



CITY OF
TUCSON

Recovery Plan

State and Local Fiscal Recovery Funds

2021 Report

Award through July 31, 2021

**City of Tucson
2021 Recovery Plan**

Table of Contents

General Overview	2
Executive Summary	2
Uses of Funds	3
Promoting Equitable Outcomes	4
Community Engagement	4
Labor Practices	4
Use of Evidence	5
Table of Expenses by Expenditure Category	5
Project Inventory	5
Projects	5
Performance Report	5

GENERAL OVERVIEW

Executive Summary

The American Rescue Plan Act is built around the ideas of equity and recovery in communities. While CRF was focused on the immediate crisis response, the ARPA is focused on restoring and rebuilding, in addition to crisis response. The overarching focus of ARPA and the strategic plan is to support those throughout the community that were hardest hit during the pandemic. The ARPA funding provides a unique opportunity to achieve big goals that otherwise would languish for lack of funding.

The City of Tucson's (City) proposed ARPA strategic plan is based on the input and direction provided by the Mayor and City Council. The plan provides a rich mix of programming to address evolving community needs as well as recognizes the critical relationship the City has with its partners. In addition, there is a balanced approach to addressing the human costs of the pandemic as well as investing in efforts to stabilize neighborhoods, reinvest in infrastructure, and support small businesses. To achieve a lasting and meaningful impact, the plan suggests spending the ARPA funding across four years as allowed under the Department of Treasury guidelines. Individual projects have yet to be finalized. The total four-year funding strategy provides a \$172.5 million transformational investment into the community.

The strategic plan addresses four citywide strategies:

1. **Investment in Affordable Housing:** During the four-year plan, including the current ARPA related HUD and CDBG funding, the recommended total funding is \$67.5 million. The first-year recommended investment is \$45.2 million.
2. **Community Investment and Violence Interruption:** During the four-year plan, the recommended funding total is \$27.3 million. The first-year recommended investment is \$7.4 million.
3. **(Re)Investment in the Community, Neighborhoods, and Businesses:** During the four-year plan, the recommended funding total is \$61.9 million. The first-year recommended investment is \$19.7 million.
4. **Investment in the Organization:** During the four-year plan, the recommended funding total is \$15.9 million. The first-year recommended funding is \$13.2 million.

It is important to note that year one includes a "revenue recovery" for the general fund of \$12.3 million. While this has been planned and budgeted within the General Fund, this recommendation could change based on the outcome of the close of FY 2021. The audit and year-end should be complete in the November/December time frame.

In addition to the proposed funding, the plan allows the City to maintain an ARPA reserve during the four years. The final year of the plan exhausts those funds. The use of this strategy allows the City to be nimble in response to evolving community needs. The first-year cash carryforward/reserve level is \$18.8 million. The City will receive the funding during the first two years, the remaining two years are funded using the cash carryforward/reserve.

Uses of Funds

A working draft of funding and projects is still being finalized by Mayor and Council. Below are the categories proposed for spending which include American Rescue Plan funding for Housing through HUD and CDBG.

City of Tucson ARPA

	FY 2022	FY 2023	FY 2024	FY 2025	Total
REVENUES					
ARPA Funding	\$67,848,382	\$67,848,382	\$ -	\$ -	\$135,696,764
ARPA Interest Earned	367	1,013,868	313,034	17,683	1,712,244
HUD and CDBG Restricted Funding	35,990,035	-	-	-	35,990,035
TOTAL REVENUES	\$104,206,077	\$68,862,250	\$313,034	\$17,683	\$173,399,043
EXPENDITURES					
Investment in Affordable and Stable Housing	\$45,240,035	\$9,250,000	\$9,250,000	\$3,750,000	\$67,490,035
Community Investment and Violence Interruption:					
Community Health, Safety, and Wellness	6,150,000	6,150,000	6,150,000	4,050,000	22,500,000
Workforce and Youth Development	1,200,000	1,200,000	1,200,000	1,200,000	4,800,000
(Re)Investment in the Community, Neighborhoods, and Businesses:					
Relief for Small Business	1,609,800	1,450,000	1,450,000	450,000	4,959,800
Community and Recovery	15,525,000	14,675,000	14,825,000	3,450,000	48,475,000
Digital Literacy	2,580,600	2,280,600	2,280,600	1,280,600	8,422,400
Investment in the Organization	13,150,000	900,000	900,000	900,000	15,850,000
TOTAL EXPENDITURES	\$85,455,435	\$35,905,600	\$36,055,600	\$15,080,600	\$172,497,235
Revenue Over/(Under) Expenditures	\$18,750,642	\$32,956,650	\$(35,742,566)	\$(15,062,917)	\$901,808
Cash Carryforward/Reserve Fund Balance	\$18,750,642	\$51,707,292	\$15,964,726	\$901,808	\$ -

Promoting equitable outcomes

The City's ARPA spending plan is in its early stages of development and funding has not been used as of the submission of this report. As development of the plan is implemented, the annual reporting will provide an update, using qualitative and quantitative data, on how the City's approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Community Engagement

The City's ARPA spending plan is in its early stages of development and has not used funding as of the submission of this report. The annual reporting will provide an update on how the City plans to use funds to incorporate written, oral, and other forms of input that capture diverse constituents, community partners and the community themselves. Where applicable, program descriptions will include how funds will build the capacity of community organizations to underserved groups.

Labor Practices

The City of Tucson follows hiring processes outlined by City Charter, City Code, and Civil Service Employment Rules. City does not foresee changing its current hiring practices regarding the hiring of permanent employees as a response to ARPA. City will continue to support local hiring through our ongoing local job and career fair participation, our recruitment and outreach efforts, and our existing and new partnerships with local schools through internships. Additionally, the City is working on streamlining our partnership with the U.S. military's skill-bridge program which links servicemen and servicewomen with civilian employers with hiring needs in the last months of their military career. City of Tucson is home to Davis-Monthan Air Force Base, which, as the skill-bridge program expands within the City, should promote more hiring of local airmen and airwomen. At this time, we have not established new labor agreements in response to ARPA, but in all likelihood, any positions created as a result of ARPA would require positions that would fall into two of the City's four recognized labor groups--our Blue- and White-collar unions. These unions have established agreements as part of the City's meet-and-confer labor process.

The City monitors projects where the federal prevailing wage requirements apply, to ensure that contractors' employees are being paid at least the prevailing wages. When contracts are identified as required to meet the federal contracting standards, the Project Manager alerts Procurement's Business Enterprise Compliance Program so that the project can be monitored. City's Procurement Division ensures that prevailing wage requirements are clearly stated in the request for proposal. Prevailing wage compliance is monitored over the duration of the project by performing visits to job sites, contractor's employee interview and via contractor's payroll records.

Use of Evidence

The City's ARPA spending plan is in its early stages of development. As development of the plan is implemented, the annual reporting will provide an update on the approach used for evidence-based evaluations by priority areas. Detailed evidence information for each projects will be required. Project Managers and partnering organizations will be required to determine the qualitative and quantitative data to evaluate the outcomes and goals during the performance period.

Table of Expenses by Expenditure Category

No obligations or expenditures have occurred in this reporting period.

Project Inventory

Projects are still in the process of being defined and approved through Mayor and Council.

Performance Report

There has been no activity during this period.