

HOME INVESTMENT PARTNERSHIPS - AMERICAN RESCUE PLAN (HOME-ARP)

HOME-ARP ALLOCATION PLAN



CITY OF GRAND RAPIDS
COMMUNITY DEVELOPMENT DEPARTMENT



CITY OF
GRAND
RAPIDS

SUBMITTED TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ON JANUARY 19, 2022

Table of Contents

Introduction	2
Consultation.....	2
Consultation Sessions	2
Survey	4
Public Participation	5
Public participation process.....	5
Efforts to broaden public participation	5
Summary of comments received through the public participation process	5
Summary of comments or recommendations not accepted and why	6
Needs Assessment and Gaps Analysis	7
Size and demographic composition of qualifying populations.....	8
Sheltered and unsheltered homeless	9
At risk of homelessness.....	10
At risk of housing instability	13
Current resources available to assist qualifying populations	14
Sheltered and unsheltered homeless	14
At risk of homelessness.....	15
At risk of housing instability	16
Priority needs for qualifying populations	17
Gaps within the current shelter, housing, and service delivery systems.....	18
How the level of need and gaps were determined.....	22
HOME-ARP Activities.....	23
The method for soliciting applications for funding and administration	23
Uses of HOME-ARP funding	23
Rationale for identified funding and activities.....	23
Preference given to a specific population or subpopulation.....	25
Meeting needs of non-homeless populations	25
Affordable rental housing production goal and how it will address priority needs.....	25
HOME-ARP Refinancing Guidelines.....	26
Appendix A - Agencies Consulted	27

Introduction

The City of Grand Rapids will receive \$4,637,575 in Home Investment Partnerships - American Rescue Plan (HOME-ARP) funds from the U.S. Department of Housing and Urban Development (HUD). This supplemental funding was allocated by formula under the HOME entitlement program to address the need for homelessness assistance and supportive services. The allocation, authorized by the American Rescue Plan Act of 2021, must primarily benefit individuals and families who are experiencing homelessness, at risk of homelessness, or in other vulnerable populations at greatest risk of housing instability.

This plan includes 1) an outline of the consultation and public participation processes undertaken, 2) an assessment of the needs of qualifying populations and gaps in local housing and services systems, and 3) planned uses of HOME-ARP funds for prioritized populations and eligible activities.

Consultation

This HOME-ARP allocation plan was prepared in consultation with agencies whose clientele includes HOME-ARP qualifying populations. A survey was used, and virtual consultation sessions were conducted to obtain input. Consultation sessions were hosted for agencies serving qualifying populations who focus on affordable rental housing, equity and inclusion, and homeless and special needs. The Grand Rapids Area Coalition to End Homelessness, which serves as the Grand Rapids/Wyoming/Kent County Continuum of Care (CoC), was included. Of the 44 invited service providers and other organizations that support qualifying populations, 38 attended a consultation session and 23 provided a survey response. Additionally, Community Development staff from Kent County and the cities of Grand Rapids and Wyoming convened to discuss HOME-ARP funding in their respective jurisdictions. A list of organizations consulted is included as Appendix A.

Consultation Sessions

Consultation sessions were hosted and facilitated by the Community Development Department. The virtual sessions included a brief presentation about HOME-ARP, its eligible activities, and the qualifying populations eligible activities must benefit. Participant thoughts and comments are summarized below.

Equity and Inclusion Consultation Session

Greatest barriers and challenges to housing stability:

- Housing discrimination based on source of income, race, and disability
- Systemic barriers like redlining, overly punitive system for formerly incarcerated individuals and sex offenders
- Education/awareness of barriers and challenges accessing resources

- Tenant income requirements (e.g. requiring tenants to have 2-3 times the monthly rent in income)
- Not enough affordable housing units for those who need them

Actions that can be taken to address identified barriers and challenges:

- Fund education and outreach about housing rights and available resources
- Bring all sectors together to create a coordinated approach to tackle system issues

Gaps in supportive services:

- Education and outreach about housing rights and available resources

Affordable Rental Housing Consultation Session

General recommendations:

- Fund development of affordable rental units
- Use rapid-rehousing and case management assistance to assist current voucher holders in obtaining housing
- Use resources to serve those who do not meet traditional definitions of being at risk of homelessness (e.g., those who are “doubled-up”)

How to leverage other sources of project financing:

- Allocate HOME and HOME-ARP funds strategically, so funding sources are used most effectively and efficiently

Preference to any sub-group within the qualifying populations due to an unmet need:

- Serve those who have been issued housing vouchers but are unable to use them due to a lack of rental housing. Many of these households are at risk of housing instability.

Homeless and Special Needs Consultation Session

Gaps in supportive services:

- Supportive services for those transitioning into housing, including case management, childcare, homeless diversion/prevention, emergency rental assistance

Preference to any sub-group within the qualifying populations due to an unmet need:

- Serve young adults with children, families with children, the formerly incarcerated or those with criminal sexual conduct convictions, the elderly, chronically homeless

How to leverage other sources of project financing:

- Reach out to faith communities to discuss repurposing buildings and/or constructing on vacant land they own
- Work with employers on workforce housing projects

General recommendations:

- Funding supportive services and ongoing case management is key to stabilizing populations at risk of homelessness or those transitioning into housing
- Scattered site housing units and non-congregate shelter units that could flex between shelter and affordable rental housing would be an asset

Survey

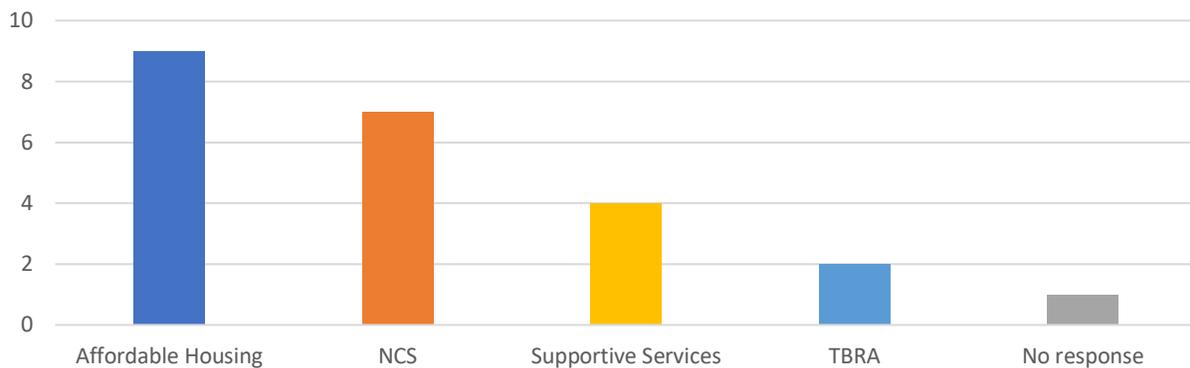
The survey asked agencies to rank the four eligible uses of HOME-ARP funding by priority. The four eligible uses are:

- Development of affordable rental housing
- Tenant-based rental assistance (TBRA)
- Supportive services
- Acquisition and development of non-congregate shelter (NCS)

Survey responses identified the development of affordable housing as the top priority.

NUMBER OF TIMES EACH ELIGIBLE USE WAS RANKED #1

(N = 23)



Narrative feedback within the surveys conveyed a general consensus that a lack of affordable housing is the greatest barrier to assisting vulnerable populations with housing. The shortage of affordable rental units keeps vulnerable populations at constant risk of homelessness. This theme was often mentioned in connection with related issues like rapidly increasing rental prices and the inability of voucher holders to find housing. Respondents recognized how the rental unit shortage contributes to bottlenecks with other services.

Ideas for various types of housing projects included permanent supportive housing, transitional housing, scattered site rental, and larger multi-unit development projects. Some respondents expressed a need for additional shelter units, specifically a barrier-free youth shelter and shelter for families.

Respondents explained systemic, historical barriers, such as housing discrimination based on source of income, disability, and race, persist. These issues further exacerbate the already stressed housing market. Additional education and outreach can combat such barriers, and many respondents spoke of the need to assist unhoused people with obtaining housing.

Additionally, respondents described the importance of preventing people from becoming homeless in the first place through rental assistance, outreach, increased and improved mental health services, and other supportive services like case management.

Desire was expressed to specifically serve numerous groups or sub-populations including the following: youth, families, BIPOC, LGBTQ+, disabled, the formerly incarcerated, those with criminal sexual conduct convictions, those at risk of homelessness, the Latinx community, veterans, seniors, and cost burdened households in general.

Public Participation

Public participation process

On December 21, 2021, a notice regarding availability of the draft HOME-ARP allocation plan was published in *The Grand Rapids Press*. The plan was available for review and comment from December 21, 2021, through January 14, 2022, and a public hearing was held before the Grand Rapids City Commission on January 11, 2022. The draft plan was available for review online at www.grcd.info.

Efforts to broaden public participation

In addition to *The Grand Rapids Press* publication, notification was also published December 24, 2021, in *The Grand Rapids Times* and *El Vocero Hispano*. Additional outreach was conducted via email and social media.

Summary of comments received through the public participation process

A total of 13 comments were received on the draft HOME-ARP allocation plan. One (1) person spoke at the public hearing before the Grand Rapids City Commission, and twelve (12) written comments were received. Below is a summary of comments received.

Public Hearing Comment

- A representative from Family Promise of Grand Rapids expressed support for the HOME-ARP plan but asked that language be changed to better represent the emergency shelter need for families and children.

Written Comment

- Arbor Circle supported the plan to allocate \$1,167,000 in HOME-ARP to support services and financial assistance for literally homeless households.
- AYA Youth Collective provided positive feedback on the draft plan while expressing concern the plan does not mention the need for shelter. The agency stated longitudinal data supports the need for shelter for families and youth.

- A community member suggested the need for non-congregate, private, shelter alternatives.
- Community Rebuilders supported the HOME-ARP allocation plan and provided updates on projects supported with City HOME and ESG program funds.
- Degage Ministries expressed the need for additional non-congregate shelter for families that will ideally flex between shelter and supportive housing. They would like to partner with the City and other agencies on shelter and transitioning individuals into supportive, permanent housing.
- Family Promise of Grand Rapids acknowledged the difficulty in using HOME-ARP to support emergency shelter as the agency recommends additional space that can flex between shelter and permanent housing. They requested sections of the plan be revised to reflect need for emergency shelter.
- Grand Rapids Area Coalition to End Homelessness provided information about data related to emergency shelter need and capacity. It was suggested to remove a sentence concluding shelter need based on the Point-in-Time (PIT) and Housing Inventory Count (Count). Also noted was the importance of a community-wide effort to determine how to sustainably fund shelter for families and youth and recognized the first step in doing so is being able to demonstrate an accurate need for shelter.
- Grand Rapids Housing Commission updated the types and number of housing they administer.
- Hope Network supported the plan to allocate \$1,167,000 to support services and \$3,000,000 to the development of affordable rental housing.
- Inner City Christian Federation (ICCF) supported the HOME-ARP draft plan, but requested the plan be revised to reflect current emergency shelter capacity more accurately.
- Kent County office of the Michigan Department of Health and Human Services – Children’s Protective Services provided thanks for the opportunity to review the draft HOME-ARP plan. They explained issues families they serve face due to inadequate housing, provided information about funding paid for family hotel stays, and asked if there is a way to address landlord concerns while assisting families. Client statements were also shared.
- The SOURCE supported the HOME-ARP allocation plan

Summary of comments or recommendations not accepted and why

All comments were accepted.

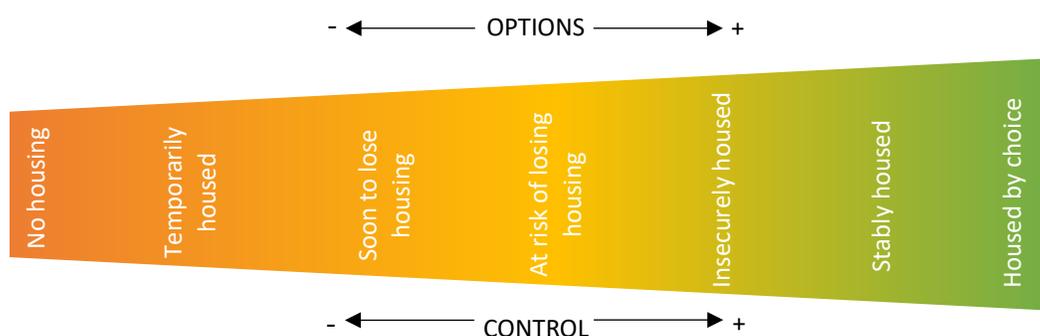
Based on concern expressed by several emergency shelter providers that the draft plan did not accurately reflect the need for emergency shelter, City staff sought affirmation of requested

edits and supporting data for appropriate changes related to emergency shelter from the Grand Rapids Area Coalition to End Homelessness, which operates as the local Continuum of Care (CoC). The plan was modified consistent with CoC feedback.

Needs Assessment and Gaps Analysis

The Needs Assessment and Gaps Analysis examines the size and composition of qualifying populations, identifies current resources available, assesses unmet housing and services needs of these populations, and calls attention to existing gaps.

The KConnect report *Redefining the Path Home: System Building for Housing Stability in Kent County (2020)* describes the “Housing Stability Spectrum.” This spectrum describes the experiences of Kent County residents, based on their housing situations.



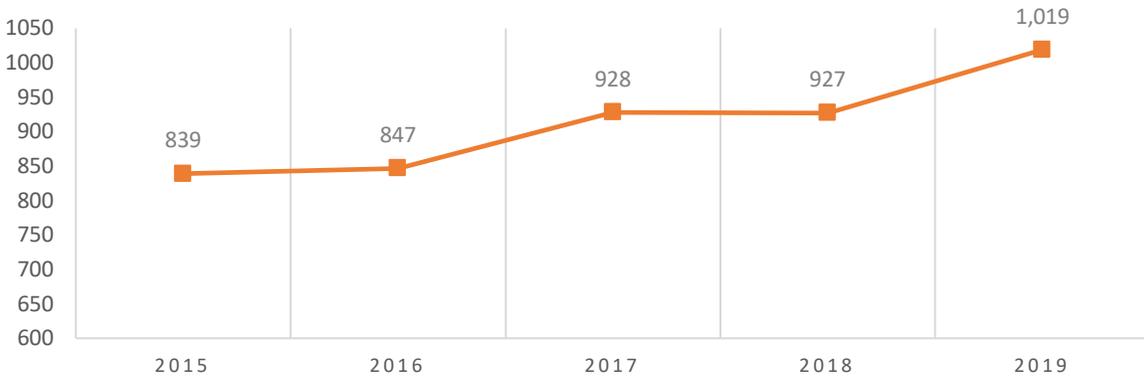
Redefining the Path Home: System Building for Housing Stability in Kent County Housing Stability Spectrum, page 11

This spectrum illustrates how housing access and needs exist in a continuum, from those who are experiencing homelessness to those who have long-term, stable housing of their choosing. Understanding housing stability as a spectrum also illustrates how people’s circumstances and needs are dynamic. Through the consultation process, many participants described the need for a more flexible response system that can accommodate changes in community needs.

To be effective in assessing unmet needs among households in this continuum, it is important to understand how “upstream” housing market pressures affect the success of programs and services targeted to more vulnerable populations farther down the continuum. For example, in a tight rental housing market, the success of tenant-based rental assistance programs will be limited by higher-income renters competing for units affordable to low-income renters.

Feedback received through consultation sessions and surveys indicates landlords are increasing the required income for rental applicants, making it increasingly difficult for low-income renters to access units. Housing service providers noted it is common to require proof of 2-3 times the rent in income among rental applicants. This often means low-income renters, and those relying on rental assistance, are not eligible to apply for the unit. Median rent has increased year-over-year as well.

MEDIAN RENT FOR A TWO-BEDROOM UNIT

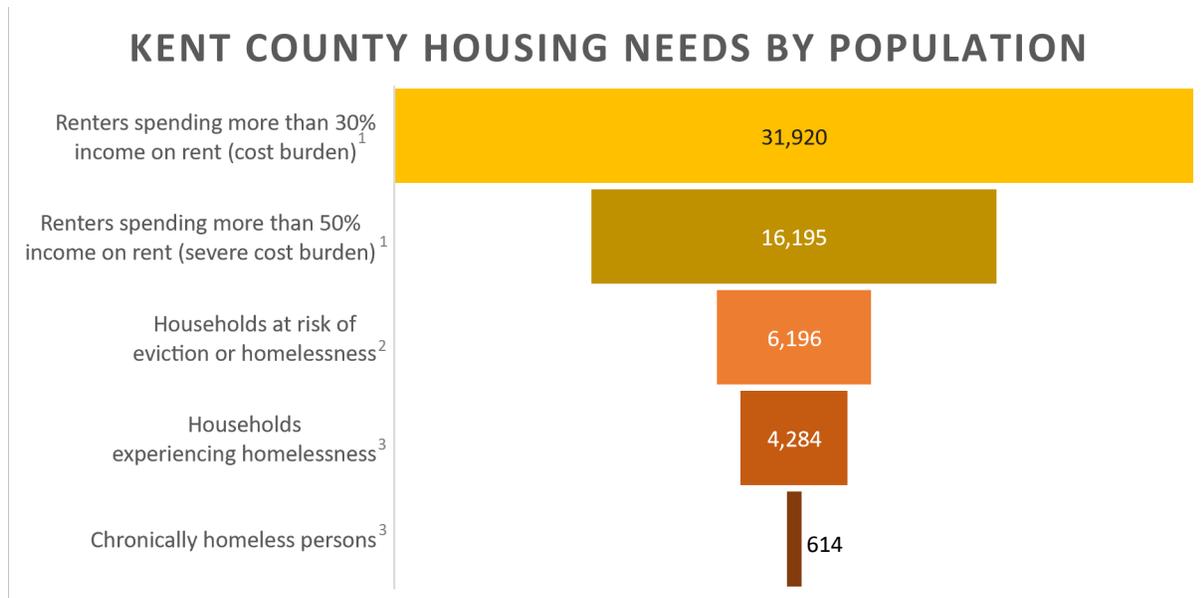


American Community Survey 2015-2019; Median Gross Rent by Bedrooms in Grand Rapids

Across all consultation sessions, participants highlighted the lack of affordable housing in Grand Rapids as a driving force behind the unmet needs of those experiencing homelessness, those at risk of homelessness, and those at risk of housing instability.

Size and demographic composition of qualifying populations

It is challenging to determine the precise number of households who exist along the Housing Stability Spectrum, as their circumstances and vulnerabilities are dynamic. Populations discussed during consultation sessions included cost burdened renters, those at risk of homelessness, persons experiencing homelessness, and chronically homeless persons.



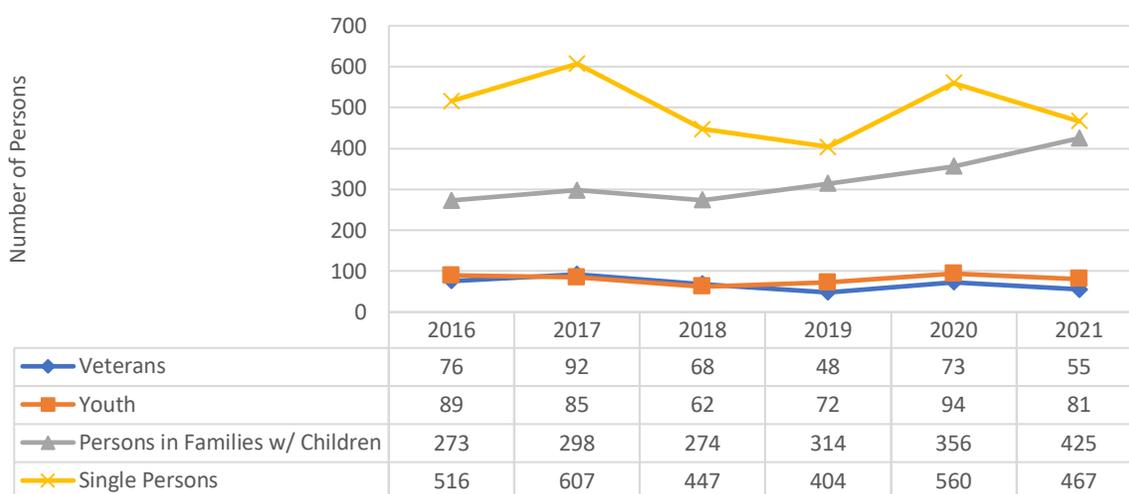
1) Comprehensive Housing Affordability Strategy (CHAS) 2014 – 2018; 2) HHs receiving pandemic-relief rental assistance or homelessness prevention assistance; 3) Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA)

According to HUD Comprehensive Housing Affordability Strategy (CHAS) data, 31,920 renters in Kent County spend more than 30% of their gross monthly income on their rent. A total of 16,195 renters spend more than 50% of their income on rent. Based on the number of households served through pandemic-response and homelessness and eviction prevention programs, at least 6,196 households require assistance to prevent eviction or homelessness. In a one-year period, 4,284 households experienced at least one episode of homelessness and 614 persons were considered chronically homeless.

Sheltered and unsheltered homeless

Each year, Continuums of Care (CoCs) across the country are required by HUD to conduct a census of who is experiencing homelessness on the last Wednesday in January. In addition to counting anyone staying in an emergency shelter on that night, outreach is conducted to identify persons spending the night outdoors or in places not meant for human habitation. The Point-in-Time (PIT) count identifies the number of people who were homeless on one particular night. By itself, it is not a reliable predictor of how many people will be homeless or receive housing resources in a year. When used along with other data, it can provide key information on the state of homelessness currently, and over time. The Kent County¹ 2021 PIT count showed 111 people were chronically homeless and a total of 830 people were experiencing homelessness. PIT data also suggests homelessness is increasing among families with children. The 2021 PIT identified 64 unsheltered persons in households without children and five (5) unsheltered persons in families with children.

NUMBER OF PERSONS EXPERIENCING HOMELESSNESS - BY POPULATION



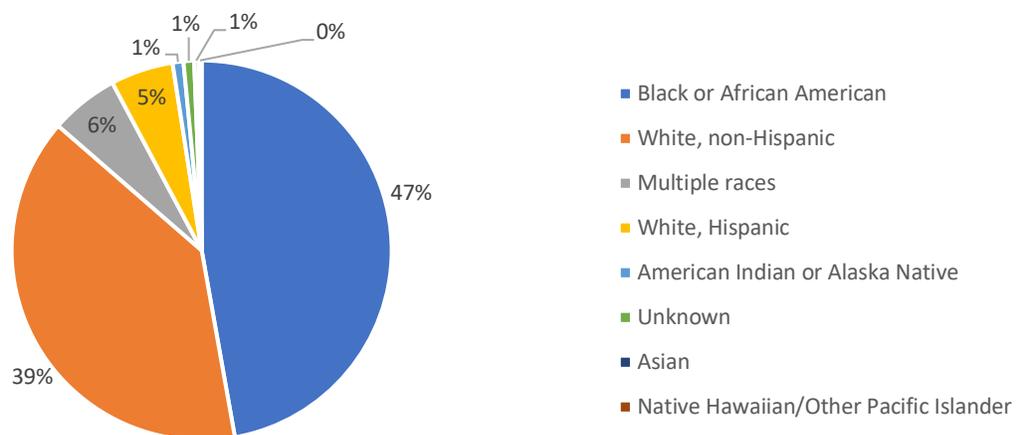
Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA) 2016-2021 Point-in-Time (PIT) counts

¹ Data pertaining to those experiencing homelessness is largely only available on a county-wide basis, as the Continuum of Care (CoC) Homeless Management Information System (HMIS) collects information on homelessness across Kent County.

The Homeless Management Information System (HMIS) is the local information technology system used to collect client-level data and data on the provision of services to the homeless and those at risk of homelessness. A 2021 HMIS report showed 112 homeless families (415 people) and 141 homeless individuals were in shelter more than 90 days. The Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA) showed 278 people in emergency shelter or transitional housing during the third quarter of 2021 who are chronically homeless, disabled, and/or in need of permanent supportive housing.

Black or African American households are disproportionately likely to experience homelessness. According to the KConnect report *Redefining the Path Home: System Building for Housing Stability in Kent County (2020)*, one (1) in six (6) African American children in Kent County accessed the homelessness system in 2019, compared to one (1) in 130 White children.

RACE AND ETHNICITY OF THOSE EXPERIENCING HOMELESSNESS



Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA)

FY 2020 LSA data shows 47% of those experiencing homelessness in Kent County were Black or African American, whereas only 9.6% of the County population as a whole is Black or African American (according to the American Community Survey (ACS) 2019 5-year estimates).

At risk of homelessness

HUD defines those at risk of homelessness as individuals and families who have an income below 30% of the area median income (AMI), do not have sufficient resources or support networks to prevent them from becoming homeless, or live with instability (e.g., moving two or more times during the last 60 days due to economic reasons).

According to HUD’s 2014 – 2018 Comprehensive Housing Affordability Strategy (CHAS) data, Grand Rapids has 11,570 households with incomes at or below 30% of AMI, which is 15.6% of all Grand Rapids households. More than 78% of households with incomes at or below 30% of AMI are renter households. This segment of renters is likely living on the financial edge and may be at risk for a housing crisis event or homelessness.

CITY OF GRAND RAPIDS INCOME DISTRIBUTION BY TENURE						
	Owner		Renter		Total	
0 - 30% AMI	2,485	6.2%	9,085	26.7%	11,570	15.6%
30% - 50% AMI	3,720	9.3%	7,165	21.0%	10,885	14.7%
50% - 80% AMI	7,455	18.6%	6,375	18.7%	13,830	18.6%
80% - 100% AMI	4,670	11.6%	3,585	10.5%	8,255	11.1%
Greater than 100% AMI	21,795	54.3%	7,875	23.1%	29,670	40.0%
Total	40,125	100%	34,085	100%	74,210	100%

Comprehensive Housing Affordability Strategy (CHAS) 2014 – 2018

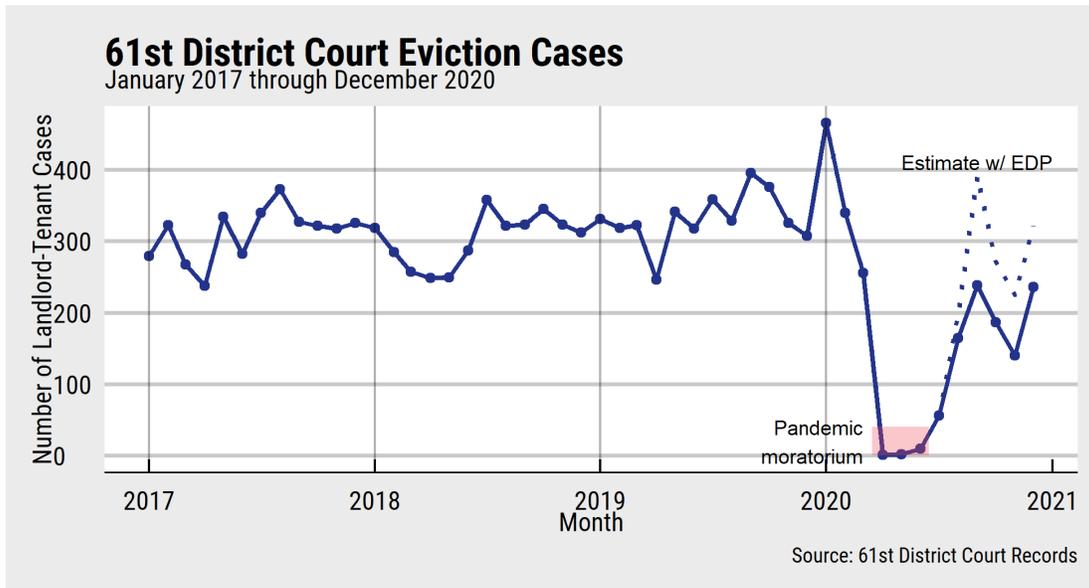
There are approximately 6,355 renter households that earn at or below 30% of AMI and have one or more housing problems. These households are at a greater risk of housing instability or homelessness.

CITY OF GRAND RAPIDS HOUSING NEEDS INVENTORY AND GAP ANALYSIS (NON-HOMELESS)		
	Inventory	Level of Need
	# of Units	# of Households
Total Rental Units	34,080	
Rental Units Affordable to Household with income less than 30% AMI	3,800	
Rental Units Affordable to Household with income between 30% - 50% AMI	7,740	
0% - 30% AMI Renter Household w/ 1 or more severe housing problems		6,355
30% - 50% AMI Renter Household w/ 1 or more severe housing problems		3,425

Comprehensive Housing Affordability Strategy (CHAS) 2014 - 2018

The City of Grand Rapids created the Eviction Prevention Program (EPP) in partnership with the 61st District Court, the Kent County office of the Michigan Department of Health and Human Services (MDHHS), and The Salvation Army (TSA). The program was designed as a three-year pilot through 2020 with periodic evaluations to gauge the program’s effectiveness in reducing evictions and improving housing stability in Grand Rapids. The program, and related data

gathering efforts, produced valuable information related to the number of households at risk of eviction and homelessness in Grand Rapids.

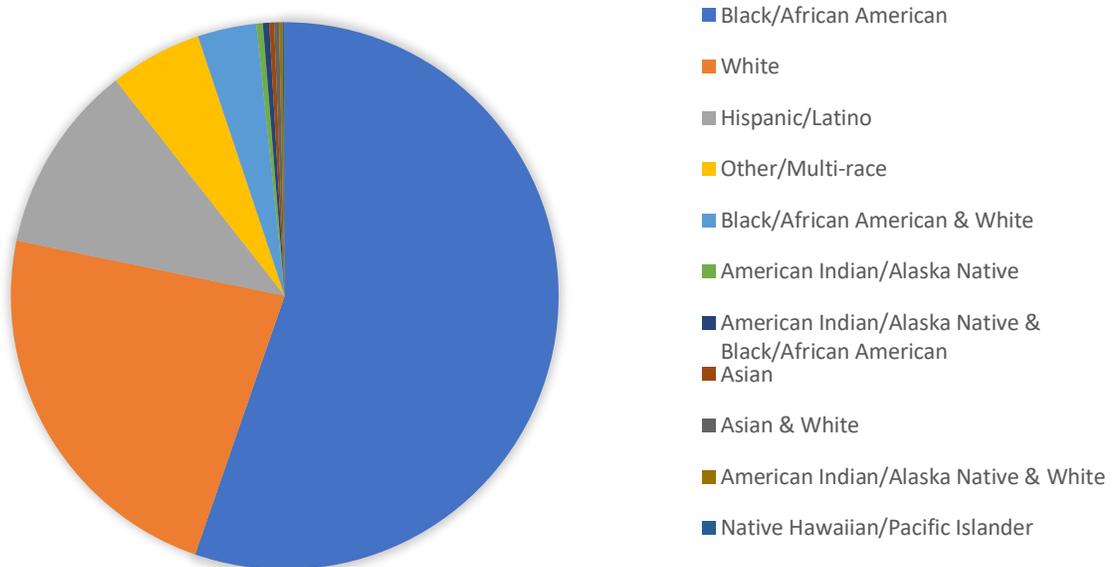


Eviction Prevention Program Year 3 Evaluation Report

While the COVID-19 pandemic and the subsequent moratoriums on evictions had a significant impact on eviction data, pre-pandemic court data evidence approximately 300-400 households at risk of eviction on a monthly basis. Significant racial disparity exists among persons at risk of eviction. EPP participants were overwhelming Black or African American (68.5%) while White households comprised 21.3% of program participants. The 49503 and 49507 zip codes were the most common origins of eviction cases receiving EPP services. These zip codes are consistent with areas identified as racially concentrated areas of poverty.

In addition to 61st District Court data, pandemic-response rental assistance programs have facilitated more accurate data on the needs of households behind on rent than was previously available. In August 2020, the Michigan State Housing Development Authority (MSHDA) launched the Eviction Diversion Program (EDP). This program preceded the launch of the COVID Emergency Rental Assistance (CERA) Program which started in March 2021. Between EDP, CERA, EPP, and other homelessness prevention programs, 6,196 households in Kent County have received financial assistance for past due rent and utilities during the pandemic. Below is demographic information for CERA applicants through November 2021.

GRAND RAPIDS CERA APPLICANTS RACE AND ETHNICITY



At risk of housing instability

HUD defines those at greatest risk of housing instability as households that have an annual income less than 30% of AMI and are experiencing severe cost burden or have an income less than 50% of AMI and meet a certain condition, like living in someone else’s home or living in a hotel due to an economic hardship.

According to the Housing Next *Housing Needs and Opportunities (2020)* report, just over half of all renters in the City of Grand Rapids (51.5%) are currently cost burdened paying 30% or more of their gross income toward housing. This is well above the state average of 20.9%. The rate of cost-burdened renter households is significant across all racial groups, but Black households and those headed by a person of color are 30-45% more likely to be impacted by cost burden than White households. Among Grand Rapids’ renter households, a total of 9,985 (30.2%) are severely cost burdened (paying more than 50% of gross income on rent).

Housing market analysts generally view a healthy rental housing market as having a rental vacancy rate range of 5% - 7%. These vacant units allow existing or relocating residents to readily find housing that is more suitable for their household needs and accommodates new households forming within the community.

The 2019 Census Bureau American Community Survey (ACS) estimated rental vacancy rate was 4.3% for Grand Rapids. This low rate can lead to an accelerated increase in monthly rent costs. Tight housing markets have a disproportionate effect on low-income households who do not

have the financial ability to afford rent increases. They may be forced to move from their neighborhood or settle for a unit that does not fit their household needs (e.g., too few bedrooms, greater distance from their place of employment, or in a distressed condition).

Current resources available to assist qualifying populations

Sheltered and unsheltered homeless

The 2021 Housing Inventory Count (HIC) identified 2,488 year-round beds in Kent County. This includes the emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing beds summarized below. Of these, 422 are specifically for veterans.

HOUSING INVENTORY COUNT (2021)				
Bed Type	Families with Children	Households without children	Unaccompanied minors	Total
Emergency Shelter	332	497	7	836
Transitional Housing	132	107	0	239
Rapid Re-housing and Other Permanent Housing	234	96	0	330
Permanent Supportive Housing	417	666	0	1,083
Total Beds	1,115	1,366	7	2,488

Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) Housing Inventory Count (HIC), 2021

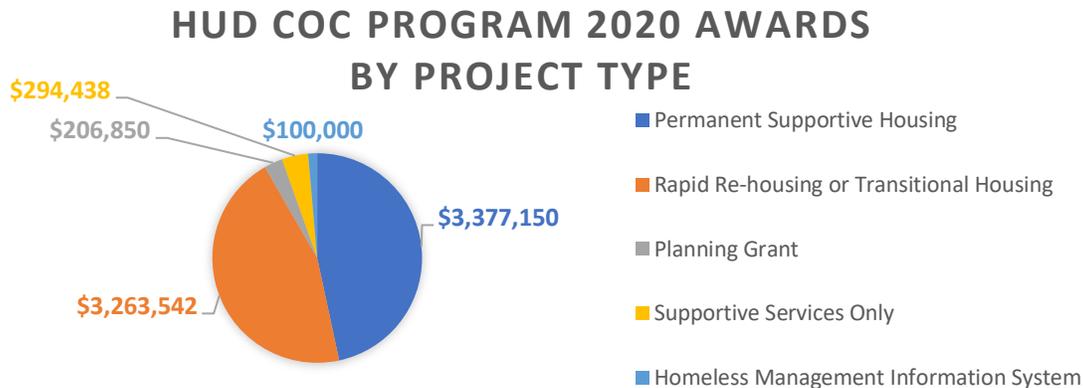
Kent County has reached functional zero for homeless veterans, meaning the number of individuals who are homeless, whether unsheltered or sheltered, is no greater than the number of individuals that can be routinely housed in permanent housing. The 2021 Point-in-Time (PIT) count identified 55 homeless veterans. Achieving and maintaining functional zero for homeless veterans is possible through the structuring of resources so Kent County can ensure no veteran will remain homeless. Additional functional zero initiatives are underway in Kent County for other populations, including families and youth. Work to reach functional zero for chronically homeless individuals is underway using Community Solutions’ Built for Zero methodology.

Safe Haven Ministries and the YWCA of West Central Michigan both provide emergency shelter and services for survivors of domestic violence. According to the 2021 HIC, there are 62 emergency shelter beds, 112 transitional housing beds, and 51 rapid re-housing beds available for survivors of domestic violence and their families.

The City of Grand Rapids is committed to a Housing First approach, which is an evidence-based practice to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements (National Alliance to End Homelessness). This includes

taking an active role in a Frequent Users System Engagement (FUSE) initiative that identifies frequent users of jails, shelters, hospitals, and/or other crisis public services and improves their lives through supportive housing.

The local Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) receives and allocates approximately \$7 million annually towards efforts to end homelessness. Below are 2020 CoC Program awards by project type.



At risk of homelessness

Since the beginning of the COVID-19 pandemic, an unprecedented increase in resources has become available for those at risk of homelessness and eviction. Since the launch of the COVID Emergency Rental Assistance (CERA) program in March 2021, over \$25 million in assistance has been provided to residents behind on rent and utilities. The allocation of the first round of CERA funding in Kent County totaled \$37.25 million. A subsequent round of funding is anticipated to total between \$28 and \$32 million.

In recent years, local service providers have undertaken a number of strategies to more effectively serve those at risk of homelessness. One such strategy has been to expand diversion and rapid resolution efforts system-wide. Providers coordinated a shelter diversion pilot in October 2017 to assist families in preserving current housing or finding safe alternatives to shelter. Over a two-year period, 482 families received diversion assistance. Similarly, veteran service providers implemented rapid resolution strategies to assist households in avoiding shelter and regaining housing stability. These efforts have built system capacity to expand shelter diversion and rapid resolution to all populations.

The City of Grand Rapids receives approximately \$350,000 annually in Emergency Solutions Grants (ESG) funds that are allocated towards efforts to prevent and end homelessness. The City also allocates approximately \$5 million in Community Development Block Grant (CDBG) funds and \$1.3 million in Home Investment Partnerships Program (HOME) funds annually through the Neighborhood Investment (NI) Plan. The NI Plan identifies eight (8) priority outcome areas, the first of which is “preventing and resolving episodes of homelessness.”

The Emergency Housing Voucher (EHV) program is funded through the American Rescue Plan Act (ARPA). HUD is providing housing choice vouchers to local Public Housing Authorities (PHAs) to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. In Kent County, 100 emergency housing vouchers have been made available through the ARPA EHV program.

At risk of housing instability

Those who are at risk of housing instability are often low-income, earning less than 30% or 50% of the area median income (AMI) and experience cost burden or severe cost burden. Having a sufficient supply of affordable housing units is essential to ensuring housing stability. Public housing and voucher programs can provide housing affordability for those at risk of instability.

Four public housing authorities (PHAs) serve residents in Kent County: Kent County Housing Commission, Grand Rapids Housing Commission, Rockford Housing Commission, and Wyoming Housing Commission. Together, they serve over 8,000 households through public housing and housing voucher programs. Housing voucher programs are classified into two types: project-based and tenant-based vouchers. Project-based vouchers are tied to a particular housing development or unit. Tenant-based vouchers are issued to individual households to be used anywhere that accepts vouchers, offering families and individuals greater opportunity to find housing that meets their needs. Below is a summary of housing administered by PHAs operating in Kent County.

PUBLIC HOUSING AUTHORITY – ADMINISTERED HOUSING										
Public Housing Authority	Mod Rehab	Public Housing	Section 8 New Constr.*	Vouchers						Portfolio Total
				Project Based	Tenant Based	Special Purpose Vouchers (count included in TBV)				
						VASH	Disabled**	FYI***	EHV****	
Grand Rapids	102	203	153	746	2,975	22	347	10	42	4,179
Rockford	0	52		192	22	0	0			266
Wyoming	0	195		190	858	0	0			1,243
Balance of County	0	0		982	1,391	174	0		58	2,373
Total	102	450	153	2,110	5,246	196	347	10	100	8,061

*Project-Based Rental Assistance (PBRA) **Non-Elderly Disabled plus Mainstream Vouchers
 Foster Youth to Independence Vouchers *Emergency Housing Vouchers

Grand Rapids Housing Commission January 2022, Public Housing Information Center 2020

There are more than 7,600 additional affordable rental units within the City of Grand Rapids. These units were developed using Low Income Housing Tax Credits, HUD financing, and other sources of funds. Many of these projects also receive a tax exemption and Payment in Lieu of Taxes (PILOT) from the City.

Priority needs for qualifying populations

The housing and supportive service needs of qualifying populations overlap across populations and are similar to the needs of the low-income population as a whole. All populations would benefit from an increased number of affordable housing units and increased affordability in the housing market. Rising rent and limited availability of units causes increased instability among cost burdened and low-income renters and those at risk of homelessness. Among those experiencing homelessness, the lack of affordable rental units causes a bottleneck in the availability of permanent housing options, creating longer episodes of homelessness and leading to fewer households becoming stably housed overall. In addition to housing needs, transportation and childcare are high priorities, as are accessibility modifications for those with mobility impairments. As the population ages, there will be greater demand for transportation services, in home care, and affordable congregate living facilities.

The Kent County Essential Needs Task Force (ENTF) was formed in 1982 as a response to the struggles facing Kent County residents in meeting their basic needs. The ENTF focuses on system change with an emphasis on collective impact and the interconnectedness of all systems. ENTF committees are an evolving reflection of those basic needs the community deems essential to the success of its citizens. Current committees include:

- Energy Efficiency
- Food and Nutrition Coalition
- Economic and Workforce Development
- Transportation

Each of these committees works to ensure the vision, mission, and goals of the ENTF are carried out through their efforts. The ENTF is charged with the overall coordination across Kent County, including Grand Rapids, to end poverty and ensure people's basic needs are met.

According to the Grand Rapids Area Coalition to End Homelessness Strategic Plan, the number of Black individuals that enter the homeless service system annually is 4-5 times over-represented. Focusing prevention funds could offer a significant tool to slow that trend. More intentional focusing of prevention resources was also a strategy identified in the *Eviction Prevention Program Year 3 Evaluation (2018-2020)*. Directed prevention strategies use data to ensure limited resources reach those most at risk of experiencing homelessness.

Households at risk of housing instability need support to stay housed. While many families may gain stability through housing assistance, other families need more affordable housing options. However, most of these households also need a livable wage and supportive services to create long-term self-sufficiency.

Gaps within the current shelter, housing, and service delivery systems

The following table identifies beds and units available in the homelessness system for families and adults on a year-round basis.

HOUSING INVENTORY COUNTY (2021)				
Bed Type	Inventory (# of Beds)			
	Families with Children	Adults-only	Child-only	Total
Emergency Shelter (ES)	332	497	7	836
Transitional Housing (TH)	132	107	0	239
Subtotal (ES and TH)	464	604	7	1,075
Permanent Supportive Housing (PSH)	417	666	0	1,083
Rapid Re-housing (RRH)	197	29	0	226
Other Permanent Housing (OPH)	37	67	0	104
Subtotal (PSH and RRH)	651	762	0	1,413
Total	1,115	1,366	7	2,488

Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) 2021 Housing Inventory Count (HIC)

Below are the number of persons in different household types identified in the annual Point-in-Time (PIT) count.

POINT-IN-TIME COUNT (2021)				
Shelter Type	Homeless Population (# of People in Households)			
	With Children	Without Children	With Only Children	Total
Sheltered - Emergency Shelter	291	359	2	652
Sheltered - Transitional Housing	129	44	0	173
Unsheltered Homeless	5	64	0	69
Total	431	467	2	900

Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) 2021 Point-in-Time (PIT) count

Feedback received through the consultation process suggests a need for additional low-barrier shelter for families and youth and flexible space that can alternate between shelter and affordable rental. An assessment of the ongoing need for shelter beds is challenging as it depends heavily on the amount of time it takes to obtain housing for those who enter shelter. If there are sufficient permanent housing resources available, and those who enter shelter are quickly connected to housing, fewer emergency shelter beds are needed on an ongoing basis. However, if there are limited permanent resources available, or if there are challenges to obtaining housing in a quick manner, families and individuals remain in shelter longer, and less beds become available, creating a bottleneck in the system.

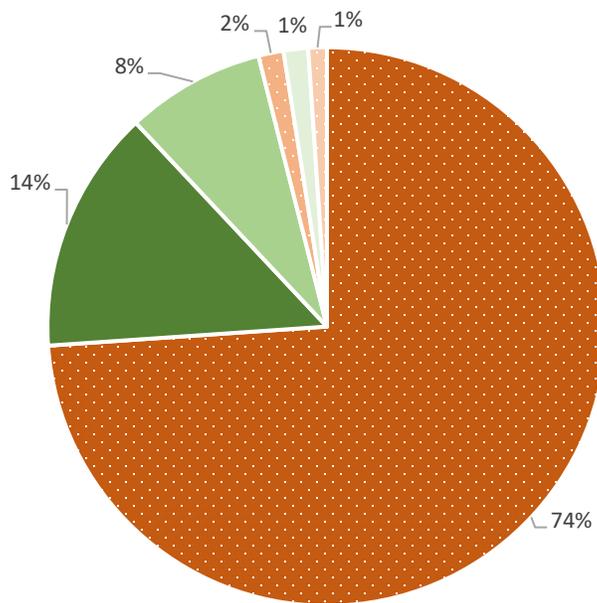
PIT and HIC data are limited in scope, as they are a measurement of the number of resources in the community and the number of persons experiencing homelessness on a single night. The Grand Rapids/Wyoming/Kent County Continuum of Care (CoC)'s Longitudinal Systems Analysis (LSA) report provides a broader picture of homelessness by measuring all those who access the system in a year. In FY 2020 (10/1/19 - 9/30/20)², 4,284 households (5,664 people) stayed at least one night in emergency shelter (ES), safe haven (SH), transitional housing (TH), rapid re-housing (RRH), or permanent supportive housing (PSH). Of those served, 74% or 3,170 households exited the system to either permanent, temporary, or unknown destinations.

EXITS FROM THE HOMELESSNESS SYSTEM			
	% Exits to Permanent Destinations	# of Households Exited to Permanent Destinations	Total # of Households Exited
<i>By Household Type</i>			
Adult-only Households	17%	460	2,787
Households with Children	76%	238	313
Child-only Households	76%	47	62
<i>By Pathway</i>			
ES/SH Only	16%	447	2,790
RRH Only	96%	110	115
ES/SH + RRH	93%	75	81
PSH Only	52%	33	64
TH Only	77%	33	43
TH + RRH	83%	20	24
ES/SH + TH + RRH	100%	17	17
Other Pathways	33%	12	36
All Households	24%	747	3,170

Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA)

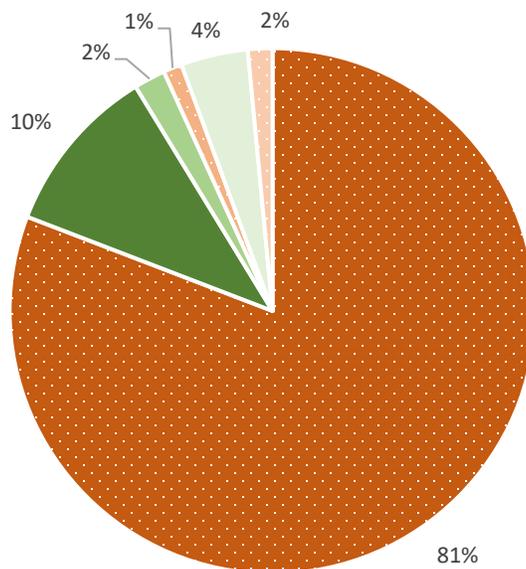
² FY 2020 is the most recent LSA data available at the time of this report.

EXITS FROM THE HOMELESSNESS SYSTEM BY PATHWAY - ALL HOUSEHOLDS



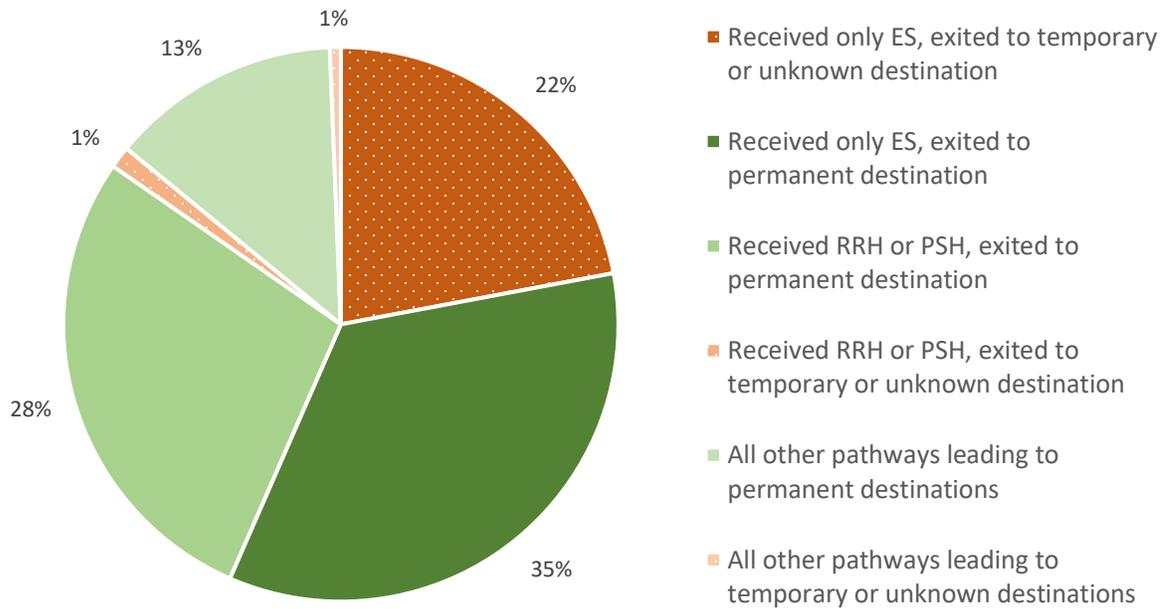
- Received only ES, exited to temporary or unknown destination
- Received only ES, exited to permanent destination
- Received RRH or PSH, exited to permanent destination
- Received RRH or PSH, exited to temporary or unknown destination
- All other pathways leading to permanent destinations
- All other pathways leading to temporary or unknown destinations

EXITS FROM THE HOMELESSNESS SYSTEM BY PATHWAY - ADULT ONLY HOUSEHOLDS



- Received only ES, exited to temporary or unknown destination
- Received only ES, exited to permanent destination
- Received RRH or PSH, exited to permanent destination
- Received RRH or PSH, exited to temporary or unknown destination
- All other pathways leading to permanent destinations
- All other pathways leading to temporary or unknown destinations

EXITS FROM THE HOMELESSNESS SYSTEM BY PATHWAY - HOUSEHOLDS WITH CHILDREN



The average number of days households experience homelessness is also an important indicator of the system’s ability to quickly connect people to housing.

AVERAGE DAYS HOMELESS		
	Avg. # Days	# of Households
<i>By Household Type</i>		
Adult-only Households	56	3,226
Households with Children	88	481
Child-only Households	16	64

Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA)

Collectively, this data suggests a lack of permanent housing resources for families and individuals. Of the 3,170 households exiting the homelessness system, 2,790 (88%) did not access a resource other than emergency shelter (ES) or safe haven (SH). Of the 2,790 households receiving only ES/SH, 2,343 exited to a temporary or unknown destination. Those 2,343 households represent 74% of all households exiting the system.

The demand for rental housing in Grand Rapids is described in the *Housing Needs & Opportunities (2020)* report by Housing Next. According to the report, 17,052 renter

households in Grand Rapids are currently spending more than 30% of their gross income on housing. This represents just over half of all renters in the city. There is also significant pressure from higher-income households on the rental market. The report estimates nearly 1,700 higher-income renters will seek housing that costs 20-50% less than they could otherwise afford over the next five years. This will result in the continued 'pricing out' of low- and moderate-income renters.

Within Grand Rapids, 565 renters are living in severely overcrowded housing situations (i.e., more than 1.5 persons per room), and more than 8,300 renter households have a cost burden greater than 50%. When looking at household income alone, there is a net rental availability gap of 5,285 units for households earning less than or equal to 30% of AMI. Additionally, 1,580 of the available units are being rented by tenants with incomes over 30% of AMI who can afford higher unit costs, meaning the true gap is higher than shown (2014 – 2018 CHAS).

Consultation sessions and surveys identified gaps in the service delivery system. Gaps include the need for improved integration of supportive services throughout the process of obtaining and maintaining stable housing and reducing recidivism to homelessness. Community Housing Connect (CHC) is an online access point helping Kent County residents connect to housing and economic security. It uses a phased assessment approach that includes connecting residents to available supportive services. The Coalition to End Homelessness/Continuum of Care recently approved use of an updated version of CHC as a tool for enhancing coordinated entry. Upon full implementation, it is expected to address response issues within coordinated entry, improve customer service, focus on system equity, and manage supply and demand.

How the level of need and gaps were determined

In addition to feedback received through surveys and consultation sessions, a number of data sources and community plans were reviewed to determine the needs and system gaps for HOME-ARP qualifying populations. The following plans and data sources were consulted:

- Bowen National Research Grand Rapids/Kent County 2020 Housing Needs Assessment
- Census Bureau American Community Survey (ACS) data
- City of Grand Rapids Strategic Plan FY 2020 - 2023
- Eviction Prevention Program *Year 3 Evaluation (2018-2020)*
- Grand Rapids *Equitable Economic Development and Mobility Strategic Plan (2020)*
- Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) 2016-2021 Point-in-Time (PIT) counts
- Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) 2021 Housing Inventory Count (HIC)
- Grand Rapids/Wyoming/Kent County Continuum of Care (CoC) FY 2020 Longitudinal Systems Analysis (LSA)
- Great Housing Strategies: Addressing Current and Future Housing Needs in Grand Rapids (2015)
- Housing NOW! Data Compendium for Informed Housing Policy (2018)

- Housing Next *Housing Needs and Opportunities* (2020)
- HUD Comprehensive Housing Affordability Strategy (CHAS) data (2014-2018)
- KConnect report *Redefining the Path Home: System Building for Housing Stability in Kent County* (2020)
- Kent County CERA funding dashboard
- Kent County *Family Shelter Diversion Evaluation Final Report* (2020)
- Public Housing Information Center 2020

HOME-ARP Activities

The method for soliciting applications for funding and administration

The City of Grand Rapids will release a request for Notice of Intent to Apply (NOI) for HOME-ARP funding, in addition to other entitlement grant funds. The NOI seeks applications from organizations with the capacity to successfully implement projects supporting the prioritized HOME-ARP populations and activities, in addition to FY 2022-2026 Neighborhood Investment (NI) Plan outcomes. The NOI assesses organizational capacity to meet City and federal contracting requirements. A Request for Proposal (RFP) will be issued by invitation after review of responses to the NOI. Virtual workshops will be held for prospective applicants to learn more about the application process.

Two information sessions were held in early November 2021 to introduce potential applicants to the NI Plan and funding process, in preparation for HOME-ARP and other housing and community development funding opportunities. The virtual sessions were attended by 75 people.

Planned use of HOME-ARP funding is summarized below.

Uses of HOME-ARP funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services (including financial assistance for rent for < 24 months)	\$1,167,000		
Development of Affordable Rental Housing	\$3,000,000		
Administration and Planning	\$470,575	10.15%	15%
Total HOME ARP Allocation	\$4,637,575		

Rationale for identified funding and activities

During consultation sessions, participants discussed potentially qualifying populations whose needs might be met with HOME-ARP funds. Some expressed interest in prioritizing the most

vulnerable populations while others wondered whether the funding might be able to fill gaps in service needs for “upstream” populations, those not traditionally served with federal funding.

Participants explained there are few resources for “upstream” housing needs. For example, many renters are severely cost-burdened, but not experiencing homelessness or at immediate risk of homelessness. This population currently is not well-served through the existing housing and homelessness systems. HUD funding sources, including Emergency Solutions Grants (ESG) and the Continuum of Care (CoC) Program, among others, generally serve only persons who are literally homeless or at imminent risk of becoming homeless. Cost burdened households and severely cost burdened renters were identified through consultation sessions and surveys as a possible sub-population to prioritize. It is important to carefully consider whether HOME-ARP funds might be effective in addressing the needs of this population.

HOME-ARP funding is limited and would not make a significant impact on reducing cost burden for the thousands of households who are in need. Due to an increase in local rental assistance for those at risk of eviction and/or homelessness, the number of households behind on their rent can be more accurately estimated. While additional assistance and services are likely needed for this population (especially in response to the COVID-19 pandemic) significant funding has been allocated toward this effort in Kent County. Due to the historic investment in eviction and homelessness prevention programs in response to the COVID-19 pandemic, HOME-ARP funds are not prioritized for those at risk of homelessness. The most pressing need for housing assistance and services is among those experiencing homelessness.

Feedback provided through the consultation and public participation processes suggest a need for additional low-barrier shelter for families and youth using flexible space that can alternate between shelter and affordable rental. HOME-ARP funds may be used to acquire and develop non-congregate shelter (NCS) units but cannot be used for NCS operating costs. Additionally, NCS units must operate for the applicable restricted use period (10 years for acquisition only or rehabilitation and 15 years for newly constructed NCS). HOME-ARP allows NCS units to be converted to permanent affordable housing only after a minimum use period. The minimum use period ranges from 3 – 10 years depending on whether the NCS was originally acquisition only, rehabilitation, or new construction. However, the units cannot be converted back and forth between NCS and permanent housing in a flexible and repeated fashion. Because of these factors, shelter is not the most effective use of HOME-ARP funds.

Housing inventory data also reveals a significant need for additional affordable rental units. According to FY 2020 Longitudinal Systems Analysis (LSA) data, 74% of households that exited the homelessness system accessed only emergency shelter and left to a temporary or unknown destination. The data suggests a lack of sufficient resources to connect those in emergency shelter with permanent housing, creating a bottleneck in the system.

Feedback provided through surveys and consultation sessions suggests that while there are additional housing and service needs among survivors of domestic violence (DV) and veterans,

priority does not need to be placed on programs serving these populations. Therefore, HOME-ARP funding would be best used to develop affordable rental units and provide supportive services for households experiencing homelessness.

Supportive services can help prevent episodes of homelessness and support the homeless in becoming housed. According to the United States Interagency Council on Homelessness, combining affordable housing with wrap-around supportive services can not only “resolve homelessness and increase housing stability, but also improve health and lower public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons.”

Preference given to a specific population or subpopulation

The City of Grand Rapids intends to give preference for HOME-ARP funded activities to homeless individuals and families as defined in 24 CFR 91.5 (1). This includes individuals or families who lack a fixed, regular, and adequate nighttime residence. Preference will not be given to specific subpopulations.

Meeting needs of non-homeless populations

While the City intends to give preference to affordable rental housing development and supportive service projects serving those experiencing homelessness, additional opportunities will be made available during the same funding process. The City’s HOME, CDBG, and ESG annual entitlement funds are allocated through the Neighborhood Investment (NI) Plan, which identifies the following priority outcome areas:

1. Prevent and resolve episodes of homelessness
2. Improve access to and stability of affordable housing
3. Increase the supply of affordable housing
4. Improve the condition of existing housing
5. Foster engaged, connected and resilient neighborhoods
6. Improve community safety
7. Improve economic opportunity
8. Enhance neighborhood infrastructure

Identified gaps unaddressed with HOME-ARP resources may be addressed through NI Plan funding. City staff also participate in a number of community collaborations including the Grand Rapids Area Coalition to End Homelessness and the Essential Needs Task Force. Needs identified in this Allocation Plan will continue to inform community-wide efforts and initiatives.

Affordable rental housing production goal and how it will address priority needs

HOME-ARP funds will be used to support the development of an estimated 40 units for occupancy by qualifying populations. Development of these units will help address the lack of

permanent housing resources. The units will be maintained for occupancy by qualifying populations for at least 15 years.

HOME-ARP Refinancing Guidelines

The City of Grand Rapids does not intend to use HOME-ARP funds to refinance existing debt secured by multi-family rental housing.

Appendix A - Agencies Consulted

Agency Consulted	Type of Agency	Method of Consultation
ACLU of Michigan	Civil rights organization	Consultation Session & Survey
Arbor Circle	Homeless service provider; Organization serving people with disabilities	Consultation Session & Survey
AYA Youth Collective	Homeless service provider	Survey
Bethany Christian Services	Supportive services provider	Consultation Session & Survey
Community Rebuilders	Homeless service provider; Organization serving people with disabilities; Supportive services provider	Consultation Session & Survey
CTEH Veterans Action Board	Veterans' group; Community coordinating group	Consultation Session
Disability Advocates of Kent County	Civil rights organization; Veterans' group; Organization serving people with disabilities; Supportive services provider	Consultation Session & Survey
Dwelling Place	Affordable housing developer	Consultation Session
Fair Housing Center of West Michigan	Fair housing organization	Consultation Session & Survey
Family Promise of Grand Rapids	Homeless service provider	Consultation Session & Survey
Genesis Nonprofit Housing Corporation	Homeless service provider; Affordable housing developer; Organization serving people with disabilities; Supportive services provider	Consultation Session & Survey
Grand Rapids Area Coalition to End Homelessness (CoC)	Community coordinating group	Consultation Session
Grand Rapids Housing Commission	Public Housing Authority	Consultation Session & Survey
Grand Rapids Pride Center	Supportive services provider	Survey
Grand Rapids Urban League	Homeless service provider; Civil rights organization; Supportive services provider	Consultation Session & Survey
Hispanic Center of Western Michigan	Supportive services provider	Consultation Session & Survey
Homes for All	Other: Advocacy group	Consultation Session

Agency Consulted	Type of Agency	Method of Consultation
Hope Network	Affordable housing developer	Consultation Session
Inner City Christian Federation	Homeless service provider; Affordable housing developer; Supportive services provider	Consultation Session & Survey
Kent County Essential Needs Taskforce	Community coordinating group	Survey
Kent County Housing Stability Alliance	Community coordinating group	Consultation Session
Kent County Veterans Services	Veterans' group; Organization serving people with disabilities; Supporting services provider	Survey
Kent Intermediate School District	Other: Schools	Consultation Session & Survey
Legal Aid of Western Michigan	Civil rights organization; Other: legal service provider	Consultation Session
LINC UP	Affordable housing developer; Supportive services provider	Consultation Session
Mel Trotter Ministries	Homeless service provider	Consultation Session
Michigan Department of Civil Rights	Civil rights organization	Consultation Session & Survey
Migrant Legal Aid	Civil rights organization; Other: legal service provider	Consultation Session
Network180	Homeless service provider; Organization serving people with disabilities; Supportive services provider; Other: Community mental health services	Consultation Session & Survey
New Development Corporation	Affordable housing developer	Survey
Pine Rest Mental Health Services	Supportive services provider; Other: Community mental health services	Consultation Session
Samaritas	Affordable housing developer	Consultation Session
The Salvation Army	Homeless service provider	Survey
Volunteers of America	Supportive services provider; Veterans' group	Consultation Session
Woda Cooper Companies, Inc.	Affordable housing developer	Consultation Session & Survey
YWCA West Central Michigan	Domestic violence service provider	Consultation Session & Survey