October XYZ, 2020

The Honorable Douglas Ducey
Office of the Governor, State of Arizona
1700 W. Washington St.
Phoenix, AZ 85007

Re: Ensuring Remaining Coronavirus Relief Funds are Allocated by December 31, 2020

Dear Governor Ducey:

Under the Coronavirus Aid Relief and Economic Security ("CARES") Act, the US Department of Housing and Urban Development allocated billions in flexible funding to state, local, tribal, and territorial governments to address housing instability and homelessness related to measures to control the spread of COVID-19. The funds have been allocated through existing streaming funds such as CDBG, ESG, and HOPWA and via the Coronavirus Relief Fund ("CRF"), provided directly to the State and various local governments to cover necessary expenses related to responding to COVID-19.

The Arizona Housing Coalition ("Coalition") has compiled the "Arizona CARES Act Allocations for Housing & Homelessness" resource; a document that tracks the dollar amount and specific allocations to Arizona municipalities. This resource lists the various CARES Act recipients, the allowable uses, and how State and Local municipalities have allocated these funds to address housing and homelessness. Included in this resource is a section summarizing rental, utility, and foreclosure resources statewide.

The Coalition also updated its "COVID-19 Resources for Service Providers" list to include information related to the CDC national eviction moratorium and other important changes as COVID-19 has progressed. The list includes State and Federal resources targeted at service providers and clients as well as known COVID-19 Eviction Prevention and Rental assistance programs.

It is our understanding that approximately $440 million of the $1.86 billion Coronavirus Relief Funds deposited into the State’s Operating Fund has not been allocated to date. Please consider us as a resource to help you, your staff, and appropriate state agencies in developing suggested uses for such funds before any remainder is returned unspent to the US Treasury at the end of December. We stand together in encouraging the wise, efficient, and effective allocation of public funds to Arizonans in need during turbulent times now and into 2021. Possible areas for maximizing impact include:
• **Support for Tenants.** A U.S. Census Bureau Household Pulse Survey conducted between September 2 and September 14, 2020 found that 27.4% of adults in Arizona are housing insecure and are at risk of eviction or foreclosure in the next two months. The Arizona Department of Housing has received 25,061 requests for the COVID-19 Rental Assistance Program. As of September 14, 2020, only 2,055 households, or 8% of all applications, had been approved for assistance by Community Action Agencies throughout the state. The City of Phoenix has released $20 million to aid families affected by the crisis, and Maricopa County has made $30 million available to assist. Additional funds and streamlined processes may be required to prevent an avalanche of pending eviction notices. CRF can also be used for landlord incentives; compensation to affordable and supportive housing property managers to compensate for the loss of rental income; supportive housing operating subsidies and rental assistance to move from non-congregate housing into permanent housing and navigation services. CRF should be used first before ESG-CV funds for these purposes since ESG-CV has a two year expenditure deadline of September 20, 2022.

• **Support for Landlords.** Increases in housing assistance will not only provide relief to tenants, but also for landlords. Nationwide data shows that 40% of rental properties are owned by individual investors. These rental properties are more likely to own single-family and duplex rental homes, over large conglomerates that own apartment complexes. Small landlords are feeling the brunt of the COVID-19 crisis. Struggling to pay for maintenance expenses, other bills, and their own mortgage payments. Rental assistance can also be paid to affordable and supportive housing landlords to compensate them for loss of rental income. Since there has been such a delay in getting funds to landlords, we recommend a centralized rental administration program that is responsible for financial operations and management for local rental assistance as a way to create efficiency and expedite payments to landlords and tenants.

Once again, thank you for issuing and extending Executive Order 2020-14 in order to protect Arizonans affected by COVID-19 from eviction during a very difficult time. Arizonans continue to be safer at home as we all work to contain the spread of COVID-19. We stand ready to assist you and your Administration in maximizing Arizona’s fair share of CRF.

Sincerely yours,

Name
Title
Organization