MEMORANDUM

Date: March 12, 2021

To: The Honorable Chair and Members
    Pima County Board of Supervisors

From: C.H. Huckelberry
        County Administrator

Re: Emergency Rental Assistance Program Capacity in Pima County

In the first round of the CARES Act, approximately $26 million in rental and utility assistance was provided. The City of Tucson and Pima County have combined their efforts and the second round of emergency rental and utility assistance between the City and the County amounts to $25 million in additional funds.

The recent American Rescue Plan Act has also provided another $25 million between the City and the County. These funds are also for emergency rental assistance.

Attached is an informative memorandum from the Director of Community and Workforce Development regarding our capacity in this area. I have highlighted a number of key factors that would be important for the Board in understanding our ability and capacity to rapidly deploy emergency rental and utility assistance.

CHH/anc

Attachment

c: Jan Lesher, Chief Deputy County Administrator
    Carmine DeBonis, Jr., Deputy County Administrator for Public Works
    Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services
    Dan Sullivan, Director, Community and Workforce Development
    Lisa Royal, Staff Assistant, County Administrator’s Office
Date: March 12, 2021

To: C.H. Huckelberry, County Administrator

Via: Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer

From: Dan Sullivan, Community & Workforce Development Director

RE: Emergency Rental Assistance Program Capacity in Pima County

During the first round of CARES ACT eviction prevention, Pima County Community and Workforce Development created a client-centric process for tenants and landlords to apply for rental assistance. Pima County Community Action Agency (CAA) staff performance has been exemplary, especially during the pandemic when staff worked nights and weekends to serve more than 8,777 Pima County residents to resolve more than $13,700,000 in back rent and utility payments, with the bulk of the activity occurring in a compressed 5-month span.

The program was so successful that Pima County, the City of Tucson, and Community Investment Corporation (CIC) began planning early for the Emergency Rental Assistance Program (ERAP) program to create a coordinated system using the infrastructure built by Pima County. This will benefit residents of Pima County in need of rent and utility assistance because both jurisdictional entities are now using one unified portal with the same eligibility criteria, decreasing the potential for confusion with multiple systems.

A significant challenge moving forward is that ERAP eligibility requirements are significantly more complicated than those under CARES Act programs. The major barrier to rapidly processing applications is the amount of ‘client-level documentation required’. Often, it can take experienced and dedicated case managers more than two weeks to gather all documentation from tenants and landlords required to complete the application. These federal documentation requirements are critical to prevent fraud and guard Pima County from having to use non-federal funds to pay back the U.S. Department of Treasury for an audit finding.

Original guidance from Treasury regarding the administration of ERAP funds suggested that eligibility documentation will be more restrictive than for the CRF funds. Households are only eligible for services if they qualified for unemployment benefits or experienced a reduction in household income directly or indirectly due to the pandemic. Applicants must also demonstrate a risk of homelessness, and household income that is below 80 percent of the area median income.

Despite the more restrictive eligibility requirements, the new round of funding allows for more generous assistance per household which will also help keep applicants from facing eviction immediately after receiving assistance. ERAP funding pays up to 15 months of rent (covering all rent and other fees in arrears for up to 12 months and 3 months’ rent going forward). Additionally, referrals from Constables will be given priority, however there are ongoing challenges receiving information from the Court to ensure those in the eviction process can be prioritized.
The $8 million contract with CIC, which is on the March 16, 2021 Board of Supervisor’s Meeting Addendum, provides the County with additional capacity, throughput, and flexibility. CIC will sub award with community-based agencies based on previous performance with CRF-funded eviction prevention funds. Across the multiple agencies involved in the program, there will be approximately 40 case managers at the beginning, which will and eventually grow to approximately 60 case managers.

If CIC or one of its sub-awarded agencies is underperforming, Pima County has the ability to shift funds to its CAA team. Additionally, CWD has begun training a reserve team of 20 CWD employees currently performing other functions in the department to increase capacity if called for.

One component of the partnership is access to CIC’s program management system which automatically calculates a need score based on the prioritization criteria – and adds points to the score as time is spent on the waiting list. This system assures that applicants that are not in a priority category are eventually served.

All Eviction Prevention Inquiries (Cases) in the CIC system have been responded to via email, phone, SMS text, and provided with an eligibility packet. So far, 1,800 people responded and filled out the form. All but 40 (98%) of those 1,800 cases have “pre-qualified,” meaning their self-reported income is less than 80% of AMI. However, the real case processing power will begin in partnership with our team of local nonprofits and the County’s Community Action Agency staff.

Based on past experience, CAA estimates the average household need will be approximately $3,000. CAA staff anticipate the ability to process approximately 200 applications a week. It is anticipated that CIC and its contracted partner agencies, will be able to process an additional 250 applications per week. At a minimum, the contract with CIC will serve 2,000 households at risk of eviction and/or homelessness. There is an anticipation that the pace of expenditures will be slower in the beginning phases, but will increase accordingly. This expenditure rate is expected to consume $33,750,000 by the end of September 2021. Pima County will monitor the expenditure rate on a weekly basis in order to ensure funds are spent efficiently.

In the case that a landlord chooses not to cooperate and there is an eviction, tenants will be referred to the County’s HUD funded Emergency Solutions (ESG) Rapid Rehousing programs. These are designed to pay first and last month’s rent, security deposit and months moving forward and provides case management and supportive service for those who have been evicted and find themselves facing homelessness. Pima County contracted with Our Family Services for these services. Presently, first-time homelessness in Pima County remains relatively steady and families experiencing homelessness are not facing a long waiting list to get into housing programs. Pima County has an existing small hotel voucher program to augment this capacity. The City of Tucson’s programs, which have been focused on people experiencing homelessness who are at risk or COVID positive, may be the best way to bring shelter to scale. CWD has been working with the City of Tucson to plan for the possibility to shift the focus to first-time homelessness, as well as other long-term solutions.
CWD and its partners are ready to again meet the challenge and serve Pima County residents facing eviction and utility shutoff. The lessons learned from CARES Act programs, as well as its decades of experience providing direct eviction prevention services, will guide it as it embarks on this program with departmental core values of empathy, urgency, and customer service. Still, CWD knows it cannot be successful by going it alone and will continue to partner with the City of Tucson, community-based organizations, and community stakeholders to maintain one easily navigable system that processes ERAP funds to those most in need or overlooked easily efficiently.

More than 65 percent of the awarded funds must be spent by September 2021 to avoid recapture from the Department of Treasury. Overall, the consolidated program will ramp up to the goal of expending 15 percent of its funds on a monthly basis with more than 70 percent of funds expended by September, 2021.

Moving forward, CWD will develop a plan to administer the County’s allocation ($11.9 million) of the American Rescue Plan Act. The capacity built in the previous rounds of stimulus will ensure efficient administration of these funds. We will closely monitor non-profit contractor performance to anticipate and mitigate against any capacity challenges that may be encountered.