



MAYOR AND COUNCIL Study Session Minutes

Approved by Mayor and Council
on January 25, 2022.

Date of Meeting: June 22, 2021

MEETING NOTE: Due to the impacts of the COVID-19 pandemic, which prompted declarations of a public health emergency at the local, state and federal levels, this meeting was conducted using measures to protect public health. This meeting was held remotely through technological means, as permitted under Arizona law.

The Mayor and Council of the City of Tucson met in study session remotely through Microsoft Teams on Tuesday, June 22, 2021. The meeting was called to order by Mayor Romero at 2:02 p.m.

OFFICIAL MEMBERS

PRESENT:

Mayor Regina Romero
Council Member Lane Santa Cruz (Ward 1)
Council Member Paul Cunningham (Ward 2)
(arrived at 2:04 p.m.)
Council Member Karin Uhlich (Ward 3)
Vice Mayor Nikki Lee (Ward 4)
Council Member Richard G. Fimbres (Ward 5)
Council Member Steve Kozachik (Ward 6)

OFFICIAL MEMBERS

ABSENT/EXCUSED:

None

STAFF:

Michael J. Ortega, City Manager
Michael Rankin, City Attorney
Roger W. Randolph, City Clerk

- 1. Report and Update on the Continuing COVID-19, Emergency: City Response and Emergency Management; Coronavirus Relief Fund (CRF) Mayor and Council Strategic Plan and Expenditures (City Wide and Outside City) SS/JUN22-21-138**

Information and presentation were provided by Michael J. Ortega, City Manager. He stated the site at the Tucson Convention Center for receiving vaccines has closed. He said information regarding vaccines could be found on Pima County's website at <https://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=669257> (<https://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=669257>).

Mr. Ortega updated the Mayor and Council on FEMA's reimbursement to the city for some of the COVID expenses and eviction moratoriums were scheduled to end on June 30, 2021.

Mayor Romero asked that the City make available any information pertaining to vaccination sites to its constituents.

Council Member Fimbres asked if staff could define affordable and stable housing perimeter in detail and how could American Rescue Plan Act (ARPA) funds be used to dealing with eviction prevention.

Liz Morales, Housing and Community Development Director addressed the Mayor and Council on affordable and stable housing. She stated housing stability was very critical and in looking at housing instability, it was about families that tended to have multiple moves, not of their choosing, but because they lacked the financial stability to ensure they had enough funds to pay for rent and housing costs. She said housing stability was ensuring those families and individuals they had the housing of their own choosing and moved at their own choosing, where they could afford not just the housing costs, but the other necessary costs in having a stable household, employment, benefits, and those type of necessities.

Ms. Morales said ARPA funding would be covered in the next item on the agenda but stated the funding they had received from the Department of Treasury in providing rental assistance and at that point, was sufficient to cover the number of applications received to date and she was confident with the needs they had seen so far, they would be able to cover with the funding received.

Mayor Romero said she was aware the city was working in partnership with Pima County on eviction prevention, utilities, rent, and mortgage assistance and asked if she could update them on the numbers received from the Federal Government on those efforts for Pima County and the City of Tucson.

Ms. Morales said they had received the initial funding tranche of \$19 million for the City of Tucson for the first round and an additional \$13 million in the second round. They placed the funds together with Pima County, so those funds exceeded \$30 million, and she said the fund amounts would be even more with the second round of funds. She said they have expended over \$9 million to nearly sixteen hundred households and the amount of funding they were providing was substantial to each household, which the average was around six thousand dollars per household. She said that was because they were able to fund the past twelve months and three months forward which ensured stability for the families. She said the positive news was holding Housing Resource Fairs with the Constables and had seen an increase of applications in the last two weeks because of those efforts, so it meant they needed to continue to ensure the information was being available to the communities. She said they also needed to ask landlords to be patient, work with their tenants, and know that there was funding. She said they also encouraged

landlords to apply and that that was an option. So far, the funding was ample and would depend on the number of applications they received.

Council Member Fimbres asked how the information was being relayed to the tenants and the landlords.

Ms. Morales stated many efforts in providing the information was made through the media; television; radio, and they would continue using and increasing those efforts. She said Arizona Multi-Housing Association (AMA) had been very helpful in relaying messages to their members about the resources that were available. She said they would continue with the campaign of information to ensure the communities were updated.

Discussion ensued regarding information on eviction moratoriums for landlords and tenants.

It was moved by Council Member Fimbres, duly seconded, to direct the City Manager and staff to return to the Mayor and Council with an extension to the eviction moratorium within the city limits to December 31, 2021, for properties operated by the City.

Discussion continued.

The motion was carried by a voice vote of 7 to 0.

2. Discussion of the American Rescue Plan (City Wide) SS/JUN22-21-140

Introductory comments on the American Rescue Plan Act (ARPA) were provided by Michael J. Ortega, City Manager. He said they were not looking for direction from the Mayor and Council, but an introduction to the ARPA and they would continue to have ongoing conversations.

Information and presentation were provided by Liana Perez, Deputy City Manager and Jeffrey Yates, Business Services Department Director, who fielded and answered questions on Mayor and Council priorities, Investments in the Community, Understanding the Draft Federal Framework and Designing a Strategic Approach. Some of the suggested uses for the ARPA were Relief for Families, Essential Frontline Workers & Small Businesses; Community Reinvestment; Workforce & Youth Development; Investment in Digital Literacy; Affordable and Stable Housing; Strategic Reserves; and Organization Needs.

Ms. Perez spoke on the Mayor and Council priorities as they were established in the development of the FY20-21 budget and knew those priorities were Climate Action and Resiliency; Economic Opportunities; Safer Community Enhanced Government Services and Employees Centric Focus. She said they began with those priorities in mind and were looking at ways in which those priorities could align with the proposed framework. She said the Cares Act supported funds for the immediate support and relief to the communities from the impact of COVID-19. She said the Mayor and Council

strategically developed and deployed funding through partnerships with the community's intergovernmental relationships and through direct city services as they utilized the Cares Act funding.

Ms. Perez said the ARPA provided differently from the Cares Act, where the ARPA provided a substantial infusion of resources to meet pandemic response needs in rebuilding a stronger and equitable economy as the country and local economies continued to recover. She said they had already received \$67 million dollars in the first round of funding and there was the potential of receiving the second round of funding next year which would be equivalent. In addition to the direct funding received, Pima County was receiving over \$203 million dollars in ARP funding. She said they also knew that \$36 million was provided separately to the U.S. Department of Housing and Urban Development (HUD), which went to the City's Housing and Community Development office.

Ms. Perez said they reviewed the various categories for eligible uses under the treasury rules and the basic categories were: responding to the public health emergencies, which included providing assistance for the negative economic impact of COVID-19; pandemic related personnel, which was to reimburse those salaries for personnel that were essential workers during the pandemic; another important category was revenue recovery which was a calculation based on lost revenues from prior years and it was calculated at \$12.25 million which was already incorporated into the FY 2022 budget that was being considered for adoption later that evening. She said infrastructure was another category which the rules outlined water, sewer and broadband as the primary infrastructure uses. She said according to the rules, the monies must be obligated by December 31, 2024, and must be complete with these projects or programs by December 31, 2026. She said they had some guidelines by when they had to submit for funds and the use of the funds.

Council Member Fimbres asked if they could receive a breakdown of monies spent on broadband, water, and sewer from the Cares Act Funds.

Ms. Perez responded they would provide those numbers to them.

Jeffrey Yates, Business Services Department Director addressed the Mayor and Council on the differences of the Coronavirus Relief Fund (CRF) and the American Rescue Plan Act (ARPA). He said the CRF was designed as responsive to the immediate crisis, while the ARPA funds were designed to have that lasting and meaningful impact. He said as they work through these discussions, some of the key themes were the ideas of transformative meaningful projects that had a lasting impact on the communities while some were responsive to the immediate urgencies, and others were long term in nature and would yield results over a window of time. He said they had until FY27 to perform some of these programs, which could be longer in nature and where some maybe more immediate. He wanted Mayor and Council to process of how all those funds that came together, in how it would help the City and County to have that meaningful impact on the communities.

Mr. Yates they would be speaking conceptually and not necessarily implementing strategies, so they had examples of types of projects that could be done. He said they would be looking at seven categories which were: Relief for Families and Essential Workers; Community Reinvestment and Recovery; Workforce and Youth Development; Investment and Digital Literacy; Affordable and Stable Housing; Strategic Reserves, and some organizational needs. So far in the process, some of those things were supplementals that were or not included in the budget but were significant organizational needs.

Mr. Yates stated Relief for Families and Essential Front-line workers, came in many forms, small business grants; advertising programs; expansion of KIDCO; career skills development and job pathing programs; and other community health and safety programs. He said he felt discussions needed to take place prior to having the Mayor and Council give direction as to where they wanted to go in this framework. He spoke on the following components: Community Reinvestment, which were support for the Arts Center; Neighborhood Streets programs, which was already included in the budget, but said they could always do more and that was part of the equity discussions and neighborhood improvements, drinking fountain replacements, which would affect all of the parks, environmental improvement projects, other recreational improvements and programming, which could include additional parks and equipment; and Infrastructure Reinvestment, which could take the form of transit, facilities and any number of things related to that.

Mr. Yates said another component was workforce and youth development which included comprehensive economic development strategies, and KIDCO expansion could be included into this and workforce development partnering with Pima County and working with Pima Community College.

Council Member Fimbres asked about working with non-profits.

Mr. Yates said when he mentioned partnerships, he also meant the other non-governmental entities as well. He said another area they could look at was the investment and digital literacy and probably the biggest part of this would be the wireless project and extending internet services to those places. He said they also had some cyber security software and some organizational needs around visual literacy and the ability to connect to the city and would recommend that as part of the discussions. He said ARPA included part of that and felt it was an important component, but continuing down the road, the Mayor and Council had started and heavily invested with CRF funds to continue the wireless program throughout the City.

Mr. Yates touched on affordable stable housing programs and described what unhoused bio waste cleanup meant. He said one of the challenges was keeping park spaces clean and safe in allowing clean up and sanitation work at the city parks from the unhoused folks living in the parks, which would help create a safe environment for them.

Mr. Yates stated Ms. Perez had eluded earlier on housing and infrastructure investments, and the need for operational funds and other requirements. He said this was a very broad category and ARPA allowed them a lot of space to work within those areas and as they went down that road, partnering with ACD in helping to leverage those funds, and those other groups in trying to maximize that, was where they could see a lot of opportunities and places to work on depending upon how they went down that road.

Mr. Yates spoke on Strategic Reserves which was where they had \$12.25 million of reimbursement to the general fund. He said the revenue calculations yielded just over \$14 million, so part of the process and the way ARPA worked, was where they could prove revenue recovery of those funds that lost restriction. He said they would try to get the monies as unencumbered as possible to allow the goals to be achieved.

Mr. Yates identified a few organizational needs which he felt were important, which was the mental health program. He said city employees had been experiencing the same challenges the communities served through and they were seeing the next crisis coming, as the mental health crisis. He said they would be speaking on how to address and provide services for mental health; also, looking at website improvements to continue improving engagement with residences; and some subsidy infrastructure removal and replacements, where they felt they could invest in city infrastructure to service the public better.

Discussion ensued; no formal action was taken at this time, as this item would continue with discussions at future meetings.

**3. Continued Discussion of the Fiscal Year 2022 Operating Budget (City Wide)
SS/JUN22-21-142**

Opening comments were provided by Michael J. Ortega, City Manager, who fielded and answered questions on the on-going budget discussion. He said the presentation contained information about the final budget adoption later in the evening. He stated a couple of thoughts to consider was that the budget included the American Rescue Plan Act (ARPA) funds as a grant with no specifics on the expenses, \$14 million for roads, a participatory budget component of \$250,000 allocated to each ward and the Mayor's office, and allocation of over \$33 million in staff salary adjustments to market. He said the budget was structurally balanced.

Information and presentation were provided by Jeffrey Yates, Business Services Department Director, who fielded and answered questions on the FY22 Budget Engagement Report, Participatory Budgeting Program and Neighborhood Roads Program.

Discussion ensued regarding an employee retention plan and utilizing vacancy savings to provide funding for the market rate salaries city-wide.

It was moved by Council Member Santa Cruz, duly seconded, directing the City Manager to return to the Mayor and Council in September with some guiding for sweeping City vacancies and that from now until September, the City Manager shall conduct an assessment of said vacancies to get the City to a lower and accurate staffing number based on current trends and projections.

Discussion continued regarding the homeless program, p-chip funding, and vacancies and staffing.

The motion was carried by a voice vote of 7 to 0.

4. Central Business District (CBD) and Government Property Lease Excise Tax (GPLET) proposed modifications and policy update (City Wide) SS/JUN22-21-139

Opening comments were made by Michael J. Ortega, City Manager.

Information and presentation were made by Barbra Coffee, Economics Initiatives Department Director, who fielded and answered questions regarding the proposed expansion areas for the Central Business District (CBD) and modifications to the GPLET policy. She reviewed the process to this point and asked for the Mayor and Council's consideration of the Proposed Modified CBD and Final GPLET Policy Framework.

Ms. Coffee stated several virtual meetings were hosted regarding the proposed modifications and policy updates, where several survey responses were taken. She said the current CBD represents 1.38 percent of the total city planning area and the proposed expansion would take it to 2.05 percent, which was within the allowable 2.5 percent with state statutes. She said the goal was to attract reinvestments to those areas that allowed in bringing jobs and amenities closer to where populations reside in creating a better quality of life for those who lived there.

Discussion ensued.

Council Member Santa Cruz requested that the City Manager return to the Mayor and Council with some recommendations on what the CBD and Bridgebuilders had advised that the City establish a fund that supports development of affordable workforce housing or small business assistance in the areas of where a project would go. She said she felt this still needed to be worked through and asked if that needed to be in the form of a motion.

Mr. Ortega replied a motion was not necessary and that the first step was to get what they all wanted on the boundaries and then further conversations could be held and brought back for further consideration.

Discussion continued; no formal action was taken as this item was scheduled for consideration at the Regular meeting.

5. Amendment to Building Code to Require New Residential Construction to be Electric Vehicle-Ready (City Wide) SS/JUN22-21-141

Opening remarks were made by Council Member Uhlich, noting that the work first began with her predecessor Council Member Durham.

Information and presentations were provided by Scott Clark, Planning and Development Department Director and Dan Bursuck, Planning and Development Principal Planner, who fielded and answered questions on the Electric Vehicle (EV) Charging Code Amendment which included Electric Vehicle Roadmap, EV Charging Amendment-Residential Construction to one-and two-family residential construction, 40-amp circuit vs. 50-amp.

It was moved by Council Member Uhlich directing staff to begin the stakeholder outreach and development of the draft EV Ready ordinance language for new commercial and multifamily developments in the City of Tucson. It was further directed that staff ensure they consulted with a broad range of stakeholders including industry groups, environmental experts in EV technology, as well as advocates for affordable housing and return to the Mayor and Council with proposed language in sixty (60) days.

Discussion ensued regarding the timeline of sixty (60) days before there was a second to the motion.

Council Member Uhlich amended her motion to say rather than returning to the Mayor and Council with proposed language in sixty (60) days, they return with an update on draft language within sixty (60) days. The motion was duly seconded.

The motion, as amended, was carried by a voice vote of 7 to 0.

6. Updates on State and National Legislation and Regional Committees (City Wide) SS/JUN22-21-135

Information and presentation were provided by Andrew Greenhill, Intergovernmental Relations Manager, who fielded and answered questions on HB 2893, SB1241 and SB1821.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to oppose HB2893, SB1241 and SB1821.

Discussion continued regarding the state budget legislature, federal updates on PFAS, housing infrastructure, postal reform, voting rights bills, eviction moratorium, and advance child tax credit proposal.

No further action was taken.

7. Mayor and Council Discussion of Regular Agenda (City Wide) SS/JUN22-21-136

Mike Rankin, City Attorney, announced that rather than discussing items separately at the Regular Meeting, he had some corrections that needed to be made to some items:

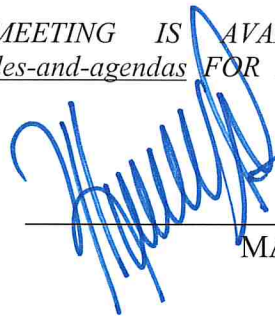
1. Item 7d - Correction to the Communication to correspond with the Attachment.
2. Item 7e - Update to schedule A if the item on Magistrate's salaries is approved at the Regular meeting.
3. Item 7g - Resolution would be amended to include other types of safety equipment to include bike helmets.
4. Item 10 - Correction to EV item will be read into the record.

8. Mayor and Council Discussion of Future Agendas (City Wide) SS/JUN22-21-137

No items were identified.

9. ADJOURNMENT: 4:51 p.m.

AUDIO RECORDING FOR THIS MEETING IS AVAILABLE ON-LINE AT <https://www.tucsonaz.gov/gov/meeting-schedules-and-agendas> FOR TEN YEARS FROM THE DATE OF THIS MEETING.




MAYOR

ATTEST:


CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the study session meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 22nd day of June 2021, and do hereby certify that it is an accurate transcription.


DEPUTY CITY CLERK

RWR:das: