



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Sheila Dodd, Interim Community Development Services Director
Breaden Belcher, Community Development Specialist

DATE: June 9, 2022

SUBJECT: HOME ARP Staff Report

A. Introduction: The purpose of this report is to update Council on the status of the Urbana HOME Consortium HOME-ARP Allocation Plan. This report and presentation will highlight planning activities to date for the \$2.97 million in HOME-ARP funds allocated to the Urbana HOME Consortium.

B. Background:

- The Urbana HOME Consortium consists of the City of Urbana, the City of Champaign and Champaign County Regional Planning Commission. Under HUD regulations, the Consortium structure enables Champaign County to receive federal grant funds through the HOME Investment Partnership Program. The City of Urbana serves as the lead entity of the Consortium.
- The Urbana HOME Consortium received a one-time allocation of HOME American Rescue Plan funds (HOME-ARP) in the amount of \$2.97 million to be used to assist individuals or households who are homeless, at risk of homelessness and other populations, by providing housing, rental assistance, supportive services, and non-congregate shelter. As the lead entity of the Consortium, the City of Urbana administers this special allocation.
- Champaign County Regional Planning Commission (RPC) Planning Department was selected through an RFP process to provide consultant services to develop the Allocation Plan.
- The Allocation Plan must include robust consultation with partner agencies, public participation, a homeless needs inventory, planned activities and goals, and an optional preference priority.
- The Draft Allocation Plan is in process. Housing gaps have been identified in all four eligible HOME-ARP activities, including production or preservation of affordable housing, Tenant-Based Rental Assistance (TBRA), supportive services/homeless prevention services/housing counseling, and non-congregate shelter.
- Once the Draft Allocation Plan is completed, it will be posted publicly for a 15-day public comment period. A Public Input Session will also be held in order to gather additional citizen input on the plan.

1. Urbana HOME Consortium. The Urbana HOME Consortium consists of the City of Urbana, the City of Champaign and Champaign County Regional Planning Commission. The Consortium was originally created to obtain federal grant funds available as part of the HOME Investment Partnerships Program. HOME funds may be used to further affordable housing initiatives in Champaign County, including housing acquisition and rehabilitation, new construction, rental rehabilitation and Tenant Based Rental Assistance. Each Consortium member receives a prorated portion of the federal entitlement grant to be used for their respective programs. Urbana HOME Consortium and is responsible for the administrative duties for these funds. Typically, the Consortium receives an allocation of funds once a year. In FY 2022/23, the amount is \$792,414. In response to COVID-19, an additional allocation of HOME funds was allocated by HUD.

2. Urbana HOME Consortium American Rescue Plan. On March 11, 2021, the American Rescue Plan (ARP) was signed into law to address the continued impact of the COVID-19 pandemic. Congress appropriated \$5 billion in HOME-American Rescue Plan (HOME-ARP) funds through the HOME Program to the 651 State and local Participating Jurisdictions that qualified for FY 2021/22 HOME funds. On September 20, 2021, the Urbana HOME Consortium entered into a grant agreement with the U.S. Department of Housing and Urban Development (HUD) for a one-time allocation of \$2,970,773 in HOME-ARP funds. The funds must be expended by September 30, 2030 and have regulatory requirements defined by HUD. A HUD approved Allocation Plan is required before funds are released.

3. Allocation Plan Requirements and Process. The Urbana HOME Consortium’s must develop a HOME-ARP Allocation Plan. The HOME-ARP Program has regulatory requirements that require the funds only be spent on eligible activities for qualifying populations. Table 1 lists the eligible activities and qualifying populations.

Table 1: Eligible Activities and Qualifying Populations

Eligible Activities	Qualifying Populations
Production or preservation of affordable housing	Individuals that are homeless
Tenant-Based Rental Assistance	Individuals that are at risk of homelessness
Supportive services/homeless prevention services/housing counseling	Individuals fleeing/attempting to flee domestic violence
Purchase and development of non-congregate shelter	Veterans
	Other populations where assistance would prevent the family’s homelessness and serve those with the greatest risk of housing instability

The Allocation Plan must describe how the Consortium intends to distribute HOME-ARP funds, including how it will use these funds to address the needs of HOME-ARP qualifying populations. The allocation plan must include: a summary of the consultation process and results of upfront consultation; a summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reasons why; a description of HOME-ARP qualifying populations within the jurisdiction; an assessment of unmet needs of each qualifying population; an assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system; a summary of the planned use of

HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations; an estimate of the number of housing units that will be produced or preserved for qualifying populations; and a description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population.

To receive HOME-ARP funding, the Urbana HOME Consortium must engage in a consultation and public participation process to develop a HOME-ARP Allocation Plan. Consultation with agencies and service providers whose clientele include the HOME-ARP qualifying populations is needed to identify unmet needs and gaps in housing and service delivery systems. Consultation is also used to determine what HOME-ARP eligible activities are currently taking place in Champaign County. The final plan must include a list of all agencies consulted as well as a summary of the feedback received. Additionally, the Consortium should provide for and encourage citizen participation in the development of the plan. In order to complete all requirements, the Urbana HOME Consortium chose to hire a professional consultant to develop the HOME-ARP Allocation Plan.

4. Allocation Plan Consultant. An RFP was published by the City of Urbana on December 17, 2021, in search of proposals from qualified professional consultants to provide planning services, technical advice and assistance in connection with the preparation of the HOME-ARP Allocation Plan. The RFP closed on January 28, 2022. Proposals were received from Baker Tilly and Champaign County Regional Planning Commission Planning Department. Baker Tilly, located in Cook County, submitted a proposal with a cost of \$125,889. Champaign County Regional Planning Commission submitted a proposal with a cost of \$27,716. The Urbana HOME Consortium Technical Committee, reviewed the two proposals at the February 8, 2022, meeting. The Urbana HOME Consortium Technical Committee selected Champaign County Regional Planning Commission Planning Department to provide the allocation plan development services based on cost and familiarity with County's population, service providers and housing gaps. On February 22, 2022, the City of Urbana executed an agreement with RPC in an amount not to exceed \$50,000 which exceeds the proposed amount of \$27,716 in order to be responsive to additional needs that may arise from HOME-ARP guidelines that were still in development at the time of the contract execution. The RPC Planning Department began preparing for the Allocation Plan in February 2022, analyzed existing data in March and April, consulted with stakeholders in April and began the public input process in May. For the full Allocation Plan Timeline, see Attachment A.

5. Initial Consultant Research and Analysis. The Champaign County Regional Planning Commission Planning Department has provided preliminary information from their research on current housing gaps. The first phase of developing the Allocation Plan was to review existing plans that describe the qualifying populations. This phase also includes an analysis of local data on housing gaps and needs.

- a. Champaign County Continuum of Service Providers to the Homeless (CSPH) Point in Time Count.** The CSPH is a collective of over 30 agencies dedicated to ending homelessness in Champaign County. Each year during a 24-hour period during the last week of January, communities across the country complete a housing inventory count to determine the number of beds available and a Point in Time Count of those sheltered and unsheltered. Table 2 shows a comparison between the last two Point in Time Counts.

Table 2: Point in Time Count Data

	January 28, 2021	January 27, 2022
Total Count	148	137
<i>Housing Status</i>		
Emergency Shelter	132	111
Transitional Housing	14	24
Unsheltered	2	2
<i>Health Conditions</i>		
Serious Mental Illness	18	20
Substance Use Disorder	18	14
HIV/AIDS	1	5
<i>Other</i>		
Veterans	4	3
Survivor of Domestic Violence	27	15
Unaccompanied Youth (up to age 24)	12	15
Chronically Homeless	15	16

Some consultation organization respondents expressed concerns about undercounting due to the date of the count. It is worth noting that this time (late January) is selected by HUD and likely underreports many unhoused in the community due to the extreme weather conditions and the difficulty in finding them during that 24-hour period in winter.

- b. **Consolidated Plan and Continuum of Care Planning Tool.** In the Urbana HOME Consortium service area, 24,768 or 32.4% of households are housing cost burdened, which means they pay more than 30% of their income towards housing. 15,758 or 20.6% of households have one or more severe housing problem, which includes a lack of kitchen or complete plumbing; or severe overcrowding (>1.51 people per room); or severe cost burden (>50%of income toward housing). Also, 3,561 or 4.7% of households are overcrowded with one or more occupant per room.
- c. **Consolidated Plan/Annual Action Plans.** The Consortium’s 2020-2024 Consolidated Plan identifies homelessness and affordable housing as high priority needs. The Consolidated Plan was developed by the three Consortium members, City of Urbana, City of Champaign and RPC. The City’s subsequent annual action plans have included limited public service funds for shelter operations but overall, the amount of available federal funding does not adequately fund affordable housing, shelter facility and shelter operational needs.
- d. **211 Call Center.** Another local data set comes from the 211 call center. 211 is a nationwide program that provides callers with information about local resources and services. This service is confidential and is available 24 hours a day, seven days a week, year-round. A broad range of information is available about food and nutrition programs; shelter, housing options and utilities; emergency information and disaster relief; employment and education opportunities; veteran services; health care; vaccinations and health epidemic information;

additional prevention and rehabilitation programs; reentry help for ex-offenders; support groups for individuals with mental illnesses or special needs; and a safe, confidential path out of physical and/or emotional domestic abuse. From March 1, 2021, to March 1, 2022, 50% of all calls to Champaign County's 211 Help Center were for housing and shelter. An additional 13.4% reached out for help with utility bills. During this same time, the 211 Help Center made 590 referrals to local homeless shelters.

- e. **Stakeholder Interviews.** Champaign County Regional Planning Commission Planning Department completed the consultation interviews or online surveys with staff from 22 different organizations during March, April and May 2022. Table 3 identifies the organizations that were interviewed or participated in the online survey.

Table 3: Consultation Organizations List

	Organizations
Continuum of Care	Champaign County Continuum of Service Providers to the Homeless
Domestic Violence Service Provider	Courage Connection, Crisis Nursery
Homeless Service Providers	C-U at Home, Cunningham Children’s Home, Habitat for Humanity of Champaign County, The Salvation Army
Organizations Addressing Fair Housing, Civil Rights, and the Disabled	Developmental Services Center, First Followers, Greater Community AIDS Project of East Central Illinois, Land of Lincoln Legal Aid, LGBT Resource Center, Champaign-Urbana Tenant Union. Immigrant Services, Community Choices
Public Agencies that Work with Qualified Populations	Champaign County Regional Planning Commission, City of Champaign, City of Champaign Township, City of Urbana, Cunningham Township
Public Housing Agencies	Housing Authority of Champaign County
Veterans Agencies	Veterans Affairs

The interview consisted of the following questions:

- How does your organization assist HOME-ARP qualified?
- What gaps or outstanding needs do you see in your organization’s assistance to these qualified populations?
- What gaps or outstanding needs do you see in the overall local approach to addressing the needs of qualified populations?
- Are there particular populations (demographics, groups, communities) that you believe should be prioritized for HOME-ARP spending?
- If the HOME Consortium hopes to focus their investment in a single program or very small number of programs, which of the four categories of HOME-ARP spending (Affordable Rental Housing, Rental Assistance, Supportive Services, or Non-Congregate Shelter), would be most effective at addressing local needs? Are there any that you feel would be ineffective?
- Are there other organizations or stakeholders that you feel it would be useful for us to consult with during this process?

- Is there data that you have on local qualifying populations that you can share with us for the HOME-ARP planning process?

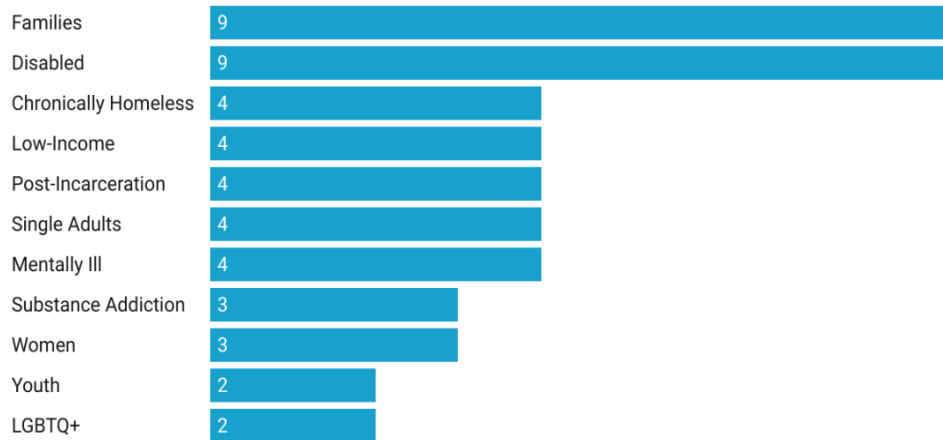
The initial summary review of the interview responses can be categorized into three areas: priority populations, themes in service gaps within the organization and the local system and prioritization of HOME-ARP eligible activities. Each area includes a graph showing the interview responses.

- **Priority Populations:** When asked about gaps in the local service system, the most common response subject was the unmet needs of a specific population. Populations mentioned in this question include immigrants (mentioned twice), sex offenders (mentioned twice), homeless individuals with high medical needs, disabled heads of household, rural/outlying populations, those at-risk of homelessness, those excluded by work requirement, veterans phasing out of supportive housing programs, LGBTQ+, women and children and the chronically homeless.

Families were the most frequently mentioned priority population, followed by the disabled, the chronically homeless, low-income households and single adults. Populations mentioned one or two times included youth, those with criminal records, the LGBTQ+ population, those struggling with substance abuse, the mentally ill, disinvested neighborhoods/geographic areas, immigrants, “the literally homeless” and the rural homeless.

Priority Populations

Number of mentions in consultation



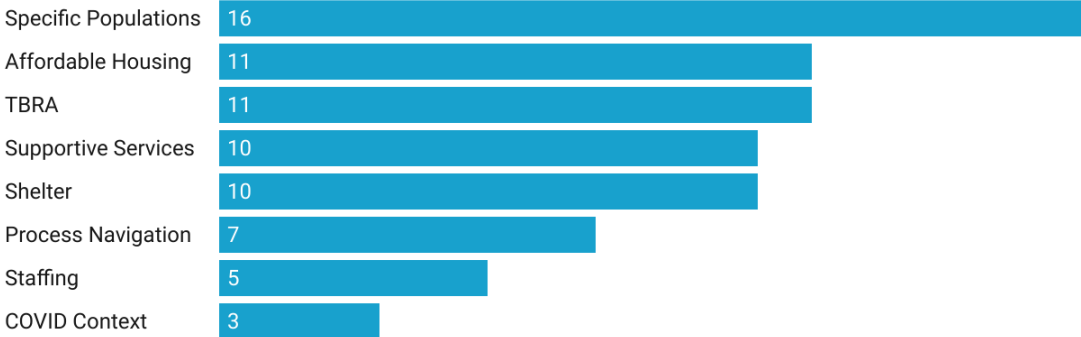
Created with Datawrapper

- **Themes in Service Gaps:** Other commonly identified gaps matched up with the HOME-ARP programing activities—affordable housing (the lack of safe and affordable private rental housing), rental assistance (the difficulties of landlord recruitment and participation), supportive services (the need to provide more robust supports to help those in all housing types maintain stability) and shelter (the need for year-round, 24/7, low-barrier shelter for all genders and household types).

Additional gaps that were commonly discussed included difficulties in navigating existing processes, lack of staffing capacity and the subsequent effect on work that organizations are able to perform and adjusting to the particular circumstances of COVID (including increased needs for service and adjusting to the current draw-down in COVID-related funding).

Themes in Service Gaps (Internal and External)

Number of responses addressing theme

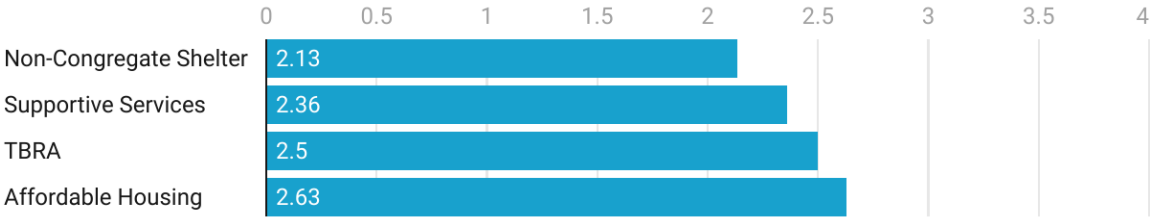


Created with Datawrapper

- Prioritization of HOME-ARP Eligible Activities:** Consultees were asked which of the four categories of HOME-ARP spending would be the most effective at addressing local needs. The resulting rankings showed that non-congregate shelter was highest priority, followed by supportive services, rental assistance, and affordable housing. There is some level of support for all four activities. Common points of discussion that likely contributed to these rankings included the ability of non-congregate shelter to meet the shelter gaps, the ability of supportive services to be quickly implemented and meet immediate client needs, the reliance of rental assistance on willing landlord participation and the significant capital costs for constructing new affordable housing.

Average Ranking of HOME-ARP Eligible Activities

Based on score of 1 (highest priority) to 4 (lowest priority)



Created with Datawrapper

6. Public Input Process. A HOME-ARP Survey (See attachment B) was published and available to the public April 15 through May 31. The survey was available online, through social media and in print. 128 responses were received as of May 31, 2022. The survey results are being reviewed and will be included in the final plan. The draft plan with recommended activities and goals will be published in July. The Urbana HOME Consortium will conduct a 15-day public comment period from July 5-21, 2022, that includes public meetings with neighborhood groups. A public hearing will occur on July 5, 2022, at Urbana City Council at 7:00 pm in Council Chambers.

7. Next Steps. The Consortium partners will collaborate to create the Draft Allocation Plan in June 2022 and complete the public input process with input from City of Champaign Council and RPC Board prior to adoption. The Draft Allocation Plan will be considered by City Council on July 5, 2022. Urbana staff will submit the Allocation Plan to HUD by August 2022. HUD will review the plan and notify the Consortium if the Allocation Plan is substantially complete and consistent with the purposes of ARP within 45 days. After the Allocation Plan is approved, RFPs will be published by the Urbana HOME Consortium for HOME-ARP eligible activities, which is estimated to be Fall 2022. The RFPs will be published with a county-wide focus per HUD guidance. The RFPs will be shared with the community with a focus on homeless service providers, including the Continuum of Service Providers to the Homeless. The Urbana HOME Consortium Technical Committee will collaborate to evaluate the RFPs and the City of Urbana will complete the administrative tasks, including agreement development.

C. Community Input: The Urbana HOME Consortium must encourage citizen participation in the development of the HOME-ARP Allocation Plan. A public hearing will be held on July 5, 2022, at the Urbana City Council in Council Chambers. Community input will be solicited at the City of Champaign Study Session on June 14, 2022, as well as at RPC's Board Meeting at 4:00 pm on June 22, 2022, in the John Dimit Board Room.

Attachment A: HOME-ARP Allocation Plan Timeline

Attachment B: HOME-ARP Public Survey

Attachment A: Allocation Plan Timeline

		2/22	3/22	4/22	5/22	6/22	7/22	8/22
Preparation	Meet with consortium and prepare workplan							
	Gain further familiarity with Urbana HOME Consortium (documents, etc)							
	Develop consultation list							
	Develop Consultation Methodology							
	Present progress to HOME Consortium							
Existing Data Analysis	Analyze local data to identify gaps and unmet needs, inform consultation process							
	Develop maps and tables on local populations with housing need for final plan							
Stakeholder Consultation	Reach out to stakeholders/service providers, schedule consultation							
	Consult with stakeholders/service providers							
	Process consultation results							
Public Engagement	Create public feedback survey							
	Disperse survey							
	Process survey results							
Allocation Plan Preparation and Finalization	Identify characteristics associated with instability to categorize other vulnerable populations							
	Identify housing needs of qualifying populations							
	Summarize accumulated data in allocation plan report							
	Assess preferences for local HOME ARP service recipients							
	Describe public participation process							
	Fill out Allocation Plan Template sections							
	Present allocation plan during public hearing							
	Address allocation plan feedback from public meeting and comment period							
	Present Plan to Urbana City Council for approval							
HUD Review								

Questions About You (voluntary)

This information helps us ensure we are collecting input from a representative sample of the community.



Your input is important!

Public Survey

Urbana HOME Consortium HOME-ARP Funds

Take this survey online:
<https://www.research.net/r/73F7XT7>

The Urbana HOME Consortium (which comprises *the City of Champaign, the City of Urbana, and Champaign County Regional Planning Commission*) has received \$2.97 million in HOME-ARP funds from the US Department of Housing and Urban Development (HUD). This funding was designated from the American Rescue Plan in 2021, and it is meant “*to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations [including veterans and those fleeing domestic violence], by providing housing, rental assistance, supportive services, and non-congregate shelter.*”

In order to most effectively use these funds, the Consortium is looking for public feedback on how to prioritize spending the HOME-ARP money. On the following pages, you will find a brief survey asking you to prioritize the funding categories, as well as submit any specific ideas for how the money should be spent.

Any questions about the local HOME-ARP funds, as well as requests for translated survey materials

or other accommodations, can be directed to JD McClanahan at jmccclanahan@ccrpc.org.

Thank you for offering your important perspective!

7. Age

- 17 years or younger
- 18-24 years
- 25-44 years
- 45-64 years
- 65+ years

8. Gender: How do you identify?

- Woman
- Man
- Non-binary

Prefer to self-describe, below

9. What is your household's approximate annual income?

- Under \$25,000
- \$25,000 - \$49,000
- \$50,000 - \$74,000
- \$75,000 - \$99,000
- \$100,000 - \$149,000
- Over \$150,000

10. Race/Ethnic group(s) you most identify with (select all that apply)

- African American/Black
- American Indian and Alaskan Native
- Asian
- Native Hawaiian or Pacific Islander
- White/Caucasian
- Hispanic/Latinx
- Prefer to self-describe, below

11. What two streets intersect closest to your home?

12. What category(ies) best describe you? (select all that apply)

- Working for pay outside the home
- Working for pay inside the home
- Looking for work
- Homemaker
- Student
- Retired
- Prefer to self-describe, below

Thank you for completing this survey!

1. Please rank each of the four HOME-ARP eligible spending areas

- 1 being the spending area that the Urbana HOME Consortium should most prioritize, 4 being the lowest priority.

RANK #_	<u>Production or Preservation of Affordable Housing</u> – Acquiring, rehabilitating, or constructing affordable rental housing for HOME-ARP qualifying populations	4.
RANK #_	<u>Tenant-Based Rental Assistance</u> – Monetary assistance to help qualifying households afford housing costs in the private market	
RANK #_	<u>Supportive Services, Homeless Prevention Services, and Housing Counseling</u> – A variety of supports to help qualifying populations access and remain in stable housing, including childcare, education, job assistance, housing counseling, mental health services, substance abuse treatment, transportation, and case management	
RANK #_	<u>Purchase and Development of Non-Congregate Shelter</u> – Either building or purchasing a facility to be used as non-congregate shelter, where individuals or households are provided private rooms as temporary shelter (i.e. converted hotel or dormitory building layouts, rather than a shelter with many beds in a large room)	

2. Do you have specific ideas for funding projects and programs related to any of the priority areas? If so, please enter them below in the text box associated with the relevant priority area.

Production or Preservation of Affordable Housing

Tenant-Based Rental Assistance (TBRA)

Supportive Services, Homeless Prevention Services, and Housing Counseling

3. Please provide any additional feedback on these funds and how they should be prioritized or approached by the Urbana HOME Consortium

What specific goal(s) or outcome(s) would you like to see achieved with this money?

Purchase and Development of Non-Congregate Shelter

5. If you feel comfortable, please check the box for any of the HOME-ARP Qualifying Population categories that describe you or your household members.

Homeless

Have previously experienced homelessness

Fleeing/Attempting to Flee Domestic Violence, Dating Violence, Sexual

Assault, Stalking, or Human Trafficking

Military Veteran

Paying more than 30% of income toward housing costs

Have moved because of economic reasons two or more times during the last 60 days

- Living in the home of someone else because of economic hardship
- Have been notified in writing that your right to occupy your current housing or living situation will be terminated within 21 days
- Living in a hotel or motel and the cost of the hotel or motel stay is not paid by government or charitable organizations
- Exiting a publicly funded institution, or system of care (such as a health care facility, a mental health facility, foster care or other youth facility, or correction program or institution)
- Living in a household with more than 2 people per bedroom

6. If you would like to be added to a contact list to be notified of future developments with the HOME-ARP funding, please provide your email address below.
