



MEMORANDUM

Date: January 13, 2023

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

From: Jan Leshner 
County Administrator

Re: **Update on Coronavirus State and Local Fiscal Recovery Fund Projects**

On [November 4, 2022](#), the Board of Supervisors received a quarterly update on the projects funded by the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Attached to the update was an expenditure report summary meant to give a snapshot of ARPA CSLFRF spending by project. Although the project report summary showed an overall project completion status of less than 50 percent, the County is on target with spend-down projections in accordance with U.S Treasury timelines.

Per the ARPA CSLFRF Final Rule issued by U.S. Department of the Treasury, all ARPA CSLFRF funds must be spent or obligated by December 31, 2024. Obligated funds must be completely spent by December 31, 2026. To date, Pima County has spent or obligated 46 percent of its ARPA CSLFRF allocation, with some projects being complete, most projects actively spending, and many having planned project spending in the upcoming fiscal year. For some projects, spending is not anticipated until later in FY2023 and, therefore, financial reports may not accurately portray project status. This memorandum provides an overview of the status of ARPA CSLRF projects, specifically the general status of completed, active, and recently started projects.

Completed ARPA CSLFRF Projects

Eight projects have already been completed. Examples of those projects are as follows:

- Three projects totaling more than \$8.5 million completed in support of the Health Department COVID-19 pandemic response in the Spring of 2021.
- Necessary repairs to the Kino Stadium District parking related to significant wear and tear during the COVID-19 response due to its 2020 use as a food distribution site and as a primary vaccination pod site totaling more than \$1.9 million.

Active ARPA CSLFRF Projects

The majority of approved projects are active, ongoing, and on-track to spend their allocations. Projects with larger funding allocations fall within two primary areas: Public Health and Economic Recovery.

Public Health

The ongoing management of COVID-19 requires continued testing, vaccine, and contact investigation/tracing. These three priority areas comprise the foundation of the public health pandemic response. The Pima County Health Department continues to actively manage these funds, working closely with the Grants Management & Innovation (GMI) Department to ensure compliance with grant requirements.

Economic Recovery

Primary and secondary effects of COVID-19 on the economy coupled with a complex housing market continue to generate high demand for ARPA CSLFRF projects. An example of such projects are as follows:

- Emergency Eviction Legal Support (EELS) administered by the Community & Workforce Development Department—this project fills a gap in the continuum of homelessness prevention services by providing free legal counsel, up to and including representation in court, for low-income individuals and families facing eviction. The funding allocation allows services to continue through 2026.
- Pima Early Education Program (PEEPs)—PEEPs provides scholarships to fund access for low-income preschool children to affordable early childhood education centers – which in turn supports their parents’ ability to return to work as well as long-term social and educational benefits for these children participants. The \$30,200,000 allocated to this project is on-track to be spent prior to required deadline.
- Tourism and hospitality disproportionately impacted by the COVID-19 pandemic—Visit Tucson and City of Gastronomy continue to successfully implement their project dollars to promote the revitalization of the Tucson economy through a series of campaigns and events. Those projects are scheduled to be complete by the next fiscal year.

Active ARPA CSLFRF Capital Projects

Three major capital projects are underway utilizing ARPA CSLFRF funds and all have made significant progress toward meeting their goals. Facilities Management has recently provided the Board with project updates on Northwest Service Center and the Office of the Medical Examiner. Additionally, work continues on improvements to the Curley School Gymnasium in Ajo, Arizona. These three projects alone will account for \$41,100,000 of the total ARPA CSLFRF allocation.

Recently Started Projects

Some projects were not slated to start until later in the funding cycle, either due to the nature of the necessary agreements needed or planning required before projects could begin. While these projects are still in their earliest stages, they are slated to meet their spending goals by

December 31, 2024. These projects include many necessary initiatives benefitting some of the most vulnerable residents of our community.

Following are two recent examples of these types of projects that are in the planning stages of implementation:

- The Domestic Violence Legal Services Pilot Project - developed out of a [Community Needs Assessment](#) completed in March of 2022. This pilot will expand access to affordable legal services and long-term safe housing for victims escaping domestic violence and provide additional navigation and coordination with community support services. Expenditures in support of this pilot are scheduled to begin by the fourth quarter of FY2023.
- Supportive Housing Job Training Project - builds upon the success of the INVEST program, to support the acquisition of affordable housing, ongoing mental health services, and continued participation in the INVEST program. The first phase of implementation of [INVEST 2.0](#) is scheduled to begin by the fourth quarter of FY2023.

In the first quarter of Fiscal Year 2022/2023 (FY2023), departments reviewed their project plans with GMI to ensure compliance with spending requirements and to make mid-course adjustments in budget or scope to attain the optimal impact of funds. The Deputy County Administrators will continue to work closely with their reporting departments, community partners and Grants Management & Innovation to assure ongoing project activity, timely spend-down and effective compliance with ARPA CSLFRF federal guidance and related regulations. Any projects that are identified and determined by the Deputy County Administrators to need significant modifications resulting in a department's inability to spend the allocated funding amounts will be submitted for review and reallocation to the County Administrator. Overall, Pima County is on target to spend the entire allocation within federal deadlines and to document meaningful community impacts responding to the primary and secondary effects of the COVID-19 crisis.

JKL/dym

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Regina Kelly, Director, Grants Management & Innovation Department