

**AGENDA ITEM: #4**

**POSTING LANGUAGE:** Briefing on the use of HOME-American Rescue Plan (ARPA) Program funds and next steps to administering the City's grant. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services Department]

**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, FAICP, Director

**COUNCIL DISTRICTS IMPACTED:** City-wide

**SUBJECT:** Briefing on the use of HOME-American Rescue Plan (ARPA) Program funds and next steps to administering the City's grant.

**SUMMARY:** As part of the American Rescue Plan Act (ARPA), the U.S. Department of Housing and Urban Development (HUD) received \$5 billion to allocate to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country. These grant funds will be administered through HUD's HOME Investment Partnerships Program (HOME).

The \$5 billion in HOME-ARP funds were allocated to cities, counties, and states, through a formula allocation, resulting in \$20 million allocated to the City of San Antonio. Following a public comment period, staff developed the proposed allocation plan based upon feedback and in alignment with the Strategic Plan to Respond to Homelessness.

**BACKGROUND INFORMATION:**

In September 2021, HUD issued a formal notice outlining the allowable use and other requirements for the HOME-ARP funds and next steps for communities to access their allocations. Unlike the traditional HOME program, these funds are to be prioritized for populations experiencing or at-risk of homelessness.

HUD outlines the following as eligible activities with HOME-ARP funds:

- Production of Affordable Rental Housing
- Tenant-Based Rental Assistance (TBRA)
- Supportive Services, Homeless Prevention Services, and Housing Counseling

- Purchase and Development of Non-Congregate Emergency Shelter

HOME-ARP funds must be used to primarily benefit individuals or families from the following qualifying populations:

- Homeless (McKinney-Vento Act definition)
- At-risk of homelessness (McKinney-Vento Act definition)
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking
- Other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability.

As part of the HUD-mandated process, the City completed a needs assessment and hosted two community input sessions, a public hearing and solicited feedback from a variety of service providers and stakeholders. A survey was available on SASpeakUp from November 29, 2021 to January 10, 2022. The proposed allocation plan was developed based upon input received during this process. Council action is planned for February 10, 2022. Following approval of the allocation plan, staff will submit the approved plan to HUD for review and approval. HOME-ARP funds remain available to spend until September 30, 2029.

#### ISSUE:

To access the City's HOME-ARP allocation, the City must complete a needs assessment and follow citizen participation requirements prior to submitting a plan to HUD for review and acceptance. DHS and NHSD have completed this process.

The SASpeakUp survey received 151 responses. Of these, 142 respondents completed a ranked choice question where they were asked to prioritize the four eligible activities. From these responses, 47 (33%) selected Rental Assistance as their top priority, 41 (29%) selected Production of Affordable Rental Housing, 40 (28%) selected Supportive Services, and 14 (10%) selected Development of Emergency Shelter. Staff synthesized these responses with feedback gathered through stakeholder engagement and data on community need to develop the allocation plan proposed in the table below.

Project	Amount	Estimated Clients Served
Permanent Supportive Housing	\$10,500,000	85
<i>Property Acquisition and Rehabilitation</i>	<i>\$6,500,000</i>	
<i>Supportive services</i>	<i>\$4,000,000</i>	
Tenant Based Rental Assistance*	\$5,200,000	275

Homelessness Prevention and Case Management	\$2,342,085	285
Administration	\$2,000,000	N/A
<b>TOTAL</b>	<b>\$20,042,085</b>	

\*Priority for survivors of domestic violence and people experiencing unsheltered homelessness

Staff proposes committing \$10,500,000 to Permanent Supportive Housing (PSH) which encompasses both the development of affordable rental housing and supportive services like medical and mental health supports, transportation, and counseling. PSH is connected to improved health outcomes for residents and reduced costs to public institutions. PSH is also one of the hardest interventions to fund. The Strategic Housing Implementation Plan (SHIP) recommends that the City add 1,000 PSH units over the next 10-years. This proposed allocation will add 85 units and cover operating costs for two years.

Staff recommends allocating \$5,200,000 to Tenant Based Rental Assistance (TBRA). TBRA would be prioritized for survivors of domestic violence and people experiencing unsheltered homelessness. Staff further recommends \$2,343,085 be allocated to Homeless Prevention and Case Management, in alignment with the public priority for Supportive Services. An additional \$2,000,000 shall be allocated to grant administration and capacity building support for providers.

**ALTERNATIVES:** This item is for briefing purposes only.

**FISCAL IMPACT:** This item is for briefing purposes only.

**RECOMMENDATION:** This item is for briefing purposes only.