



CITY OF WARREN

PROPOSED HOME-ARP ALLOCATION PLAN

**Made Available for Public Comment
2/2/2023**

City of Warren HOME-ARP Allocation Plan

Introduction

The City of Warren will receive \$2,048,247 in Home Investment Partnerships - American Rescue Plan (HOME-ARP) funds from the U.S. Department of Housing and Urban Development (HUD). This supplemental funding was allocated by formula under the HOME entitlement program to address the need for homelessness assistance and supportive services. The allocation, authorized by the American Rescue Plan Act of 2021, must primarily benefit individuals and families who are experiencing homelessness, at risk of homelessness, or in other vulnerable populations at greatest risk of housing instability. This plan includes 1) an outline of the consultation and public participation processes undertaken, 2) an assessment of the needs of qualifying populations and gaps in local housing and services systems, and 3) planned uses of HOME-ARP funds for prioritized populations and eligible activities.

Consultation

Describe the consultation process including methods used and dates of consultation:

In compliance with U.S. Department of Housing and Urban Development – Community Planning and Development Notice CPD-21-10, the City of Warren notified the following entities to identify unmet needs and gaps in housing and service delivery systems prior to establishing the plan for allocating the City of Warren’s HOME-ARP funds. A listing of each agency contacted is provided below and any feedback is summarized. This list includes at least one of the following agencies: 1) homeless service providers; 2) domestic violence service providers; 3) veteran’s groups; 4) public agencies that address the needs of the qualifying populations; 5) public and private organizations that address fair housing, civil rights, and the needs of persons with disabilities; as well as the local CoC and all of the public housing agencies (PHAs) that serve the City of Warren.

January 13, 2022 – sent email invitation to all agencies/organizations listed in the table below to participate in public meetings.

February 7-9, 2022 - held in-person and virtual public meetings.

January 9, 2023 – sent email invitation to all agencies/organizations listed in the table below to participate in a web-based survey to identify HOME-ARP needs and gaps (21 responses provided as Attachment #1)

List the organizations consulted:

| Agency/Org Consulted | Type of Agency/Org | Method of Consultation |
|--|--|-------------------------------|
| Fair Housing Center of Metropolitan Detroit | Civil Rights & Fair Housing | Survey |
| Macomb County Continuum of Care (CoC) | CoC / Homeless Services Providers/Address the Needs of all QPs | Survey & Email |
| Warren Housing Commission/ Senior Housing | Senior Housing | Survey |
| Detroit Housing Commission | PHA | Survey & Email |
| Michigan State Housing Development Authority | PHA/ Other - | Survey & Email |
| Salvation Army MATTS | Homeless Services Provider | Survey & Email |
| Turning Point | Homeless Service Provider & Domestic Violence Service Provider | Survey |
| MCREST | Homeless Services Provider | Survey & Email |
| Macomb County Veteran's Services | Other – public agency that addresses the needs of veterans | Survey |
| St. Vincent DePaul Society – Detroit | Public agency that address the needs of the qualifying populations | Survey & Email |
| Vet's Returning Home | Homeless Service Provider & Veteran's Services | Survey |
| Lakeshore Legal Aid | Other- organization that address fair housing, civil rights, etc. | Survey |

Summarize feedback received and results of upfront consultation with these entities:

The summary of survey responses is provided in Attachment #1.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- *Date(s) of public notice: 2/2/2023*
- *Public comment period: start date – 2/2/2023 end date – 3/3/2023*
- *Date(s) of public hearing: 2/28/2023*

Describe the public participation process:

A draft allocation plan was created using input from the consultation feedback sessions. The allocation plan was advertised with the Warren Weekly starting on January 25, 2023. The advertisement included the funding allocation for HOME-ARP, a link to review the plan, and information on the public hearing held on, February 28, 2023.

The draft allocation plan was posted on the City of Warren’s website under the Housing and Community Development page. The posting included a link to the public hearing information in addition to the proposal. HOME-ARP Public Notice is provided in Attachment #3.

Describe efforts to broaden public participation:

- Extended the public comment period from 15 days to 30 days.
- Directly emailed a copy of the public notice to all agencies and organizations that are listed in the consultation table provided above.

Summarize the comments and recommendations received through the public participation process either in writing, or orally at a public hearing:

Pending outcome of 30 day public comment period. (Attachment #3)

Summarize any comments or recommendations not accepted and state the reasons why:

Pending outcome of 30 day public comment period.

Needs Assessment and Gaps Analysis

The Needs Assessment and Gaps Analysis examines the demographics and size of qualifying populations, assesses unmet housing and services needs of these populations, identifies current resources available, and calls attention to existing gaps in our system. Therefore, this section is broken down into two subsections:

1. Size and Demographic Composition of Qualifying Populations and
2. Resource Availability and Gaps

Describe the size and demographic composition of qualifying populations within the PJ’s boundaries:

Homeless as defined in 24 CFR 91.5

Literal homelessness is defined by 24 CFR 91.5 as a household that lacks fixed, regular, and adequate nighttime residence. Examples of literal homelessness includes staying or living outdoors, abandoned buildings, vehicles, bus station, and/or emergency shelters. The most recent Point in Time (PIT) count was conducted in Macomb County on February 16, 2022. This count revealed 240 sheltered homeless persons, and 32 unsheltered persons. The complete PIT report is provided as attached #4.

At Risk of Homelessness as defined in 24 CFR 91.5

As defined in 24 CFR 91.5, a household is considered at risk of homelessness if they have 30% or below of the median family income for the area, does not have sufficient resources or support networks, and meets one of the following conditions: has moved due to economic reasons two or more times in the last 60 days, is living in the home of another person because of economic hardship, is exiting a publicly funded institution, or is living in housing that has characteristics associated with instability or increased risk of homelessness. A child or youth can also be considered at risk of homelessness if they qualify as homeless under section 387(3) of the Runaway and Homeless Youth Act or section 725(2) of the McKinney-Vento Homeless Assistance Act.

According to the most recent HUD Comprehensive Housing Affordability Strategy (CHAS) data from 2015-2019, Warren has 8,810 households with incomes at or below 30% of the Area Median Income (AMI), which is 16.4% of all Warren households. Those households with incomes at or below 30% of AMI are split almost evenly among owners and renters households. With renters slightly higher at 54%. This segment of households is likely to be living paycheck to paycheck and may be at risk of a housing crisis event or homelessness

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

Per 24 CFR 91.5, a household that qualifies as homeless under this category is fleeing or attempting to flee a nighttime residence where domestic violence, sexual assault, stalking or other dangerous conditions threaten the household, and is not able to return. The household must also lack resources or support networks and have no other residence.

In fiscal year 2021, Turning Point, a domestic violence shelter that serves Macomb County, provided shelter and emergency services to 36 residents (including 17 children) with a last known address in Warren.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice

Other populations, according to 212(a) of NAHA (42 U.S.C. 12742(a)), include households that are at greatest risk of housing instability, but do not qualify as homeless in any of the above categories. This includes households who are in temporary housing due to emergency assistance, households with an annual income that is 30% AMI or below and are experiencing a severe cost

burden, or households with 50% AMI and meets one of the conditions from the above “At Risk of Homelessness” category as defined in 24 CFR 91.5.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing (Optional):

- In Macomb County, homeless prevention funds in the form of CDBG-CV, CERA, and other CARES Act related program funds are for the most part exhausted.
- Michigan Homeowner Assistance Fund (MIHAF) is available prevent displacement of homeowners experiencing financial hardship.
- MSHDA ESG-CV and ESG provides some funding for rapid rehousing and homelessness prevention activities.
- Macomb CoC HUD funds are being used for rapid rehousing, permanent supportive housing, transitional housing/rapid rehousing and supportive services.

Describe the unmet housing and service needs of qualifying populations:

Homeless as defined in 24 CFR 91.5

During the consultation process it was revealed that members of this population are in need of housing (both temporary and permanent housing) and a variety of supportive services including but not limited to: childcare, transportation, employment training, financial literacy, and access to dependable technology.

At Risk of Homelessness as defined in 24 CFR 91.5

Input provided during the consultation process revealed that members of this population are in need of rental assistance and moving costs. The bulk of rental assistance to households at risk of housing stability have been exhausted. The City provided rent and mortgage assistance to 299 households that are at or below 30% AMI, and 66 household that were 30-50% AMI. Demand for the program far exceeded the funding available.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

Input provided during the consultation process revealed that members of this population have difficulty obtaining housing even with vouchers. Many landlords won't rent to those with credit issues, felonies, etc. Many are also in need of various services such as transportation, childcare, financial literacy, and assistance with getting criminal records expunged. There is currently also very limited services of any type for male survivors of human trafficking.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice

Input provided during the consultation process revealed that members of this population are also in need of rent assistance as well as the supportive services.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

Input provided during the consultation process revealed that members of this population are also in need of rent assistance as well as the supportive services.

Under Section IV.4.2.ii.G of the HOME-ARP Notice, a PJ may provide additional characteristics associated with instability and increased risk of homelessness in their HOME-ARP allocation plan. These characteristics will further refine the definition of “other populations” that are “At Greatest Risk of Housing Instability,” as established in the HOME-ARP Notice. If including these characteristics, identify them here:

Not applicable.

Identify priority needs for qualifying populations:

The housing and supportive service needs of qualifying populations are similar to the needs of the low-income population. All of these populations would benefit from an increased number of affordable housing units and increased affordability in the housing market. Rising rents and the limited availability of units causes increased instability among cost burdened and low-income renters and those at risk of homelessness. Among those experiencing homelessness, the lack of affordable rental units causes longer episodes of homelessness and leading to fewer households becoming stably housed overall.

Households at risk of housing instability need support to stay housed. While many families may gain stability through housing assistance, other families need more affordable housing options. However, most of these households also need a livable wage and supportive services to create long-term self-sufficiency.

Explain how the PJ determined the level of need and gaps in the PJ's shelter and housing inventory and service delivery systems based on the data presented in the plan:

The City of Warren determined the level of need by analyzing the data in the Consolidated Plan and input provided by organizations during the HOME-ARP consultation process.

HOME-ARP Activities

Describe the method(s) that will be used for soliciting applications for funding and/or selecting developers, service providers, sub recipients and/or contractors:

The City of Warren will not administer the development of rental housing directly. Applications for project funding and/or the selection of developers for the development of affordable housing will be solicited through the Office of Community Development at the City of Warren. HOME-ARP funds will be allocated through a Request for Proposal (RFP).

Through the RFP process, the City will establish programming and funding priorities to evaluate applications. All projects seeking funding will be evaluated by the quality of the application submitted, the qualifications of the development team, the financial feasibility of the project, and

the alignment of the project with the established priorities. The HOME-ARP funds will be competitively awarded to projects that align with the established priorities and leverage other funding sources for the construction of the project and costs of resident services.

Describe whether the PJ will administer eligible activities directly:

At this time, the City of Warren’s Office of Community Development plans to administer HOME-ARP Supportive Services directly to the public.

If any portion of the PJ’s HOME-ARP administrative funds are provided to a subrecipient or contractor prior to HUD’s acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ’s entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ’s HOME-ARP program:

No portion of HOME-ARP funds will be provided to a sub recipient or contractor prior to HUD’s acceptance of the HOME-ARP allocation plan.

Use of HOME-ARP Funding

| | Funding Amount | Percent of the Grant | Statutory Limit |
|--|-----------------------|-----------------------------|------------------------|
| Supportive Services | \$ 741,010 | | |
| Acquisition and Development of Non-Congregate Shelters | \$ 0 | | |
| Tenant Based Rental Assistance (TBRA) | \$ 0 | | |
| Development of Affordable Rental Housing | \$ 1,000,000 | | |
| Non-Profit Operating | \$ 0 | 0 % | 5% |
| Non-Profit Capacity Building | \$ 0 | 0 % | 5% |
| Administration and Planning | \$ 307,237 | 15 % | 15% |
| Total HOME ARP Allocation | \$ 2,048,247 | | |

Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis:

The gaps analysis showed a need for permanent housing and supportive services. These gaps are reflected in the distribution of HOME-ARP funds above. Approximately, 60% of funding will be dedicated to developing new affordable housing, which was identified by stakeholders as the highest priority.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

Housing inventory data revealed a significant need for additional affordable rental units. According to FY 2020 (LSA) data, 74% of households that exited the homelessness system accessed only emergency shelter and left to a temporary or unknown destination. The data suggests a lack of sufficient resources to connect those in emergency shelter with permanent housing, creating a bottleneck in the system. Feedback provided through surveys and

consultation sessions suggests that while there are additional housing and service needs among survivors of domestic violence (DV) and veterans, Therefore, HOME-ARP funding would be best used to develop affordable rental units and provide supportive services for households experiencing homelessness.

Supportive services can help prevent episodes of homelessness and support the homeless in becoming housed. According to the United States Interagency Council on Homelessness, combining affordable housing with wrap-around supportive services can not only “resolve homelessness and increase housing stability, but also improve health and lower public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons.”

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

By awarding the HOME-ARP funds through a competitive RFP process to projects that leverage other funding sources, the City estimates that 10-15 new units will be produced or supported through this HOME-ARP allocation. The competitive RFP process will recognize and elevate proposed projects that leverage other funding sources such as Low-Income Housing Tax Credits (LIHTC), Federal Home Loan Bank AHP grants, and other philanthropic and community sources to increase the number of housing units produced with the HOME-ARP funds.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:

HOME-ARP funds will be used to support the development of an estimated 15 units for occupancy by qualifying populations. Development of these units will help address the lack of permanent housing resources. The units will be maintained for occupancy by qualifying populations for at least 15 years.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

The City of Warren does not intend to give preference to a subpopulation of the qualifying populations

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Not applicable.

Referral Methods

Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ's may use multiple referral methods in its HOME-ARP program. (Optional):

The City of Warren will not use a coordinated entry process. Moreover, the City will accept referrals from Macomb County Continuum of Care participating agencies, on a first come, first serve basis.

If the PJ intends to use the coordinated entry (CE) process established by the CoC, describe whether all qualifying populations eligible for a project or activity will be included in the CE process, or the method by which all qualifying populations eligible for the project or activity will be covered. (Optional):

Not applicable.

If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional):

Not applicable.

If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional):

Not applicable.

Limitations in a HOME-ARP rental housing or NCS project

Template

Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:

The City of Warren does not intend to implement a limitation.

If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Not applicable.

If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):

Not applicable.

HOME-ARP Refinancing Guidelines

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with 24 CFR 92.206(b). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

- ***Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity***

The City does not intend to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing.

- ***Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.***

Not applicable.

- ***State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.***

Not applicable.

- ***Specify the required compliance period, whether it is the minimum 15 years or longer.***

Not applicable.

- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.***

Not applicable.

- ***Other requirements in the PJ's guidelines, if applicable:***

Not applicable.