HOME-ARP ALLOCATION PLAN

City of Bay City, Michigan

For Submission to the U.S. Department of Housing & Urban Development
March 2023

Contents

CONSULTATION 2
PUBLIC PARTICIPATION 4
NEEDS ASSESSMENT AND GAP ANALYSIS..... 6
HOME-ARP ACTIVITIES 12
HOME-ARP PRODUCTION HOUSING GOALS.....14
PREFERENCES.....14
REFERRAL METHOD.....16
LIMITATIONS IN A HOME-ARP RENTAL HOUSING OR NCS PROJECT.....17
HOME-ARP REFINANCING GUIDELINES.....18

Tables

ORGANIZATIONS CONSULTED.....3
DATES OF PUBLIC COMMENT PERIOD AND PUBLIC HEARINGS.....5
HOMELESS NEEDS INVENTORY AND GAP ANALYSIS.....7
HOME-ARP FUNDING BUDGET.....13

DRAFT

CONSULTATION

Introduction

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law, enabling over $1.9 Trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses.

The American Rescue Plan Act appropriated $5 billion to help communities provide housing, shelter and services for people experiencing homelessness and other qualifying populations. These funds are administered by the Department of Housing and Urban Development (HUD) through the HOME Investment Partnership Program – American Rescue Plan (HOME-ARP) to be used for individuals and families from the following qualifying populations:

- homeless, at-risk of homelessness;
- flees or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking;
- other populations where providing assistance would prevent homelessness or would serve those with the greatest risk of housing instability; and
- veterans and families that include a veteran family member that meet one of the preceding criteria.

HOME-ARP funds can be used for four eligible activities, which include:

1. Production or preservation of affordable housing
2. Tenant-based rental assistance (TBRA)
3. Provision of supportive services, including homeless prevention services
4. Acquisition and development of non-congregate shelter

As a HOME program participating jurisdiction, the City of Bay City received $761,876 to benefit qualifying populations in our community. This amount is in addition to the annual allocation of HOME funds the City receives from HUD. This draft plan describes the City's intended use of the additional HOME funds as required in HUD Notice CPD-21-10.

Describe The Consultation Process Including Methods Used and Dates of Consultation

The City of Bay City developed a consultation process to meet HUD's requirements and to ensure the city is considering all priorities and needs within the community. Between October 17, 2022, and October 27, 2022, a survey was sent out to all Continuum of Care organizations (CoCs). A total of 41 responses were received. Between December 15, 2022, and January 23, 2023, consultation meetings were held with local service providers, housing providers, and other groups that work to address the needs of qualifying populations. The City of Bay City held a Public Hearing on January 25, 2023, to offer additional opportunities for other groups to attend and provide input about the needs, priorities, and gaps in service for the qualifying populations for the development of the draft Allocation Plan. A second public hearing was held on February 15, 2023, to allow for public input on the assembled draft Allocation Plan and to open a 30-day

DRAFT

public comment period on the draft Allocation Plan. The public input period ended on March 17, 2023. Further information about all organizations consulted is detailed in the following table:

Organizations Consulted

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Good Samaritan Rescue Mission	Homeless Service Provider (shelter)	In-person Meeting 12/12/2022	Limited affordable housing units is causing longer stays in the shelter; supportive services are needed for stability and success of housing placement
Bay Veteran's Foundation	Veterans' Group	In-person Meeting 12/16/2022	Lack of transitional housing, need for funding for residential rehab to create more rental units; need for supportive services
Women's Shelter	Domestic Violence Service Provider	In-person Meeting 12/12/2022	Limited affordable housing units is causing longer stays in the shelter; Supportive Services are needed for stability and success of housing placement; co-sharing units isn't allowed due to Covid; lack of sufficient DV shelters in the region; there is no capacity to take on new programs
BECKA Management Group	Public Housing Agency	Virtual Meeting 12/15/2022	Limited affordable housing units; shelters are full; lack of funding for application fees, security deposits and hotel vouchers; length of time needed to do inspections risks loss of placement into rental units
Legal Services of Eastern Michigan	Fair Housing, Civil Rights, Disabilities Organization	In-person Meeting 12/16/2022	Need for affordable housing development and partnerships to leverage for larger projects; seeing an increase in fair housing complaints; need for eviction diversion programs (supportive services)
Veteran's Administration	Veterans' Group	Virtual Meeting 01/11/2022	Lack of SOAR practitioners, need for additional funding sources that have less restrictions, need for more shelter space and hotels willing to house for the approved rates, issues with current units not meeting MSHDA inspections, need additional vouchers - there are approximately 254 vouchers for 35 counties so only 1 or 2 open every few months. Placement times can be 140-150 days and short-term housing is very limited while waiting.
Bay City Housing Commission	Public Housing Agency	In-person Meeting 01/12/2023, Digital Survey 10/2022	Has a very long waiting list for current units - about 6 months and about 300 for the scattered sites and 250 for the high rises. There is a need for more affordable housing units/subsidized housing and access to services.
Mid-Michigan Community Action Agency	CoC (Continuum of Care)	Virtual Meeting 12/26/2022	Lack of emergency funds in the system; lack of affordable and habitable rental units; County is overextended on vouchers; there is no capacity to take on new programs
Department of Health and Human Services (DHHS)	Public Agency that addresses the needs of QPs	Virtual Meeting 01/23/2022	Need for additional affordable units for families and persons with history of prior evictions; assistance with increasing heating costs; back utilities and 1st month's rent and deposit; lack of interim housing while waiting on vouchers; the timing of funds is a long process and creates an emergency. Seeing a steep increase in applications from new people for housing and car repair needs. Clients have logistic issues getting forms filled out and delivered and making appointments while trying to work.

DRAFT

Community Mental Health Authority Veteran's Navigator	Veteran's Group	In-person Meeting 01/23/2023	Need for more focus and funds for mental health and crisis services, clients need access to the internet and email or assistance filling out online forms, etc. There is a need for 1st month's rent and deposit, and utility deposits to re-establish housing and assistance with addressing the high market rates of rent.
ARC of Bay County	Fair Housing, Civil Rights, Disabilities Organization	In-person Meeting 01/23/2023	Need more choices for housing, especially for clients with animals; need for more supportive services to assist with mental health issues.
Disability Services Resource Center	Fair Housing, Civil Rights, Disabilities Organization	In-person Meeting 01/23/2023	Need for additional funding to make rentals accessible for those with disabilities; more choices of housing that meet accessibility needs
Habitat for Humanity of Bay County	Public Agency that addresses the needs of QPs	Digital Survey 10/2022	Need for critical housing repairs, need for additional new home builds.
Anonymous Respondents	Various (Did Not Identify Organization)	Digital Survey 10/2022	Develop more affordable housing units, help with payment of security deposits, more services for those that are housing insecure, more supportive services (educational/home repair/mental health/case management)
Deirdre Myers	Bay City Public Schools	Digital Survey 10/2022	Lack of availability of stable environment
Samantha Lewandowski	State Street Academy	Digital Survey 10/2022	No shelters for at risk youths (school age youths)
Anonymous Respondents	Bay Arenac ISD	Digital Survey 10/2022	Need for affordable housing

Summarize Feedback Received and Results of Upfront Consultation with These Entities

There were many conversations at the consultation meetings that explored the needs and challenges faced by the qualifying populations in the City of Bay City. The following comments were among the most frequently heard gaps in the benefits or services:

- Lack of affordable rental housing for domestic violence survivors and at-risk of homelessness; and
- Increased need for supportive services.

PUBLIC PARTICIPATION

Introduction

In accordance with Section V.B. of HUD Notice CPD-21-10, Participating Jurisdictions (PJs) must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME- ARP allocation plan of no less than 15 calendar days. The PJ must follow its adopted requirements for "reasonable notice and an opportunity to comment" for plan amendments in its current citizen participation plan. In addition, PJs must hold at least one public hearing during the development of the HOME-ARP allocation plan and prior to submission.

DRAFT

PJs are required to make the following information available to the public:

- The amount of HOME-ARP the PJ will receive, and
- The range of activities the PJ may undertake.

Throughout the HOME-ARP allocation plan public participation process, the PJ must follow its applicable fair housing and civil rights requirements and procedures for effective communication, accessibility, and reasonable accommodation for persons with disabilities and providing meaningful access to participation by limited English proficient (LEP) residents that are in its current citizen participation plan as required by 24 CFR 91.105 and 91.115.

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

Dates of Public Comment Period and Public Hearings

Action	Dates	
Date(s) of Public Notices	January 6, 2023	January 27, 2023
Public Comment Period	February 15, 2023 (start)	March 17, 2023 (end)
Date(s) of Public Hearing(s)	January 25, 2023, and February 15, 2023	

Describe The Public Participation Process

In accordance with HUD guidelines and the City of Bay City's Public Participation Plan, the City of Bay City held a public comment period that was at least 30 days to obtain comments from Bay City residents, agencies, and anyone else who wished to review and comment on the plan. The public comment period ran from February 15, 2023, to March 17, 2023. A copy of the HOME-ARP Allocation Plan was posted on the City of Bay City's Community Development Office website at:www.baycitymi.org/330/Community-Development. The public hearing notices were advertised in the Bay City Times on Friday January 6, 2023, and Friday January 27, 2023, and notice also disseminated to interested individuals and organizations. The city held a public hearing on January 25, 2023, to provide an opportunity for citizens to comment on the planning input process and a public hearing on February 15, 2023, to provide an opportunity for citizens to comment on the draft Plan.

Describe Efforts to Broaden Public Participation

The City of Bay City published public notices for the public comment period and for the public hearings in the local newspaper, as well as on the city website. To broaden public awareness and participation, the notices were circulated to interested individuals and organizations and presented to our local Citizen District Councils and Coordinating Council for input. A 30-day public comment period is required according to our Citizen Participation Plan, which was held February 15, 2023, to March 17, 2023.

DRAFT

Summarize the Comments and Recommendations Received Through the Public Participation Process Either in Writing, or Orally at a Public Hearing

There were no public in attendance at the public hearings held on January 25, 2023, and February 15, 2023.

Summarize Any Comments or Recommendations Not Accepted and State the Reasons Why

All comments and recommendations were accepted and considered in the development of this allocation plan.

NEEDS ASSESSMENT AND GAP ANALYSIS

Introduction

In accordance with Section V.C.1 of HUD Notice 21-10, a PJ must evaluate the size and demographic composition of all four of the qualifying populations within its boundaries and assess the unmet needs of each of those populations. If the PJ does not evaluate the needs of one of the qualifying populations, then the PJ has not completed their Needs Assessment and Gaps Analysis. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for
additional housing, shelter, or services. The following Homeless Needs Inventory and Gap Analysis Tables for Homeless and Non-Homeless qualifying populations provide tabular data compiled from various sources to evaluate the needs of these populations.

DRAFT

Homeless Needs Inventory and Gap Analysis Tables

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# Of Beds	# Of Units	# Of Beds	# Of Units	# Of Beds					# Of Beds	# Of Units	# Of Beds	# Of Units
Emergency Shelter	142	122	96	0	4								
Transitional Housing	30	8	30	30	0								
Permanent Supportive Housing	420	154	4	173	22								
Other Permanent Housing	N/A	N/A	N/A	N/A	N/A								
Sheltered Homeless						56	83	3	52				
Unsheltered Homeless						27	51	7	5				
Current Gap										0	0	0	0

Data Sources: 1. Good Samaritan Rescue Mission; 2. Women's Center; 3. Aleda E. Lutz Department of Veteran's Affairs

Non-Homeless			
	Current Inventory	**Level of Need**	**Gap Analysis**
	# Of Units	# Of Households	# Of Households
Total Rental Units	4234		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	107		
Rental Units Affordable to HH at 50% AMI (Other Populations)	619		
0%-30% AMI Renter HH w/1 or more severe housing problems (At-Risk of Homelessness)		1045	
30%-50% AMI Renter HH w/1 or more severe housing problems (Other Populations)		620	
Current Gaps			939

Data Sources: 1. Bay City Community Development Department; 2. Bay City Housing Commission; 3. Comprehensive Housing Affordability Strategy (CHAS) Data

Describe The Size and Demographic Composition of Qualifying Populations Within the PJ's Boundaries

Homeless As Defined In 24 CFR 91.5

Homelessness affects all races and ethnicities; however, in Bay City, white and black individuals are most impacted by homelessness. Of the 124 homeless individuals counted in the 2022 Point-In-Time counts for the Continuum of Care, 63 (almost 51%) individuals identified as white, and 47 (nearly 48%) of individuals identified as black. The remaining 1% of homeless individuals identified as other minority races. Only about 8.8% of the total counted homeless population identified as Hispanic or Latino.

More than 49% of all homeless individuals counted were adults in households without children. There were 63 (over 50%) homeless individuals counted in households with children.

At Risk of Homelessness as Defined In 24 CFR 91.5

According to the FY 2021 Low- and Moderate-Income Summary Data, there are approximately 17,480 low- and moderate-income individuals within the City of Bay City. This represents nearly 54% of the total population, based on the 2021 Census Data (32,404 total population). Of the city's 12 Tracts, 7 are characterized as having more than 51% of its population designated as low- and moderate-income. This suggests that a significant percentage of Bay City's population has an income of less than 80% AMI and may be at increased risk of homelessness or in need of additional supportive services and assistance to prevent homelessness and housing instability.

According to 2015-2019 CHAS, there are 1,040 renter households in the 0-30% AMI income group that are experiencing cost burden greater than 30%, and 755 renter households in the 0-30% AMI group that are experiencing cost burden greater than 50%. Due to crowding, income levels, and cost burdens, the households within these groups may be at risk of homelessness.

Fleeing Or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, Or Human Trafficking, As Defined by HUD In HUD Notice CPD 21-10

In total, 25 (a little over 20%) counted homeless individuals identified themselves as victims of domestic violence. According to the Michigan Incident Crime Reporting (MICR), there were 558 incidents of domestic violence in the City of Bay City in 2021. The MICR also reports on sexual assault incidents by jurisdiction. Within the City of Bay City in 2021, there were 74 reported sexual assaults. Statewide, most victims of domestic violence are women (nearly 72%).

Other Populations Requiring Services or Housing Assistance to Prevent Homelessness and Other Populations at Greatest Risk of Housing Instability as Defined by HUD In HUD Notice 21-10

The 2022 Homeless Point-In-Time count identifies 9 homeless veterans, representing about 7% of the homeless population. This report also estimates there are 49 veterans experiencing or becoming homeless each year within City of Bay City Continuum of Care.

DRAFT

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

There is a wide array of existing homelessness prevention services available from numerous service providers in the Great Lakes Bay Region (which encompasses Bay City, Saginaw, and Midland), including counseling, legal assistance, mortgage assistance, rental assistance, utilities assistance, law enforcement, mobile clinics, street outreach services, drug and alcohol abuse services, childcare, education services, employment and employment training services, healthcare services, life skills training, mental health counseling, transportation services, and food banks.

In the Bay City area, homeless services such as emergency shelter and crisis housing are provided by various non-profit organizations, as well as organizations within the Continuum of Care. Some of these organizations include Good Samaritan Rescue Mission, Bay Area Women's Shelter, Mid-Michigan Community Action Agency, and Sacred Heart Rehabilitation Center, Inc., among others.

To better address the needs of the area's homeless population, the Mid Michigan Community Action Agency maintains an updated website with directory of membership agencies and their websites, which collectively serve as a map of services and shelter solutions for individuals in need. Many of these member websites also have resources for obtaining food and clothing assistance targeted to homeless persons.

Describe The Unmet Housing and Service Needs of Qualifying Populations:

Homeless As Defined In 24 CFR 91.5

In the Bay City area, homeless services such as emergency shelter and crisis housing are provided by various non-profit organizations, as well as organizations within the Continuum of Care. Some of these organizations include Good Samaritan Rescue Mission, Bay Area Women's Shelter, Mid-Michigan Community Action Agency, and Sacred Heart Rehabilitation Center, Inc. among others. These organizations receive a variety of funding and additional funding could be used to expand services for those experiencing homelessness.

At Risk of Homelessness as Defined In 24 CFR 91.5

The 2020-2024 Five-Year Consolidated Plan identifies priorities related to persons experiencing homelessness. Among these needs are substance abuse and behavioral/mental health services, homeless facilities, and shelters for families with children, and resources for victims of domestic violence. While there are existing shelters and supportive services for those experiencing homelessness, there is a need for additional supportive services to prevent homelessness, including transitional housing, emergency assistance, and other moving assistance (rental deposit assistance, utility assistance, security deposit). These efforts also contribute to the maintenance and availability of affordable housing for all income groups, especially those

DRAFT

qualifying populations. A lack of affordable rental units and/or increasing costs of current rental units is creating an increased level of housing instability and need for added services.

Fleeing Or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, Or Human Trafficking, As Defined by HUD Notice CPD 21-10

Populations with unstable living environments may require additional financial assistance, such as rental assistance or utility assistance. These groups may also rely on transitional shelters and safe homes for temporary housing. Additional funding for organizations that provide these services would ensure that sufficient and decent housing is available for those that depend on it during a crisis. The stigma associated with homeless shelters creates a reluctance for persons to seek out the local shelter as a source of safe housing and often, due to the lack of affordable rental units and transitional housing, people will choose to return to their prior unstable living environment. The capacity of the current providers to arrange assistance for this qualifying population in a quick timeframe is limited.

Other Populations Requiring Services or Housing Assistance to Prevent Homelessness and Other Populations at Greatest Risk of Housing Instability as Defined by HUD Notice 21-10

For those non-homeless populations, additional affordable rental housing units and supportive counseling through case management is also needed to maintain housing stability and prevent future homelessness.

Identify Any Gaps Within the Current Shelter and Housing Inventory as Well as the Service Delivery System

Bay City has a shelter, housing, and service delivery system for those individuals' experiencing homelessness and who are at risk of becoming homeless. Some identified gaps exist, including insufficient funding to support the volume and reach of homeless supportive services (including non- profit service providers that offer employment services, health services, substance abuse counseling, and case management). The city will continue to financially support these programs and, when possible, aid in the identification of additional funding sources, and provide technical assistance to aid in the completion of grant applications.

Capacity limitations exist within the system, specifically for those populations requiring immediate non-shelter needs such as rental assistance. These capacity issues stem from the lack of affordable rental units, the length of time to identify and vet rental units, time involved with completion of necessary paperwork, and logistic and competency challenges with completing intake forms and attending service provider appointments. These hurdles become even more difficult for those persons with children who are also trying to work or seek work while experiencing a lack of available and affordable childcare.

The city maintains a strong relationship with service providers and included many of them in the consultation and production of this plan. The input received from these service providers

DRAFT

during the consultation process was critical to the identification of needs. Their involvement ensures successful programming and lessens the existing gaps in providing homeless needs and other supportive services for qualifying populations.

The city is very engaged with the Bay County Regional Continuum of Care (Mid Michigan Local Planning Body) supporting the organization in the implementation of the 10-year Plan to End Homelessness; additional, improved, and maintained coordination between these service providers, and all city departments would benefit those populations at risk of homelessness and those experiencing homelessness by promoting a transparent and accessible communication strategy.

Improved coordination would promote resource sharing and increase the dissemination of information about critical resources and supportive services, as well as improve the quality of those services. An identified gap is the need for affordable rental housing and supportive services. One way to reduce this need is for the city to coordinate with the continuum of care, non-profit service providers, and other organizations to encourage the development of additional affordable rental units and supportive service programs.

Under Section IV.4.2.II.G of the HOME-ARP HUD Notice 21-10, 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 HUD Notice 21-10.

Housing with 1 or more housing problems is associated with instability. There are 1,255 renter and owner households earning less than 50% AMI with at least one housing problem. Additionally, households experiencing cost burden and crowding may experience housing instability and be at a greater risk of homelessness. Additionally, there are 1,040 renter households in the 0-30% AMI income group that are experiencing cost burden greater than 30%, and 755 renter households in the 0-30% AMI group that are experiencing cost burden greater than 50%.

Identify Priority Needs for Qualifying Populations

While there are several important priority needs, as listed in the city's 2020-2024 Five-Year Consolidated Plan, this allocation plan will focus on the priority needs listed below:

- Affordable Housing; and
- Access to Public Services, including homeless services and operations, support of homeless need and non-homeless need programs, and utility assistance.

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 most recent Point-In-Time counts (January 2022) and other supporting agencies were used

to develop the data presented in the tables and narrative above. There are only 107 units considered affordable to extremely low-income populations earning less than 30% AMI and only 619 rental units affordable to populations earning less than 50% AMI. This leaves at least 3,508 rental units that are unaffordable to 5,905 households that earn between 0% - 50% AMI, according to the 2015-2019 CHAS data. Additionally, approximately 1,665 renter households with an income less than 50% AMI live in a house with one or more housing problems.

Gaps related to coordination and supportive services were identified using previous performance of similar programs and previously identified community needs, as identified in the 2020-2024 Five-Year Consolidated Plan. Additionally, through the consultation process the city gauged the most current needs and gaps based on outreach to service providers and determined there was a gap for affordable rental units and supportive services.

HOME-ARP ACTIVITIES

Describe The Method(s) That Will Be Used for Soliciting Applications for Funding and/or Selecting Developers, Service Providers, Subrecipients and/or Contractors

After the HOME-ARP Allocation Plan is approved and adopted, the City of Bay City will publish a Request for Qualifications Proposal (RFQP) for development of affordable rental units from a developer or subrecipient. The city will evaluate submissions based on how the proposed activities meet the priority needs and budget outlined by the city. A RFQP process allows the city to assess whether Capacity Building Assistance is a necessary activity for any of the respondents that are chosen to perform a HOME-ARP funded activity using the city's allocation. Should an insufficient response be received from the RFQP process, the City of Bay City will provide an amendment for this Plan and direct funds towards the secondary priority activity identified – supportive services.

Describe Whether the PJ Will Administer Eligible Activities Directly

The city does not intend to administer eligible activities directly. Bay City plans to administer the program through a developer or subrecipient.

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

The City of Bay City does not intend to provide administrative funds prior to HUD's acceptance of the HOME-ARP Allocation Plan.

Use of HOME-ARP Funding

In accordance with Section V.C.2. of HUD Notice CPD 21-10, PJs must indicate the amount of

HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits.

HOME-ARP Funding Budget

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services	$ -		
Acquisition and Development of Non-Congregate Shelters	$ -		
Tenant Based Rental Assistance (TBRA)	$ -		
Development of Affordable Rental Housing	$ 761,876.00		
Non-Profit Operating	$	0%	5%
Non-Profit Capacity Building	$	0%	5%
Administration and Planning	$	0%	5%
Total HOME-ARP Allocation	**$ 761,876.00**		

Describe How the PJ Will Distribute HOME-ARP Funds in Accordance with Its Priority Needs Identified in Its Needs Assessment and GAP Analysis

The consultation meetings and survey responses identified the priority needs of increasing the supply of affordable rental housing and homeless prevention assistance/other supportive services. Based on these priority needs, the city plans to allocate 100% of its HOME-ARP allocation ($761,876) to the development of affordable rental housing. If the development of affordable rental housing cannot be completed within an appropriate timeframe or a qualified developer or subrecipient cannot be identified to complete the activity, the City of Bay City will provide an amendment for this Plan and direct funds towards the secondary priority activity identified – supportive services.

Describe How the Characteristics of the Shelter and Housing Inventory, Service Delivery System, and the Needs Identified in the GAP Analysis Provided a Rational for the Plan to Fund Eligible Activities

As previously identified in the above sections, the qualitative and quantitative data presented indicates a need for projects that support the identified priority need of increasing the supply of affordable rental units and those that close the gaps in supportive services. There is a significant gap in affordable rental units that creates a backlog of persons waiting for a stable housing solution. The need is greater than can be accomplished with the HOME-ARP budget that has been allocated to the City of Bay City, but any additional units created can assist in providing long term stable housing for the qualifying populations. The city prioritized this task as the highest goal to serve the gap with a long-term solution.

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

The City of Bay City anticipates that it will develop at least 4 affordable rental units for qualifying populations with the HOME-ARP allocation. These units could be new construction or rehabilitation of 4 single family units, two 2-unit homes, or one 4-unit, at a minimum.

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

The City of Bay City's 2020-2024 Five-Year Consolidated Plan identifies the goal of affordable rental housing and the PJ estimates that at least 4 rental units will be constructed during the HOME-ARP performance period. The gap in affordable housing was identified as a priority need in consultation and in survey responses. The development of additional units, by new construction or rehabilitation of current non-complying structures will add additional units to begin closing the gap.

PREFERENCES

Introduction

A preference provides a priority for the selection of applicants who fall into a specific QP (Qualifying Participant) or category (e.g., elderly or persons with disabilities) within a QP (i.e., subpopulation) to receive assistance. A *preference* permits an eligible applicant that qualifies for a PJ-adopted preference to be selected for HOME-ARP assistance before another eligible applicant that does not qualify for a preference. A *method of prioritization* is the process by which a PJ determines how two or more eligible applicants qualifying for the same or different preferences are selected for HOME-ARP assistance. For example, in a project with a preference for chronically homeless, all eligible QP applicants are selected in chronological order for a HOME-ARP rental project except that eligible QP applicants that qualify for the preference of chronically homeless are selected for occupancy based on length of time they have been homeless before eligible QP applicants who do not qualify for the preference of chronically homeless.

Please note that HUD has also described a method of prioritization in other HUD guidance. Section I.C.4 of Notice CPD-17-01 describes Prioritization in CoC coordinated entry (CE) as follows:

"Prioritization. In the context of the coordinated entry process, HUD uses the term 'Prioritization' to refer to the coordinated entry-specific process by which all persons in need of assistance who use coordinated entry are ranked in order of priority. The coordinated entry prioritization policies are established by the CoC with input from all community stakeholders and

DRAFT

must ensure that ESG projects are able to serve clients in accordance with written standards that are established under 24 CFR 576.400(e). In addition, the coordinated entry process must, to the maximum extent feasible, ensure that people with more severe service needs and levels of vulnerability are prioritized for housing and homeless assistance before those with less severe service needs and lower levels of vulnerability. Regardless of how prioritization decisions are implemented, the prioritization process must follow the requirements in Section II.B.3. and Section I.D. of this Notice."

If a PJ is using a CE that has a method of prioritization described in CPD-17-01, then a PJ has preferences and a method of prioritizing those preferences. These must be described in the HOME-ARP allocation plan in order to comply with the requirements of Section IV.C.2 (page 10) of the HOME-ARP HUD Notice 21-10.

In accordance with Section V.C.4 of HUD Notice 21-10, the HOME-ARP allocation plan must identify whether the PJ intends to give a preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).
- The PJ must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements when establishing preferences or methods of prioritization.

While PJs are not required to describe specific projects in its HOME-ARP allocation plan to which the preferences will apply, the PJ must describe the planned use of any preferences in its HOME-ARP allocation plan. This requirement also applies if the PJ intends to commit HOME-ARP funds to projects that will utilize preferences or limitations to comply with restrictive eligibility requirements of another project funding source. If a PJ fails to describe preferences or limitations in its plan, it cannot commit HOME-ARP funds to a project that will implement a preference or limitation until the PJ amends its HOME-ARP allocation plan.

For HOME-ARP rental housing projects, Section VI.B.20.a.iii of the HOME-ARP HUD Notice 21-10 states that owners may only limit eligibility or give a preference to a particular qualifying population or segment of the qualifying population if the limitation or preference is described in the PJ's HOME-ARP allocation plan. Adding a preference or limitation not previously described in the plan requires a substantial amendment and a public comment period in accordance with Section V.C.6 of HUD Notice 21-10.

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 Bay City does not intend to give preference to one or more qualifying populations or

DRAFT

a subpopulation within one or more qualifying populations for any eligible activity or project.

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

The City of Bay City does not intend to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.

REFERRAL METHOD

Introduction

PJs are not required to describe referral methods in the plan. However, if a PJ intends to use a coordinated entry (CE) process for referrals to a HOME-ARP project or activity, the PJ must ensure compliance with Section IV.C.2 of HUD Notice 21-10.

A PJ may use only the CE for direct referrals to HOME-ARP projects and activities (as opposed to CE and other referral agencies or a waitlist) if the CE expands to accept all HOME-ARP qualifying populations and implements the preferences and prioritization established by the PJ in its HOME-ARP allocation plan. A direct referral is where the CE provides the eligible applicant directly to the PJ, subrecipient, or owner to receive HOME-ARP TBRA, supportive services, admittance to a HOME-ARP rental unit, or occupancy of a NCS unit. In comparison, an indirect referral is where a CE (or other referral source) refers an eligible applicant for placement to a project or activity waitlist. Eligible applicants are then selected for a HOME-ARP project or activity from the waitlist.

The PJ must require a project or activity to use CE along with other referral methods (as provided in Section IV.C.2.ii) or to use only a project/activity waiting list (as provided in Section IV.C.2.iii) if:

1. the CE does not have a sufficient number of qualifying individuals and families to refer to the PJ for the project or activity;
2. the CE does not include all HOME-ARP qualifying populations; or,
3. the CE fails to provide access and implement uniform referral processes in situations where a project's geographic area(s) is broader than the geographic area(s) covered by the CE.

If a PJ uses a CE that prioritizes one or more qualifying populations or segments of qualifying populations (e.g., prioritizing assistance or units for chronically homeless individuals first, then prioritizing homeless youth second, followed by any other individuals qualifying as homeless, etc.) then this constitutes the use of preferences and a method of prioritization. To implement a CE with these preferences and priorities, the PJ must include the preferences and method of prioritization that the CE will use in the preferences section of their HOME-ARP allocation plan. Use of a CE with embedded preferences or methods of prioritization that are not contained in

DRAFT

the PJ's HOME-ARP allocation does not comply with Section IV.C.2 of HUD Notice CPD 21-10.

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

The City of Bay City will not administer HOME-ARP projects directly and will defer to the developer or subrecipient's tenant referral process.

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

The City of Bay City will not administer HOME-ARP projects directly and will defer to the developer or subrecipient's entry process.

If The PJ Intends to Use the CE Process Established by the CoC, Describe the Method of Prioritization to Be Used by the CE

The City of Bay City will not administer HOME-ARP projects directly and will defer to the developer or subrecipient's prioritization process.

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

The City of Bay City will not administer HOME-ARP projects directly and will defer to the developer or subrecipient's referral, entry, and prioritization process.

LIMITATIONS IN A HOME-ARP RENTAL HOUSING OR NCS PROJECT

Introduction

Limiting eligibility for a HOME-ARP rental housing or NCS (non-congregate shelter) project is only permitted under certain circumstances.

- PJs must follow all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a). This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, section 504 of Rehabilitation Act, HUD's Equal Access Rule, and the Americans with Disabilities Act, as applicable.
- A PJ may not exclude otherwise eligible qualifying populations from its overall HOME-ARP program.
- Within the qualifying populations, participation in a project or activity may be limited to persons with a specific disability only, if necessary, to provide effective housing, aid,

DRAFT

benefit, or services that would be as effective as those provided to others in accordance with 24 CFR 8.4(b)(1)(iv). A PJ must describe why such a limitation for a project or activity is necessary in its HOME-ARP allocation plan (based on the needs and gap identified by the PJ in its plan) to meet some greater need and to provide a specific benefit that cannot be provided through the provision of a preference.

- For HOME-ARP rental housing, section VI.B.20.a.iii of HUD Notice 21-10 states that owners may only limit eligibility to a particular qualifying population or segment of the qualifying population if the limitation is described in the PJ's HOME-ARP allocation plan.
- PJs may limit admission to HOME-ARP rental housing or NCS to households who need the specialized supportive services that are provided in such housing or NCS. However, no otherwise eligible individuals with disabilities or families including an individual with a disability who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

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 HUD Notice 21-10

The City of Bay City will not administer HOME-ARP projects directly and will provide oversight of the developer or subrecipient to ensure eligibility is not limited for rental housing to a particular qualifying population or subpopulation of a qualifying population.

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, Consistent with The PJ's Needs Assessment and GAP Analysis

The City of Bay City will not administer HOME-ARP projects directly and will provide oversight of the developer or subrecipient to ensure eligibility is not limited for rental housing to a particular qualifying population or subpopulation of a qualifying population.

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, Consistent with The PJ's Needs Assessment and GAP Analysis

The City of Bay City will not administer HOME-ARP projects directly and will provide oversight of the developer or subrecipient to ensure eligibility is not limited for rental housing to a particular qualifying population or subpopulation of a qualifying population.

HOME-ARP REFINANCING GUIDELINES

Introduction

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated by 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.
- 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.
- State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- Specify the required compliance period, whether it is the minimum 15 years or longer.
- State that HOME- ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including Community Development Block Grant (CDBG)
- Other requirements in the PJ's guidelines, if applicable.

The City of Bay City does not intend to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds.

DRAFT