

PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION 2010 HUD ANNUAL ACTION PLAN



Consolidated Plan Vision: Sustainable Communities

Goals

- Invest in geographic areas with the greatest need while promoting greater housing choice and economic and social integration.
- Be the model of cooperative and coordinated planning and implementation, encouraging community support and engagement.
- Develop innovative funding sources.
- Invest in human dignity and thriving communities by supporting intervention, prevention, improvement and enrichment activities.

Table of Contents

Executive Summary	1
Affordable Rental Housing	5
Assisting First-time Homebuyers	6
Housing Rehabilitation	7
Homeless & Special Populations	8
Preventing Homelessness	9
Foreclosure Prevention	10
Fair Housing	11
Monitoring & Technical Assistance	12
Anti-poverty Strategy	13
Community Development	14
Economic Development	15
Neighborhood Reinvestment	16
HOME Funding Allocations	17
ESG Funding Allocations	18
CDBG Funding Allocations	19
Institutional Structure & Coordination	20

What is the Annual Action Plan?

The Annual Action Plan (Action Plan) is submitted to the U.S. Department of Housing and Urban Development (HUD) and serves as the formal application for the use of entitlement funds that are received by Pima County.

The Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the City of Tucson and Pima County Consortium Consolidated Plan covering Fiscal Years 2010-2014, submitted to HUD on May 17, 2010.

The Action Plan provides a brief description of the programs and projects of the Pima County Community Development and Neighborhood Conservation (CDNC) Department in FY10-11, as well as funding announcements for the CDBG, ESG, and Outside Agency programs. The Action Plan also includes information on leveraged investments including funds allocated to CDNC.

What Geographic Area does the Annual Action Cover?

Pima County consists of 9,189 square miles – an area larger than the States of Rhode Island, Delaware and Connecticut combined. The government holds most of the land in Pima County; less than 14% of the total land area is in private ownership. Nearly 130 miles of Pima County share a border with Mexico.

In addition to a vast unincorporated County that includes 23 Census Defined Places, Pima County includes 5 incorporated cities and towns:

Tucson, which covers approximately 227 square miles and is the center of a 400 square mile urban area;

- South Tucson, which covers one square mile and is surrounded by the City of Tucson;
 - Marana, located north of Tucson and including 118 square miles;
 - Oro Valley, located north of Tucson and including 35 square miles; and
 - Sahuarita, located south of Tucson and including about 30 square miles.
- While Pima County funds projects in the City of Tucson, it also directs resources specifically to the unincorporated County and incorporated communities.

Annual Action Plan Resources		
Entitlement Programs		2009 Allocation
Community Development Block Grant (CDBG)		\$2,860,697
HOME (through an agreement with the City of Tucson)		\$896,540
Emergency Shelter Grants (ESG)		\$115,952
Competitive and Stimulus Programs		
Housing Opportunities for Persons with AIDS		\$437,942
Neighborhood Stabilization Program		\$3,086,867
Neighborhood Stabilization Program II		\$22,165,000
Local Resources		
Outside Agency Program		\$3,677,000
Neighborhood Reinvestment Bond Program		\$5,133,856
HOME Program Income		\$20,000
FEMA Emergency Food & Shelter Program – Phase 28		\$529,358

EXECUTIVE SUMMARY

Leverage and Creative Strategies

While the budget presents hurdles that may seem insurmountable, Pima County has identified additional ways to increase funding and decrease costs during the coming year.

Energy Efficiency in Public Facilities

One goal of the 5-year Consolidated Plan is to increase energy efficiency and sustainability of residential, commercial and public buildings. By allocating resources for nonprofit facility improvements and building a model for nonprofits and the private sector to take advantage of energy tax credits, the County will reduce nonprofit operating costs while improving neighborhoods over the next five years.

Prioritizing Intervention & Prevention

To arrest further economic decline, the County will focus human services funding on intervention and prevention strategies. Activities will include

- Food and clothing.
- Emergency and transitional shelter with services.
- Permanent supportive housing.
- Crisis assistance to move through personal and systemic barriers.
- Credit and housing counseling.
- Job skills development programs.
- Employment resources.
- Asset-building strategies.
- Assistance navigating social and economic systems.
- Physical and mental health services.
- Eviction and foreclosure prevention programs.
- Rental assistance.

Seeking Additional Resources

Competitive funding provides an opportunity to use existing funds for much needed activities. Staff is keeping a watchful eye on funding opportunities. Of greatest interest are HUD Choice Communities and Sustainable Communities Initiatives. These initiatives align with the goals of the Consolidated Plan and are an ideal way to address continuing needs through the County's close collaboration with nonprofit and government organizations.

Budget Challenges Continue

Perhaps the greatest challenge during the next five years is funding, particularly that flowing from State government. Public and private agencies rely heavily on State funding and programs to address the broad spectrum of needs. Reduced funding of State programs resulting from the economic downturn and a State budget crisis has a significant negative impact on individuals and families and the ability of the Consortium to leverage resources.

State Budget Forecast

On March 29, 2010, Pima County Administrator Chuck Huckelberry issued a memorandum to the Board of Supervisors reviewing the coming year's budget and state budget transfers. While The County's tax base shrinks and state shared revenues are near historic lows, the State of Arizona, in balancing the state budget, has made unprecedented expense transfers and shifts to counties, but not to cities and towns. These shifts began over two years ago and resulted in more than \$20 million in revenue reductions and cost shifts to Pima County during this fiscal year.

The most recent state budget adopted by the legislature for FY 2010/11 shifts more than \$13.5 million to Pima County alone. If the proposed temporary one cent state sales tax fails at the ballot on May 18 of this year, over 1,800 prisoners will be transferred to the County jail. This prisoner transfer will more than double the current population of the jail and cost tens of millions of dollars next year and every year thereafter.

Given the drop of over \$36.7 million in state shared revenues from FY 2006/07 to 2010/11, a declining value in the property tax base, and \$33 million in state cost shifts and transfers over the past three years, the County faces unprecedented budget challenges. Based on the previous, it is clear the County began contracting expenditures in FY 2008/09, anticipating the Great Recession and its adverse impact on County revenues. Overall, most County departments and agencies have received an approximate 10 to 12 percent reduction in expenditures over the period of expenditure contraction. The only exception has been law enforcement, which has been reduced by only one to two percent over the same time period.

During the past several years, state shared revenues have declined by \$32 million, and the state has enacted state budgets that shift cost and program burdens to the County equaling nearly \$21 million. During the same period, unavoidable expenses for employee health and medical insurance, retirement, risk management and other operating expenses have increased by nearly \$13 million.

Most importantly, the County's primary revenue source – property tax – is now declining due to shrinking assessed values, both in the primary tax base as well as the secondary base. A ½ percent decline in primary assessed value was coupled with a 5 percent decline in secondary assessed value. These contractions are forecasted to be more severe during the next two years, with possible stabilization thereafter.

Budget Impacts Nonprofits

According to a December 2009 study conducted by the Arizona Alliance of Nonprofits, revenues were down 22% in 2009 while 80% of nonprofits saw increased demand for services. Six out of ten nonprofits reported a loss of revenues in 2009. Of all sources of funding for nonprofits, government funding dropped the most, down by 25%. This is expected to continue in 2010, as state and local governments slash programs and services that are provided through contracts with nonprofits.

EXECUTIVE SUMMARY

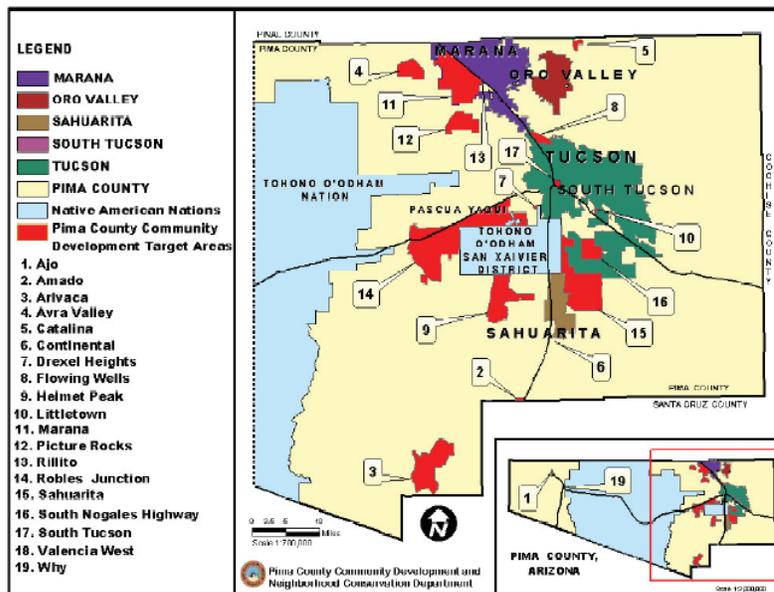
Targeting Investments

In the coming fiscal year, Pima County will direct significant resources towards Community Development Target Areas. For the coming fiscal year, Pima County received applications for 41 activities in Community Development Target Areas totaling more than \$3.1 million. Activities and projects will be summarized here when the Board of Supervisors approves funding allocations in early May.

Community Development Target Areas

There are 19 Pima County Community Development Target Areas.

- 59,081 people (or 7% of Pima County's total population) reside in these target areas.
- 39% of the people are Hispanic or Latino
- 61% of households are low- or moderate-income.

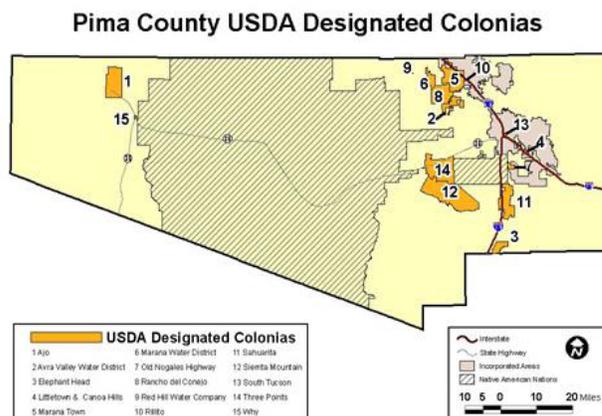


Making Change in Colonias

In the coming fiscal year, Pima County will direct significant resources towards mitigating substandard conditions in Colonias. For the coming fiscal year, Pima County received applications for 23 activities in Colonias totaling more than \$2.5 million. Activities and projects will be summarized here when the Board of Supervisors approves funding allocations in early May.

Colonias

In addition to Community Development Target Areas, there are 15 USDA Designated Colonias in Pima County. Colonias include all types of communities located within 150 miles of the US-Mexico border that meet the federal definition of lacking sewer, wastewater removal, decent housing, or other basic services.



PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION 2010 HUD ANNUAL ACTION PLAN

EXECUTIVE SUMMARY

Our Priorities (from the 5-year Pima County / City of Tucson Consortium Consolidated Plan)

AFFORDABLE HOUSING

- Provide homeownership opportunities for first time homebuyers
- Rehabilitate and preserve the existing housing stock
- Increase rental opportunities

SPECIAL POPULATIONS

- Home adaptations to improve accessibility
- Permanent supportive housing
- Enhance support for individuals, their families and caregivers

HOMELESSNESS

- Develop permanent supportive housing
- Support transitional housing
- Decrease chronic homelessness
- Prevent first-time homelessness

HUMAN SERVICES

- Facilitate and promote needed intervention and prevention services including: food and clothing, emergency shelter, transportation, senior nutrition, child care, health services, youth programs, and fair housing counseling

FACILITIES & INFRASTRUCTURE

- Facilitate and promote needed community safety, security and stability services including: fire protection, flood control, street improvements, community facilities, and water and wastewater system improvements.

The Upcoming Year: Highlighted Initiatives

AFFORDABLE HOUSING

- Create 80 new homeownership opportunities.
- Develop or preserve 60 rental housing units.
- Assist 4 existing owners with replacement housing.
- Provide housing rehabilitation, including emergency repairs with funding up to \$920,000.

SPECIAL POPULATIONS AND HOMELESS

- Transitional and supportive housing services for over 500 single parents with children, parenting teens, ex-offenders, Veterans, unaccompanied youth, victims of domestic violence, and individuals without dependents.
- Over 60 victims of HIV/AIDS and their families will receive services including tenant-based rental assistance, project-based housing, comprehensive case management services, support services, and/or in-patient substance abuse treatment.

HUMAN SERVICES AND ECONOMIC DEVELOPMENT

- For the coming fiscal year, Pima County received 26 applications for public services funding from 16 organizations totaling \$643,041. Public Services Funding Recommendations will go before the Board of Supervisors in early May 2010. When final allocations are approved, a list of projects and funding amounts will be incorporated into this Plan.
- A Culinary Skills Training & Feeding Program will be implemented.
- Rent, mortgage and utility assistance will be provided to households at risk of homelessness or loss of utilities.
- A microbusiness enterprise program will be implemented.

FACILITIES AND INFRASTRUCTURE

- For the coming fiscal year, Pima County received 31 applications for public facilities, infrastructure and housing funding from 31 organizations and geographic areas totaling \$5,610,790. Funding Recommendations will go before the Board of Supervisors in early May 2010. When final allocations are approved, a list of projects and funding amounts will be incorporated into this Plan.
- Staff anticipates that \$276,000 will be allocated for infrastructure projects and \$565,000 will be allocated for community facilities.

COUNTYWIDE ADMINISTRATIVE ACTIVITIES

- Pima County HMIS will continue implementation of the data collection system for the Tucson/Pima County Continuum of Care.
- Southwest Fair Housing Council will coordinate Fair Housing Outreach, Education and Compliance.
- Southern Arizona Legal Aid will coordinate a Homeowner and Tenant Protection Program.

AFFORDABLE RENTAL HOUSING

Renter Quick Facts

- 37,715 renters earning less than 50% of median income pay more than 30% of their income for rent and utilities.
- 5,746 individuals and families are on the waiting list for public housing and monthly rental assistance. The average wait for assistance is eight years.
- 67,234 renters live in housing that is more than 30 years old.
- Many households living outside of the central cities pay more than 60% of their income for housing and transportation together. The median 2008 monthly rent in the Urban County was \$923 and in the Rural County was \$821, compared to \$674 in Tucson.
- 23,300 renters have some housing problem - most pay more than 30% of income for rent.

7,200 Affordable Rental Units Needed

Renters earning less than \$17,250/year are in great need of rental units that are affordable. Affordable units are those that rent for \$350/month or less including utilities.

Public Housing in Pima County

Pima County receives Section 8 Vouchers, which are administered by the City of Tucson Section 8 program through a Consortium Agreement. While the County has been allocated 802 Section 8 units, project-based budgeting has resulted in fewer households being assisted. The City of Tucson waiting list is currently closed. The Pima County program remains a "high performer" with HUD's Section Eight Management Assessment Program review process.

2010 Strategies to Assist Renters

During the coming year, Pima County HOME funds and Housing Bond funds will provide gap funding to support projects that create and/or preserve new affordable rental units while leveraging other valuable private and public funding resources such as Low Income Housing Tax Credits (LIHTC), HUD Section 202 and 811 Programs, US Department Veteran's Affairs and Southern AZ VA programs.

Pima County NSP I and NSP II funding will be available to redevelop foreclosed properties and vacant/blighted properties to further benefit low income and very low income rental households. New this year is the development of a HOME-funded Tenant-based Rental Assistance Program in partnership with the City of Tucson. This important program will augment local HUD Housing Choice Voucher and VA Supportive Housing Programs.

Rental Housing Search Engine

In 2007, Pima County partnered with socialserve.com to develop a search engine to connect landlords and tenants. The search engine allows prospective tenants to find rental housing, both subsidized and unsubsidized, by geographic area, bedroom size, monthly rent, handicap accessibility, and access to public transit, shopping and hospitals.

Tools that assist tenants to build a budget, estimate how much rent they can afford and how much moving costs will be are also available. For landlords, the search engine is a free and simple way to find the right tenant. Tools for landlords are also available, including information about Fair Housing and how the Section 8 process works.

The search engine also provides links to other resources useful to tenants – how to purchase a home, credit, buyer and foreclosure prevention resources, legal aid, and available housing programs.



New Beginnings for Women and Children La Promesa Apartments



This building will have ground floor commercial uses with second story housing.

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ASSISTING FIRST-TIME HOMEBUYERS

Homeownership Quick Facts

- Ownership increases with household income. Higher income households are generally able to save for a down payment and closing costs, meet lender credit requirements, and take advantage of the tax benefits of homeownership.
- 80% of middle to higher income households are owners, compared to 54% for low-moderate income households.
- The median 2008 housing price in the County was \$262,100, compared to \$180,600 in Tucson.
- Many households living outside of the central cities pay more than 60% of their income for housing and transportation together.
- About 1/4 of home purchases in the past year have been by cash buyers, indicating renewed interest in the real estate market from investors.

Wages & Housing Affordability

Tucson and Pima County have historically had lower wage jobs than much of Arizona and the U.S. Workers in the Tucson region earn about 88% of what the average U.S. worker earns. Median wages are 67% of median income, reflecting the higher income of new migrants and indicating that families must have multiple earners to participate in the housing market. A four person family with only one earner at the median wage of \$30,830/year is a low-income family.

This chart demonstrates the housing challenges that working households have. Green/light indicates that purchasing the median priced home is within reach. Even many working households with two earners are challenged to purchase a home.

2010 Strategies to Assist First-time Homebuyers

During the next year, Pima County will assist first-time homebuyers through several sources:

- For 2010, County HOME funds will continue to support the jointly funded down payment assistance programs coordinated with the City of Tucson and local HUD approved Housing Counseling Agencies.
- County HOME funds will support Primavera Foundation's South Tucson Revitalization Project by funding replacement homes for low-income homeowners.
- County Housing bonds and HOME funds will continue to support development of new transit-oriented and workforce housing developments serving low-income homebuyers.
- Pima County NSP I and NSP II funding will be available to redevelop foreclosed properties and vacant/blighted properties to further benefit low and moderate income homebuyers.

	Employees	Single Earner	1.5 Earners	2 Earners
Cashier	10,880			
Nurse	7,690			
Secretary	4,980			
Home Health Aide	4,030			
School Teacher	4,020			
Cook	2,940			
Police Officer	2,060			



Above: Vacant, foreclosed homes drive down surrounding property values and can bring crime into neighborhoods. Through the South Tucson Neighborhood Revitalization Project, Pima County plans to combat blight in South Tucson with NSP funds.



Right: The Down-payment Assistance Program enables qualifying families to buy homes like this one.

HOUSING REHABILITATION

Housing Quality Quick Facts

- 62,807 housing units in Pima County are more than 50 years old; another 136,799 are more than 30 years old.
- 67,234 renters and 115,913 owners live in housing that is more than 30 years old.
- 21,005 owners are elderly or disabled and have some housing problem.
- 3,420 housing units lack complete plumbing or kitchen facilities; more than half are renter occupied.

Lead-based Paint

Childhood lead poisoning is a serious pediatric health problem. Children ages six years old and younger are particularly susceptible to lead poisoning. Research indicates that even a low level of lead in a child's blood can have harmful effects on physical and developmental health.

The most common source of exposure is deteriorating lead-based paint and lead-contaminated dust found in the home, but other sources include pottery, jewelry, candy and makeup. The use of lead-based paint became illegal in 1978.

To reduce the risk of lead poisoning, information is distributed to participants in County housing programs. The County follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances, and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The County has licensed contractors who are available to perform appropriate abatement and/or removal procedures if lead-based paint is present.

Over \$900,000 Requested for Housing Rehabilitation in 2010

Pima County and five organizations hope to rehabilitate 300 units during the next year, including:

- Handicap accessibility improvements to 25 units.
- Emergency Home Repairs and Housing Rehabilitation to 275 units.

The Home Repair Program provides grant assistance to low-income homeowners who live in unincorporated Pima County, Sahuarita and Oro Valley. Conventional and mobile or manufactured homes are eligible for rehabilitation that may include repairs or replacement of roofs, heating and cooling systems, septic systems, and other major systems such as electrical, gas and water.

Pima County or one of its nonprofit or local government partners inspect the home, prepare a cost estimate of work to be performed, and hire a licensed contractor. Upon completion of the repairs, a final inspection and walk through with the homeowner is conducted. Resources for housing rehabilitation come from multiple sources including:

- U.S. Department of Housing and Urban Development
- U.S. Department of Energy
- U.S. Department of Health and Human Services Low Income Homeowner Emergency Assistance Fund (from Arizona Department of Economic Security)
- Southwest GAS
- Tucson Electric Power Company
- Arizona Department of Commerce

Going Green In Pima County

The Pima County Regional Residential Green Remodeling System is unique in the region as the only green remodeling certification system that will inspect and certify the green features of a remodel. National green building systems like LEED will certify major remodels, yet the County is encouraging partial remodels and additions of at least 500 square feet to "go green".

In addition to providing the Regional Green Building Certification Program at no charge, Pima County is the only governmental jurisdiction in the United States authorized to review and inspect homes for 'LEED (Leadership in Energy and Environmental Design) for Homes' certification. Pima County Development Services provides the LEED for Homes third-party inspections for a fee and brings green home construction to area residents looking to lower utility bills, use less water, and improve quality of life.

In August 2009, a mid-town Tucson home was remodeled to the "greenest" level. The home included the addition of space for a growing family that believed the most sustainable home is one that already exists. The green remodel included gray water plumbing, low flow plumbing fixtures, energy efficient new windows, and energy star appliances, earning the family's home the first ever Silver Certificate from the Regional Residential Green Remodeling Program.

HOUSING THE HOMELESS AND SPECIAL POPULATIONS

Supportive Housing

Pima County recently applied to the Supportive Housing Program (SHP) through the Continuum of Care application process. A total of \$2,115,108 was awarded to six projects:

- CASA-Coalition Assisting Self-Sufficiency Attainment (\$428,470) will serve approximately sixty single parents with children, unaccompanied youth, and Individuals without dependents.
- La Casita (\$221,935) will serve approximately twenty-four parenting teens and unaccompanied youth between the ages of 18 to 21.
- New Chance Collaboration (\$387,476) will serve approximately one hundred and twenty ex-offenders.
- Project Advent (\$461,425) will serve approximately eighty veterans and chronically homeless individuals and families.
- CASA for Families II (\$434,713) will assist 161 families with transitional housing and supportive services.
- Pima County HMIS (\$181,089) will continue implementation of the data collection system for the Tucson/Pima County Continuum of Care.

The Continuum of Care

The Continuum of Care and 10-year Plan to End Homelessness in Tucson guide the use of nearly \$400,000 in annual HUD resources that help the homeless. The resources are used to provide emergency shelter, transitional housing and permanent supportive housing. The homeless receive emergency shelter at various sites and through short-term vouchers. Transitional housing is an opportunity for the homeless to have stable housing for up to two years while they gain job skills, find employment and work through the crises that first rendered them homeless.

Tucson has a number of facilities and a range of services to assist homeless individuals and families, including: 631 emergency shelter beds, 1,694 transitional housing units and 977 supportive housing units, as well as numerous voucher programs.

Housing Opportunities for People with AIDS (HOPWA) Renewal Grant

In Pima County, the HOPWA-funded project is called Positive Directions. Positive Directions is a collaborative effort of Pima County and two project sponsors: the Southern Arizona AIDS Foundation (SAAF), and the City of Tucson. The project is designed to create a continuum of care for people who are low-income and HIV positive, and their families, by filling gaps in both housing and services in Tucson and Pima County.

Recognizing the importance of stable housing, the two primary goals of the Positive Directions project are:

- To increase independence through subsidized, supportive housing.
- To maximize self-sufficiency through intensive, personalized services.

The project addresses these through three key components: transitional housing; long-term rent subsidies, and support and referral services through intensive case management.

The services offered are based on priorities established by the County HIV Care Consortium. The project provides needed housing and support services under the Continuum of Care plan.

Pima County has been the recipient of competitive Housing Opportunities for People with AIDS (HOPWA) funding from HUD. This three year grant provides housing with supportive services for individuals with HIV/AIDS and their families. For the coming fiscal year it is anticipated that HOPWA funds will provide similar benefits as during the last program year:

- Tenant-based rental assistance to approximately 50 households.
- Project-based housing for approximately 10 households in both transitional housing units and permanent units.
- Comprehensive case management services for 60 households.
- Support services only for approximately 5 households.
- In-patient substance abuse treatment in order to maintain stable housing for approximately 5 households.

The current competitive grant is set to expire in 2011 and a renewal grant in the amount of \$1,313,826 has been submitted. One 3-year renewal has already been received.



The 10-year Plan to End Homelessness uses a systems approach to address the causes of homelessness.

PREVENTING HOMELESSNESS

Homeless Prevention and Rapid Reentry Program

In May 2009, Pima County received \$1,063,430 to prevent homeless among individuals and families who are currently in housing and need temporary assistance to prevent them from becoming homeless; and those who are experiencing homelessness and need temporary assistance to obtain and retain housing.

Assistance may be provided to a family or individual for as long as 18 months and minimum intermittent case management is required. Funds may be used for various forms of financial assistance; housing relocation and stabilization services; data collection and evaluation; and for administrative costs.

Pima County approaches HPRP as an opportunity to continue our homeless collaboration. HPRP funds will be used to provide services to the homeless and near homeless who are facing crisis situations due to loss of employment or other emergencies beyond their control. The collaboration includes government agencies, members of Tucson Planning Council for the Homeless and service providers.

HPRP funds are part of the American Recovery and Reinvestment Act of 2009 and the program is a short term program that is expected to continue through 2011.

What is supportive housing?

Supportive housing is linked with services that make it possible for a person to live in his or her home. Supportive services include such things as independent living skills training, vocational skills training, personal care and home health services, transportation, and development of social skills.

Who needs supportive housing?

- A person who would probably not be able to live in their own housing without the services.
- Who provides supportive services?
- Providers include home health aides, social workers, employment counselors, mental health workers and others.

How Many People with Special Needs Have Housing Needs?

Not all people who are part of a special population need housing or supportive services. Still, 75,800 people have housing problems and would benefit from assistance, including supportive housing, more affordable housing units, and accessibility and other home improvements:

- 46,775 Elderly
- 19,945 Disabled
- 4,740 Mentally Ill
- 2,250 DV Victims
- 1,790 with HIV/AIDS

Homeless Management Information System

Pima County will continue working with the HUD Regional Office, the Continuum of Care –represented by the Tucson Planning Council for the Homeless (TPCH), and the City of Tucson will continue operations of the HMIS. Through the Community Development and Neighborhood Conservation Department (CDNC), Pima County will continue it's role as HMIS Contractor.

In the capacity if HMIS Contractor, CDNC will continue working closely with the other principal parties to the HMIS Protocol for Governance –i.e. TPCH (a coalition of community and faith-based organizations, government entities, businesses and individuals committed to the mission of reducing homelessness and addressing the problems associated with homelessness in Pima County, and the lead decision-making group for homeless services funded by HUD), Symmetric Solutions (consultant providing HMIS training and technical assistance) and Bowman Systems, LLC (vendor providing HMIS software)– as well as all the other parties involved. The protocol agreement establishes the roles and responsibilities of all parties involved and provides for a performance review of the consultant and vendor by the County (as HMIS Contractor – or "Grantee" as otherwise referenced).

The HMIS now has 100% of all required programs online. HMIS required users include: all programs receiving HUD homeless assistance funds; emergency shelter and transitional housing programs funded by the AZ Department of Economic Security (ADES); programs receiving AZ Department of Housing (ADOH) funds; City of Tucson Emergency Shelter Grant and Outside Agency funded programs; and programs receiving Pima County Outside Agency funding.

As of mid-February, 2010, the HMIS had 9,700 program entries, and 6,060 unduplicated clients. These figures include data from a number of non-required programs receiving emergency shelter, transitional housing, permanent supportive housing, outreach and prevention funding from other sources that are now online. It is anticipated that the number of non-required programs coming online will continue to increase as agencies come to better understand the data maintenance and reporting benefits of the HMIS.

Going forward, it is envisioned that, working closely with the TPCH HMIS Committee to determine it's ability to capture information on the homeless receiving services other than shelter, HMIS' capacity will facilitate collecting data for reporting on the effectiveness of County funding and the leveraging of County dollars. This could include quarterly reports and highlights to the Pima County Board of Supervisors for emergency funding and for basic needs as well as keeping track of leverage funds brought into the community for these purposes.

FORECLOSURE PREVENTION

Loan Modification and Foreclosure Rescue Scams

A new and ever growing wave of predatory lenders has begun to roll out loan modification and foreclosure rescue scams. Just as homeowners are coming to grips with the true impact of adjustable rate mortgages, interest rates tied to obscure market predictors, unanticipated balloon payments and severely reduced home equity, they are being hit with mailings, phone calls and internet spam with promises that more often will hurt rather than help them. Scrambling to make homeowners aware of these new and ever changing scams, the county is working with its partners to get the word out about these tactics.

Rarely a week goes by without mention of the foreclosure crisis in the news. On any given day there are 50 Notices of Trustee Sale recorded in Pima County. Not all Notices of Trustee Sale involve homeowners whose principal place of residence is at risk, but the majority do. Over 10,000 homeowners received Notices during 2009; there were 12,184 foreclosures.

Almost every homeowner receiving a Notice of Sale from a Trustee also receives a letter from the Affordable Housing Program Manager urging them to call Don't Borrow Trouble® Pima County Hotline for a referral to a foreclosure prevention counselor. If a borrower suspects they are a victim of fraud, they are referred to legal aid or the AZ Attorney General. If they need financial assistance to avoid losing their home or utility service, they are referred to the Pima County Community Action Agency.

Pima County Community Development and Neighborhood Conservation Department continues to take a leadership role in addressing this issue. Connecting delinquent borrowers with resources to save their homes is the mission behind the various outreach and educational strategies. These connections are accomplished through a targeted letter campaign, community foreclosure prevention workshop series and "Train the Trainer" program. These activities are accomplished through a partnership known as the Pima County Foreclosure Prevention Coalition.

The Future

Letters will continue to be sent to homeowners receiving a Notice of Trustee Sale. Updates to improve the Foreclosure Prevention Workbook are under way. A toolkit to help local groups plan their own Foreclosure Prevention Workshops is being developed along with an application process whereby the county and the coalition can maximize limited resources (counselors, workbooks, guest speakers) in light of the high demand for workshops. Pima County Community Development and One-Stop Employment Center have begun to coordinate a campaign educating employers and laid-off workers seeking employment about the workshops and services available to help them keep their homes or their apartments when their income has been severely reduced.

The rural areas of Pima County including Three Points, Ajo and Sahuarita shall be the focus of future foreclosure prevention workshops and related financial education. Building relationships with government, private, nonprofit and faith-based groups will be the first step in providing these services to their neighbors and friends.

As the foreclosure crisis is expected to continue through the Year 2010 and beyond, the County will continue to develop tools and services to help the citizens of Pima County save their homes.

Community Workshops Assisted 500 Households in 2009

Another strategy to assist borrowers facing foreclosure is the community workshop. Designed to educate and empower fearful homeowners who must communicate with their mortgage servicers, these workshops, offered in both English and Spanish, provide the tools they need to take action. Approximately 500 homeowners attended eleven community foreclosure prevention workshops in 2009.

Workshops continue to be a primary method of assisting homeowners at risk of foreclosure. New this year is a focus on specifically showing homeowners how to complete the Request for Modification under the President's Program, rather than exploring the many options to mitigate foreclosure. For those homeowners who qualify, taking advantage of this excellent program is the most important step they can take.

Members of the Pima County Foreclosure Prevention Coalition including the HUD housing counseling agencies, the United Way, Pima Council on Aging, Arizona Attorney General's Office, Community Development representatives from local banks and credit unions, the Federal Reserve Bank of San Francisco, and others work together in planning and implementing the workshops. The Pima County Board of Supervisors, Council Members of the City of Tucson, and U.S. Congressional Representatives support and participate in these efforts.

Nationally-recognized Homeowner Workbook

Another strategy to educate borrowers focuses on a homeowner workbook created by the coalition. It explains in lay terms the process of foreclosure and steps homeowners must follow to achieve the best possible alternative to foreclosure. Distributed at all workshops, the workbook provides the foundation for presentations by the counselors, attorneys and other experts. Available in Spanish and English, the workbook received the 2008 Annual Innovation Award from the National Association for County, Community and Economic Development.

The Pima County Foreclosure Prevention Coalition has allowed the use of the workbook to anyone who will use it for its intended purpose. Adopted by the foreclosure prevention coalitions in the States of Arizona, Texas, Maryland, Wisconsin and Ohio, the workbook is currently being adapted by the State of New York.

PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION 2010 HUD ANNUAL ACTION PLAN

FAIR HOUSING

Taking Action to Address Fair Housing Impediments in Pima County	
Impediment	Pima County Actions to Address the Impediment
Impediments 1 & 6 - Illegal housing discrimination.	Provide funding for testing and enforcement activities through the Southwest Fair Housing Council (SWFHC). Provide funding to Southern Arizona Legal Aid for homeowner and tenant protection programs.
Impediments 2, 3 & 4 - Lack of Knowledge about the Law & Need for More Training	Pima County will provide funding to the SWFHC to continue outreach activities and educational workshops targeting housing professionals and community members.
Impediment 5 - Predatory Lending	The Don't Borrow Trouble® Program and hot line will continue to be administered by the Southwest Fair Housing Council (SWFHC) with funding provided by the County. Provide funding to HUD approved Housing Counseling Agencies for Mortgage Default Counseling and Foreclosure Assistance programs.
Impediment 7 - Lack of Accessibility for the Disabled	Pima County will provide continued funding to DIRECT Center for Independent Living's Home Access Program
Impediment 8 - Fair Housing Planning	Develop a plan defining how affirmatively furthering fair housing will be accomplished by funded projects. Include in the plan marketing, performance measures and evaluation mechanisms, and reporting.
Impediment 9 - Challenges of Refugees	Pima County will provide funding to the SWFHC to continue outreach activities and educational workshops targeting housing professionals and community members.

Funding Agencies that Address Fair Housing Impediments

In 2010, the County will fund two agencies that provide fair housing and related legal assistance and education:

- Southwest Fair Housing Council - \$30,000 for Fair Housing Outreach, Education and Compliance.
- Southern Arizona Legal Aid - \$21,623 for a Homeowner and Tenant Protection Program.

Pima County is Increasingly Diverse

Nearly three quarters (73%) of the population is White. One third of households are Hispanic.

The population is becoming more diverse. Approximately 10,000 refugees have moved to Tucson since 1975, including 3,000 in the past three years. Recent refugees are coming mostly from Bhutan, Iran, Iraq, Cuba, Afghanistan, and Somalia. From 2000 to 2008:

- The White population grew 13%.
- The Hispanic population grew 24%.
- The Minority population grew 24%.

Despite increasing diversity in the County, there is a trend towards decreased population diversity in suburban communities. While the 2006/2008 American Community Survey did not provide data on race/ethnicity for the Urban County, from 1990 to 2000 the White population increased from 68% to 84%, while the Hispanic population decreased from 37% to 19%.

Areas of Minority Concentration

Areas of minority concentration are those in which the proportion of minorities is 10% or more than the proportion of minorities as a whole. According to the 2010 Analysis of Impediments to Fair Housing Choice, six zip codes in Tucson and Pima County have a disproportionate concentration of minorities. All of these zip codes are located in or immediately adjacent to Tucson and South Tucson.

DEVELOPING SUSTAINABLE PROGRAMS

Monitoring

Pima County CDNC is committed to ensuring accountability and performance in all programs receiving funding. Funded programs are monitored on fiscal and accounting requirements and program requirements.

In order to reduce duplication of staff effort, when a program receives more than one source of funding from CDNC, staff will coordinate a set of general questions pertaining to fiscal, certifications, building accessibility and staff availability for clients with special needs. The staff representing each funding source will coordinate monitoring on the program component.

Programs that meet certain criteria will be specifically targeted for monitoring:

- Entitlement grant sub-recipients (Marana and South Tucson)
- Programs receiving funding from multiple departmental sources
- Programs that have been experiencing difficulty with monthly billing, quarterly reporting, or other contract requirements, or that require follow-up to outstanding issues from prior monitoring visits
- Programs experiencing significant changes in organization (mergers, etc.) or staffing
- Recipients of large grants totaling over \$100,000

CDNC will target for monitoring a minimum of 60% of all programs funded through CDBG public service activities, and the OA and ESG Programs. CDBG public service activities will be analyzed using the Monitoring - Risk Analysis Tool. Each program participant's past performance is analyzed and compared to:

- Audit findings (if any)
- Problems with project (has project or program encountered difficulties, which may or may not be related to contractor performance)
- Timeliness of reports and meeting deadlines (regular or infrequent occurrence- Do sub-recipient's staff understand reporting requirements)
- Monitoring dates within the previous two years (may not be necessary if there were no issues or findings within the past year)
- Monitoring issues (if any from previous monitoring visits)
- Staff stability (if new, may effect operations)
- Current activity under contract
- New agency (if not familiar with program may require monitoring)
- Status of draws (regular/irregular or consistent/inconsistent to determine if there are internal issues)
- Agency capacity (assessment of the sub-recipient's current staffing and experience in carrying out the activity)

This method ranks program participants in descending order, from highest to lowest risk. Three categories are used: high, medium, and low risk. The work plan identifies the actions that will be taken to assess program participant performance, including which participants will be monitored, the type of monitoring (e.g., in-depth, limited, on-site, remote), the programs/functions to be monitored, the expected monitoring dates and needed staff.

Providing Technical Assistance

Each year Pima County issues a Request for Proposals for projects, combining CDBG, Emergency Shelter Grant and Outside Agency Program funds. On December 7, 2009, the County began this process for FY2010. The proposal forms were posted on CDNC's website, and approximately 500 were e-mailed or mailed to area agencies. Public meetings were held in 12 communities throughout unincorporated areas of Pima County from November 2009 through January 2010 to explain the proposal process, discuss potential projects, and offer technical assistance to citizens interested in developing proposals. The Town of Marana and the City of South Tucson hold their own proposal process and submit their recommendations to Pima County. The deadline for the application was February 7, 2010. Seventy-seven applications were received, totaling \$6,253,000 in requests.

Staff reviews projects using the following criteria to evaluate which projects will be funded.

Recommendations are then submitted to the Board of Supervisors.

- Eligibility of project
- Leverage of other funds
- Geographical distribution of projects
- Total cost and cost feasibility
- Urgency of the project
- Capacity for project to achieve objectives and be successful
- Capacity of project to clearly link to statutory objectives and key goals applied by HUD
- Coordination with other community development efforts
- Evidence of substantial neighborhood or public support
- Benefit to a high number of low/moderate income people
- Plan for permanent funding for project program
- Ability to spend grant funds in timely manner

Accountability for other CDNC programs is governed by citizen committees who determine program and funding priorities and make recommendations to the Board of Supervisors on specific projects.

ADDRESSING POVERTY

What are Human Services?

Human services are the benefits and facilities that improve the life and living conditions of people. While usually directed to the poor, disabled and elderly, all members of a community benefit from human services such as:

- Education and recreation programs.
- Job skills development programs.
- Assistance finding employment.
- Assistance navigating social and economic systems.
- Physical and mental health services.
- Shelter and rental assistance.
- Food and clothing.
- Transportation services.

Supporting Human Dignity

It is not enough to simply meet basic needs. A sustainable community is made up of thriving people.

Pima County is operating in the context of a "Hierarchy of Human Dignity". This hierarchy includes four tiers of strategies that when appropriately implemented will lead to thriving communities.

INTERVENE	Food and clothing. Emergency and transitional shelter with services. Permanent supportive housing. Crisis assistance to move through personal and systemic barriers.
PREVENT	Credit and housing counseling. Job skills development programs. Employment resources. Asset-building strategies. Assistance navigating social and economic systems. Physical and mental health services. Eviction and foreclosure prevention programs. Rental assistance.
IMPROVE	Employment mobility: Job skill building / improvement. Range of employment opportunities. Access to higher education services. Home purchase assistance.
ENRICH	Education and recreation programs. Participatory planning activities. Social and political engagement. Volunteer opportunities. High-wage, high-skill employment opportunities.

Funding Agencies to Alleviate the Effects of Poverty

Providing funding to alleviate the effects of poverty is a critical role for the County. Approximately \$4 million in funds will be distributed to nonprofit organizations and jurisdictions to alleviate the effects of poverty among our most vulnerable populations. With the current economic recession, intervention and prevention activities are the primary focus.

Intervention strategies address the human safety and security needs of our most vulnerable populations – extremely low income households, special populations and the homeless. Effective intervention strategies include 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. When intervention strategies are effective, individuals and families respond by learning to move through crisis and personal and systemic barriers, obtaining access to food, clothing and shelter, and recognizing personal and public safety.

Prevention strategies are focused on avoiding crisis and achieving a basic standard of living that is above the poverty level. Prevention strategies that support income stability such as affordable housing, access to services, understanding how to navigate complex social and economic systems, and education, literacy and job training contribute significantly to family stability. When strategies are effective, individuals and families live in affordable housing, make living wages, effectively manage debt and begin to build assets, have knowledge of and access to appropriate services, stable physical and mental health, and access education, literacy, and job training opportunities with appropriate supports.

The largest single source of funds directed at alleviating poverty is the Pima County Outside Agency grant program, funded with County general funds. Other primary funding sources include Community Services Block Grants, Community Development Block Grants, FEMA, and Emergency Services Network. The City of Tucson has eliminated general fund resources for human services activities during the coming fiscal year. The loss of over \$4 million in resources will place additional strain on the agencies that the County works with and the households that they serve.

Utilizing the FEMA model and classification of services, the following funds have been requested for the coming fiscal year:

- Emergency Rent, Mortgage and Utility Assistance - \$1,007,269
- Emergency Home Repair - \$990,000
- Shelter and Transitional Housing - \$1,097,017
- Mass Shelter - \$106,292
- Other Housing Related Services - \$475,776
- Food - \$776,685
- Mass Feeding - \$176,526
- Transportation - \$32,096
- Other Emergency Services - \$535,683
- Youth Services - \$777,320

COMMUNITY DEVELOPMENT

<p>Addressing Community Development Needs</p> <p>For several decades, the focus has been, of necessity, on supporting growth. The current economic recession represents an opportunity to reinvest, focusing on revitalizing existing neighborhoods and communities and enhancing the infrastructure necessary to support existing residents.</p> <p>Just as individual and family needs are addressed through a four-tier hierarchy, so are the needs of the built environment. The inter-relationship is clear, people in crisis need a safe and secure environment to become stable, self-sufficient and ultimately thrive. In turn, thriving people have the ability to support the built environment and pro-actively participate in community enrichment.</p>	
INTERVENE	<p>Police and fire protection.</p> <p>Safe streets.</p> <p>Potable water.</p> <p>Flood control.</p> <p>Waste (sewer and solid) disposal.</p> <p>Lead paint and contaminated site abatement.</p>
PREVENT	<p>Neighborhood and community facilities.</p> <p>Code enforcement and demolition.</p> <p>Historic preservation.</p> <p>Commercial and residential rehabilitation.</p> <p>Affordable rental housing.</p> <p>Acquisition of vacant land and buildings for future development.</p>
IMPROVE	<p>Neighborhood and community planning.</p> <p>Mixed-income/use development.</p> <p>Multi-modal transportation opportunities.</p> <p>Energy-efficient, sustainable development and improvements.</p> <p>Commercial and residential rehabilitation.</p> <p>Affordable homeownership housing.</p>
ENRICH	<p>Mix of new, infill development and rehabilitation, interconnected with multi-modal transportation, energy-efficient and sustainable affordable housing, and employment opportunities.</p>

Community Development Objectives

The County's five-year objectives for community development are:

1. Develop, expand and rehabilitate existing public facilities to support neighborhood and community demographics and encourage community involvement in support services and recreation opportunities.
2. Develop, rehabilitate and expand infrastructure to encourage mixed-income and mixed-use development, accessibility, use of public transportation, and sustainability through neighborhood and/or community-appropriate services and activities.
3. Continue code enforcement and demolition activities.
4. Increase energy-efficiency resources for long-term sustainability of residential and commercial facilities.
5. Develop community facilities capable of serving multiple populations and supporting concurrent activities. Provide for both indoor and outdoor activity spaces.
6. Co-locate services in existing public facilities with easy access to public transportation and in existing residential areas.
7. Develop models for nonprofit-private partnerships to increase commercial building energy efficiency while providing tax rebates and incentives to private sector organizations that can benefit.
8. Support public safety and security through fire protection, street improvements, flood control, and water, wastewater and solid waste facilities.

Brownfields Redevelopment

In rural and urban communities across the United States, the legacy of the country's industrial past lies dormant in areas where once vibrant industrial and commercial districts existed. Previous uses such as gas stations, manufacturing sites or industrial facilities, are now abandoned paved lots, derelict buildings, and home to rusting equipment. Environmental liabilities exist due to potential contamination from these past land uses, thwarting their adaptive reuse and redevelopment.

These sites are termed "Brownfields," which can be defined as abandoned, idled, or under-utilized industrial and commercial facilities where expansion or redevelopment is complicated by potential contamination. Available federal and state Brownfields initiatives can provide local governments, private developers, non-profit agencies, financial institutions, and community activists the tools and resources necessary to successfully develop Brownfields sites.

For the next fiscal year, Pima County intends to continue to expand its emerging Brownfields Program by applying for an EPA Community-Wide Brownfields Assessment Grant funding for the Ajo Community Development Target Area.

ECONOMIC DEVELOPMENT

Unemployment Continues to Increase

While the economy expanded earlier in the decade, the economic recession has impacted a large volume of the workforce. According to the Bureau of Labor Statistics, the Pima County and Tucson unemployment rate doubled from 2000 to 2008. During the past twelve months the unemployment rate increased steadily, rising from 5.8% in November 2008 to 8.0% in December 2009, with peak unemployment reached in July 2009.

A Skilled Workforce

Supporting businesses so they can provide job opportunities is an important element of addressing poverty and creating a thriving community. One of the greatest needs of businesses is a skilled workforce with a strong work ethic.

Workforce needs are generally divided into two categories – youth and adults.

Youth need skills that meet business market needs. These skills are developed through connecting learning to work in the education system, basic skills such as citizenship, leadership, community service, adult mentoring, and other support services. Programs for both the gifted and talented as well as for the disadvantaged are needed to prepare youth for the workforce.

Among the adult workforce, needs are extensive and include matching services to the worker and the employer, helping individuals identify barriers to success in gaining and retaining employment, developing individual solutions and appropriate supports, and providing employers with ready access to information and referral for potential and incumbent workers with barriers.

The Community Services, Employment, and Training Department is a partner department to the Community Development and Neighborhood Conservation Department, and administers the One-stop Career Centers in Pima County. The One-Stop is mandated to provide workforce services for job seekers and employers in the Tucson/Pima County area. The One-stop continues to experience unprecedented demand for services.

The One-stop Rapid Response Team consults and works with companies prior to and during layoffs to insure that the needs of the employer and the affected workers are met. Impacted employers and employees are provided with information regarding reemployment services as well as benefits, rights and responsibilities related to unemployment insurance benefits.

Barriers to Employment

Many of the clients currently seeking jobs have barriers to employment that need to be addressed prior to job search, including a high proportion of ex-offenders who cannot, or are not, being served by special re-entry services. Many One-Stop customers also need assistance in the following areas:

- Housing, childcare, drug and alcohol treatment, remedial and basic skills, technology literacy, language, transportation, medical care, workplace protocol skills, clothing, tools, and support during the trial service employment period.

The One-stop does not have adequate resources to meet the need for training and job preparation for low-wage workers. A significant number of applicants cannot be enrolled because training funds are in short supply and because stringent performance standards limit training to low-wage occupations. Special funding is needed to provide employment preparation, support, and follow-up that can offer a bridge to employment for those with barriers to employment.

Microbusiness Development

A Microbusiness is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. HUD's Community Development Block Grant Program provides the County an opportunity to assist microbusinesses and a program is currently being designed that will utilize \$150,000 in 2010 – 2011.

Eligible microbusiness activities include:

- Grants, loans, loan guarantees and other forms of financial support, for the establishment, stabilization, and expansion of microbusinesses;
- Technical assistance, advice, and business services; and
- General support, including child care, transportation, counseling and peer support groups.



Job seekers develop computer skills at a One-Stop Center.



Almost half of Pima County's workforce is employed in lower-paying service sector jobs.



The One-stop also provides food and clothing assistance through the Community Action Program.

NEIGHBORHOOD REINVESTMENT PROGRAM

The Pima County Neighborhood Reinvestment Program Approach

The movement of Pima County residents to suburbs and exurbs has had a major impact on both urban and rural communities. This population migration has contributed to deterioration of the urban core neighborhoods, as limited public funds are stretched to pay for infrastructure in the new residential communities. Growth on the urban fringe and rural areas of Pima County creates stress for these communities, as new development burdens roads, schools, parks, and law enforcement.

In response to the burgeoning infrastructure needs, the electorate approved Neighborhood Reinvestment bond questions in 1997 and 2004. The dual functions of the Neighborhood Reinvestment Program are to fill gaps created by diminishing government dollars and to empower residents of stressed neighborhoods.

The unique Neighborhood Reinvestment funding allocation procedure originates at the grass roots; residents themselves determine what capital improvement projects will be constructed. With the assistance of Neighborhood Reinvestment Program staff, neighborhoods select a project, obtain a cost estimate, and prepare a written proposal to submit to the Neighborhood Reinvestment Oversight Committee. The Committee then forwards recommendations to the Board of Supervisors.

2010 Neighborhood Reinvestment Program Activities

The entire \$20 million of 2004 Neighborhood Reinvestment Program bond funding has been allocated to 52 community projects. One additional neighborhood project is expected to be approved, utilizing \$500,000 cost savings from completed projects. Approximately \$5.1 million will be used to assist projects in the coming year including:

Three rural Pima County projects:

- A community building and public health clinic in Catalina;
- Recreation fields in Robles Junction; and
- Park improvements in Arivaca.

Ten urban projects:

- Park and traffic improvements in Barrio San Antonio;
- A public safety project in Barrio Hollywood;
- Sidewalks in Midtown;
- Street lighting and street lights in Barrio Centro and the Elvira community;
- A youth skate park and traffic improvements in Menlo Park;
- Public safety amenities in the Northwest neighborhood;
- A traffic and sidewalk project in Dunbar Spring; and
- Park amenities in the West University area.

Neighborhood Reinvestment Program staff will continue to work with urban and rural neighborhoods to facilitate the organization and action of effective community organizations, to develop a vigorous grass roots voice in government policymaking and neighborhood revitalization, and to facilitate collaborations among communities, social service providers, faith-based organizations, school districts, and jurisdictions.

Bond Election Postponed

In December 2009, the Bond Advisory Committee requested the Board of Supervisors provide guidance on whether November 2010 was an appropriate date to hold the next bond election. In light of continuing reports concerning the current economic climate, along with recent forecasts that the tax base will likely continue to shrink over several years before recovering, the Board voted against holding a bond election in 2010. The majority of Board members spoke about the need for capital improvement and conservation projects, but qualified that given revenue projections, now was not the time to put such questions before the voters.

The Board clearly indicated that there will be a future bond issue and considered November 2011 as the next date. In the interim, the Bond Advisory Committee will be reviewing work accomplished to date in an effort to identify the most needed projects to narrow the overall cost of a future bond program proposal. The Committee has tentatively approved \$30 million for Neighborhood Reinvestment bonds and \$30 million for Housing Reinvestment for the planned November 2011 bond election. Some of the anticipated projects will include those proposed for the next bond election:

- Affordable Housing Development. The 1997 and 2004 bonds have been used to develop 232 single-family housing units and 90 multi-family housing units. This development has been accomplished through planning, pre-development funding and off-site improvements in the public right of way areas of subdivisions or housing developments. The \$15M in bond funds has leveraged more than \$129M in other sources.
- Neighborhood Reinvestment Program. The goals of this program are the physical revitalization of public infrastructure in stressed communities and empowerment of neighborhood residents. With this program, small scale capital improvements projects are developed in stressed neighborhoods and communities. Some of the activities include street lights, sidewalks, parks improvements, community centers, speed bumps, and traffic mitigation devices. Fifty neighborhoods and communities have used the program, leveraging over \$15M in other resources. An additional 35 neighborhoods and communities are looking forward to future revitalization opportunities.
- One Stop Housing Center. The idea for this center is to address the challenges of housing and related issues in a broad-based approach, enhancing the existing collaborative model between Pima County and nonprofit partners. The Center would be centrally located and include a web-based format for residents in rural communities. The Center would combine all phases of housing support, housing education, home ownership, fee waivers, mortgage and lending information, fair housing, emergency assistance, home repair and weatherization into a single resource site. Housing and community development staff would have their offices on site.

PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION 2010 HUD ANNUAL ACTION PLAN

HOME FY 2010 RECOMMENDED FUNDING ALLOCATIONS

HOME Program Allocation for 2010-2011 (based on 2009 Allocation): \$896,540

\$ 806,866 for projects

\$ 89,654 for Administration

HOME funds are targeted to projects located in unincorporated Pima County, incorporated communities, designated Colonias, and neighborhood stress areas. A priority for the use of HOME funds is to preserve existing affordable housing. For the fiscal year ending 6/30/2011 (2010 Program Year), CDNC will:

- Create 80 new homeownership opportunities.
- Develop or preserve 60 rental housing units.
- Assist 4 existing owners with replacement housing.

Homeowner/Homeownership Assistance: \$356,886

Programs that will assist first-time homebuyers include:

- Down Payment Assistance Programs
- Employer Assisted and Workforce Housing Programs
- Transit Oriented Housing Projects
- Leveraged assistance in combination with other resources such as Federal Home Loan Bank of San Francisco's AHP, WISH & IDEA
- Mortgage Revenue Bond Program/Mortgage Credit Certificates
- Housing Bond Projects
- Replacement Home Programs for existing homeowners of sub-standard housing that is beyond repair or renovation.
- Other Targeted local programs

Priority will be placed on implementation of programs and projects that are transit oriented, compatible with FHA products and that utilize the Community Land Trust. Resale Restrictions will be incorporated for homes purchased through the Community Land Trust and County Bond Programs. Priority will also be given to sustainable development projects that incorporate Pima County Residential Green Building Standards, USGBC LEED Standards and Energy Star Standards. It is expected that these funds will leverage other forms of financing, including City of Tucson HOME funds.

HOME funds provided for homeownership activities are governed by the City of Tucson and Pima County Consortium agreement and the City's HOME Program Description. Prospective and existing homebuyers must have incomes at or below 80% of the Median Income or \$46,000 for a family of four.

Home purchase assistance is provided in the form of a Promissory Note secured by a Deed of Trust. The full amount of the HOME subsidy, plus interest, is due and payable upon sale, transfer, or conveyance of the property to a third party, other than an immediate family member, at any time. The interest rate is two percent (2%) simple interest annually for twenty years. After twenty years, the accrued interest will be forgiven. Loans of less than \$7,500 are not subject to this requirement. Funds recaptured are used to assist additional first-time homebuyers.

Rental Housing \$450,000

Funds will be made available in the form of loans to both non-profit and for profit developers to preserve and develop rental housing. A high priority will be placed on the need to preserve existing affordable rental housing, provide housing opportunities for special needs populations, and to develop new transit oriented rental housing or new rental housing in the downtown area or in targeted Pima County communities. It is expected that HOME funds will leverage other forms of financing such as Low Income Housing Tax Credits, HUD 202 or 811 programs and City of Tucson HOME funds.

New for FY 10/11, Pima County will begin working with the City of Tucson to develop a HOME funded Tenant Based Rental Assistance Program designed to supplement existing HUD Voucher Choice and Veterans Administration Supportive Housing Programs.

Program income (estimated at \$20,000 each year) will be reprogrammed for use in the Down-payment Assistance programs.

Matching funds for the HOME program will come from grants to HOME funded projects from various sources including the Federal Home Loan Bank, Grants such as the I'm HOME Grant from CFED, Pima County Housing Bond funds invested in HOME funded projects, waived fees, and volunteer donations.

Rental housing developed using HOME funds is inspected on an annual basis to ensure Housing Quality Standards and Occupancy Requirements are being met. Housing Quality Standards are basic standards of decent, safe housing established by HUD; these standards are less stringent than local codes and ordinances. Occupancy requirements include rent restrictions that ensure units are affordable to low or very-low income households during a period of affordability, which may last from 5 to 20 years depending upon the amount of funds invested.

**PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION
2010 HUD ANNUAL ACTION PLAN**

ESG FY 2010 RECOMMENDED FUNDING ALLOCATIONS

ESG Program Allocation for 2009 - 2010: \$115,952

Emergency Shelter Grant (ESG) Program

FY09-10 Funding Allocation : \$115,592

The purpose of the Emergency Shelter Grant program is to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness. The Emergency Shelter Grants program is a federal formula-funded program that uses the Community Development Block Grant (CDBG) formula as the basis for allocating funds to Pima County. Examples of Eligible Activities that can be carried out with ESG funds include: Essential Services, (limited to 30% of grant amount); Operation of homeless shelters and transitional housing, and Homeless Prevention Activities (limited to 30% of the grant amount) and are designed to prevent the incidence of homelessness. Matching funds are required and provided through grants and private contributions to recipient agencies.

The ESG program is incorporated into the McKinney Vento Act through which Supportive Housing Program funds are received by Pima County. ESG funds are allocated to communities using the same formula that drives the allocation of CDBG funds. Funds are initially allocated to Pima County's Jackson Employment Center, for emergency shelter and to the Community Action Agency for homeless prevention. After the allocation for these two programs the remaining funds are included in the 2009 Community Planning Application, included with funding for CDBG and Outside Agency programs.

This year the Jackson Employment Center will receive \$14,004 and Community Action Agency \$31,000, leaving \$69,000 to be allocated to applicants through the Community Planning Application. In reviewing applications staff took into account the likelihood of cuts in funding at all levels for social service programs, as well as increasing costs; therefore the need for maintenance of effort was considered as a primary review criteria.

Funding recommendations for the entire ESG allocation are submitted to the Board of Supervisors for approval. Match required for ESG funding is provided through grants and private contributions to recipient agencies.

Specific funding recommendations are not yet finalized. The Board of Supervisors must review and approve. This document will be revised should projects and funding allocations change.

Agency	Program	Funding Allocation
Caridad de Porres, Inc.	Caridad Culinary Skills Training & Feeding Program	\$5,000
New Beginnings for Women and Children, Inc.	Emergency Shelter	\$6,500
Open Inn, Inc.	Emergency Housing for LGBT Youth	\$4,000
The Primavera Foundation	Casa Paloma Women's Shelter	\$15,000
The Primavera Foundation	Greyhound Emergency Family Shelter	\$12,000
Tucson Centers for Women and Children	Domestic Violence Shelter	\$20,000
Jackson Employment Center	Motel Vouchers	\$14,004
Pima County Community Action Agency	Rent/Mortgage/Utility Assistance	\$31,000

CDBG RECOMMENDED PUBLIC SERVICES FUNDING ALLOCATIONS

CDBG Program Allocation for 2009 - 2010: \$2,860,697

Maximum Public Services Allowed (15%): \$429,105.

For the coming fiscal year, Pima County received 26 applications for public services funding from 16 organizations totaling \$643,041. Public Services Funding Recommendations will go before the Board of Supervisors in early May 2010. When final allocations are approved, a list of projects and funding amounts will be incorporated into this Plan.

With the elimination of Tucson General Fund resources for human services this coming year, Pima County anticipates allocating the maximum CDBG funding allowed for public services.

CDBG RECOMMENDED PUBLIC FACILITIES, INFRASTRUCTURE, HOUSING AND ADMINISTRATION ALLOCATIONS

CDBG Program Allocation for 2009 - 2010: \$2,860,697

Maximum Administration (20%) allowed: \$572,139.

For the coming fiscal year, Pima County received 31 applications for public facilities, infrastructure and housing funding from 31 organizations and geographic areas totaling \$5,610,790. Funding Recommendations will go before the Board of Supervisors in early May 2010. When final allocations are approved, a list of projects and funding amounts will be incorporated into this Plan.

Staff anticipates that funds will be allocated to the following activities:

- Administration - \$572,000
- Housing Rehab - \$ 920,000
- Infrastructure - \$ 276,000
- Community Facilities - \$ 565,000
- Economic Development - \$150,000

ABOUT CNDC

The Pima County Housing Commission: Working to Overcome Regulatory Barriers

The Pima County Housing Commission is comprised of 12 members that represent both business and community based entities. Over the past year, the commission changed their meeting dates from monthly to quarterly. The Pima County Housing Commission and the Tucson Metropolitan Housing Commission created a joint sub-committee to address barriers and challenges to the development of affordable housing. They have met with the development departments of both jurisdictions, this year they will continue to work on identifying and work towards the goal of creating a process that will benefit all parties associated with development. The changing market has presented opportunities to develop a better application process when funding is available. The commission will continue to provide oversight to the voter approved General Obligation bond funds.

Reaching out to Communities

In Pima County, CDBG provides an example of a program that takes direction from its communities and residents and is accountable through its elected officials who ultimately select the projects to be funded.

Funds for CDBG are used to serve three national objectives:

1. Expanding access to affordable housing
2. Fostering suitable living environments
3. Expanding economic opportunities

Projects and programs using CDBG funds must serve low-income neighborhoods, communities and residents. While responsive to broad national objectives, there is flexibility inherent in the program to provide funds to meet locally determined priorities. These priorities are established in the Consolidated Plan, a document produced by Pima County and the City of Tucson that covers a five-year period. As part of the 5-year Consolidated Plan process, a series of fifteen stakeholder and public forums were held to solicit input into current conditions, identify obstacles to implementing programs and developing projects, and define goals and strategies.

Consolidated Plan and Annual Action Plan

To view this Annual Action Plan and related documents visit:

www.pima.gov/CED/CDNC

Continuing Our Leadership Role

While the existing structure and system support a variety of activities, the economic recession has led to a host of barriers and challenges. These challenges can however be overcome through increased coordination and cooperation. Pima County is prepared to be a model of collaborative and coordinated planning and program implementation. During the coming year, the County will:

1. Provide opportunities for the public, program beneficiaries and stakeholders to participate in program planning and policy development.
2. Assess organizational capacity and establish administrative systems that take advantage of existing capacity.
3. Establish a single application, funding policies and a single point of contact for rental housing activities jointly funded with the City of Tucson.
4. Encourage energy efficient and sustainable design practices.
5. Identify and pursue additional resources to support human services, housing and a variety of community development activities.

Pima County Board of Supervisors

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Ann Day, District 1	Sharon Bronson, District 3
Ray Carroll, District 4	Richard Elias, District 5

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