



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 03/14/2023

**REQUESTER:** Lisa D. Krieg

**PRESENTER:** Lisa D. Krieg, CDBG Grants Manager

**ITEM TITLE:** CONSIDERATION OF OPENING, CLOSING, ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF A PUBLIC HEARING TO CONSIDER SUBSTANTIAL AMENDMENT ONE TO CONTRACT K-2122-77, THE SECOND YEAR ACTION PLAN AND THE HOME AMERICAN RESCUE PLAN ALLOCATION PLAN AND BUDGET APPROPRIATIONS AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

The 2020-2024 Consolidated Plan approved in 2020 is a comprehensive planning approach to identify and address the needs of low-to-moderate income residents of Norman. Incorporated in the plan was a community profile of needs, goals and objectives related to housing, homeless persons, community development (including facilities, infrastructure, public services, and economic development), public and assisted housing needs, and other issues including fair housing and lead-based paint, and a strategic plan to address those needs.

On April 27, 2021, City Council and the U.S. Department of Housing and Urban Development (HUD) approved the Second Year Action Plan for the 47th Year Community Development Block Grant (CDBG) Program and the 2021 HOME Partnership Program (City of Norman FY 2021-2022) on July 30, 2021. All activities included in the proposed use of CDBG funds referenced the Second Year Action Plan Objectives and expected performance outcomes, and totaled \$940,869. All activities included in the proposed use of HOME Investment Partnership Program funds referenced the Second Year Action Plan Objectives and expected performance outcomes, and totaled \$431,097.

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARPA funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include: (1) development and support of affordable housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units. The program described in this notice for the use of the \$5 billion in ARPA funds is

the HOME-American Rescue Plan or “HOME-ARP.”

ARPA authorized HUD to allocate HOME-ARP funds to states, units of general local government, insular areas, and a consortia of units of general local government that qualified for an allocation of HOME funds in Fiscal Year (FY) 2021, pursuant to Section 217 of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 et seq.) (“NAHA”). On April 8, 2021, HUD allocated HOME-ARP funds to 651 grantees using the HOME formula established at 24 CFR 92.50 and 92.60. As a HOME Investment Partnerships Participating Jurisdiction, the City of Norman was awarded a total of \$1,560,908.

The Department of Housing and Urban Development (HUD) has developed a multi-stage process to program and contract these funds. The first stage allowed Participating Jurisdictions (PJ) to immediately access up to 5% of the allowed 15% of Planning and Administration Funds. These funds were available for immediate use to allow for preparation of the HOME ARP Allocation Plan. On December 14, 2021, the City of Norman approved Contract K-2122-77 in the amount of \$78,045.40. These funds were utilized to offset staff costs in the development of the Allocation Plan.

As referenced above, the City of Norman developed the Second Year Action Plan as part of the application for the 2021-2022 HOME funding. To receive the remaining balance of the HOME-ARP funds, the City of Norman was required to engage in consultation and public participation processes to develop a HOME-ARP Allocation Plan that meets the requirements established in Notice CPD-21-10 and submit it to HUD as a substantial amendment to its Fiscal Year 2021 annual action plan (Second Year Action Plan). HUD is using the waiver and alternative requirement authority provided by ARPA to establish requirements for the HOME-ARP allocation plan in the Notice.

The Allocation Plan must describe how the City of Norman 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 for qualifying populations the PJ will produce or preserve with its HOME-ARP allocation; and
- A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population.

All the above-required elements are included in the proposed City of Norman HOME-ARP Allocation Plan and will be incorporated after approval by the Norman City Council and HUD by a Substantial Amendment to the Second Year Action Plan. Amendment of the 2020-2024

Consolidated Plan is not required.

A Public Comment Period has been established for March 1, 2023 through March 20, 2023. All comments will be forwarded to HUD as part of the Allocation Plan. Once submitted, HUD has 45 days to review and accept the Allocation Plan or return to the City of Norman for additional information.

## **DISCUSSION:**

The purpose of HOME-ARP funds is to provide homeless assistance and supportive services through several eligible activities. Eligible activities include acquisition and development of non-congregate shelter, tenant based rental assistance, supportive services, HOME-ARP rental housing development, administration and planning, and nonprofit operating and capacity building assistance.

HOME-ARP funds must assist people in HOME-ARP "qualifying populations", which include:

- Sheltered and unsheltered homeless populations
- Those currently housed populations at risk of homelessness
- Those fleeing or attempting to flee domestic violence or human trafficking
- Other families requiring services or housing assistance or to prevent homelessness
- Those at greatest risk of housing instability or in unstable housing situations

The HOME ARP Allocation Plan required that the City of Norman undertake a Consultation Process in conjunction with the development of the Allocation Plan. In accordance with Section V.A of the Notice (page 13), before developing its HOME-ARP allocation plan, at a minimum, the City of Norman was required to consult with:

- Continuums of Care 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.

Each of these entities were consulted either in person or as part of a scheduled meeting to allow for review of the opportunities and discussion. The details of these consultations are included within the Allocation Plan. To supplement the required consultations, the consultation process consisted of three main components.

- Homelessness Gaps Analysis and the accompanying document Bridging the Gap: Action Steps to End Homelessness developed by Homebase, Inc., for the Cleveland County CoC and the City of Norman. This process extended over a fourteen-month timeframe was completed (February 2022), prior to the HOME ARP award, the Gaps Analysis was updated and utilized in the compilation of data for the Allocation Plan. These two documents are combined and referred to as the Homebase Strategic Plan within this

document.

- Developing and disseminating an online stakeholder survey in order to capture broad assessments of the community needs and areas for ARP allocation. The online survey was available for a two-week period in January 2023. The survey included both ARP program-specific questions and open-ended comment sections. Direct participation solicitation was made to over 120 organizations. The survey received twelve respondents, including those representing homeless services providers, the CoC, Fair Housing agencies, affordable housing developers, Public Housing Authority, domestic violence advocacy groups, and others.
- The third component was a virtual meeting of the Cleveland County CoC to discuss program parameters, to identify areas that the data does not fully address, and to help develop priorities. This meeting was held on January 10, 2023, and had 33 participants.

The gaps in services and programs to provide shelter, housing, and services were initially identified using the extensive stakeholder and public engagement that was undertaken during the development process of the Homebase Strategic Plan in 2022 and then updated for the HOME ARP Allocation Plan. To address the identified gaps, the specific level of need for unsheltered and sheltered households experiencing homelessness was determined by evaluating the number of unsheltered households utilizing the By Name List as well as Point In Time data, and the level of resources available to adequately house the families or individuals with permanent supportive housing and critical long-term supportive services to achieve housing stability.

The feedback that was collected centered on two eligible activities of the HOME ARP Program, Development of Affordable Housing and Supportive Services. The City of Norman plans to bring permanent supportive housing units into service for those experiencing chronic homelessness. It is anticipated that at least 12 units of permanent supportive housing will be developed.

Knowing these HOME-ARP funds are one time in nature, the City decided to invest everything into creating more housing for the most vulnerable. By creating a permanent supportive housing project, the City can address the overall need for physical units, but also with the single site model, and address other obstacles as well. For example, projects funded by the RFP must accept vouchers and must be low barrier/housing first. This ensures the chronically homeless can be housed.

A preference provides a priority for the selection of applicants who fall into a specific qualifying population (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.

The City of Norman has established a preference for Category-One Homeless, with a subpopulation of Chronically Homeless. By prioritizing those with the highest acuity and creating housing for them, HOME-ARP will address the unmet need for single adults experiencing homelessness. Should the established preference of Homeless – Category 1 Subpopulation of Chronic Homeless not utilize all of the available units, other qualifying populations will be served.

In order to facilitate access to all eligible populations, housing developed with HOME ARP funds will accept referrals from multiple sources, including the Coordinated Entry. No single source of referral will be used. Criteria for referrals will be defined in the RFP process. The method of prioritization will be the length of time of homelessness.

After the approval of the HOME ARP Allocation Plan from HUD, the City of Norman will announce through a RFP process the opportunity to partner with affordable housing providers to leverage this funding to create more units. The units developed with HOME ARP funds will meet the City of Norman's Consolidated Plan Priorities of Improving and Preserving the Quality of Housing and Expanding Affordable Housing Opportunities.

The summary of the proposed funding is as follows:

	Use	Funding Amount	Percent of the Grant
21240303 44009	Supportive Services	\$ 100,000	
	Acquisition and Development of Non-Congregate Shelters	\$ 0	
	Tenant Based Rental Assistance (TBRA)	\$ 0	
21240303 46101	Development of Affordable Rental Housing; GC0094	\$ 1,226,908	
	Non-Profit Operating	\$ 0	0 %
	Non-Profit Capacity Building	\$ 0	0 %
21240303 42001	Administration and Planning	\$ 234,000	15 %
	Total HOME ARP Allocation	\$ 1,560,908	

### **RECOMMENDATION:**

Staff recommends approval of Substantial Amendment One to Contract K-2122-77, the Second Year Action Plan for the 47<sup>th</sup> Year Home Investment Partnerships Program, as proposed, including acceptance of the HOME ARP Allocation Plan funding in the total amount of \$1,560,908 (\$78,045.40 under K-2122-77 has previously been accepted).

The revenue account of 212-333348 (Other revenue HOME ARP) has been established for this funding. Staff also recommends funds totaling \$1,560,908 be appropriated to the accounts as outlined above.