

# HOME-ARP ALLOCATION PLAN

Overview: March 2023



**Public Hearing Dates:**

Wednesday, March 8<sup>th</sup> at 1:30pm (Community & Economic Development Committee)

Wednesday, March 15<sup>th</sup> at Noon (virtual)

# What Is HOME-ARP?

- In 2021 Congress passed the American Rescue Plan Act (ARP). Section 3205 of the act included funds appropriated for the HOME Investment Partnerships Program (HOME).
- The funds are intended **to address the need for homelessness assistance and supportive services**, focusing on four qualifying populations (or QP's).
- Funds must go towards **four types of activities**:
  1. Development & support of affordable housing
  2. Tenant-based rental assistance (TBRA)
  3. Provision of supportive services
  4. Acquisition & development of non-congregate shelter units

HOME-ARP  
requirements can  
be found in  
[HUD Notice CPD-21-10](#)

# HOME-ARP Allocation

- Jurisdictions that received an allocation of HOME funds in FY 2021 also received an allocation of HOME-ARP funds.
- The City of Milwaukee allocation is \$20,309,464.
- Deadline to expend funds is 2030.
- Jurisdictions must develop an allocation plan that describes how they intend to distribute the funds.
- They must also engage in consultation and public participation processes to develop the plan.
- The Urban Economic Development Association (UEDA) assisted the City of Milwaukee to develop their HOME-ARP Allocation Plan.



# HOME-ARP Allocation Plan Process

- Fall 2021 – Spring 2022: Review of notice, guidance, FAQ's, and allocation plan template
- Summer-Winter 2022: Draft HOME-ARP Allocation Plan
  - Data collection, research & public consultation
  - Review of recent housing plans/research
  - Draft plan components
- Winter 2023: Release HOME-ARP Allocation Plan draft for public review and comment (at least 15 days).
- Finalize plan and submit to HUD for review March 2023.

# What does the HOME-ARP Plan include?

1. Summary of the **Consultation process and results**, including comments received through public participation process.
2. A **description of HOME-ARP qualifying populations** within the jurisdiction.
3. An **assessment of unmet needs** for each qualifying population.
4. An **assessment of gaps** in housing and shelter inventory, homeless assistance/services, and homelessness prevention service delivery system.
5. Summary of **the planned use of HOME-ARP funds** for eligible activities.
6. Estimate of **the number of housing units** for qualifying populations that will be produced or preserved with HOME-ARP funds.
7. Description of **any preferences** in a particular qualifying population.

# HOME-ARP Consultation Process

*Jurisdictions must (at a minimum), consult with:*

1. Continuum of Care (CoCs) serving the jurisdiction's geographic area
2. Homeless service providers
3. Domestic violence service providers
4. Veterans' groups
5. Public housing agencies (PHAs)
6. Public agencies that address the needs of the qualifying populations
7. Public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities

# HOME-ARP Consultation Process



- **Consultation Survey** (electronic)
  - Distributed by CDGA and UEDA via networks that include groups that work with qualifying populations
  - Also included those that provide housing/social services or develop affordable housing
- **Outreach & consultation with affinity groups & City departments**

*Meetings, calls to receive input on unmet needs for QP's and gaps in inventory, etc.*

  - Milwaukee Continuum of Care members
  - Housing Authority of the City of Milwaukee (HACM)
  - Department of City Development
  - Mental Health Task Force / Make It Work Milwaukee
  - Affordable housing developers and community-based service providers
- **Draft Plan Release & Webinar** (March 2023)
  - Public comment period (March 3 – 20, 2023)
  - Public Hearings on March 8<sup>th</sup> & March 15<sup>th</sup> (in-person & virtual options)
  - View the plan at: [www.city.milwaukee.gov/CDGA](http://www.city.milwaukee.gov/CDGA)

# HOME-ARP Qualifying Populations (4 QPs)

- 1. *Experiencing Homelessness*** [as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3)]
  - Lacks a fixed, regular, and adequate nighttime residence
  - Will imminently lose their primary nighttime residence
  - Unaccompanied youth under 25 years of age who do not otherwise qualify
- 2. *At risk of homelessness*** [as defined in 24 CFR 91.5]
  - Has an annual income below 30% of median family income for the area
  - Does not have sufficient resources or support networks
  - Meets one of a number of other conditions as described in 24 CFR 91.5
- 3. *Fleeing*** (or attempting to flee) ***domestic violence, dating violence, sexual assault, stalking, or human trafficking***
  - Reasonable belief of a threat of imminent harm
  - Other situations as defined in 24 CFR 5.2003 and the Trafficking Victims Protection Act of 2000



# HOME-ARP Qualifying Populations (QPs)

## 4. **Other Populations** requiring services or housing **assistance to prevent homelessness** OR **at greatest risk of housing instability**, i.e.:

*Those populations who do NOT qualify under any of the QPs above but meet one of the following criteria:*

- Households that have previously been qualified as “homeless” as defined in 24 CFR 91.5 and are currently housed due to temporary or emergency assistance and need additional housing/supportive services to avoid a return to homelessness
- Has an annual income that is less than or equal to 30% of the area median income (AMI) and is experiencing severe cost burden (paying more than 50% of monthly household income towards housing costs)
- Has an annual income that is less than or equal to 50% of the AMI AND meets one of the conditions for “at risk of homelessness” as defined in 24 CFR 91.5

Veterans and families that include a veteran family member that meet the criteria for one of the QPs are eligible for HOME-ARP assistance.

# NEEDS ASSESSMENT

## DEFINE

### Overall Trends

- Primary driver of housing instability is the decline of median household income in the City of Milwaukee.
- There is a great need for affordable housing units in the City, particularly for those that are paying more than 30-50% of their income towards housing (significant cost burden).
- Rental vacancy rates are very low, creating a competitive market and more challenges to re-housing and helping people relocate.
- The City's older housing stock adds to overall housing instability with a lack of ability to maintain or make repairs, resident dislocation, etc.

For more: City of Milwaukee 2022 Housing Affordability Report

[https://experience.arcgis.com/experience/5b4da2c75d51429d8fc81fbf70872785/page/1\\_-Home/](https://experience.arcgis.com/experience/5b4da2c75d51429d8fc81fbf70872785/page/1_-Home/)

# NEEDS ASSESSMENT

## DEFINE

### [1] *Experiencing Homeless*

- In 2021, 16,150 people received services for a homelessness experience.
- 72% were adults, with the majority aged 25-54. 28% were under age 17.
- 69% are Black/African American, with those identifying as White at 23%, and those identifying as Hispanic/Latino at 9%.
- About 55% identify as male, 44% as female, and less than 1% as transgender or gender nonconforming.
- 1,562 people (nearly 10%) are categorized as chronically homeless.
- Nearly 5% (or 781) are Veterans.
- About 32% of the people receiving services were in Emergency Shelters, Transitional Housing or Street Outreach, and Safe Haven.
- Another 17% received Rapid Re-Housing or Permanent Supportive Housing services
- In 2022, Coordinated Entry had received 1,083 requests for assistance through mid-November 2022.

# NEEDS ASSESSMENT

## DEFINE

### [2] *At risk of homelessness*

- Households that are below 50% Area Median Income (AMI) and severely housing cost-burdened (50% or more of their income towards housing) are at a high risk.
- The City's AMI in 2021 was \$45,318 and the number of persons in poverty was 24%.
- About 55,800 renter households have an annual household income of \$35,000 or less and are housing cost-burdened.
- Some of the oldest housing stock in the city is located in Census tracts with the highest concentrations of households earning less than \$25,000 per year.
- In 2021 there were about 7,200 eviction notices in the City. Between 2016-2020 the City averaged 12,000 filings/year. Most eviction actions are concentrated in neighborhoods that have higher concentrations of Black households and higher rates of poverty.
- Milwaukee CoC members are seeing increasing numbers of families and other households that do not fit the HUD Definitions for Category 1 or 2, but are at high risk to lose their primary residence.

# NEEDS ASSESSMENT

## DEFINE

### **[3] Fleeing** (or attempting to flee) ***domestic violence, dating violence, sexual assault, stalking, or human trafficking***

- Milwaukee Continuum of Care annual performance report for 10/1/21 to 9/30/22 showed that 2,713 victims of domestic violence received services (29% of all households).
- Coordinated Entry through mid-November 2022 showed that 42% of requests for assistance were related to Category 4 or domestic violence.
- A 2018 report showed that 340 people were confirmed to have been victims of sex trafficking in Milwaukee between January 2013-December 2016, nearly all were under age 25, 97% were female, 65% were African American.

# NEEDS ASSESSMENT

## DEFINE

### **[4] *Other Populations*** requiring services or housing ***assistance to prevent homelessness*** OR ***at greatest risk of housing instability***

- Many households may be at great risk for housing stability but do not qualify as homeless in any of the HUD Category definitions – they struggle to access resources.
- Lower-income households that are housing cost-burdened.
- In 2021, 42% of city households spent 30% or more of their income on housing (about 95,900 households).
- Most households experiencing cost burden are renters. 87% of renter households that earn less than \$35,000/year experienced a housing cost burden.
- Other groups with special needs as described in the City’s HUD Consolidated Plan (i.e., older adults, people with disabilities, veterans, formerly incarcerated, and immigrants/refugees)
- Survey respondents also shared: “fixed income households that don’t receive rent assistance, people with a challenging rental history, individuals with mental health issues or seeking recovery, families with children that struggle with basic household costs, LGBTQ young adults, BIPOC trans people of all ages”

# GAPS ANALYSIS

## Unmet Housing & Service Needs

- Rapid access to supplemental services (i.e., food & energy assistance, employment opportunities, transportation, childcare, phone/internet or computer access).
- Services that help address mental and behavioral health, substance abuse, and recovery support.
- Access to health care, medication and help navigating the health care system.
- Adequate stock of household items, furniture, clothing, home goods, etc.
- More landlords that access voucher or other incentives.
- Resources to assist with conflict resolution or negotiation around conditions.
- Reinvestment in aging permanent supportive housing stock (10+ years old).

*The plan describes these needs in more detail by Qualifying Population.*

# GAPS ANALYSIS

## “Which populations typically get left out of funding priorities?”

### *Survey question responses:*

- Those seeking to move for safety concerns or uninhabitable property conditions but are not considered an imminent need.
- Individuals with substance use disorders, chronic recurring mental illness, etc.
- Households without children, extremely large families, unaccompanied women who have unique trauma experiences, or single women who experience episodic homelessness.
- Those that wish to remain unhoused.
- Young adults (18-21), particularly with prior system involvement (i.e. juvenile justice, foster care).
- Formerly incarcerated people.
- Clients that don't meet all the criteria for homelessness but couch-surf and cannot stay.
- Those living with children in doubled-up arrangements.
- Perceived “gender different” people.
- Hmong, Native American people.
- People who do not have access to a phone or internet or cannot navigate the internet, without transportation, etc. and cannot get the help they need.



# GAPS ANALYSIS

## Housing Inventory

The City of Milwaukee has a supply-demand mismatch for affordable rentals, particularly for households at or below \$33,500/year in income.

- *This equals a gap in units for around 28,000 households.*

The following make it difficult for service providers to secure long-term, affordable housing:

- Lack of more non-communal housing options.
- Lower vacancy rates & increasing rents = competitive market for housing.
- Need for subsidized assistance for an increasing number of lower-income households.
- Lack of units that can pass a Housing Quality Standards inspection.
- Lack of landlords willing to take housing vouchers or participate in a supportive services model.

# GAPS ANALYSIS

## **Housing Inventory** - *Survey respondents also indicated:*

- Poor condition of housing units (repair needs, pest problems, etc.).
- Lack of beds and services to support people with mental health and substance use needs.
- Lack of shelter for women and large families or affordable sober living environments.
- Extreme hard use and damage to permanent supportive housing units is not reimbursable and scattered site options are not easily compensated.
- Financing structure of Low Income Housing Tax Credits makes replacement challenging.
- Not enough scattered sites in different areas of the City or suburbs our housing in low-crime areas.
- Lack of safe haven-type beds for both unaccompanied youth, adults, high-needs families.
- Need for shelter for young adults (18-21, 18-24) and transitional living program with services.
- Insufficient longer-term Rapid Re-Housing units for those that are not chronically homeless or at risk of homelessness.
- Lack of mission-driven property management entities.
- Not enough short-term housing options for the formerly incarcerated.

# PRIORITY NEEDS SUMMARY

## *For the four qualifying populations*

- Development or conversion of affordable rental units for households at or below \$33,500 and especially for those making less than \$25,000 in annual household income (i.e. 50% AMI or below).
- Increase in housing units to provide short-term and transitional housing until placement into permanent supportive housing can be made.
- Strengthening of supportive services infrastructure (funding, staffing, connections across systems).
- Increased access to mental and behavioral health, and substance abuse services.
- Continued access to temporary rent assistance funds with “case management light” services to help keep people stably housed or relocate to a more affordable unit.
- Housing units for groups that experience multiple barriers or challenges to finding and keeping housing (i.e. families with children, have disabilities, struggle with mental illness, formerly incarcerated, underserved groups).

# HOME-ARP Eligible Activities

*Funds must be used to primarily benefit the QP's in the following activities:*

- 1. Development and support of affordable housing**
- 2. Tenant-Based Rental Assistance (TBRA)**
- 3. Provision of supportive services**
- 4. Acquisition and development of non-congregate shelter (NCS) units**

Additionally,

- Individuals & families in QP's may be assisted by one or more of the activities.
- Not less than 70% of affordable rental housing units acquired, rehabilitated, or constructed with the funds must be occupied by households in the QPs.
- Because many households in the QPs are unable to pay rents sufficient to cover unit operating costs, Federal or state project-based rental subsidies may also be needed.

# Proposed Use of HOME-ARP Funding

The table below shows the amount and percentage of HOME-ARP funding planned for each eligible activity. All categories are within allowable HOME-ARP statutory limits.

HOME-ARP Budget Update 3.1.2023			
Activity	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$3,061,899.00	15%	
Acquisition and Development of Non-Congregate Shelters	\$6,077,366.00	30%	
Tenant Based Rental Assistance (TBRA)	\$2,030,946.00	10%	
Development of Affordable Rental Housing	\$4,061,893.00	20%	
Non-Profit Operating	\$1,015,473.00	5%	5%
Non-Profit Capacity Building	\$1,015,473.00	5%	5%
Administration and Planning	\$3,046,420.00	15%	15%
<b>Total HOME ARP Allocation</b>	<b>\$20,309,470.00</b>		

# HOME-ARP Goals & Preferences

## 1. Housing Production Goals

- The City estimates that 50 new units of housing will be produced or supported and 4810 number of households will benefit through this allocation of HOME-ARP funds.
- It is also expected that proposed projects will leverage other funding sources (i.e. LIHTC, Housing Trust Fund, grants) to maximize the number of units.

## 2. Preferences & Referrals

- The City of Milwaukee does not intend to give preference to any specific qualifying population or subpopulation.
- HOME-ARP funds will be used to address unmet needs and address housing inventory gaps for all four qualifying populations.
- Referrals will be made using expanded Coordinated Entry through the Milwaukee Continuum of Care.

# Conclusion / Next Steps



The Draft Allocation Plan is open for public comment through March 20, 2023.

- View at [www.city.milwaukee.gov/CDGA](http://www.city.milwaukee.gov/CDGA)
- Submit comments to: <http://milwaukee.legistar.com/calendar>

All public comments will be accepted, considered in the Plan and included with the final submission of the Plan to HUD by March 24<sup>th</sup>.

## Questions?

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