Asheville City Council Public Hearing

HOME-ARP Draft Allocation Plan

March 14, 2023

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2022 Baker Tilly US, LLP.

Overview of HOME-ARP

- The **HOME Investment Partnerships Program (HOME)** provides grants to state and local governments to create affordable housing for low-income households.
- The **American Rescue Plan (ARP)** has allocated $5B to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter to reduce homelessness and increase housing stability across the country.
- All states and local PJs that qualified for an annual HOME Program Allocation for FY 2021 are eligible to receive HOME-ARP grants.
- The Asheville Regional Housing Consortium allocation is **$4,699,862.**

Key Takeaways

- The Asheville Regional Housing Consortium allocation is **$4,699,862** in **one-time** HOME-ARP funding**.**
- This special allocation of HUD HOME-ARP funds is targeted specifically to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations.
- Allocation plans must be data driven and include public engagement and consultation with agencies and service providers that address the needs of the qualifying populations. Plans are due to HUD on March 31, 2023.
- Overall, the analysis concluded that the most significant unmet housing need for homeless persons and those at risk of homelessness is access to affordable housing units and supportive services including case management, mental health, and substance abuse services to connect these individuals to housing.

HOME-ARP Eligible Populations and Activities

- **Eligible Populations**
  - Homeless
  - At-risk of homelessness
  - Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, human trafficking
  - Other populations where providing supportive services or assistance would prevent the family's homelessness or would serve those at greater risk of homelessness
  - Veterans and families that include a veteran that meets one of the preceding criteria

- **Eligible Activities**
  - Production or Preservation of Affordable Rental Housing
  - Tenant-Based Rental Assistance (TBRA)
  - Supportive Services, including services defined at 24 CFR 578.53(e)
  - Purchase and Development of Non-Congregate Shelter (excludes operating costs)

HOME-ARP Definitions

- At-risk of homelessness
  - An individual or family that
    - (A) has income below 30 percent of median income
    - (B) has insufficient resources immediately available to attain housing stability; and
    - (C)
      - (i) has moved frequently because of economic reasons;
      - (ii) is living in the home of another because of economic hardship;
      - (iii) has been notified that their right to occupy their current housing or living situation will be terminated;
      - (iv) lives in a hotel or motel;
      - (v) lives in severely overcrowded housing;
      - (vi) is exiting an institution; or
      - (vii) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Ex: Asheville Metro median income = $56,333 for a single person	
2022 Adjusted Income Limits for 30% AMI:	
1 Person Household:	$16,900
2 Person Household:	$19,300
3 Person Household:	$21,700
4 Person Household:	$24,100

Eligible Activities: Supportive Services

- Case Management
- Child Care
- Education Services
- Food
- Mental Health Services
- Outpatient Health Services
- Outreach Services
- Housing Search and Counseling Services
- Life Skills Training
- Assistance with Moving Costs
- Substance Abuse Treatment Services
- Transportation
- Legal Services
- Employment Assistance and Job Training

HOME-ARP Allocation Plan

- Describes proposed activities and how the PJ intends to distribute its HOME-ARP funds to address the needs of qualifying populations.

- To receive the HOME-ARP funds, PJs are required to submit a HOME-ARP Allocation Plan as an amendment to the FY2021 annual action plan to HUD for review/acceptance.

- Allocation Plans are due to HUD by March 31, 2023.

HOME-ARP Allocation Plan Key Components

- Consultation (stakeholder meetings and surveys)
- Public Participation (public surveys and public comment period)
- Needs Assessment and Gap Analysis
- HOME-ARP Activities
- HOME-ARP Production Housing Goals
- Preferences
- HOME-ARP Refinancing Guidelines

Consultation- Stakeholder Focus Group Meetings

- Gathered by virtual meetings held on: 1/18/23, 1/19/23, and 1/20/23 (2 meetings)

- A total of **51** agencies were invited to participate in the virtual focus group sessions; **42** individuals representing **30** agencies participated in at least one focus group or phone call discussion.

- Three (3) areas of need were identified as potential uses of HOME-ARP funds
  - Production and preservation of affordable rental housing units
  - Non-Congregate Shelter
  - Supportive Services

Consultation- Stakeholder Surveys

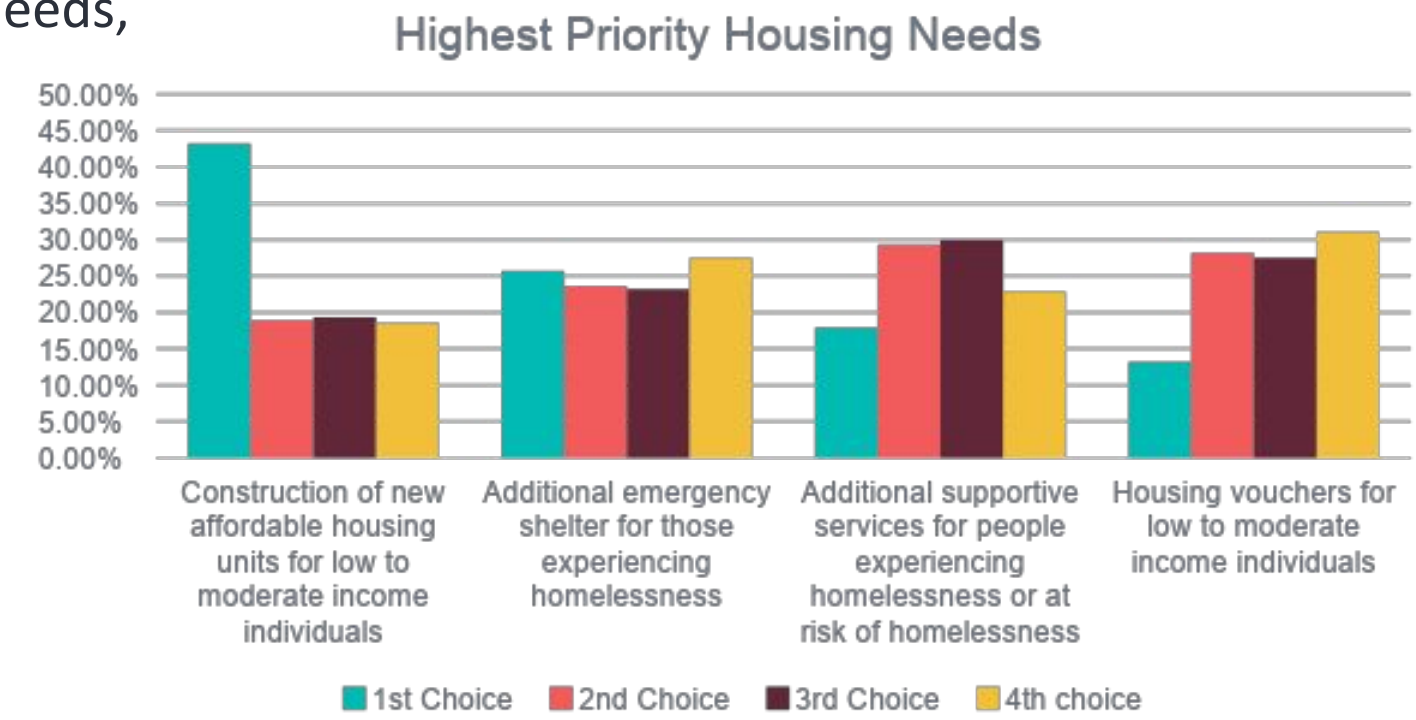
- Community stakeholders were invited to participate in a stakeholder survey. 34 responses were received.

- Highest priority issue at this time:
  - 91% Lack of affordable rental housing.
  - 6% Lack of financial assistance (vouchers, down payment assistance, etc.)
  - 3% Lack of shelter units

- Priority for using HOME-ARP funds:
  - 79% Development of more affordable housing.
  - 10% Acquisition and development of non-congregate shelters.
  - 7% Rental assistance.
  - 3% Nonprofit operating assistance.

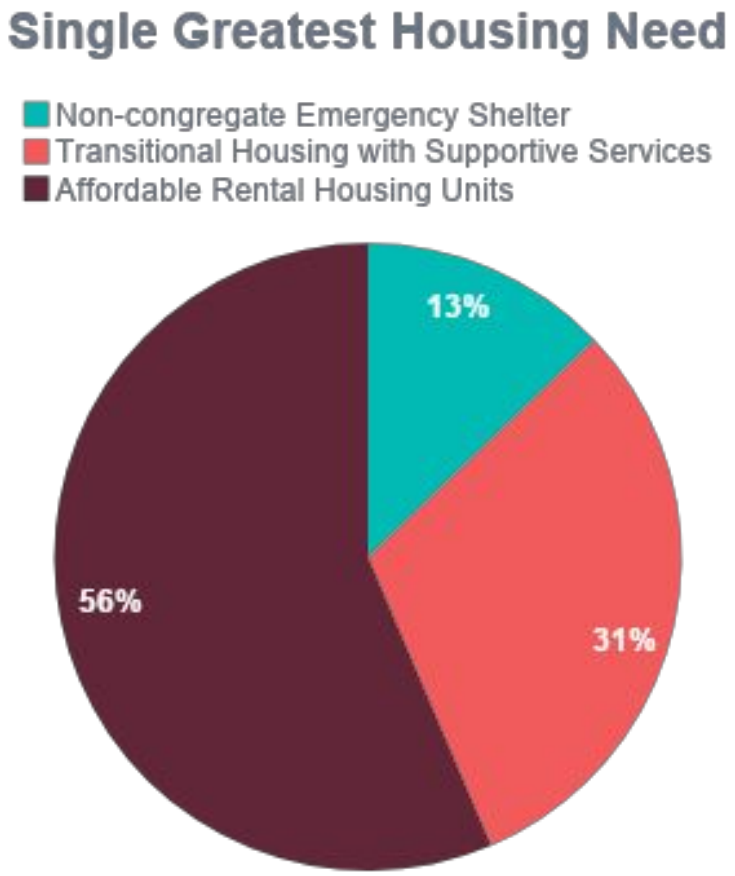
Public Participation Feedback

- Surveys were made available to Asheville Region residents and **302** responses were received.
- When asked to rank community housing needs, "construction of new affordable housing" was ranked as the most important.



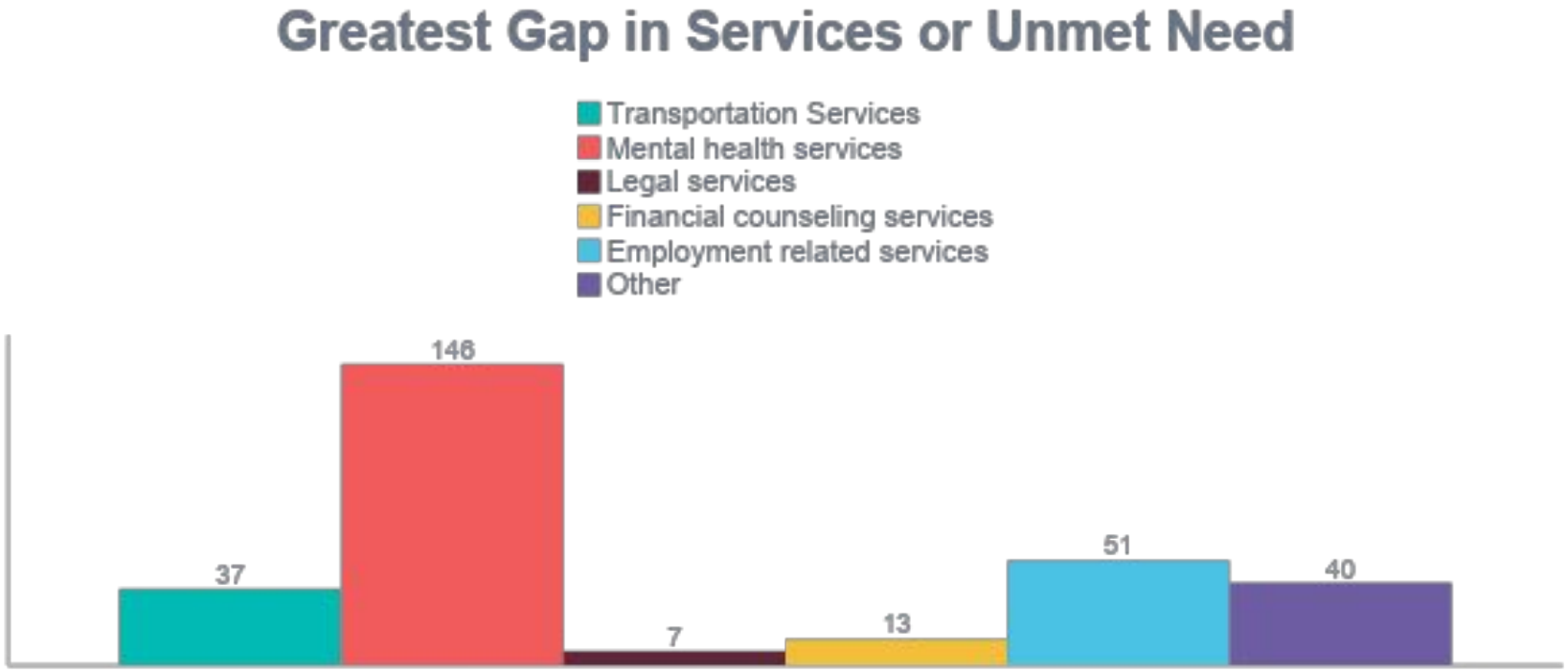
Public Participation Feedback

– When asked to select the greatest single need for housing in the community, "affordable rental housing units" was ranked as the greatest need.



Public Participation Feedback

– When residents were asked what they have observed to be the greatest gap in services or unmet need in the community for individuals at risk of or currently experiencing homelessness, "mental health services" was ranked as the greatest need by far. Substance abuse treatment was also identified as a priority in comments.



ARHC Region
Homeless Needs Inventory

2022 Point-in-Time Data for ARHC Region (4 counties)													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets					Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	67	33	233	0	5								
Transitional Housing	59	21	218	0	174								
Permanent Supportive Housing	118	37	536	0	382								
Other Permanent Housing	156	53	247	12	131								
Sheltered Homeless						34	412	142	60				
Unsheltered Homeless						9	291	12	41				
Current Gap										60	15	285	0

ARHC Region
Housing Needs Inventory

Housing Needs Inventory			
	Current Inventory	**Level of Need**	**Gap Analysis**
	# of Units	# of Households	# of Households
Total Rental Units	63,786		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	3,528		
Rental Units Affordable to HH at 50% AMI (Other Populations)	11,545		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		9,463	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		7,028	
Current Gaps			6,115

ARHC Recommended HOME-ARP Allocation

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	$ 1,000,000.00	21%	
Acquisition and Development of Non-Congregate Shelters	$ 0.00	0%	
Tenant-Based Rental Assistance (TBRA)	$0.00	0%	
Development of Affordable Rental Housing	$3,100,000.00	66%	
Non-Profit Operating	$ 0.00	0%	5%
Non-Profit Capacity Building	$ 0.00	0%	5%
Administrative and Planning	$599,862.00	13%	15%
Total HOME-ARP Allocation	$ 4,699,862.00	100%	

ARHC Endorsement of Plan

- Draft Plan presented to the Asheville Regional Housing Consortium (ARHC) on March 6, 2023
- ARHC recommended some minor modifications to the funding allocation breakdown, shifting additional funds toward the Production or Preservation of Affordable Housing
- These changes are reflected in the current Draft Plan
- ARHC officially endorsed the Draft Plan on March 6, 2023

Important Dates

- ARHC presentation and endorsement of plan: March 6, 2023
- Public Comment Period: March 6 – March 20, 2023
- Public Hearing (at City Council meeting): March 14, 2023
- Presentation of plan for final City Council approval: March 28, 2023
- Deadline to submit final plan to HUD: March 31, 2023

Key Takeaways

- The Asheville Regional Housing Consortium allocation is **$4,699,862** in **one-time** HOME-ARP funding**.**
- This special allocation of HUD HOME-ARP funds is targeted specifically to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations.
- Allocation plans must be data driven and include public engagement and consultation with agencies and service providers that address the needs of the qualifying populations. Plans are due to HUD on March 31, 2023.
- Overall, the analysis concluded that the most significant unmet housing need for homeless persons and those at risk of homelessness is access to affordable housing units and supportive services including case management, mental health, and substance abuse services to connect these individuals to housing.

Questions?