

## HOME-ARP Allocation Plan Template with Guidance

**Instructions:** All guidance in this template, including questions and tables, reflect requirements for the HOME-ARP allocation plan, as described in Notice CPD-21-10: *Requirements of the Use of Funds in the HOME-American Rescue Plan Program*, unless noted as optional. As the requirements highlighted in this template are not exhaustive, please refer to the Notice for a full description of the allocation plan requirements as well as instructions for submitting the plan, the SF-424, SF-424B, SF-424D, and the certifications.

References to “the ARP” mean the HOME-ARP statute at section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2).

### Consultation

In accordance with Section V.A of the Notice (page 13), before developing its HOME-ARP allocation plan, at a minimum, a PJ must consult with:

- CoC(s) serving the jurisdiction’s geographic area,
- homeless service providers,
- domestic violence service providers,
- veterans’ groups,
- public housing agencies (PHAs),
- public agencies that address the needs of the qualifying populations, and
- public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

State PJs are not required to consult with every PHA or CoC within the state’s boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

### Template:

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

On August 1<sup>st</sup>, 2022 the consultation process began with letters and emails sent to all members of the Sacramento Continuum of Care (CoC) and to other organizations not in the CoC representing all four QPs and the groups identified as required in the HUD Notice CPD-21-10 including:

- homeless service providers,
- domestic violence service providers,
- veterans’ groups,
- public housing agencies (PHAs),
- public agencies that address the needs of the qualifying populations, and

- public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

The letters and emails notified the interested parties that the County had received an allocation of HOME-ARP funds and informed them of the opportunity to provide input on the HOME-ARP plan either at the upcoming CoC Board meeting or in writing. Meeting accommodations were offered to LEP populations and to members of the community who are disabled.

The virtual consultation meeting regarding HOME ARP funds was held on August 10, 2022 at the Sacramento Continuum of Care Board meeting with more than 40 organizations represented, including: mental health services, substance abuse, veterans, people with disabilities, homeless, homeless youth, shelter providers, employment, education, health, at-risk of homelessness, homeless prevention, fair housing and civil rights organizations, housing authority staff, and organizations specializing in assisted LEP populations. At the meeting staff provided an overview of the HOME-ARP program, the allocation that Sacramento was expected to receive, reviewed the types of activities and populations that were eligible, and provided an overview of the gaps analysis.

***List the organizations consulted:***

<b>Agency/Org Consulted</b>	<b>Type of Agency/Org</b>	<b>Method of Consultation</b>	<b>Feedback</b>
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.
Agency Name.	Type of Agency/Org.	Method of Consultation.	Feedback.

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

81 individuals representing more than 40 organizations attended. Comments are summarized below:

- One individual commented that supportive services should be the priority if this funding was ongoing.
- Two individuals commented the Tenant Based Rental Assistance should be the priority.
- Two individuals asked for additional information about eligibility and how the planning process worked which staff provided.

**Public Participation**

In accordance with Section V.B of the Notice (page 13), 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.

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.

**Template:**

***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: 8/15/2022***
- ***Public comment period: start date - 8/16/2022 end date - 8/31/2022***
- ***Date(s) of public hearing: 8/31/2022***

***Describe the public participation process:***

As outlined above, notices were published regarding the opportunity to provide input on the use of Home-ARP funds using the 15-day public comment period requirement in CPD Notice 21-10 beginning on August 15, 2022, with publication in the Sacramento Bee (paper of general circulation). The public notice was also translated and posted in the Latino Times, Sacramento Observer, Russian Perspective, and Lang Vietnamese weekly newspaper. Interested parties were informed that they could provide comments on the use of HOME-ARP Funds either in writing, via email or by attending the public meeting.

A noticed public hearing to receive comments on the HOME-ARP Plan was held virtually on August 31<sup>st</sup>, 2022 at 4 pm. The meeting notice and plan were posted on the SHRA website on August 16, 2022. SHRA's website has the ability to translate information into more than 50 different languages and directs individuals on how to receive translation assistance if needed. The website also includes the option for those that are hearing impaired to use the TTY phone for assistance and the website is also accessible to visually impaired using a screen reader. In addition, SHRA's public notices state "If you require special assistance to participate in the meeting, notify staff at least 48 hours prior to the meeting." The meeting was held using Zoom webinar and was open to all participants. A recording of the meeting was made available on SHRA's Youtube channel and on the SHRA website after the meeting.

***Describe efforts to broaden public participation:***

A second round of emails and letters were sent out on August 15<sup>th</sup> advising interested parties of the availability of the Plan on the website and they were also notified them on the deadline to

submit additional comments. The Sacramento Housing and Redevelopment Agency (SHRA) developed the draft allocation Plan, on behalf of the County of Sacramento, by following its adopted Citizen Participation Plan and both SHRA and the County of Sacramento provide translation services at all public meetings upon request and SHRA and County websites can be used by visually impaired individuals. Information on the availability of the Plan was posted on the SHRA's Twitter and Facebook pages, and also publicized on the SHRA email list serve.

The Plan is scheduled for approval by the Sacramento County Board of Supervisors on October 25<sup>th</sup>, 2022. An additional 15-day public comment period will be held prior to that meeting. The plan will be updated as additional comments are received.

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

A written comment was received recommending that funds be used for permanent supportive housing, cash assistance for rent and utilities, and assistance for the disabled.

A verbal comment was made at the public meeting recommending allocating funds to services

A verbal comment was made at the meeting to allocate funds to permanent supportive housing

A verbal comment was received recommending funding for rental assistance.

A verbal comment was received expressing general support of the plan as written.

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

No comments were not accepted.

## **Needs Assessment and Gaps Analysis**

In accordance with Section V.C.1 of the Notice (page 14), 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.

**OPTIONAL Homeless Needs Inventory and Gap Analysis Table**

<b>Homeless</b>													
	<b>Current Inventory</b>					<b>Homeless Population</b>				<b>Gap Analysis</b>			
	<b>Family</b>		<b>Adults Only</b>		<b>Vets</b>	<b>Family HH (at least 1 child)</b>	<b>Adult HH (w/o child)</b>	<b>Vets</b>	<b>Victims of DV</b>	<b>Family</b>		<b>Adults Only</b>	
	<b># of Beds</b>	<b># of Units</b>	<b># of Beds</b>	<b># of Units</b>	<b># of Beds</b>					<b># of Beds</b>	<b># of Units</b>	<b># of Beds</b>	<b># of Units</b>
Emergency Shelter	559	211	1,121	#	40								
Transitional Housing	306	119	350	#	139								
Permanent Supportive Housing	1,527	471	2,176	#	736								
Other Permanent Housing	463	128	447	#	131								
Sheltered Homeless						286	1,616	210	84				
Unsheltered Homeless						134	5,443	415	418				
<b>Current Gap</b>										472	134	6,174	5,443

**Data Sources:** 1. Sacramento Steps Forward Point in Time Count 2022 (PIT); 2. Continuum of Care Housing Inventory Count 2021 (HIC); 3. HUD Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations 2020, 2021

**OPTIONAL Housing Needs Inventory and Gap Analysis Table**

<b>Non-Homeless</b>			
	<b>Current Inventory</b>	<b>Level of Need</b>	<b>Gap Analysis</b>
	<b># of Units</b>	<b># of Households</b>	<b># of Households</b>
Total Rental Units	139,161		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	32,225		
Rental Units Affordable to HH at 50% AMI (Other Populations)	56,550		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		24,405	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		9,905	
<b>Current Gaps</b>			34,310

**Data Sources:** 1. American Community Survey (ACS) Table S2503: 2020 ACS 5-Year Estimates; 2. Comprehensive Housing Affordability Strategy (CHAS) 2014-2018Vintage

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

**Qualifying Population 1 (QP1): Homeless as defined in 24 CFR 91.5.**

One of the primary methods of assessing the homeless population is the Point-in-Time Count (PIT). The numbers below are countywide (including the City of Sacramento) from the 2022 Sacramento County PIT Homeless Count. According to Sacramento Steps Forward who prepares the PIT data, an estimated 9,278 individuals experienced homelessness on a single night in February 2022. Homelessness has increased 67% per capita in Sacramento County since 2019. Approximately 59 out of 10,000 residents experience homelessness every night. Of the total homeless, 72% are unsheltered and 28% are sheltered. Most unsheltered individuals in Sacramento County have been facing prolonged challenges with housing insecurity and homelessness since before the COVID-19 Pandemic, where 60% became homeless more than 3 years ago. The vast majority of people experiencing homelessness are from Sacramento County, only 5% recently moved to Sacramento County within the last six months or only 3% are only temporarily in the county.

**Total Households and Persons (2022 PIT)**

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Total		
Total Number of Households	1,486	430	1,916	5,586	7,502
Total Number of Persons	1,979	635	2,614	6,664	9,278
Number of Children (under age 18)	380	182	562	216	778
Number of Young Adults (18 to 24)	133	130	263	373	636
Number of Older Adults (over age 24)	1,466	323	1,789	6,075	7,864
<b>Gender</b>					
Female	956	262	1,218	1,806	3,024
Male	1,001	358	1,359	4,691	6,050
Transgender	11	10	21	95	116
Gender Non-Conforming	11	5	16	72	88
<b>Ethnicity</b>					
Non-Hispanic/Non-Latino	1,589	498	2,087	5,344	7,431
Hispanic/Latino	390	137	527	1,320	1,847
<b>Race</b>					
White	938	272	1,210	3,101	4,311
Black or African-American	755	275	1,030	1,870	2,900
Asian	51	7	58	167	225
American Indian or Alaska Native	48	16	64	614	678
Native Hawaiian or Other Pacific Islander	40	6	46	117	163
Multiple Races	147	59	206	795	1,001
<b>Chronic Homelessness</b>					
Total number of persons	940	-	940	3,374	4,314

***Qualifying Population 2 (QP2): At risk of Homelessness as defined in 24 CFR 91.5.***

Households at risk of homelessness are defined as those with incomes below 30% Area Median Income (AMI) that lack sufficient resources or support networks to prevent homelessness, and 1) have moved more than two times due to economic reasons in the past 60 days, 2) are doubled up with another household due to economic hardship, 3) will be evicted within 21 days, 4) live in a hotel or motel without financial assistance from a nonprofit or government entity, 5) live in an overcrowded efficiency apartment or in a larger housing unit in which there reside more than 1.5 people per room, or 6) are exiting a publicly-funded institution or system of care.

HUD Comprehensive Housing Affordability Strategy (CHAS) 2014-2018 data Table 10 specifically for the County of Sacramento provides information on overcrowding among households that include more than one family, by household income level. This CHAS data indicates there are approximately 1,120 overcrowded households with incomes below 30% AMI that are at risk of homelessness in the County of Sacramento.

***Qualifying Population 3 (QP3): Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.***

According to the 2022 Sacramento Point-in-Time count thirteen percent (13%) of unsheltered adults ages 25 and over reported that they were fleeing a domestic violence situation. Forty-three percent (43%) of unsheltered youth reported that they were fleeing a domestic violence situation. Per the 2020 and 2021 Continuum of Care (CoC) dashboard data compiled from the PIT and other sources, there were 84 sheltered and 418 unsheltered victims of domestic violence with 502 persons in need of housing.

***Qualifying Population 4 (QP4): Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those at greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above.***

**Other populations**, as defined by HOME-ARP, include those who:

1. Are currently housed and at risk of repeat homelessness;
2. Have incomes below 30% AMI and are experiencing severe housing cost burden;
3. Otherwise meet the definition of at risk of homelessness and have incomes between 30% and 50% AMI.
4. Veterans

**1. Currently housed and at risk of repeat homelessness**

During the course of an entire year different individuals enter, exit, and return to a state of homelessness in the community. In other words, the homeless population is in constant flux as different individuals enter and exit homelessness each week. For example, in data collected from



the 2021 HMIS, an estimated 6,604 people exited homelessness in the region, yet another 7,704 become homeless. Taking into consideration this dynamic of homelessness, researchers use the results of the PIT Count to approximate the total number of individuals who will likely experience homelessness or access shelters at least once during the course of the year. These annualized estimates are typically calculated as two to three times the nightly estimate of nightly homelessness. Using this methodology, the 2022 Homeless Count suggests that approximately 16,500 to 20,000 residents in Sacramento County will experience homelessness during the next year.

**2. At greatest risk of housing instability – Households with incomes < 30% AMI and experiencing severe housing cost burden > 50%**

2014-2018 HUD CHAS data for the County of Sacramento indicates there are 24,400 renter households with annual income less than 30% AMI and a housing cost burden greater than 50% that are at greatest risk of housing instability. These renter households are broken down by household type in the table below:

Renter Households At Greatest Risk of Housing Instability	Sacramento County
Two-person households, one or both of who are age 62 or older	995
Small families with 2-4 non-elderly people	9,725
Large families with 5 or more people	2,965
People living alone or with non-relatives who are age 62 or older	3,515
People living alone or with non-relatives, none of whom are age 62 or older	7,200
Total	24,400

**3. At greatest risk of housing instability – Households with incomes 30-50% AMI that meet HUD’s §91.5 definition of at risk of homelessness**

2014-2018 HUD CHAS data for the County of Sacramento indicates that there are 980 households in this category. Households in this category are those with incomes between 30% and 50% AMI that lack sufficient resources or support networks to prevent homelessness, and 1) have moved more than two times due to economic reasons in the past 60 days, 2) are doubled up with another household due to economic hardship, 3) will be evicted within 21 days, 4) live in a hotel or motel without financial assistance from a nonprofit or government entity, 5) live in an efficiency apartment in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, or 6) are exiting a publicly-funded institution or system of care.

**4. Veterans**

Per the 2022 Sacramento Point-in-Time count

- On a single night in February, 625 veterans were experiencing either sheltered or unsheltered homelessness in Sacramento County.
- Veterans represent approximately 7 percent of all persons experiencing homelessness in the county.
- The majority (66%) of these veterans were unsheltered, slightly less than the unsheltered proportion of the overall homeless population in Sacramento County (72%).

•Almost a third (32%) of all veterans reported sleeping in tents. Twenty percent (20%) reported staying in a vehicle, and fifteen percent (15%) reported sleeping in another type of location.

***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):***

**Current resources available to assist qualifying populations include:**

- Congregate and non-congregate shelter beds – 1,780
- Tenant Based Rental Assistance – 11,770
- Veteran Vouchers (VASH program) – 860
- Affordable rental housing units (regulated) – 8,200
- Permanent supportive housing beds – 3,700
- Public housing units and RAD units – 750
- Emergency Housing Vouchers – 490

***Describe the unmet housing and service needs of qualifying populations, including but not limited to:***

- ***Sheltered and unsheltered homeless populations;***
- ***Those currently housed populations at risk of homelessness;***
- ***Other families requiring services or housing assistance or to prevent homelessness;***  
***and,***
- ***Those at greatest risk of housing instability or in unstable housing situations:***

**Unmet Housing and Service Needs:** describe the unmet housing and service needs of the qualifying populations.

According to Sacramento Steps Forward Point in Time Count for 2022, the greatest unmet **housing** needs of all four qualifying populations are:

- Permanent rental housing that is affordable to qualifying and other populations; and
- Permanent supportive rental housing that coordinates specialized services with housing that is affordable to qualifying and other populations.

According to the 2022 Sacramento Local Homeless Action Plan, the average rent in Sacramento County has increased 16.7% since 2019, increasingly pricing out lower-income households. Vacancy rates are also declining, making it harder to find housing options.

The greatest unmet **service** needs of qualifying populations, including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations are: housing search, rental subsidy, mental health, diversion, and legal services. Additional unmet service needs of qualifying populations, including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations include the following as described in HUD CPD Notice 2021-10:

- a. Case management;
- b. Child care;
- c. Education services;
- d. Employment assistance and job training;
- e. Meal or grocery assistance;
- f. Housing search and counseling assistance;
- g. Coordinated service linkage;
- h. Legal services;
- i. Outpatient health services;
- j. Outreach services;
- k. Substance abuse treatment services;
- l. Transportation;
- m. Credit repair;
- n. Landlord-tenant liaison services;
- o. Services for special populations, including trauma-informed services; and
- p. Financial assistance to secure stable housing, such as rental application fees, security and utility deposits, and first and last month's rent.

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

### **Shelter and Housing Inventory Gaps**

According to the 2022 County of Sacramento Local Homeless Action Plan Gaps Analysis, the County's homeless response system optimally needs 2,800 to 3,400 short/medium term rehousing service slots for individuals and 250 to 320 service slots for families, leaving a current gap of 600-750 total rehousing service slots. According to the National Low Income Housing Coalition "The Gap" report from April 2022, the Sacramento metropolitan statistical area only has 22 affordable units available per 100 extremely low income households - at or below 30% Area Median Income (AMI). For households with incomes at or below 50% AMI there are only 41 affordable and available units per 100 households.

### **Tenant-based Rental Assistance Gap**

According to the Sacramento Housing Authority, approximately 28,000 individuals applied for tenant based rental assistance in the most recent Housing Authority open wait list period. Sacramento has approximately 12,900 vouchers available which leaves an estimated gap of 15,100 tenant-based rental assistance vouchers for households with income less than 50% AMI

and paying more than 50% of household income for rent, including utilities in the County of Sacramento.

### **Affordable and Permanent Supportive Rental Housing Gap**

According to the 2022 County of Sacramento Local Homeless Action Plan Gaps Analysis, In addition, approximately 5,900 to 7,100 total units of permanent supportive housing (PSH) are needed for individuals and families with at least one severely and persistently disabled household member, particularly for people who are disabled and experience chronic homelessness. For other disabled individuals and families with a disabled adult or child, approximately 1,600 to 2,000 annual placements in permanent housing that is subsidized and provides access to supportive services (e.g., assisted living, service-enriched housing, skilled nursing facility) are needed beyond what individuals and families are currently able to access. Per the 2014-2018 CHAS for the County of Sacramento there is an estimated gap of 65,645 rental units affordable to renter households with incomes between 0-50% AMI.

### **Service and Delivery System Gaps**

To identify gaps in the service delivery system, SHRA reviewed current data from the Sacramento Steps Forward - Continuum of Care and other sources. Data analysis identified numerous service delivery system gaps including navigation and case management, connecting individuals and families with employment opportunities with sufficient income to afford housing, too few rental units in general, transportation, move-in assistance, adequate affordable child care, landlord outreach and liaison services. In addition, the 2022 Sacramento Local Homeless Action Plan includes the following statement: “Currently, a person seeking homeless services in Sacramento County must potentially navigate over 100 “front-doors” to find the right assistance to meet his/her/their need. There is not one single access point at this time that can connect a person experiencing homelessness to the right shelter and/or housing resource and there is not sufficient capacity that results in a positive exit from homelessness even if the person could find the right door. Instead, programs are siloed, and services are limited to the offerings of a particular service provider without a systemwide mechanism for uniform assessment and to make referrals to or directly provide crisis services, including temporary housing, and rehousing assistance based on identified client needs. Additional barriers to services include limited or no access points in key under-resourced communities and mono-lingual materials on homelessness services that are not inclusive of all the key languages reflective of the diverse demographics of people experiencing homelessness. A countywide coordinated access system is a mechanism and national best practice that will centralize access to and improve the efficacy of homeless and rehousing services across a variety of geographically and virtual access points and within all existing and future shelter sites. When fully implemented, it will: increase access to immediate housing crisis screening, problem-solving, and navigational support through expansion of 211 and partnerships with trusted cultural community partners; allow for more streamlined and standardized assessment, prioritization, triage and intake processes across all available forms of rehousing assistance currently and as new rehousing capacity is added; and improve accuracy and timeliness in matching the right person to the right resourced pathway for successful rehousing.”

***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:***

For other populations the characteristics most commonly linked with housing instability and an increased risk of homelessness include prior history of eviction or foreclosure; being precariously housed; difficulty paying utilities or property taxes; bad credit history; criminal history; mental illness; prior episodes of homelessness; and/or extremely low-income households.

***Identify priority needs for qualifying populations:***

Based on information from Sacramento Steps Forward, priority needs for all qualifying populations are:

- Non-congregate shelter;
- Affordable rental housing, including permanent supportive housing;
- Housing navigation services;
- Case management services;
- Affordable Child care;
- Education services;
- Employment assistance and job training;
- Meal or grocery assistance;
- Housing search and counseling assistance;
- Coordinated service linkage;
- Legal Services
- Life skills training;
- Mental health services;
- Outpatient health services;
- Outreach services;
- Substance abuse treatment services;
- Transportation, including vehicle repairs and bus passes;
- Credit repair;
- Landlord-tenant liaison services;
- Services for special populations, including trauma-informed services
- Financial assistance

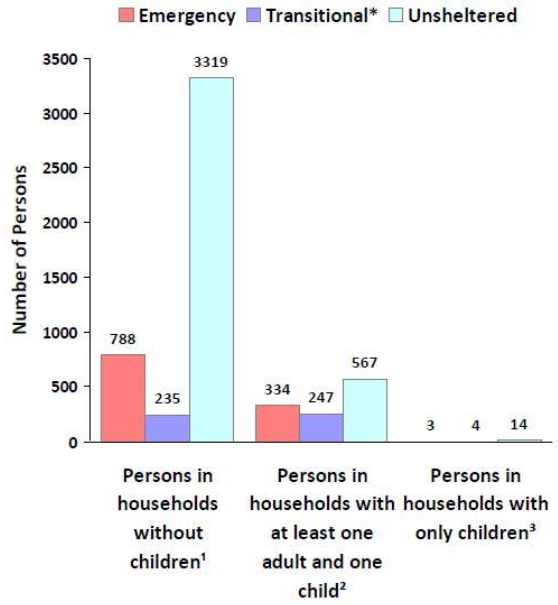
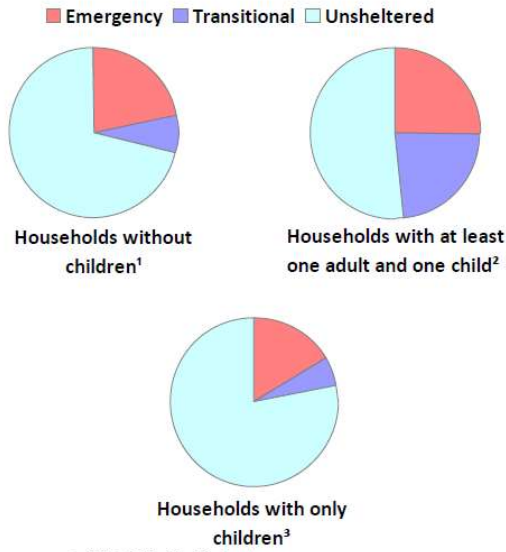
***Explain how the PJ determined the level of need and gaps in the PJ’s shelter and housing inventory and service delivery systems based on the data presented in the plan:*** The needs and gaps analysis demonstrates a need for all types of housing assistance. The 2020 CoC Dashboard provided the following data that supports the level of need in the community:

CoC Number: CA-503

CoC Name: Sacramento City & County CoC

**2020 Point in Time Count Summarized by Household Type**

Proportion of Households Served by Program Type

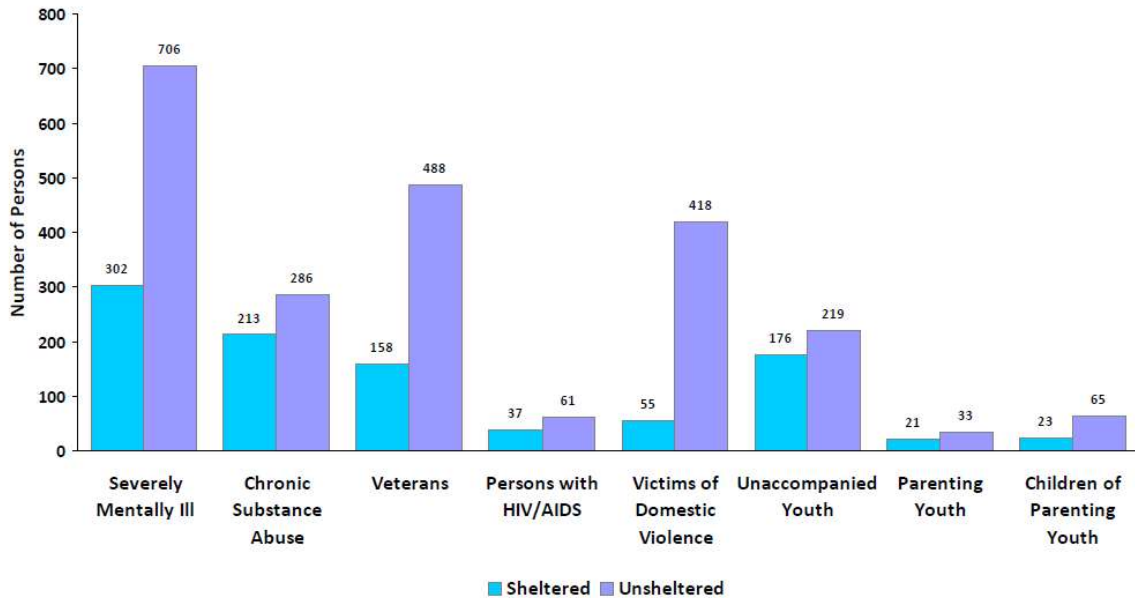


<sup>1</sup> Safe Haven programs are included in the Transitional Housing category.  
<sup>2</sup> This category includes single adults, adult couples with no children, and groups of adults. <sup>3</sup> This category includes households with one adult and at least one child under age 18.  
 This category includes persons under age 18, including children in one-child households, adolescent parents and their children, adolescent siblings, or other household configurations composed only of children.

CoC Number: CA-503

CoC Name: Sacramento City & County CoC

**2020 Point in Time Count Summarized by Sub-Population**



## HOME-ARP Activities

### Template:

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

SHRA will administer the HOME-ARP funds directly and will solicit applications to identify housing developers for HOME-ARP funded project(s). SHRA follows a comprehensive multi-step process which was adopted by the Sacramento County Board of Supervisors known as the “Multi-Family Lending Guidelines and Policy”. These guidelines are used to solicit proposals from developers to ensure that the project quality is excellent and that all funding source requirements are met. Several times a year as funds are available, interested developers can submit an initial “pre-applicable” for funding. Information required at this stage includes: 1. Name, location and jurisdiction of proposed project 2. Location map 3. Name of the applicant and development team 4. Amount of SHRA loan funds requested 5. If no previous experience with SHRA, a Tax Credit Allocation Committee “Previous Participation Certificate” 6. Type of construction: new construction or rehabilitation 7. Number of units and their size (# of bedrooms) 8. Affordability levels of the units 9. Timeline for financing and construction 10. Status of site control 11. Preliminary project budget and total development cost 12. Sources and uses of funds, including construction, bridge and permanent financing 13. Cash flow pro forma including all debt service obligations for the term of the longest proposed loan 14. Verification that they understand all requirements of federal funding sources being allocated. Once the applicant has been approved at the first stage, they will move on to the final stage where complete underwriting will be done and staff will verify that social service providers related to the project meet all requirements. The selected developer is required to solicit for all contractors involved using federal procurement guidelines.

***Describe whether the PJ will administer eligible activities directly:***

SHRA will administer activities directly.

***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:***

Not applicable.

In accordance with Section V.C.2. of the Notice (page 4), 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.

**Template:**

**Use of HOME-ARP Funding**

	<b>Funding Amount</b>	<b>Percent of the Grant</b>	<b>Statutory Limit</b>
Supportive Services	\$ #		
Acquisition and Development of Non-Congregate Shelters	\$ #		
Tenant Based Rental Assistance (TBRA)	\$ #		
Development of Affordable Rental Housing	\$ 10,752,634		
Non-Profit Operating	\$ #	# %	5%
Non-Profit Capacity Building	\$ #	# %	5%
Administration and Planning	\$ 1,194,737	10 %	15%
<b>Total HOME ARP Allocation</b>	<b>\$ 11,947,371</b>		

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

Permanent supportive housing for chronically homeless was identified in both the gaps analysis and comments as a priority need.

***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:***

Over the last several years Sacramento has experienced a high level of need for all types of housing assistance including TBRA, shelter and permanent housing. Based on the data collected and upon other financial factors, staff is recommending that permanent supportive housing be prioritized for the HOME-ARP funds. There are a variety of reasons for this including:

1. There are currently a large number of individuals on the waiting list for housing and also for shelter through the Coordinated Entry system. Sacramento currently only has 1,780 shelter beds available. Moving individuals into permanent housing free up shelter beds and help address this gap.
2. Sacramento has received over \$58 million in rental assistance and subsidies due to the pandemic which has impacted the community in a very positive way by providing rental assistance to 7,297 households and preventing numerous evictions. As a result, staff is of the opinion that TBRA is not the best use of the HOME-ARP funds at this time.
3. 400 new homeless shelter units have been created since 2019 providing more opportunities for temporary shelter in Sacramento than ever before. In addition, community centers and other public spaces have opened during inclement weather to provide short term overflow shelter when needed with the goal of having no individual being out of doors overnight during a hard freeze or rain.



4. There is a need for over 34,000 units of affordable housing in Sacramento and permanent supportive housing (PSH) units are a subset of this need. Development of PSH units has not kept pace with the other types of housing assistance as they are expensive to construct and operate. In 2021, Sacramento Steps Forward's Gap analysis identified a need for a minimum of 3,700 PSH units but the actual need is likely much higher. All parties consulted agreed that using the HOME-ARP dollars to create permanent housing should be the priority for Sacramento at this time.

## **HOME-ARP Production Housing Goals**

### **Template**

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

Funds will be used to provide up to 275 affordable rental housing units for families with children and individuals.

***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 rental housing production goal is up to 275 housing units. As stated above, the production of permanent supportive housing/affordable housing for homeless families and individuals is a high priority for the County of Sacramento as identified in the outreach and gap analysis. Due to its high cost, Permanent Supportive housing is the most difficult to fund and construct but is the program currently identified as the most critical need for homeless families. Producing these units will enable another 275 families in Sacramento to have a safe place to call home.

## Preferences

A preference provides a priority for the selection of applicants who fall into a specific QP 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 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 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 Notice.

In accordance with Section V.C.4 of the Notice (page 15), 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 Notice (page 36) 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 the Notice (page 16).

**Template:**

***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:***

Based on the opinions expressed during the outreach and the needs identified in the gaps analysis, SHRA intends to have a preference for ‘QP1 – Homeless individuals.

***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 rental housing production goal is up to 275 housing units. As stated above, the production of permanent supportive housing/affordable housing for homeless families and individuals is a high priority for the County of Sacramento as identified the outreach and gap analysis as there is a need for 34,000 units of affordable housing in Sacramento. Due to its high cost, Permanent Supportive housing is the most difficult to fund and construct but is the program currently identified as the most critical need for homeless families. Producing these units will enable another 275 families in Sacramento to have a safe place to call home.

**Referral Methods**

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 the Notice (page10).

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 the PJ's HOME-ARP allocation does not comply with Section IV.C.2 of the Notice (page10).

**Template:**

***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):*** SHRA will use the Coordinated Entry System (CE) for direct referrals of individuals in QP1 – Homeless Individuals to the HOME-ARP funded project.

***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):***

All qualifying populations will be eligible but QP1-currently homeless will be given priority.

***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):***

Currently homeless (QP1) will be given priority. All other eligible QP applicants (including homeless QP applicants who do not qualify as homeless) will be selected for any units not occupied by homeless QP applicants. Homeless QP applicants are prioritized for admission based on vulnerability factors, length of time they have been homeless.

***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**

Limiting eligibility for a HOME-ARP rental housing or NCS 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, 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 the Notice (page 36) 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.

### **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:***

Not applicable

***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***  
Not applicable
- ***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