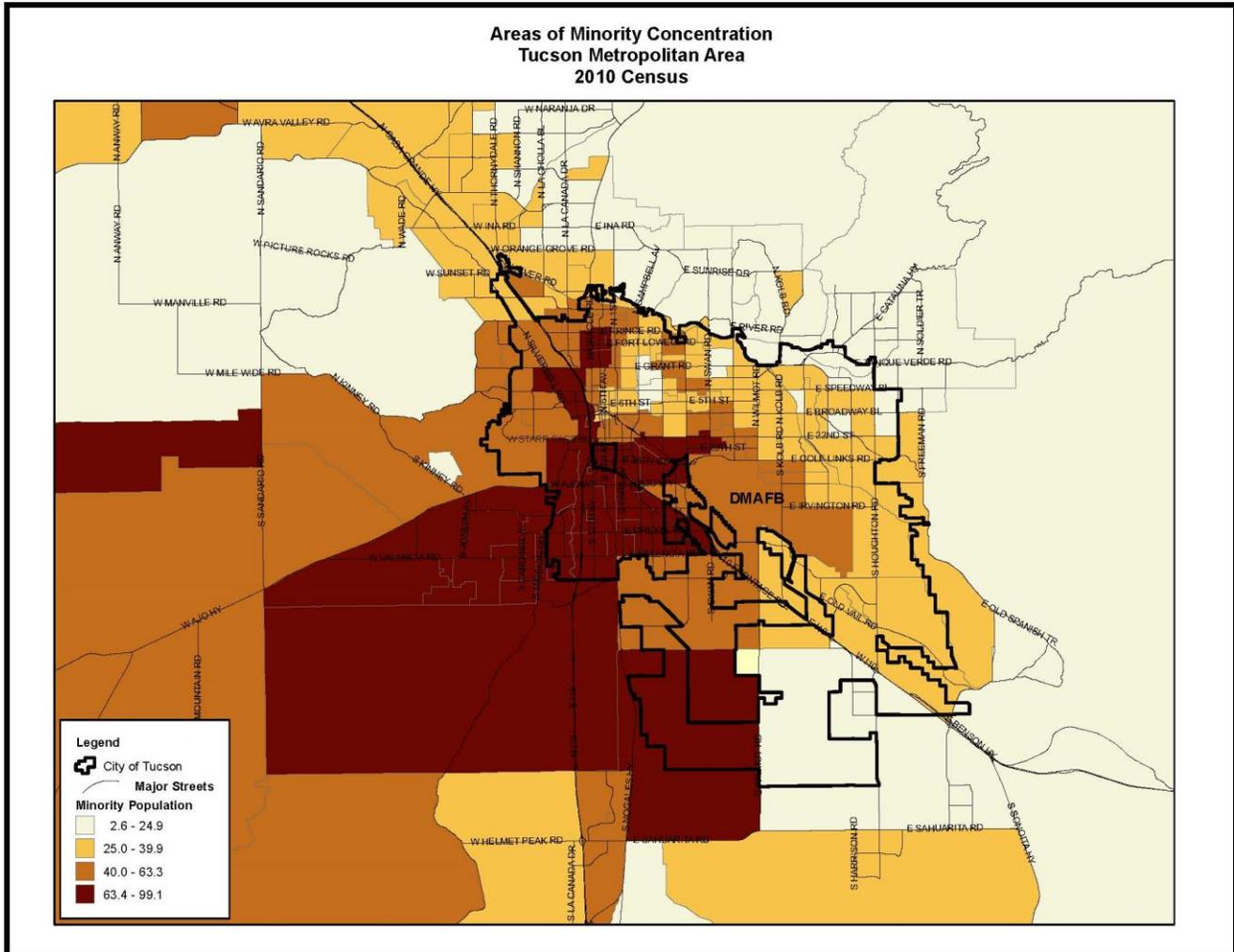
Source: Census 2000; American Community Survey 2009-2011 3-yr estimate

Persons in Poverty

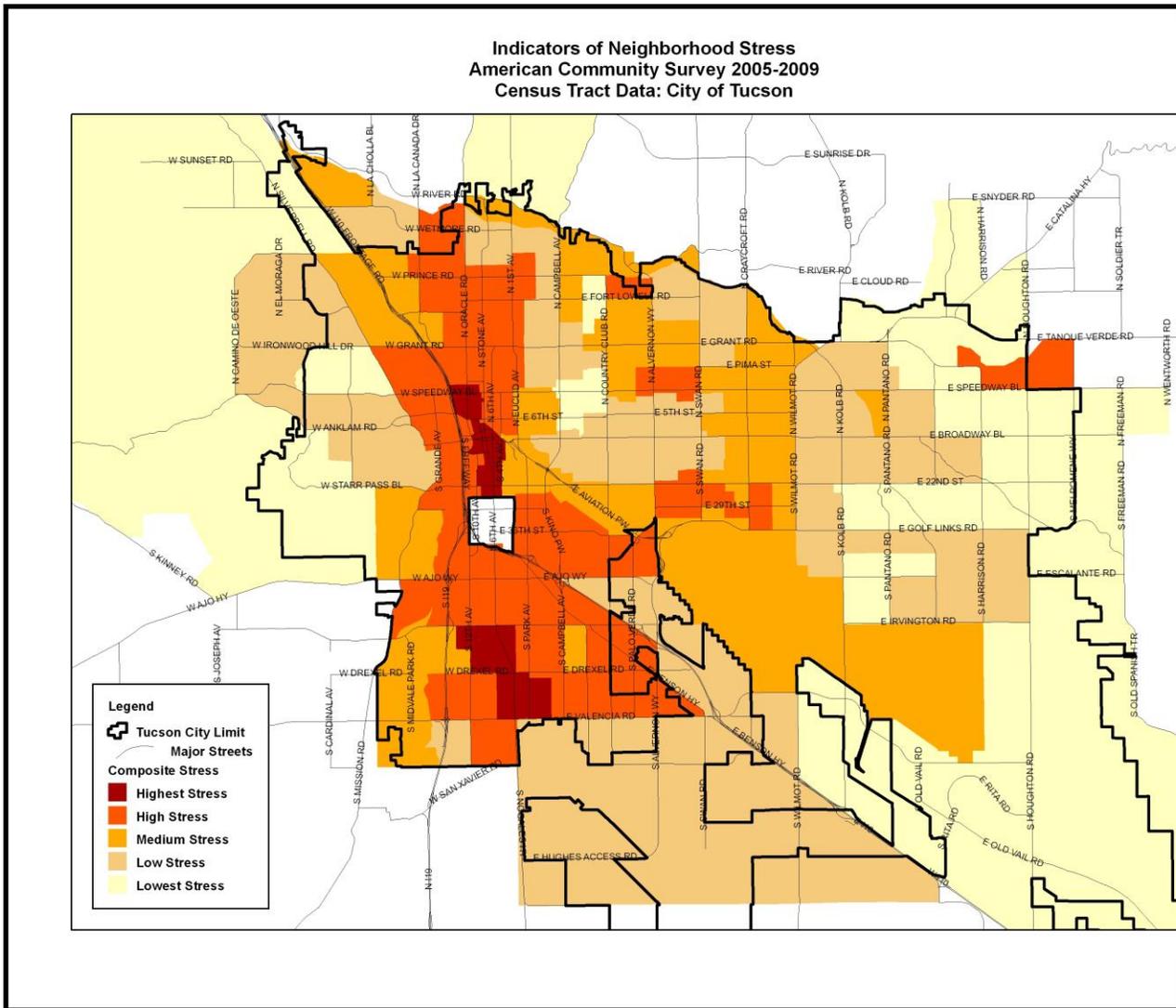


Areas of Minority Concentration

Calculations from the 2010 Census Redistricting data (PL 94-171), indicate that 47.2% of the City of Tucson population is white, non-Hispanic and 52.8% is described as a minority. Hispanics are Tucson's largest minority group. In 2000, Tucson's Hispanic population was 35.7%. The 2010 Census showed an increase to 41.6%. The 2011 American Community Survey shows that Hispanics now comprise 42.2% of Tucson's Population.

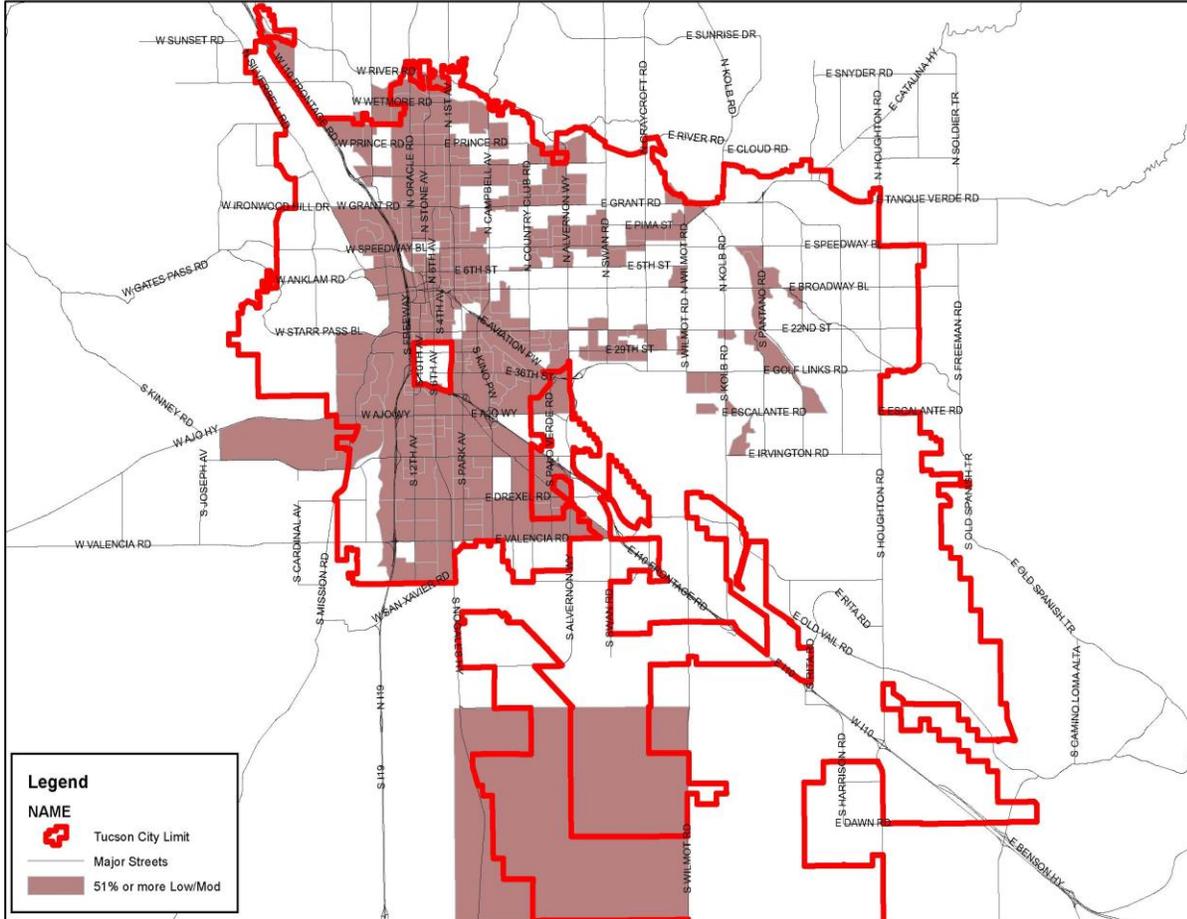


Beginning with the 1980 Decennial Census, the City of Tucson has analyzed data from the Census of Population and Housing every decade. Variables examined reflect housing and social conditions that indicate dependency and need. They relate to economic status, shelter costs and conditions and dependency. The American Community Survey (ACS), for which data became available in 2004, now provides the socioeconomic data utilized in the Indicators of Stress. The 2005-2009 ACS provided data at the tract and block group level for the first time. Variables were selected that were consistent with previous studies. The geographic scale chosen was census tract rather than the former use of census block groups, due to sampling error. The indicators measure census tracts against the average condition of the City as a whole. The statistical method used measures areas in standard deviation units from the mean of the city. Each variable contributes equally to the overall composite score, since there is no credible basis for differential weighting. The most recent stress map identifies areas of need that correlate strongly with the low/moderate income areas displayed on the low/moderate income areas map.



The map below illustrates the data for block groups in 2011 with 51% or more low/moderate income persons. An analysis of this data indicates that 50% of City of Tucson residents qualify as low/moderate income according to HUD's definition: earning less than 80% of the area median income.

City of Tucson Block Groups with 51% or more Low/Moderate Income Population



BASIS FOR ALLOCATION OF FUNDING

The investments of City entitlement funds in areas of minority concentration is estimated to be broadly distributed and relatively high, as most of the City's entitlement supported programs are open to income-eligible residents city-wide.

The City allocates funding in the following ways to ensure investment in areas of minority concentration:

- Funds allocated to the Housing Rehabilitation Collaborative are distributed to agencies that provide services on a city wide basis.
- Human/Public Services funds from the City's CDBG entitlement are directed to citywide programs. This is intended to provide access to services to a broad spectrum of clients. Clients who are also residents from areas of minority concentration may receive services in an area of minority concentration or at a location where the service is offered, outside of an area of minority concentration. In either case, entitlement funds are directed to benefit residents of minority concentration areas. The City has more specific information about clients served at the end of the fiscal year when the Consolidated Annual Performance and Evaluation Report (CAPER) is prepared. For this first year, pending an update to the Human Services Plan and a coordinated review with Consortium members, the City is going to exercise the option to renew previously funded programs.
- The City will fund public facilities projects under the CDBG program which are located in the designated FY 2014 Target Area. This area was identified in the previous program year in response to the Mayor and Council's observations following their review of the Poverty and Urban Stress Report. They were concerned with the continued high-poverty/high-stress areas in the central core of the city. Mayor and Council suggested that investment of Community Development funds in high stress areas should be a focus for public facilities projects. As a result, in the FY 2016 Annual Action Plan, staff is proposing a target area as a focus for certain CDBG funds consisting of contiguous high-stress, low/moderate income areas in the city core with documented low-income and high minority concentrations. The City will make investments to upgrade public facilities where there is a disproportionate need or a disparity in the facilities available to serve the surrounding neighborhood. The goal is to direct funding into this area for several years to assist in the reduction of poverty and comprehensive revitalization of the Target Area.

Meeting the Needs of the Underserved

Tucson strives to meet the underserved needs of the community. This is accomplished through programs and services provided to homeowners, renters, and persons who are homeless, with limited resources and income. Agencies are required to use current income limits in determining client eligibility. Income limits are revised by the Department of Housing and Urban Development (HUD) periodically; agencies are advised to check the HUD web site regularly at: <http://www.huduser.org/> for updates.

2015 HUD Income Guidelines for Tucson and Pima County are as follows:

2014 Annual Income	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
80% of area median	\$33,050	\$37,800	\$42,500	\$47,200	\$51,000	\$54,800	\$58,550	\$62,350
50% of area median	\$20,650	\$23,600	\$26,550	\$29,500	\$31,900	\$34,250	\$36,600	\$38,950
30% of area median	\$12,400	\$15,930	\$20,090	\$24,250	\$28,410	\$32,570	\$36,600	\$38,950

Homeowners

The Tucson Housing Rehabilitation Collaborative works toward meeting the following goals:

- Incorporation of home maintenance education and preventive care in housing rehabilitation programs;
- Streamlining the application process for eligible households to apply and receive housing rehabilitation assistance;
- Enhancing resources; and
- Applying for a portion of the annual CDBG allocation to fund the coordinated strategy.

Tucson Housing Rehabilitation Collaborative

In February of 2000, the Mayor and Council directed the eight-member network of agencies to address, in a collaborative fashion, the issue of deferred maintenance for low- and moderate-income homeowners. Representing all of the local agencies involved in housing rehabilitation, the Tucson Housing Rehabilitation Collaborative (HRC) begins its 15th year as a productive and responsive body of housing professionals. The HRC consists of the following agencies: Chicanos Por La Causa (CPLC), City of Tucson Housing & Community Development Department (HCD), Community Home Repair Projects/Arizona (CHRP), Direct Center for Independence (DIRECT), Old Pueblo Community Services (OPCS), Pima Council On Aging (PCOA), Tucson Metropolitan Ministries Family Services (TMM), and the Tucson Urban League (TUL). With shared access to a central database, the HRC is able to monitor the broad delivery of services to eligible households, enabling the partners to efficiently and fairly expend the CDBG funds. Because one or more of the agencies maintain a 'rapid response' capacity, the HRC is able to respond with emergency home repair services. As part of its contribution to the HRC, the City of Tucson maintains a housing rehabilitation staff that is certified by the Environmental Protection Agency (EPA) in environmental disciplines such as Lead Inspector, Risk Assessor, and Lead Supervisor. The City of Tucson currently provides the requisite risk assessments, lead inspections and subsequent analysis for all HRC member agencies, as well as other community agencies in need of such environmental analysis. While the entire City of Tucson is covered by the Collaborative, an extra effort has been made since 2007 to provide related services to those eligible homes in neighborhoods that in and around the Downtown Revitalization District.

Renters

Through an Intergovernmental Agreement (IGA) the City of Tucson's Public Housing Authority (PHA) coordinates the Section 8 Housing Choice Voucher (HCV) Program for both the City of Tucson and Pima County. At least 75% of the families who are admitted into the Voucher Program must be extremely low-income, meaning those with incomes at or below 30% of the area median. In FY 2016, the City of Tucson PHA will provide 4,635 Housing Choice Vouchers for Tucson families and an additional 877 for Pima County residents. These figures include several specialty programs for specific populations and represent a reduction of 8% from FY 2014. During the past year, funding challenges for the HCV program were addressed by reducing the subsidy standard, resulting in a \$30 reduction per month per unit Housing Assistance Payment (HAP) from FY 2013 to FY 2014. The PHA absorbed the pro-rated reduction in administration fees by reducing the size of the PHA staff and instituting more efficient work practices. These actions have effectively reduced the previous standards for customer service and limited the PHA's ability to sustain assistance to its clients and their families at the preferred level.

Public Housing

The City of Tucson will provide 1,505 public housing units in FY 2016. Applicants must be below 50% AMI to qualify. At least 40% of new admissions must be below 30% AMI.

Homeless

Other programs that assist renters and individuals that are homeless include: Low-Income Housing Tax Credits (LIHTC), HOME-funded Rental Housing Partnership, Vacant and Neglected Structures (VANS) El Portal, Shelter Plus Care, HOPWA, Positive Housing Opportunities, Pathways Supportive Housing and the Bridges Supportive Housing program.

In addition, the 5-year consolidated plan includes the goal of adding 200 transitional and permanent supportive housing units to the existing inventory. In FY 2016 the PHA added a preference for homeless households limited to 10% of the PHA's total portfolio of 1505 units and 10% of the PHA's vouchers (except for those vouchers already designated for a special population). The PHA may seek Human/Public Services Funds to hire an agency to provide case management and wrap around services to assist these families in transitioning from living on the street to living in permanent housing.

Lead Hazard Control Program (LHCP)

The City of Tucson is currently implementing a Lead-Based Paint Hazard Control Program. An initial award was made in November 2007 in the amount of \$3 million. The City was awarded a new three-year grant in October 2012 in the amount of \$2.4 million. The City follows strict EPA/HUD guidelines for testing and abatement of identified lead-based paint hazards and requires compliance from its contractors and subcontractors, all of whom must be trained and certified through various EPA programs. Lead poisoning in children under the age of 6 years has been proven to cause profound learning disabilities, extensive liver damage, and in some cases, even death. Current data also supports the notion that adult victims of lead poisoning are 45% more likely to demonstrate criminal behavior. Funded and administered by HUD's Office of Healthy Homes, the Lead-Based Paint Hazard Control Program (LHCP) conducts an EPA-sanctioned lead risk assessment for eligible residential structures (built prior to 1978 and in which at least one child under the age of six resides) and, upon detection of lead contamination, provides the requisite lead interim controls and abatement strategies to eliminate all existing hazards. After testing has been completed, a City of Tucson, EPA-certified Lead Supervisor tests the property and if all hazards are eliminated, can confirm the property as 'lead-safe.' Under LHCP, which will provide \$2,480,000 over a three-year period, the community's inventory of lead-safe housing units is increased on a monthly basis. This project tests and eliminates existing hazards in approximately 80 residential units per year while positively impacting the health of over 1,000 Tucson residents, including more than 700 children. The City of Tucson currently maintains a city-wide Lead-Safe Housing Registry,

located on our website, which records all residential properties that have been rendered 'lead-safe,' as certified by E.P.A. Lead Supervisors, since 2007.

Rehabilitation Projects

The City follows strict EPA/HUD guidelines for testing and abatement of lead-based paint and other hazardous substances, and requires compliance from its contractors and subcontractors. Any structures built before 1978 that are proposed for rehabilitation under Federal Programs are evaluated for lead-based paint hazards and remediation activities are carried out as deemed necessary. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City of Tucson has licensed contractors who are available to perform appropriate abatement and/or removal procedures if lead-based paint is detected.

In FY 2016, funds will be allocated for the Housing Rehabilitation Collaborative (HRC) Environmental Resources and Compliance Project. Part of the funding will be used to train staff from non-profit organizations and City staff on federal compliance requirements. In addition, seminars dealing with asbestos, mold and healthy-homes awareness will be held. The following agencies comprise the HRC: City of Tucson, Chicanos Por La Causa (CPLC), DIRECT Center for Independence, Community Home Repair Projects of Arizona (CHRAPA), Tucson Urban League (TUL), TMM Family Services, Pima Council on Aging (PCOA) and Old Pueblo Community Services.

Housing/Transportation Coordination

Describe the actions to coordinate its housing strategy with local and regional transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.

Creating neighborhoods that offer both housing and transportation affordability requires multiple targeted strategies and coordination within and across government agencies and the private sector. Strategies must take into account availability of public transportation; location of housing in relation to transportation options, basic services, and jobs; and land use provisions that accommodate mixed uses. The Center for Neighborhood Technology (CNT) has developed the Housing + Transportation Affordability Index, which includes the cost of transportation with the cost of housing to more accurately determine the affordability of a residential unit by factoring its location in relation to transit, jobs, schools, and other basic services. The Affordability Index now includes Pima County data.

The City of Tucson State-mandated 10-year General Plan, (Plan Tucson) was updated and adopted by Tucson voters in November 2013, (Resolution #22160 Proposition 402) The Plan provides guidance to better integrate housing, public transportation, services, and jobs. Tools such as the CNT Index were considered in the development of the Plan. Plan Tucson Goals and policies that are specific to transportation and mobility include:

Goal 25 – An urban form that conserves natural resources, improves and builds on existing public infrastructure and facilities, and provides an interconnected multi-modal transportation system to enhance the mobility of people and goods.

Policy LT22 – Participate in efforts to develop a coordinated regional, multi-modal transportation system that improves the efficiency, safety, and reliability of transporting people and goods within the region and to destinations outside of the region.

The entire Plan is posted on line at www.tucsonaz.gov/integratedplanning/plan-tucson.

Additionally, member jurisdictions within the Tucson Metropolitan Area have been working together to create a regional vision that takes into account the issues of affordable housing and transportation as an important component to smart growth. This study will be completed within FY 2015.

Federal, State and Local Resources

In addition to the funds noted in this document, an estimated \$56.9 million in federal, state and local resources will help address the needs identified in the plan. The projected budget, which is not finalized, includes: (Figures from proposed FY 2016 HCD budget.)

Other HUD Programs

CDBG Section 108 Loan Guarantees (up to)	\$ 20,000,000
Shelter Plus Care	\$ 947,831

Other Federal Funds

Local Funds

City of Tucson Human Services Fund	\$ 1,400,000
HUD Public Housing Programs for the City of Tucson and Pima County	
Section 8 Housing Choice Vouchers	\$38,154,920
Public Housing	\$11,132,990
Public Housing Capital Funds	\$ 1,303,715

Managing the Process

- 1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.**
- 2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.**
- 3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.**

Program Year 1 Action Plan Managing the Process response:

The City of Tucson Housing and Community Development (HCD) Department is responsible for overseeing the development of the Annual Action Plan and for the administration of CDBG, ESG and HOME funds. The Southern Arizona AIDS Foundation (SAAF) administers programs funded by HOPWA. HCD is the local Public Housing Authority and the lead agency in the City of Tucson and Pima County Consortium. HCD collaborates with the Tucson Housing Rehabilitation Collaborative, Tucson Pima Collaboration to End Homelessness (TPCH), Pima County, Pima Association of Governments (PAG) Committees, Pima Council on Aging (PCOA), Community Housing Development organizations (CHDO's) as well as many non-profit agencies delivering services in developing needs and priorities for funding and services. The City of Tucson/Pima county FY 2015 - FY 2020 Consolidated Plan remains the key guiding document for funding and goal setting. During FY 2015 the City will begin preparing an updated Consolidated Plan document for the 5-year period beginning July 1, 2015 through June 30, 2020. The goals and policies in the voter adopted General Plan (Plan Tucson) will be integrated with the Consolidated Plan.

HCD staff is directly involved in committees and sub-committees of local organizations and collaboratives providing services to locally identified service populations. Through staff's work on these committees and internal information exchanges, the Department monitors emerging issues and changing needs for programs and services within the community.

The City of Tucson has numerous Boards and Commissions that act in an advisory capacity and/or make recommendations on policies, programs and projects related to goals in the Consolidated

Plan. For a complete list of City of Tucson Boards and Commissions see:
<http://www.tucsonaz.gov/clerks/boardscommissions>

During FY 2015 the City prepared an update to the Five-Year Consolidated Plan document for the 5-year period beginning July 1, 2015 through June 30, 2020. The goals and policies in the voter adopted General Plan, Plan Tucson, will be integrated with the FY 2016 – FY 2020 Consolidated Plan www.tucsonaz.gov/integratedplanning/plan-tucson.

Citizen Participation

- 1. Provide a summary of the citizen participation process.**
- 2. Provide a summary of citizen comments or views on the plan.**
- 3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.**
- 4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.**

Program Year 1 Action Plan Citizen Participation response:

As required by the Department of Housing and Urban Development (HUD), the City of Tucson complies with 24 CFR 91.105, Citizen Participation Plan for local governments as outlined. The City has adopted a citizen's participation plan that sets forth the City's policies and procedures for citizen participation. A complete copy of this plan may be found on the City's website: <http://cms3.tucsonaz.gov/hcd/plans>

The City of Tucson's goal for citizen participation is to ensure broad participation of both residents and service providers in housing and community development planning and program development. The City follows its published Citizen Participation Plan in consulting with the public and stakeholder agencies.

The City of Tucson Housing and Community Development Department (HCD) is responsible for overseeing the development of the Annual Action Plan. The City's Citizen Participation Plan was followed in preparing the Annual Action Plan. The Annual Action Plan was made available to the public for a 30-day review period beginning March 25, 2015 through April 24, 2015. The City of Tucson and Pima County held two joint public meetings, presenting the FY 2016 Annual Action Plans for the respective jurisdictions.

Meeting 1

3 PM to 5 PM

April 1, 2015, with 3 members of the public in attendance
City of Tucson Housing and Community Development Offices
Sentinel Building
320 North Commerce Park Loop, Tucson, Arizona

Meeting 2

6 PM to 8 PM

April 1, 2015, with 3 members of the public in attendance
Pima County Housing Center
850 W. Congress Street, Tucson, Arizona

CDBG Monitoring

It is the policy of the Housing and Community Development Department, Planning and Community Development Division, to monitor all sub-recipient contracts on an annual basis. All sub-recipients will, at a minimum, be monitored by means of an office desk-review utilizing a monitoring checklist appropriate for the program/project. The monitoring process is implemented based on the following priorities: 1) Those sub-recipients whose risk assessment is high (4 or more factors checked) will receive on-site monitoring. 2) Time permitting, those sub-recipients whose risk assessment is medium (2 to 3 factors checked) will receive on-site monitoring beginning with the projects with the highest risk. 3) Those sub-recipients whose risk assessment is low (0 to 1 factors checked) will receive a desk-review monitoring. All sub-recipients will receive on-site monitoring in the event it is requested by an authorized city, state or federal official. Additionally, the City may, at its discretion, perform a risk assessment of a sub-recipient, and if the risk assessment warrants on-site monitoring, the City may perform the required monitoring. The monitoring checklist has been revised based on discussions with HUD staff. All public facility projects require an on-site visit prior to making final payment.

Monitoring Consolidated Plan Performance

The Consolidated Plan is utilized as the basis for compiling the Annual Action Plan to ensure the progress of meeting the goals of the 5-year plan. The Division conducts weekly management meetings to discuss issues and develop plans to mitigate problems, achieve stated goals, and meet regulations. Project specific meetings are conducted to discuss issues associated with particular projects. The Department Director and Assistant Director are informed and/or included in project specific meetings as needed. The Consolidated Annual Performance and Evaluation Report (CAPER), is reviewed to ensure that needs are being met and the stated goals are being accomplished.

Lead-based Paint

- 1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.**

Program Year 1 Action Plan Lead-based Paint response:

The City follows strict EPA/HUD guidelines for testing and abatement of lead-based paint and other hazardous substances that may be present in structures. Any structures built before 1978 that are proposed for rehabilitation under Federal Programs are evaluated for lead-based paint hazards; remediation activities are carried out as deemed necessary. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City of Tucson has licensed contractors who are available to perform appropriate abatement and/or removal procedures if lead-based paint is present. The City requires compliance from its contractors and subcontractors involved in rehabilitation projects.

In FY 2016 funds will be allocated for the Housing Rehabilitation Collaborative's Environmental Resources and Compliance Project. Part of the funding will be used to train non-profit and City staff about federal compliance requirements. In addition, seminars dealing with asbestos, mold and healthy-homes awareness will be held.

HOUSING

Specific Housing Objectives

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

Tucson strives to meet the underserved needs of the community. This is accomplished through programs and services to homeowners, renters, and persons who are homeless.

Homeowners

In FY 2016, The Housing Rehabilitation Collaborative will provide assistance to approximately 379 households through its various housing rehab programs.

Renters

Housing Choice Voucher Program - In FY 2016, the City of Tucson will provide 4,635 vouchers for City of Tucson applicants and an additional 877 for applicants living in Pima County. These figures include several specialty programs for specific populations.

Public Housing – The City of Tucson will provide 1,505 public housing units in FY 2016. Applicants must be below 50% AMI to qualify. At least 40% of new admissions must be below 30% AMI. In FY 2016 the PHA added a preference for homeless households limited to 10% of the PHA's total portfolio of 1505 units and 10% of the PHA's vouchers (except for vouchers designated for other special populations). The PHA budgets Human/Public Services Funds for an agency to provide case management and wrap around services to assist these families in transitioning from living on the street to living in permanent housing.

HUD's Capital Needs Assessment (CNA), completed in 2010, estimated that there is a backlog of unmet capital need in the amount of 26 billion dollars nation-wide. The Capital Fund received by the PHA's has been drastically reduced by 40% over the past 15 years. Therefore, in order to preserve Public Housing the PHA may have to utilize CPD funds to help bridge this gap.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

The Public Housing Authority (PHA) is corresponding with HUD on a paperwork submission related to its performance designation. The PHA is not experiencing performance issues related to on-going operation.

Program Year 1 Action Plan Public Housing Strategy response:

The City has several initiatives that provide opportunities to Public Housing Program residents:

Family Self-Sufficiency Program

The Family Self Sufficiency (FSS) program is a voluntary program available to families who receive rental assistance through the city of Tucson's public housing and Section 8 Housing Choice Voucher programs. Participants must have a genuine desire to work toward a living wage career within a five year period. Participants set and meet long and short-term goals for education, training, career development and job retention. The programs' main focus is to help participants reach self-sufficiency so that they no longer need to depend on public assistance programs in order to provide for their families. Homeownership, savings and financial education are also encouraged. Approximately one-third of graduates of the program move on to homeownership.

Homeownership

The Section 8 Home Ownership Program (SEHOP) provides an opportunity for low-income Housing Choice Voucher (HCV) holders to achieve homeownership. As of 2014 HCD had 25 HCVs available from AZ004 and an additional 15 HCVs from AZ033 for homeownership. Moreover, staff works with homeownership clients to educate them about other resources available in the community, e.g. those available through the City's HOME program, Federal Home Loan Bank, sponsors of Individual Development Accounts, and products sponsored by the Industrial Development Authority such as mortgage revenue bonds and mortgage credit certificates.

Asset Management Project (AMP) Operations

Tucson manages the federally funded Public Housing Program, which operates according to HUD's AMP approach to property management. The Program includes 11 AMP's managed by six Housing Management Project Coordinators and their administrative and maintenance staff. The AMPs include apartment complexes and single family homes, duplexes, and triplexes scattered throughout the city.

ROSS Program

The HUD Resident Opportunities and Self-Sufficiency (ROSS) grants have been funded in the amount of \$240,000 each during the past several years to serve our Public Housing elderly/disabled residents. HCD is the recipient of the ROSS grants that began on June 23, 2014 and will continue through June 20, 2017. HCD will continue to act as Contract Administrator, overseeing activity on these grants. Each grant has an initial term of three years. ROSS grants provide services that assist residents in maintaining physical and mental health, good nutrition, fitness, and socialization. Residents learn ways to manage chronic disease, navigate the health care system, and find resources in the community. Group transportation to shopping, cultural and community events, parks and outdoor activities, health fairs, and health screenings are also provided through the ROSS grants. These services enable many residents to continue living independently and avoid institutionalization.

Section 3 Resident Recruitment

In accordance with the *Section 3 Plan for The City of Tucson Housing Authority and The City of Tucson*, the resident councils, as well as neighborhood associations are provided with information and their assistance is requested in notifying residents of available Section 3 training and employment opportunities. Additionally, training and employment opportunities are advertised in residents' newsletters as well as at all public housing management offices. The Plan can be viewed online: <http://cms3.tucsonaz.gov/files/hcd/section3final020711.pdf>

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 1 Action Plan Barriers to Affordable Housing response:

The following are actions the City will take in FY 2016 to remove barriers to affordable housing:

Bilingual Material

A large percentage of low-income residents in Pima County are Spanish speaking. Materials and advertisements promoting countywide homeownership programs are printed in English and Spanish. The City of Tucson has also established a Language Assistance Plan for those clients with limited English proficiency (LEP Plan) by providing meaningful access to program information and services for clients who are limited in their English proficiency.

Incentives for Private Developers

The City provides incentives to non-profit and for-profit developers that expand their affordable housing production. The City has leveraged land and provided below-market financing for affordable housing development. The City also markets individual homes and provides qualified buyers for affordable homes constructed by private sector developers.

Fair Housing: Eliminating Barriers to Housing Choice

The City of Tucson/Pima County consortium is a CDBG entitlement jurisdiction with a mandate to affirmatively further fair housing (AFFH). The mandate is carried out in part by conducting the Analysis of Impediments to Fair Housing Choice (AI) process. The AI report is submitted to HUD. The AI contains an action plan with measurable actions to be taken to overcome the effects of the fair housing impediments identified in the report. The consortium has five primary goals in developing the AI and implementing the action plan:

1. Eliminate all forms of illegal housing discrimination
2. Actively promote fair housing choice for all persons
3. Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin.
4. Actively promote housing that is structurally accessible to and usable by all person particularly persons with disabilities
5. Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The initial AI report was submitted in 1998 and was updated in 2004 and 2009. The 2009 AI, covering 2010-2014, updates and revises the last AI completed in 2004, and is available at <http://cms3.tucsonaz.gov/hcd/plans>. The 2016 AI was drafted by the Southwest Fair Housing Council (SWFHC) and completed on behalf of the Consortium. The Fair Housing Plan and Analysis of Impediments (AI) to Fair Housing has been updated and is available for review during the 30-day public comment period beginning on March 25, 2015. The AI will be reviewed by Mayor and Council at a public hearing held on May 5, 2015.

Over the next year, the City of Tucson will work to eliminate housing discrimination and affirmatively further fair housing practices. The City will strive to achieve these goals by continuing to fund and work closely with the Southwest Fair Housing Council, continue to improve its efforts to affirmatively further fair housing by using the AI as a cornerstone of housing and community development planning, and continue to implement the action plan contained in the AI. As the plan is implemented, the City will monitor the actions taken and maintain records of those actions. The

records will be reviewed at the end of the year, help formulate next year's fair housing action plan and will be incorporated into the new planning documents.

FUNDS COMMITTED TO FAIR HOUSING ACTIVITY

AGENCY	CITY FUNDING Planning and Services
Southwest Fair Housing Council	\$25,000

HOME/ American Dream Down-payment Initiative (ADDI)

Describe other forms of investment not described in § 92.205(b).

If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

Program Year 1 Action Plan HOME/ADDI response:

Affordability of HOME funds shall be maintained by the recapture method, except for those instances where HOME funds are used in conjunction with the Pima County Community Land Trust. In those instances, affordability will be maintained by the resale method. A Note and Deed of Trust will be recorded to ensure the required period of affordability is met.

The City of Tucson shall recapture all or a portion of the direct HOME subsidy if the HOME recipient decides to sell the house within the affordability period at whatever price the market will bear. If there are no net proceeds or insufficient proceeds to recapture the full amount of HOME investment due, the amount subject to recapture shall be limited to what is available from net proceeds. Net proceeds are defined as the sales price minus superior non-HOME loan repayments and any closing costs.

If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:

Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.

Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.

State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.

Specify the required period of affordability, whether it is the minimum 15 years or longer.

Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.

State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

HOME funds will not be utilized in this manner.

If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:

Describe the planned use of the ADDI funds.
Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

The City will not receive ADDI funds.

HOME PROGRAM DESCRIPTION

The Home Investment Partnership program (HOME) was authorized by Congress as part of the 1990 National Affordable Housing Act. HOME is an annual entitlement that provides local governments with funds to acquire, rehabilitate, build or subsidize transitional, rental and homeowner housing for low-income families. HOME program funds require a 25% local match with non-federal funds.

The program allows localities to join together to form a consortium, in which one entity is the lead agency with the HOME entitlement calculated based on the needs of the consortium as a whole. The City of Tucson and Pima County formed a HOME consortium in 1992, with the City of Tucson as the lead agency.

The HOME program also defines special non-profits called Community Housing Development Organizations (CHDOs), which are certified to meet federal criteria, and for which at least 15% of the local HOME allocation must be set aside. While CHDOs may also get HOME funds (up to 5% of the allocation) for operating costs, the City of Tucson/Pima County Consortium has opted to join most PJ's across the nation in eliminating operating funds.

The City will designate and/or re-certify CHDO status on a per project basis and will no longer provide CHDO operating funds.

Each year the City and County are required to prepare a HOME program description as part of the annual update to the 5-year Consolidated Plan. This program description describes how HOME funds will be budgeted for the upcoming fiscal year, July 1, 2015 through June 30, 2016. As part of the Annual Plan, this program description is submitted to HUD for approval.

HUD FY 2016 HOME Allocation

The total HOME funds allocated to the City of Tucson and Pima County for FY 2016 is \$2,375,365. These funds are allocated as follows: 10% for Administration, 15% for CHDOs (projects only), and 75% for other HOME projects. The following describes the use and project types for the City of Tucson HOME program entitlement funds, followed by the description of use and project types of the Pima County HOME program entitlement funds.

HOME Funds Distribution	Consortium Allocation	Pima County Allocation	City of Tucson Allocation
Total	\$2,275,365	\$665,102	\$1,710,262
Administration	\$237,536	\$59,384	\$178,152
CHDO Projects	\$356,304	\$99,765	\$256,539
Projects	\$1,781,523	\$505,952	\$1,275,571

City Projects	
Rehabilitation (deferred Loan)	0
TBRA	\$30,000
Rental	\$1,245,571
Homeownership	0
Total	\$1,275,571

County Projects	
Homeownership: down payment assistance, development & preservation	\$100,000
Rental Development & Preservation	\$405,952
Total	\$505,952

Note: Allocations are subject to change as City and County enter into a new Intergovernmental Agreement (IGA).

The City and County will set aside general funds as necessary to meet the 25% HOME match requirement. The City and County will also calculate resources such as donated land, non-federal sources of cash invested in projects, and the value of savings on below-market interest rate loans.

Community Housing Development Organizations (CHDOs) Budget: \$356,304 total

The City of Tucson, as the lead agency, works directly with CHDOs to develop affordable housing units. CHDOs are non-profit organizations that meet federal HOME criteria to develop, sponsor, and/or own projects. The activities of CHDOs include rental housing, transitional housing and single-family home acquisition, rehabilitation and new construction, and assistance to homebuyers. Funding for this program is the amount equivalent to 15% of the total HOME allocation.

HOME Program Match Requirement

Twenty-five percent (25%) matching funds for HOME funding will be provided from the County and City general funds as well as the value of resources such as donated land, nonfederal source sources of cash invested in projects and the value of savings on below-market interest rate loans to meet the 25% HOME Match requirement.

HOME Monitoring

Annually, the City of Tucson monitors the following units to ensure that all of the HOME units, and the Complexes meet the HOME Monitoring requirements as specified in 24 CFR Part 92.207.

Rental Partnership Monitoring Frequency and Scheduling

Project	Frequency
ADDI/HAP	Annual
St. Lukes in the Desert	Annual
1 North 5th	Annual
Talavera Apartments	Annual
Fry Apartments	Annual
Las Villas De Kino Phase 1	Annual
Las Villas De Kino Phase 2	Annual
Glenstone Apts	Annual
Ghost Ranch Lodge Ph 1	Annual
Ghost Ranch Lodge Ph 2	Annual
El Portal	Annual
Parkside Terrace Apts	Annual
Colores Del Sol	Annual
Casa Bonita 3, 4 & 5	Annual
MLK	Annual
Council House	Annual
Sunnyside Pointe	Annual
Las Montañas	Annual
Vida Nueva Apartments	Annual
Alvord Courts	Annual
MacArthur Apartments	2 years
SAAF - Glenn Street	2 years
New Beginnings PH 2	2 years
New Beginnings PH 1	2 years
Casitas San Miguel	2 years
Mabel & Delano	2 years
Casitas Esperanzas Byas	2 years
Casa Bonita 1 & 2	2 years
MHC - 9 Home Contract	2 years
MHC - 11 Home Contract	2 years
Casita Mia 1 & 2	2 years
Wings of Freedom	2 years
Casita Mia 5	3 years
TMM Fairhaven South	3 years
TMM Lee St - Fourplex	3 years
TMM Fairhaven North	3 years
Michael Keith	3 years
Casitas On Broadway	Desk Only
NCR of Tucson	Desk Only
Blanche Johnson	Desk Only
Silverwood Casitas	Desk Only
Sonrisa	Desk Only
La Frontera - Bella Vista	Desk Only

Affirmative Marketing

The City of Tucson requires the owner/agent to comply with the City's procedures and requirements for rental projects containing five or more HOME assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area (as defined in the original HOME funds application) to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedure adopted by the City of Tucson are included in every HOME/agency contract.

The City will assess the affirmative marketing efforts of the owner by comparing predetermined occupancy goals to actual occupancy data that the owner is required to maintain. Outreach efforts on the part of the owner will be evaluated by reviewing marketing efforts.

The City will assess the efforts of the owners receiving HOME funds during the rent-up period and marketing of the units by use of a compliance certification or an annual personal monitoring visit to the project.

Corrective actions are required when it is determined that the owner has failed to follow affirmative marketing requirements. Such actions include extensive outreach efforts to appropriate contacts to achieve occupancy goals, or other actions the City may deem necessary.

HOME Minority and Women-Owned Business

The City has developed a Disadvantaged Business Enterprise (DBE) Program to ensure full and equitable economic opportunities to persons and businesses that compete for business with the City of Tucson, including minority-owned business enterprises (MBE) and woman-owned business enterprises (WBE).

The following remedies are employed by the City of Tucson to address marketplace discrimination against MBE and WBE businesses:

- Consultation with new or developing businesses;
- Certification of minority and women-owned businesses;
- Publication and distribution of a MBE/WBE Directory;
- Notification to MBEs and WBEs of Invitation for Bids (IFB) and Requests for Proposals (RFP) relating to construction, procurement and professional services;
- Holding of city construction project plans for use by MBEs and WBEs;
- Developing and holding seminars;
- Conducting outreach activities to recruit MBEs and WBEs into the city purchasing process, including workshops for small businesses and publications describing the city's purchasing process;
- Providing assistance with purchasing procedures and policies; and
- Monitoring purchasing efforts to ensure MBE/WBE access to the process

The City encourages minority participation through a Section 3 Outreach Program. This program provides employment opportunities to low-income and project-area residents, and is supplemented by a commitment of funds for education and training.

Specific Homeless Prevention Elements

1. **Sources of Funds**—identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction’s plan for the investment and use of funds directed toward homelessness.
2. **Homelessness**—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. **Chronic homelessness**—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness.
4. **Homelessness Prevention**—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. **Discharge Coordination Policy**—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 1 Action Plan Homeless Services response:

Plan for Investment and Use of Available Funds

The Continuum of Care expects to receive public and private sources with 100% of the funds intended to address the needs of persons who are experiencing homelessness. Of the approximate provided by HUD, 60% is dedicated to the development and ongoing operation of permanent supportive housing for homeless persons with disabilities. The remaining 40% is dedicated to a variety of transitional housing programs for homeless persons that include supportive and employment services. For HUD FY 2015 the Shelter Plus Care Amounts are as follows:

Bridges Transitional Housing -	\$ 657,190
Pathways -	\$ 123,225
Shelter Plus Care IV – Operation	
Safe at Home -	\$ 647,151
Shelter Plus Care Partnership -	\$ 726,236
Emerge Rapid Rehousing	\$ 61,535

During FY 2016, the City plans to spend \$1,136,806 in federal CDBG and ESG funds on programs for seven (7) agencies serving persons who are homeless. Specific projects being supported during FY 2016 are listed below. The goals of these projects are to prevent homelessness and assist individuals and families in finding permanent housing and regaining self-sufficiency.

Projects that Serve the Homeless This section will be filled in for the FINAL Annual Action Plan.

Agency	Project	Emergency Shelter Support	Homeless Prevention	Rapid Re-housing	Street Out reach	HMIS	ESG	SHP	CDBG

HOMELESSNESS

For Fiscal Year 2016, the City of Tucson plans to use CDBG and ESG money to fund a variety of non-profit agencies to provide services to persons experiencing homelessness, those at risk of being homeless and homeless families with children. These activities are summarized below.

- Fund providers through the Continuum of Care process that propose to link housing to services;
- Add 100 units of permanent supportive housing to existing housing inventory.
- Identify homeless characteristics and adapt service system to meet the characteristics;
- Increase shelter services, transitional and permanent supportive housing;
- Seek additional funding from Shelter Plus Care and Supportive Housing Program Grants;
- Seek additional funds for medical, behavioral, substance abuse, and mental health services;
- Fund services that enhance discharge planning and other preventive services;
- Institute preventions strategies for rent, utility and mortgage assistance and debt and mortgage counseling;
- Provide short-term assistance in the form of emergency shelters and motel vouchers;
- Provide employment and training tied to housing assistance;
- Implementation of Continuum of Care strategies through participation in the local process – Tucson/Pima Collaboration to End Homelessness (TPCH);
- Development of housing targeted to special needs populations; and
- Continued implementation of the TPCH Strategic Plan.

USE OF AVAILABLE RESOURCES

During Fiscal Year 2016 the City will receive the following funds:

Community Development Block Grant (CDBG): \$5,118,094

CDBG funds will be used for a variety of housing and community development activities that benefit low- and moderate-income individuals. This amount includes residual funds from prior years which have been re-programmed this fiscal year.

HOME Investment Partnerships Program (HOME): \$2,375,365

HOME funds, leveraged will be leveraged with an estimated program income of \$300,000 and local general funds in the amount of \$277,120 (match). In addition the City will allocate \$125,000 from the Tucson Housing Trust Fund for program match. These funds will be allocated for down payment assistance to assist new home buyers with making home ownership affordable.

The City of Tucson and Pima County formed a HOME consortium in 1992, with the City as the lead agency. The City and County will set aside general funds and also calculate resources such as donated land, non-federal sources of cash invested in projects and the value of savings on below-market interest rate loans to meet the 25% HOME Match requirement.

Emergency Solutions Grant program (ESG): \$455,833

ESG funds will be applied to projects providing shelter and assistance to the homeless as well as providing funds to prevent homelessness. Funds provide essential services, including operations and maintenance for facilities assisting the homeless and services that prevent homelessness. The ESG program requires a dollar-for-dollar match. This requirement will be met by participating agencies that contract for ESG funding.

Housing Opportunities for Persons with AIDS (HOPWA): \$451,530

The City will contract with the Southern Arizona AIDS Foundation (SAAF) to provide housing and case management services.

The Tucson/Pima Collaboration to End Homelessness (TPCH) is a coalition of community and faith-based organizations, government entities, businesses, and individuals committed to the mission of ending homelessness and addressing the issues related to homelessness in Tucson and Pima County.

TPCH Goals:

- To act as advocates for the homeless.
- To provide leadership and serve as experts and advisors to local planning and funding bodies on issues that impact services to homeless persons.
- To increase community awareness and support for homeless people, homeless issues, TPCH and member organizations; and to support ongoing implementation of the City of Tucson/Pima County Plan to End Homelessness.

TPCH members coordinate to apply for competitive funding for the following, as advertised by HUDs notice of funding availability (NOFA) for resources to support the Continuum of Care for the Homeless.

2015 Supportive Housing Program (SHP) for the City of Tucson

The Supportive Housing Program (SHP) will provide transitional housing and supportive services for the following targeted homeless populations:

Low-income individuals and families with children;
Single unaccompanied youth;
Pregnant and parenting youth,
Single women or men with children;
Severely mentally ill people;
Chronically homeless individuals with multiple barriers to employment;
Veterans; and
Victims of domestic violence.

The SHP facilitates direct links between housing opportunities, supportive services and employment programs for persons who are experiencing homelessness. In FY 2016, the City is investigating the feasibility of establishing a centralized facility to connect homeless individuals to emergency assistance, with follow-up services to include a comprehensive needs assessment and referrals to appropriate agencies. The goal is to establish a homeless services campus that increases accessibility to multiple services and supports coordination among service providers participating in the Continuum of Care.

The City of Tucson intends to encourage local non-profit housing and support service agencies to pursue all available public and private funding to achieve the goals in the FY 2015 – 2020 Consolidated Plan. It is expected that funding from a combination of federal, state and local sources will be used to pursue the majority of the housing and community development strategies. All eligible funding will be pursued and non-profit entities will be encouraged to work with financial institutions to develop plans for leveraging private and public funds to the maximum extent possible.

Bridges Transitional Housing Program provides transitional housing and supportive services for the targeted populations that are part of the Supportive Housing Program (SHP). This collaborative effort provides direct links between housing opportunities, supportive services and employment programs.

Pathways provides permanent supportive housing to homeless and chronically homeless disabled individuals and families.

Shelter Plus Care Partnership and Shelter Plus Care IV provide permanent supportive housing for homeless individuals and families with disabilities including serious mental illness, physical disabilities, and/or chronic substance abuse problems.

The Emerge Rapid Rehousing Project will provide housing and services that include short-term (up to 3 months) and/or medium-term (3 to 24 months) to individuals or families experiencing homelessness or fleeing from domestic violence situations in order to move them as quickly as possible into permanent housing.

Funding for the City's Supportive Housing Programs is as follows:

Bridges Transitional Housing -	\$ 657,190
Pathways -	\$ 123,225
Shelter Plus Care IV – Operation Safe at Home -	\$ 647,151
Shelter Plus Care Partnership -	\$ 726,236
Emerge Rapid Rehousing -	\$ 61,535

OBSTACLES TO COMPLETING ACTIONS

The following obstacles hinder the City's ability to meet the needs of persons who are experiencing homelessness:

- Insufficient funding for the subsidies necessary to create additional housing for this population;
- Funding is decreasing across many sources for programs serving the homeless ;
- The current economic and foreclosure crisis has created a sharp increase in homelessness—particularly among first-time homeless individuals;
- Lack of coordination between social service providers and housing providers;
- The disabled population is made to wait long amounts of time to obtain benefits such as SSI, SSDI and VA benefits;
- Insufficient discharge planning;
- Employment opportunities that support living wages;
- Lack of affordable child care in support of employment and education;
- Crime-free housing policies;
- Lack of adequate housing resources;
- Loss of prevention and case management funds; and
- Difficulty in locating projects in existing neighborhoods due to neighborhood opposition.

Chronic Homelessness

The Tucson/Pima Collaboration to end Homelessness (TPCH) is charged with implementing the 2014 Continuum of Care Strategic Plan to End Homelessness.

Objectives and Action Steps for ending Chronic Homelessness include the following:

- Target new Shelter+Care and SHP applications to chronically homeless individuals;
- Continue to provide rehabilitation job training and development for chronically homeless individuals;
- Increase effectiveness of outreach efforts targeting chronically homeless individuals;
- Continue to give priority to Continuum of Care applications that propose to provide housing and services to chronically homeless individuals;
- Expand continuing education of case managers and social workers regarding the needs of the chronically homeless; and
- Implement Housing-First models and evaluate their effectiveness.

The City participated in the following two national efforts during the past five years, using these as a foundation for addressing the most serious issues associated with chronic homelessness:

National 100,000 Homes Campaign TPCH and the Continuum joined the National 100,000 Homes Campaign and pledged to provide 51 homes for the most vulnerable chronically homeless persons in the Tucson Community. Using Common Ground's Vulnerability Index tool, over 100 volunteers interviewed community members who were living in the desert or on the streets of Tucson. Interviews were conducted in April of 2011. Once the most vulnerable homeless people were identified, 51 Homes navigators worked to coordinate with housing specialists and health and human service agencies to quickly and safely move each person into a home and provide intensive wrap-around support for long-term care. The City of Tucson, the Veterans Administration and the Community Partnership of Southern Arizona, as well as private providers of assisted housing, have come together to provide funding for the required permanent housing units. Over 200 Veterans requested assistance with furnishing their apartments in 2014 and to date approximately 45 homeless Veterans have requested assistance in 2015.

100 Days Challenge The City of Tucson also participated in the 100 Days Challenge, a national effort to house homeless Veterans as quickly as possible. The City housed approximately 50 Veterans and 20 additional family members during the Challenge. Staff continues to provide

assistance in housing Veterans through programs designed specifically for Veterans by the Red Cross, Primavera and Veterans Affairs Supportive Housing (VASH). The Department received major donations of furniture and supplies from Davis-Monthan Air Force Base that included furniture from two dormitory buildings scheduled for demolition. The Department also received donations of bedroom furniture from Best Western Inn & Suites, and the Airport Doubletree Hotel. All of these items were picked up, sorted, and stored by City staff and volunteers until they could be distributed to clients. All clients that were housed received furniture, kitchen and bathroom items, linens, personal care items, cleaning supplies, and some non-perishable food items.

Homelessness Prevention

Prevention services include programs aimed at maintaining people in their homes, i.e. rent and mortgage assistance, utility payment assistance to prevent eviction, case management, housing counseling, landlord/tenant mediation/legal services, behavioral health services, referral services, income maintenance programs and food stamps, job training and placement, and guardianship/representative payee. In addition, prevention programs include supportive education regarding an owner's/landlord's specific requirements, and information on tenants' rights and obligations under Arizona law.

Discharge Coordination Policy

A subcommittee of the Tucson/Pima Collaboration to end Homelessness established discharge procedures for homeless patients with all hospitals in Tucson/Pima County. These procedures were supplemented with information regarding shelter operations, admission requirements, names and addresses of emergency shelters and shelter staff.

Prisoner Re-entry programs

While the PREP program funded by the Department of Labor Employment and Training Administration has ended, Primavera Foundation and Old Pueblo Community Services continue to offer re-entry assistance to men and women recently released from the Department of Corrections facilities and reentering the community after incarceration. An array of enhanced and graduated supportive services is offered including individualized case management and transitional living facilities.

COMMUNITY DEVELOPMENT

Community Development

- 1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, human/public services and economic development.**
- 2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.**

Program Year 1 Action Plan Community Development response:

Non-housing community development needs are those related to the needs of people and the needs of the built environment that supports people. The City of Tucson's non-housing community development strategy includes funding for the diverse Human/Public Services and built environment needs of the City of Tucson.

Human/Public Services

The City of Tucson invests the maximum percentage of resources (15% of CDBG funding) in Human/Public Services activities. These funds, combined with ESG and General Fund monies, support effective human service programs that provide rental assistance, emergency and transitional housing, permanent supportive housing for special populations, and direct services such as basic education and assistance with daily living needs. Programs promote prevention and self-sufficiency for clients. Through its funding of Human/Public Services agencies and programs, the City of Tucson's goal is to provide public service assistance to individuals during the period covered by this action plan.

Built Environment

For several decades, the focus has been on the necessity of supporting growth. The current economic recession represents an opportunity to reinvest in the built environment, focusing on revitalizing existing neighborhoods and communities and enhancing the infrastructure necessary to support existing residents. The built environment is stabilized through code enforcement and demolition activities, historic preservation, rehabilitation of existing structures, and improvement of community infrastructure. Non-housing community development projects and programs identified for funding during this action plan year are focused on these areas and include the following:

City of Tucson Vacant & Neglected Structures (VANS) Program

The City of Tucson has identified the worst and most dangerous vacant buildings in Tucson through its Vacant and Neglected Structures (VANS) program. These vacant and abandoned structures contribute to blight and the destabilization of neighborhoods. They may threaten the health and safety of area residents. Funds from the VANS program will be utilized to stabilize (when possible) or demolish these unsafe structures. Historic structures identified through VANS will be stabilized when possible.

Public Facilities

CDBG funding will be utilized to enhance neighborhood recreation areas such as parks and walking paths which help in promoting healthy lifestyles and active living. Funding will make available safe, attractive, accessible places that help create a sense of place in the neighborhood. Seating nodes in walkable areas will be provided according to needs identified by community residents. Pedestrian safety issues may also be addressed. Funds will be available to address accessibility issues in public facilities utilized by low and moderate income individuals.

Safe, Green and Healthy Facilities

The City of Tucson, along with Pima County, has committed funds to assist Emergency Shelter and Transitional Housing agencies address issues within their facilities based on the Green/Healthy assessment commissioned by Pima County Neighborhood Investment Partnership (PNIP). The funding will assist agencies to upgrade transitional and emergency shelters that need significant improvements based upon the assessment. The City and County will work together to develop criteria for funding. A separate RFP will be conducted to select recipients of these funds.

CDBG Target Area

The City will fund public facilities projects under the CDBG program which are located in the designated CDBG Target Area. This area was identified in the previous program year in

response to the Mayor and Council's observations following their review of the Poverty and Urban Stress Report. The target area consists of contiguous high-stress, low/mod income areas in the city core with documented low-income and high minority concentrations. The City will make investments to upgrade public facilities where there is a disproportionate need or a disparity in the facilities available to serve the surrounding neighborhood. The goal is to direct funding into this area for several years to assist in the reduction of poverty and comprehensive revitalization of the Target Area.

Economic Development - Section 108

The City of Tucson's request for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, was approved by the Department of Housing and Urban Development (HUD) on March 7, 2012 and extended in FY 2015. Twenty million dollars in guaranteed loan funds will be used to create a loan pool available for individual projects in a target range of between \$2 million and \$10 million that will have positive economic and community development benefits, including job creation. The City has HUD's conditional approval to proceed with an \$8 million hotel project and is waiting for a HUD determination to proceed with a \$1.769 million ADA sidewalk project.

Antipoverty Strategy

- 1. Describe the actions that will take place during the next year to reduce the number of poverty level families.**

Program Year 1 Action Plan Antipoverty Strategy response:

Most activities undertaken with CDBG, HOME, ESG and HOPWA funds are efforts to reduce the number of persons living in poverty and improve the quality of life for city residents. The City will continue to support emergency assistance programs, and a variety of other support services that are used by low-income households to obtain basic necessities. The main goal is to prevent very low-income persons, especially those earning 30% or less of median income, from becoming homeless. The long-term goal is to provide more affordable housing options so that this group is not forced to spend all their available funds for housing, with little left over for other needs.

As outlined in the Annual Plan, the City has specific strategies that are directly linked to the reduction of poverty. These strategies, which are illustrated throughout this document, are:

- Employment Opportunities
- Self-Sufficiency Assistance
- Support Services
- Affordable Housing

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

- 1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.**
- 2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.**

Program Year 1 Action Plan Non-Homeless Special Needs response:

Special Needs populations fall into seven broad categories: elderly, frail elderly, physically and developmentally disabled, seriously mentally ill, chronic substance and alcohol abusers, persons living with HIV/AIDS and their families, victims of domestic violence, and public housing residents. Over fifteen percent (15.5%) of Pima County's population is age 65 or older. Almost half are frail elderly (over the age of 75). Housing cost burden is a significant problem for both elderly owners and renters. Thirteen percent (172,778) of the population in Pima County is disabled. Among disabled households, more than half are low or moderate income. In Fiscal Year 2011 there were 32,402 adults and 15,409 children in the public mental health system in Pima County. Among adults, 11,647 or 29% of those enrolled in the public mental health system are Seriously Mentally Ill as defined by a qualifying diagnosis and disability (*CPSA 2011 Annual Report*). A total of 16,739 individuals in Pima County were enrolled in Arizona's public behavioral health system for substance abuse treatment during 2012 (*ADHS Annual Report on Substance Abuse Treatment Programs, 2012*).

Programs available in the community to assist this population include: home repair, retrofitting for handicapped accessibility, reverse mortgage counseling and loans, transportation assistance, and housing for persons living with serious mental illness and HIV/AIDS. Goals for serving the non-homeless special needs population for this action plan year include the following:

Housing

The City of Tucson in partnership with the Housing Rehabilitation Collaborative to provide the 379 units with the following rehabilitation and accessibility improvements:

- Retrofit existing housing units to improve accessibility
- Rehab and restore existing housing units for elderly homeowners
- Add permanent, supportive housing units to the existing stock

Human/Public Services

Through CDBG, ESG and General Fund allocations, the City of Tucson supports effective human service programs that provide rental assistance, emergency and transitional housing, permanent supportive housing for special populations, community infrastructure to support services, and direct services such as basic education and assistance with daily living needs. Human service goals for the non-homeless special needs population for this action plan year are to support Human/Public Services for: (the **estimates** below are based on FY 2015 goals)

- 5,000 elderly and frail elderly
- 2,500 disabled
- 800 domestic violence victims
- 100 persons with HIV/AIDS

Housing Opportunities for People with AIDS

- 1. Provide a brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.**
- 2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.**
- 3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress**

made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.

4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 1 Action Plan HOPWA response:

A total of \$451,530 is available for programs that provide housing opportunities to persons with HIV/AIDS. The City will contract with Southern Arizona AIDS Foundation (SAAF) for \$437,984 (includes for City of Tucson Section 8/TBRA) to provide the following services to persons living with HIV/AIDS:

Housing Subsidy Assistance, including:

- Short-term rent, mortgage and utility assistance
- Short-term facility assistance for emergency shelter vouchers
- Rental assistance for tenant-based permanent housing units
- Permanent Housing Placement assistance
- Supportive services including case management and transportation assistance

The project sponsor is the Southern Arizona AIDS Foundation (SAAF). SAAF is the result of a 1997 merger of the three primary AIDS service organizations in Tucson. The mission of the Southern Arizona AIDS Foundation is to create and sustain a healthier community through a compassionate, comprehensive response to HIV/AIDS. SAAF is a community-based organization in Southern Arizona providing case management, housing, and support services for people living with HIV/AIDS and their families; comprehensive prevention and education programs to reduce the rate of infection; and trainings and opportunities for community members to fill critical roles. SAAF is a

member of the Pima County HIV/AIDS Consortium and the Tucson Pima Collaboration to end Homelessness, the Continuum of Care for Tucson and Pima County.

The area of service is the City of Tucson, Arizona, and also includes areas outside the city limits within Pima County, Arizona that are part of the Public Housing Authority. The current prevalence of HIV and AIDS as reported by the Arizona Department of Health Services for Pima County is 2,394 cases (244.22 people per 100,000), with 54.4% of those reporting an AIDS diagnosis. Of the people receiving services through SAAF last year, 96% were low income, with 59% living below 30% of the AMI. Maintaining suitable housing is an ever-present need for SAAF clients who are typically low income. In addition to the struggle to obtain and maintain housing where affordable housing is at a premium, many clients face challenges of poor health, joblessness, mental illness, and/or chronic substance abuse. Maintaining housing has been shown to be a key to treatment plan adherence and remaining in care.

BARRIERS OR TRENDS OVERVIEW

The City of Tucson and the Southern Arizona AIDS Foundation (SAAF) affirms the strong evidence base reported by the National AIDS Housing Coalition for housing as a key component of HIV treatment, care and prevention. Participants in SAAF's housing programs demonstrate access to medical care and supportive services and improved adherence to medical care. There is a reciprocal role between housing and healthcare outcomes—stable housing helps eligible applicants fulfill resident eligibility for Ryan White Program services and the Arizona Health Care Cost Containment System (AHCCCS), the State's Medicaid program, and improved health outcomes help residents meet their goals for maintaining stable housing.

The ability for low income people living with HIV/AIDS to access necessary supportive services in order to maintain stable housing and improve health outcomes has been curtailed due to reductions in public sources that provide the services. The Arizona Department of Economic Security eliminated or reduced a number of safety-net benefit programs, including General Assistance for people with disabilities a number of years ago. The Arizona Department of Health Services has eliminated all State funded mental health services and non-emergency medical transportation due to the ongoing severe budget deficit in the State of Arizona. During the past year eligibility requirements for AHCCCS changed, eliminating new enrollments of adults in Medicaid who do not have children in the home.

In recognition of the need to build additional capacity to work with clients in accessing employment and training resources, SAAF and the City of Tucson Housing and Community Development Department completed a year-long capacity building and technical assistance project through the HOPWA Getting to Work Initiative. SAAF is moving forward with the employment objectives and activities identified when the project ended.

ASSESSMENT OF UNMET HOUSING NEEDS

Sponsor organization Southern Arizona AIDS Foundation (SAAF) served 524 people living with HIV/AIDS in FY 2012-2013. SAAF estimates that there is a current unmet housing need for 200 HOPWA eligible households. Of those, 80 have an unmet need for tenant-based rental assistance, 60 for housing facilities such as community residences and other housing facilities, and 60 households have an unmet need for short-term rent, mortgage and utility assistance delineated as follows:

- Forty-three households have an unmet need for assistance with rental costs;
- Four households have an unmet need for assistance with mortgage payments; and
- Thirteen households have an unmet need for utility assistance.

People living with HIV/AIDS in Tucson and Pima County need housing resources that are flexible. Supportive services that help people maintain stable housing, whether through comprehensive HIV/AIDS service providers or community mainstream resources, are needed to equip and support

people navigating a complicated and fragmented service system, while recognizing the challenge of dealing with co-occurring health and mental health issues present in many people living with HIV/AIDS. In Pima County people living with HIV/AIDS includes other special needs populations, and the ability to coordinate with other service systems is critical in order to maintain stable housing and support access to care.

HOPWA OUTPUT GOALS

Annual Performance Estimated Based on Previous Years for the Action Plan for Year 1

The range/type of housing activities for FY 2015 includes:

1) Housing Subsidy Assistance

- a. Rental Assistance for tenant-based permanent housing units
8 households annually
- b. Transitional/Short-term Facilities assistance
18 households annually
- c. Short-term rent, mortgage and utility assistance
110 households annually
- d. Permanent housing placement services including move-in deposits and housing prescreen assistance 115 households annually.

2) Case management and supportive services including transportation assistance, vital records to facilitate access to benefits, and limited substance abuse related services to 425 people annually.

These activities complement the Permanent Supportive Housing activities which are the focus of the HOPWA Competitive funding administered through Pima County, Arizona, benefiting additional people living with HIV/AIDS in Pima County.

OUTCOMES TO BE REPORTED IN YEAR 1 INCLUDE:

- A. Housing Stability: Assessment of Client Outcomes on Maintaining Housing Stability (Permanent Housing and Related Facilities)
- B. Prevention of Homelessness: Assessment of Client Outcomes on Reduced Risks of Homelessness (Short-Term Housing Assistance)
- C. Access to Care and Support
 - Has a housing plan for maintaining or establishing stable on-going housing.
 - Has contact with case manager/benefits counselor consistent with the schedule specified in client's individual service plan.
 - Had contact with a primary health care provider consistent with the schedule specified in client's individual service plan.
 - Has accessed and can maintain medical insurance/assistance.
 - Successfully accessed or maintained qualification for sources of income.
 - Total number of households that obtained or maintained an income-producing job.

Other Narrative

Include any Annual Action Plan information that was not covered by a narrative in any other section.

FY 2016 Projected Annual Action Plan Project Allocations and General Fund Projects are as follows:

	AGENCY NAME	PROJECT NAME		
	HUMAN/PUBLIC SERVICES based on FY 2016 CDBG Allocation to Continue FY 2015 Projects			CDBG AMOUNT Requested
1	Community Food Bank, Inc.	Emergency Food Assistance Program		\$191,330
2	Emerge! Center Against Domestic Abuse	Crisis Assistance for Survivors of Domestic Violence		\$191,250
3	Our Family (aka New Beginnings)	New Beginnings Emergency Shelter Services		\$60,000
4	Southern Arizona Children's Advocacy Center	Investigative/Intervention Services for Child Abuse Victims		\$80,000
5	Primavera Foundation Inc.	Emergency Services (Relief & Referral (RR)/Men's Shelter)		\$102,580
6	Primavera Foundation	Primavera Women's Services		\$50,000
7	Youth on Their Own	Special Needs		\$40,000
		Set asides – CDBG Funds		
	COT/H&CDD/Hsg. Mgmt.	FSS-MOU		\$18,000
	Pima Council on Aging	Elderly Independence w/CHSPA		\$30,500
			Total	\$763,660

	AGENCY NAME	PROJECT NAME		
	HOUSING REHAB COLLABORATIVE			CDBG AMOUNT
	These project allocations will be listed after the 30-day public comment period and Mayor and Council review adoption of the FY 2016 Annual Action Plan			
	HRC/COT/HCD/PCSD	City Neigh & Initiatives		\$354,450
	HRC/COT/HCD/PCSD	Emergency Home Repair		\$464,100
	HRC/COT/HCD/PCSD	HRC Environmental Compliance		\$0
	HRC/COT/HCD/PCSD	Lead Based Paint Hazard Program Match		\$0
	HRC/PCOA	Elderly Home Repair Program		\$74,610

HRC/CPLC	Roof Replacement		\$110,490
HRC/DIRECT	Home Access Program		\$116,610
HRC/CHSPA	City CDBG Emergency		\$145,680
HRC/Tucson Urban League	Emergency Home Repair		\$166,335
HRC/Tucson Urban League	Housing Rehab South Park		\$59,670
HRC/TMM	Midtown Homeownership Program		\$91,365
HRC/Old Pueblo Community Services	Sustainable Rehab		\$87,540
		Total	\$1,670,850

NEIGHBORHOOD ENHANCEMENT / TARGET AREA PROJECTS COMMUNITY DEVELOPMENT		Proposed FY 2016 CDBG AMOUNT	
City of Tucson/HCD	Homeless Services Campus		\$120,000
City of Tucson/HCD	Target Area Development-Public Facilities		\$641,051
City of Tucson/HCD	Sidewalk Project		\$444,861
City of Tucson/HCD	Safe, Green & Healthy Facilities (Year 3 of 5)		\$150,000
City of Tucson/HCD	Vacant and Neglected Structures		\$300,000
		Total	\$1,655,912

ADMINISTRATION & PLANNING		ADMIN FUNDS	
City of Tucson/HCD	Administration		\$948,618.80
PLANNING			
City of Tucson/OIP South Twelfth Avenue Corridor	Planning		\$50,000
PLANNING - FAIR HOUSING ACTIVITIES			
Southwest Fair Housing Council	Fair Housing Activities		\$25,000
	Total Admin. Funds \$	Total CDBG	\$1,023,618

SECTION 108 PROGRAM		CDBG AMOUNT	
City of Tucson/HCD	Hotel Project – Conditional HUD Approval		\$8,000,000
City of Tucson/HCD/TDOT	ADA Curbs & Sidewalks Project – Pending HUD approval		\$1,769,000

EMERGENCY SOLUTIONS GRANT (ESG)			ESG AMOUNT
Agency	Program		Dollar Amount
Emerge! Center Against Domestic Abuse	Crisis Assistance for Survivors of Domestic Violence		\$47,000
Our Family Services	New Beginnings Emergency Shelter Services		\$30,000
Primavera Foundation	Greyhound Emergency Family Shelter		\$40,000
Old Pueblo Community Services	OPCS Street Outreach for Homeless		\$85,000
Our Family Services	New Beginnings Emergency Shelter Services		\$30,000
Pasadera Behavioral Health Network	Community Navigation		\$30,000
Interfaith Community Services	Emergency Service and Support		\$60,000
Emerge! Center Against Domestic Abuse	Rapid Rehousing for Survivors of Domestic Violence		\$65,000
Our Family Services	New Beginnings Emergency Shelter Services		\$35,000
Primavera Foundation	Homeless Preference Program		\$30,044
HMIS			\$5,000
Administration			\$34,187
		FY 2016	\$455,833
		Plus c/f	\$35,398
		Grand Total	\$491,231

HUMAN/PUBLIC SERVICES			HOPWA AMOUNT
Southern Arizona AIDS Foundation	HOPWA funds		\$437,984
City of Tucson	HOPWA funds (Admin)		\$13,546
		Total	\$451,530

Additional Human/Public Services Funding Requested – Contingent on final FY 2016 City Allocations of General Funds

In addition to the above funding listed in this Annual Plan, last fiscal year the City of Tucson received over \$2 million in requests for General Funds to assist low and moderate income individuals and families. The City is in the process of preparing the City's overall Budget for FY 2016, therefore commitments that could be made using General Funds are unknown. An RFP process was held in Spring 2014 and the projects below represent the current General Fund Allocations for Human Services.

FY 2016 Annual Action Plan Project Allocations and General Fund

The table below reflects the agencies and funding amounts for FY 2015 that may be renewed for FY 2016, pending current agency performance City of Tucson budget decisions.

On August 5, 2014 the City of Tucson Mayor and Council adopted the following recommendations for General Fund contracts for FY 2015, July 1, 2014 through June 30, 2015.

FY 2015 General Fund Recommendations by Service Category:

Service Category	Recommended Funding	% of General Funds Avail.
Youth/Child Development	\$503,000	34%
Support Services	\$498,000	34%
Education	\$311,473	22%
Homeless Set-Aside	\$152,437	10%
Total	\$1,464,910	100%

General Fund Recommendations by Proposal:

Category	Agency	Project	Recommended Funding
Youth/Child Development	Arts for All, Inc.	Youth/Childhood Development Support	\$40,000
Youth/Child Development	Big Brothers/Big Sisters of Tucson	1-on-1 Adult to Child Mentoring	\$40,000
Youth/Child Development	CCS dba Pio Decimo	Youth/Childcare/Early Childhood Development	\$45,000
Youth/Child Development	Child & Family Resources, Inc.	Happy Hours After School Program & Summer Camp	\$30,000
Youth/Child Development	Community Food Bank, Inc.	Back Pack Program	\$40,000
Youth/Child Development	The Child Language Center, Inc.	Early Intervention – Speech & Language	\$40,000
Youth/Child Development	The Early Childhood Development Group	Tuition Support for High Quality Childcare	\$50,500
Youth/Child Development	Tucson Urban League	Project YES	\$32,500
Youth/Child Development	YMCA of Southern Arizona	Childcare means Success for Kids and Families	\$60,000
Youth/Child Development	Casa de Los Ninos	Youth Childcare/Development Support – Parenting Education	\$30,000
Youth/Child Development	Our Family Services, Inc.	HYS Parenting Education & Support	\$30,000
Youth/Child Development	Parent Aid Child Abuse Prevention Center	Parent Partners In-Home Parent Support	\$30,000
Youth/Child Development	Pima Prevention Partnership	Pima County Teen Courts	\$35,000
Support Services	Our Family Services, Inc.	Senior Companion Program	\$30,000
Support	Miracle Square, Inc.	Independent Living for Older Adults &	\$30,000

Services		Persons w/Disabilities	
Support Services	Interfaith Community Services	Case Management w/ Emergency Financial Assistance	\$40,000
Support Services	Mobile Meals of Tucson	Mobile Meals	\$30,000
Support Services	Southern Arizona Aids Foundation	Case Management Services	\$35,000
Support Services	Interfaith Community Services	Caregiving/Health Advocacy Program	\$40,000
Support Services	Southern Arizona Legal Aid	Homeowner & Tenant Protection Program	\$50,000
Support Services	Pima Council on Aging	Nutrition Program for the Elderly	\$30,000
Support Services	Pima Council on Aging	Family Caregiver Support Program	\$30,000
Support Services	Emerge Center Against Domestic Abuse	Case Management/Counseling – Survivors of Domestic Violence	\$50,000
Support Services	Pima Council on Aging	Home Repair for the Elderly	\$30,000
Support Services	Pima Council on Aging	Home Care Services for the Elderly	\$30,000
Support Services	Tucson Urban League	Senior Meals Program	\$33,000
Support Services	TMM Family Services, Inc.	Transitional Housing: Case Management & Counseling	\$40,000
Education	Pima Community College	PCCAE Bridge to College & Career Readiness	\$65,273
Education	The Early Childhood Development Group	Early Childhood Educator Career Development	\$66,700
Education	The Primavera Foundation	Primavera Works	\$75,000
Education	Youth on their Own	Stipend Program	\$59,500
Education	Catholic Community Services (CCS)	Job Readiness, Work Experiences	\$45,000
Homeless Set-Aside	TBD – PHA RFP	Homeless Preference Agency Support	\$152,437
Total			\$1,464,910

APPENDIX A – ESG POLICY MANUAL



APPENDIX B

FY 2016 - PUBLIC COMMENTS and RESPONSES

Date Received	Comment and Response
	This table will be completed after the 30-day public comment period.