

# **DRAFT**

## **City of Durham**

### **HOME-American Rescue Plan (ARP)**

### **Allocation Plan**

#### **Introduction**

In September 2021, the U.S. Department of Housing and Urban Development (HUD) announced the allocation of \$4,346,151 of Home Investment Partnerships Grant American Relief Plan (HOME-ARP) to the City of Durham. The HOME-ARP funds are intended to provide homelessness assistance through investment in four eligible activities: (1) Tenant Based Rental Assistance (TBRA), (2) development and support of affordable housing, (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter (NCS) units. The projects funded with the HOME-ARP funds must be used to benefit one or more of qualifying populations:

**1. Homeless, as defined in 24 CFR 91.5 *Homeless (1), (2), or (3):***

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - i. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or 4
  - iii. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
  - i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - ii. No subsequent residence has been identified; and
  - iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- i. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
- ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

**2. At risk of Homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*:**

(1) An individual or family who: 5

- i. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
- ii. Does not have sufficient resources or support networks, *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and
- iii. Meets one of the following conditions:
  - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
  - (B) Is living in the home of another because of economic hardship;
  - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
  - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
  - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
  - (F) Is 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); or
  - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

### **3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.**

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

**Domestic violence**, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by:

- (1) A current or former spouse or intimate partner of the victim (the term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
- 2) A person with whom the victim shares a child in common;
- 3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- 4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or
- 5) Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

**Dating violence** which is defined in 24 CFR 5.2003 means violence committed by a person:

- 1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- 2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - a. The length of the relationship;
  - b. The type of relationship; and
  - c. The frequency of interaction between the persons involved in the relationship.

**Sexual assault** which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

**Stalking** which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- 1) Fear for the person's individual safety or the safety of others; or
- 2) Suffer substantial emotional distress.

**Human Trafficking** includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:

- 1) *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- 2) *Labor trafficking means* the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

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

(1) Other Families Requiring Services or Housing Assistance to Prevent Homelessness is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.

(2) **At Greatest Risk of Housing Instability** is defined as household who meets either paragraph (i) or (ii) below:

- (i) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

(ii) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the “At risk of homelessness” definition established at 24 CFR 91.5:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons per room, as defined by the U.S. Census Bureau;

(F) Is 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); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan

**Veterans and Families that include a Veteran Family Member** that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

The City of Durham must develop and submit to HUD a HOME-ARP Allocation Plan, which lays out how funds will be utilized to meet the needs of the qualifying populations. The Plan must also identify any groups that are prioritized. The HOME-ARP Allocation Plan must be informed through consultation with stakeholders and community engagement. The following is the plan for the City of Durham’s \$4,346,151 HOME-ARP funds.

### **Consultation**

The City of Durham is the Lead Agency for the Durham County Continuum of Care (CoC). As such, the City works closely with non-profit homeless service providers, Durham County, the Durham Housing Authority, Veterans Affairs, Victim Service Providers, and other CoC members in administering the community’s response to homelessness. The City consulted with CoC members and the other required entities prior to developing this plan.

City staff presented to a meeting of the full CoC on December 14, 2022. Prior to the CoC meeting the presentation was shared via email with the CoC members and the CoC was invited to submit written feedback via email if there were more thoughts after the CoC meeting. During the meeting on December 14, 2022 City staff gathered input regarding needs in the community,

answered questions, and heard how to best use the HOME-ARP funds. To further explore how to best use the funds and find out if one qualifying populations should be prioritized a survey was sent via email to all of the CoC members on January 4, 2023 and closed on January 11, 2023.

The City reached out via phone and email to obtain input from the Veterans Administration in Durham, The Durham Housing Authority (Durham’s public housing agency), Durham Crisis Response Center (Durham’s Domestic Violence Service Provider), and the City of Durham’s Neighborhood Improvement Services department that addresses fair housing, civil rights, and the needs of persons with disabilities.

The City announced a Public Hearing would be held on February 20, 2023 via email and posting in the two local newspapers Que Pasa and the Herald Sun, this announcement was made on January 20, 2023 (ads are attached at the end of the plan). Public feedback about developing the plan began with the CoC meeting on December 14, 2022. Public comment on the proposed plan began on February 20, 2023 and ended on March 22, 2023.

Feedback and details of the consultation with the CoC membership at the December 14, 2022 are listed in the table below. Not all CoC members attended or sent representatives. The City has made an effort to reach out to organizations that were not in attendance. One developer

*List of the organizations consulted:*

<b>Agency/Org Consulted</b>	<b>Type of Agency/Org</b>	<b>Method of Consultation</b>	<b>Feedback</b>
<b>Families Moving Forward</b>	Emergency Shelter	CoC Meeting and Survey	Affordable housing focus on homeless households and families.
<b>Urban Ministries of Durham</b>	Emergency Shelter	CoC Meeting and Survey	What is the deadline to contract? Can funds be used for a project if related portion of project is finished even if total project is not finished? Noted multiple needs in the community requiring capital investment including PSH, white flag capacity, upgrades and/or expansion of shelter capacity, etc.
<b>Durham Housing Authority</b>	Housing Authority	Email and Survey	More affordable housing is needed for low income households and funds should be prioritized for persons exiting homelessness.
<b>Durham County Department of Social Services</b>	Social Services including those with disabilities	CoC Meeting and Survey	Affordable housing is needed. As the homeless populating is aging and getting sicker it is important to pay attention to accessibility for those who are mobility challenged or disabled. Units should be

			designed for universal use. Also need to keep in mind people with fixed incomes who can't afford to rent in the area without a subsidy.
<b>Durham Crisis Response Center</b>	Domestic Violence Service Provider	Invited to CoC Meeting, Email, Phone Call	No feedback provided
<b>Veterans Administration</b>	Veterans Services	CoC Meeting, Email and Survey	<p>Acquisition or rehabilitation of affordable/ PSH units – with the caveat that these be somehow protected for those who need/qualify for affordable housing. If there could be a percentage of units with Veteran preference, that would be tremendous. New construction would be not as helpful due to the length of time it takes for these units to be developed.</p> <p>The VA has access to HUDVASH vouchers however it is difficult to find landlords/units that will accept them. This is creating a backlog of veterans with vouchers who are unable to find housing units. The VA can assist in filling empty units with HUDVASH vouchers very easily as we now have an increased collaboration with SSVF that allows for landlord incentives and increased housing navigation. The process is still being developed but funds are available.</p>
<b>Project Access of Durham County</b>	Homeless Service Provider focus on medically vulnerable/disabled	CoC Meeting and Survey	Can the funds be used for strategic planning?
<b>City of Durham, Neighborhood Improvement Services</b>	Human Relations and Fair Housing and Needs of persons with disabilities	Email	<p>We are aware of landlords opting out of vouchers and other rental assistance. There are protections in place for persons with disabilities. The Department is requesting additional funding for the Reasonable Modifications Fund (RMF). The RMF is a fund to assist low income households to make reasonable modifications to their rental units. The Department is exploring the possibility of amending the City's fair housing ordinance to add a protection for households who receive housing assistance. There is no guarantee that this</p>

			protection will be added, but the matter has been researched and other jurisdictions in other states have this protection.
<b>Life Skills Foundation</b>	Transitional Age Youth Service Provider	CoC Meeting and Survey	Could the funds be used in multiple projects? There is a need for more youth specific funding and housing options.
<b>Housing for New Hope</b>	Homeless Service Provider (Permanent Supportive Housing, Street Outreach, Rapid Rehousing)	CoC Meeting and Survey	Is there a match required? Would people who are high system utilizers including health system and jail system be able to be served? Funds for rehab or construction could be useful. Does NCHFA have funding specifically for PSH? And are there many LIHTC projects funded for PSH?
<b>Lincoln Community Health Center (Health Care for the Homeless)</b>	Medical provider to persons experiencing homelessness who are sick and/or disabled	CoC Meeting and Survey	Can HOME funds be used to extend support for RRH clients whose funding is ending? What would happen to PSH once the funds were gone? Noted the number of chronically homeless people will continue to increase. Can funding be used for medical respite?
<b>North Carolina Coalition to End Homelessness (NCCEH)</b>	Durham's Homeless Management Information System's Lead Agency	CoC Meeting and Survey	Suggested we should consider prioritization for those who are literally homeless, not just at-risk. And that we consider additional prioritization of those who are chronically homeless. The projects can't disqualify people in the qualifying populations but can prioritize one group. Suggest prioritizing those who are literally homeless then those at risk of homelessness. Noted that if shelter capacity is expanded it will be necessary to also ensure additional housing options beyond shelter so that people do not remain stuck in shelter thus increasing length of time homeless.
<b>City of Durham Community Safety Department</b>	Enhance public safety through the use of Holistic Empathetic Assistance Response Teams	CoC Meeting	Noted the HEART team is meeting many people in the community who are "familiar faces" in the system and would be well served by additional supportive housing options. Also noted need for additional easy entry/low barrier options on white flag nights. Noted need for a day center to wash clothes, shower, get mail, etc. along with a wet shelter-type option during white flag events.



<b>Open Table Ministry</b>	Homeless Services Provider	CoC Meeting and Survey	No additional thoughts shared
<b>Alliance Health</b>	Behavioral Health Provider	CoC Meeting and Survey	How were EHV prioritized relative to how HOME funds could be prioritized?
<b>Volunteers of America of the Carolinas and Chesapeake</b>	Homeless and Veterans Services Provider	CoC Meeting and Survey	No additional thoughts shared
<b>LGBTQ Center of Durham</b>	Victim Services, Homeless Services Provider with a focus on the LGBTQ population	CoC Meeting and Survey	No additional thoughts shared
<b>Bergman Real Estate Rentals</b>	Affordable Housing Provider	CoC Meeting	We have utilized rapid rehousing for chronically homeless individuals, and it has not gone well. If we can develop more PSH units, we will see overall costs go down. And private funds may be available. County money might be available. And if this capacity is expanded, then we can re-engage more typical housing providers for folks who are not as high barrier.
<b>CoC member with Lived Experience</b>	Lived Experience	CoC Meeting and Survey	No additional thoughts shared
<b>Duke University</b>	Educational Institution	CoC Meeting and Survey	No additional thoughts shared
<b>Durham County Veterans Services</b>	Veterans Services	CoC Meeting and Survey	No additional thoughts shared
<b>North Carolina Central University</b>	Educational Institution	CoC Meeting and Survey	No additional thoughts shared
<b>Community Empowerment Fund</b>	Advocacy and supportive services agency	CoC Meeting and Survey	No additional thoughts shared
<b>Durham Congregations in Action</b>	Advocacy	CoC Meeting	No additional thoughts shared

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

The overwhelming feedback from the stakeholders was that we need more affordable housing for households exiting homelessness, particularly households with the highest barriers to obtaining and maintain permanent housing. It is also important to keep in mind those with various disabilities or mobility challenges. Many participants shared at the CoC meeting that there is a need for additional supportive services to assist households to remain in the housing units long term. The second highest need identified by the group was non-congregate shelter beds and

support for medical respite. There is also need for more housing units to accept Housing Choice Vouchers or other third party payments.

After the CoC meeting the City sent a survey to the full CoC membership to allow members to submit anonymous thoughts on the use of funds and prioritization. The survey was open for one week and a reminder email was sent the day it was closing to remind people to complete the survey. The survey showed two thirds of the respondents favored using the HOME-ARP funds for affordable housing targeted for households under 30% AMI with a prioritization for households exiting homelessness.

## **Public Participation**

- ***Date(s) of public notice: 1/20/2023***
- ***Public comment period: start date - 2/20/2023 end date - 2/22/2023***
- ***Date(s) of public hearing: 2/20/2023***

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

Public participation began with discussions with the stakeholders in December 2022 at the monthly Continuum of Care (CoC) Meeting. The CoC meeting provided the first round of input for the plan. The City of Durham hosted a public hearing on February 20, 2023 followed by a 30-day public comment period. Public comments were welcomed at the public hearing and via writing after the public hearing. Public comments were considered and recorded in the plan and can be found below.

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

Public participation is critical to ensuring a community plan reflects as many viewpoints as possible. In an effort to expand public participation notices were posted and included directions about receiving translation services for speakers of other languages than English (predominately Spanish). The City of Durham also provides an American Sign Language (ASL) translator at the public hearing regarding the needs of the community. After the public hearing regarding the needs, the plan was posted for public viewing on the City of Durham's Website as well as the Durham Continuum of Care website ([www.durhamcoc.org](http://www.durhamcoc.org)) for additional comments. Notices were also posted in the local newspapers, Que Pasa and the Herald Sun regarding the public hearing.

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

Two citizens had comments regarding the use of the HOME-ARP funds at the public hearing on February 20, 2023. Both participants shared that there has been a high number of evictions over the last few years and several landlords in the community are not accepting payments of rental arrears from the government or other third party payments. Both speakers stated that the best way to assist these households was to get the funds into the hands of leaseholders at risk of

eviction through a guaranteed income program. Participants requested that this request be taken into consideration.

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

The comments requesting that funds be used through a guaranteed income program were not accepted as this type of program is not an eligible use of HOME-ARP funds.

**Homeless Needs Inventory and Gap Analysis Table**

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	97	30	172	172	15								
Transitional Housing	0	0	44	44	44								
Permanent Supportive Housing	107	31	250	250	157								
Rapid Rehousing	105	33	75	75	12								
Other Permanent Housing	108	35	311	311	10								
Sheltered Homeless						95	220	66	16				
Unsheltered Homeless						35	109	13	0				
<b>Current Gap</b>										33	12	157	157

**Suggested Data Sources:** 1. Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

**Housing Needs Inventory and Gap Analysis Table**

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households

Total Rental Units <sup>1</sup>	59,862		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	4,925		
Rental Units Affordable to HH at 50% AMI (Other Populations)	18,008		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness) <sup>2,3</sup>		12,960	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations) <sup>2,3</sup>		9,835	
<b><i>Current Gaps<sup>2</sup></i></b>			10,520 Equals # of renter households with income < 50% AMI paying >50% of income for housing

<sup>1</sup>Source: American Community Survey, Table B25003: Tenure, 2021: 1-Year Estimates Detailed Tables

<sup>2</sup>Source: HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015-2019 ACS

<sup>3</sup> These numbers are only for the City of Durham. The CHAs data for Durham County, which is the geographic region of the Durham Continuum of Care, reports 13,880 renter households between 0%-30% of AMI and 10,200 renter households between 30% -50% of AMI.

**ALTERNATIVE HOUSING NEEDS INVENTORY AND GAPS ANALYSIS**

**Housing Cost Burdens for Renter Households**

<b>Renter Households</b>	<b>Not Cost Burdened</b>	<b>Cost Burden &gt;30% to 50% of Household Income</b>	<b>Cost Burden &gt; 50% of household income</b>	<b>Total</b>
Total Renter Households	30,715	12,550	11,305	54,570
With Income < 30% AMI	3,090	1,615	8,255	12,960
With Income 31-50% AMI	2,380	5,190	2,265	9,832

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

***Homeless as defined in 24 CFR 91.5***

The January 2022 Point in Time (PIT) Count reported that 459 people were experiencing homelessness on one night, including 144 people who were unsheltered. The total number was a 32% increase from 349 people counted in January 2020, prior to the pandemic. Over sixteen percent of those counted in the 2022 PIT Count, seventy-five persons, were children. Twenty-four young adults in the 18-24-year-old age range were also counted.

281 people identified as male, and 175 identified as female. One person indicated that they were transgender, and two persons indicated that they were gender non-conforming.

The PJ’s homeless population is heavily African-American. Sixty-five percent of those counted in the 2022 PIT Count, 300 people, were black; 135 were white; six indicated that they were Native-American; six said they were native Hawaiian or a Pacific Islander; and 13 identified as multi-racial.

While the PJ’s one-night counts of people experiencing homelessness have been increasing in recent years, the annual count of those coming through the community’s homeless housing system has been declining for at least a decade. For the federal fiscal year ending 9/30/2011, the federal Annual Homeless Assessment Report reported that 1,655 homeless people had stayed in emergency shelters and transitional housing project that used the community’s Homeless Management Information System (HMIS). In 2016, this number had declined to 1,308 people, and in the 2021 federal fiscal year, the number was 955 people, a 42% decline since 2011! The demographics of the people experiencing homelessness have remained consistent throughout the period, with the percentage of African-Americans being in the 65%-75% range.

Of particular concern is the increase in unsheltered homelessness among families or adults with children. Prior to the COVID-19 pandemic, the PJ rarely found any unsheltered families in the annual PIT Count. In the 2021 PIT Count, there were 13 unsheltered families, and in the 2022 PIT Count there were 11 unsheltered families.

***At Risk of Homelessness as defined in 24 CFR 91.5***

According to the most recent HUD CHAS data, there were 8,255 renter households with income below 30% AMI in Durham who were paying over 50% of their income for housing. The dramatic increases in median rent that has taken place since the COVID-19 pandemic began have only made this situation worse. Extremely low income households with high housing cost burdens are extremely vulnerable to homelessness. For the year ending December 31, 2022 Legal Aid of North Carolina, through the Eviction Diversion Program funded by the City of Durham, assisted 391 households to avoid eviction. While not all evictions lead to homelessness a small percentage of evictions do result in literal homelessness. Due to market conditions landlords are less likely to rent to households with an eviction on their record making it more difficult to secure the next home.

***Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice***

The Durham CoC estimates that more than 500 people fleeing Domestic Violence (DV), etc. as defined by HUD in the Notice experience homelessness annually. This estimate is based on administrative data that the CoC's only emergency shelter specifically for survivors of domestic violence reported to the State of North Carolina. For the year ending 6/30/2021, the shelter reported that it had provided emergency shelter to 142 people and had referred an additional 361 people to other shelters outside the CoC due to lack of emergency shelter space for DV survivors in Durham.

***Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice***

Per the North Carolina Housing Coalition's 2023 Housing Need in Durham County there are 27,133 households (48% of renters) have difficulty affording their homes. Based on HUD's Fair Market Rent (FMR) for Durham a two-bedroom apartment is \$1,315 per month. A household would need to make \$25.29 per hour to afford this FMR.

As discussed previously there are 5,000 units in Durham that are affordable to households that have incomes at or below 30% of the AMI. This has resulted in over 8,000 households spending more than 50% of their income on housing costs. This cost burden makes it more difficult to cover medical costs, rising food costs, and having any funds set aside for an unexpected emergency expense. This is a population that is at risk of housing instability. In 2019 the city of Durham passed a \$95 million affordable housing bond. The goal of this bond is to increase the number of affordable units in in Durham and/or preserve affordable units. The COVID pandemic slowed down the creation of these units and it is expected that when the program is completed there will be 1,600 new affordable rental units and 800 affordable rental units will be preserved.

***Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:***

The "Homeless Needs Inventory and Gap Analysis Table" above reports that the PJ had 269 emergency shelter beds, 44 beds of transitional housing, 180 beds of rapid rehousing (RRH), 357

beds of permanent supportive housing (PSH), and 419 beds dedicated for people experiencing homelessness in “other permanent housing” (OPH). This inventory is what was reported to HUD from the January 2022 Housing Inventory Count (HIC). However, 43% of the PSH 157 beds, is dedicated for occupancy by veterans and their families through the HUD-VASH program. The “OPH” is a combination of 68 Emergency Housing Vouchers allocated to the PJ via American Rescue Plan funding, 182 beds in Housing Choice Voucher units that have been reserved for people experiencing homelessness by the Durham Housing Authority, and 3 beds in a project funded by Alliance Health, the community’s local managed care organization for mental health, substance use, and developmental disability services.

Identifying needed supportive services for people returning to permanent housing after an episode of homelessness has been challenging. North Carolina has not expanded Medicaid to take advantage of federal financial resources available under the Affordable Care Act. While the annual HUD Continuum of Care Competition provides funding for several PSH and RRH projects, most of the funding is dedicated for rental assistance for the formerly homeless participants and these grants do not meet the supportive service needs of most participants.

***Describe the unmet housing and service needs of qualifying populations:***

***Homeless as defined in 24 CFR 91.5***

According to the 2022 Point in Time (PIT) Count, there were 459 persons experiencing homelessness in Durham. On the night of the count there were 144 persons who were unsheltered due to lack of emergency shelter beds. Emergency shelter beds are routinely full and there is a lack of affordable housing for permanent exits. The lack of affordable housing results in more people exiting to unsheltered homelessness or to temporary housing solutions that result in becoming homeless again. The unsheltered count has grown from 349 people and 77 people unsheltered in 2020 to 459 people and 144 unsheltered in 2022. There has been an increase in families experiencing homelessness and many of them are homeless due to the lack of affordable housing.

As the number of persons experiencing homelessness has increased over the last two years the length of time people remain homeless has also increased. In 2020, 513 households in emergency shelter were homeless an average of 64 days. In 2022, the number of households in shelter had increased to 608 households, a 19% increase from 2020, and the length of time homeless had increased to 71 days, an 11% increase. This increase in length of time people remain homeless is directly related to the lack of affordable rental units and a reduction in the number of landlords willing to accept Housing Choice Vouchers (HCVs).

While the 2022 Housing Inventory Count (HIC) did report an inventory of 956 beds of RRH, PSH, and OPH that are all dedicated for occupancy by formerly homeless people, only a fraction of this housing is available annually to households moving out of homelessness. While the CoC is encouraging CoC funded projects to help participants move on to other housing when they no longer need the supportive services available in a permanent supportive housing project, only 15-20 percent of a project’s beds are available annually for new participants.

If one estimates that approximately one-third of the 900-1000 people entering the homeless housing system annually will move back into housing without needing a short term, medium term, or long term housing subsidy, that still leaves about 600 people annually who will need a housing subsidy to regain permanent housing. If annual turnover of PSH and OPH beds increased to 25% of the approximately 800 beds, that would provide permanent housing options for about 200 people. RRH participants may receive up to two years of rental assistance from a RRH project, so one could estimate that current RRH projects may be able to accept about 100 people annually into those projects. These calculations suggest that current RRH, PSH, and OPH projects may be able to assist as many as 300 people with permanent housing annually. This exercise in calculating unmet housing need suggests that, if 900-1000 people enter the homeless housing system annually, the current system would not be able to meet the permanent housing needs of 300-400 people each year.

***At Risk of Homelessness as defined in 24 CFR 91.5***

As data on housing cost burdens and homelessness indicate, there is an acute need for rental housing that is affordable to households with incomes below 30% AMI, including both regular rental housing and permanent supportive housing. Many of the apartments that had been affordable have been sold to out of area investors in the last two years. The sale of these units has resulted in the units being emptied of tenants, capital improvements made, and then put back on the market at two to three times the previous rent amounts. The new owners have also elected to not accept Housing Choice Vouchers further putting financial pressure on low income households to find decent, safe, and affordable housing. The City of Durham has funded an eviction diversion program. Legal Aid of North Carolina provides legal assistance to households facing eviction through the Eviction Diversion Program. The Eviction Diversion Program prevented 391 households from being evicted this represents a 50% success rate for the year ending June 30, 2022.

***Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice***

According to, the Durham Crisis Response Center (DCRC), the primary provider of intimate partner violence (IPV) services, there is a gap in housing options for 361 people based on data for the year that ended in 2021. The lack of shelter beds for people in need resulted in people being referred out of the county for emergency placement. Referrals out of the county are often difficult and sometimes impossible for some people due to lack of transportation. DCRC has been providing Rapid Rehousing to survivors of IPV for the last three years and have struggled to find affordable housing for persons fleeing violence. DCRC has adequate supportive services but lacks housing options.

***Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice***



Much of the assistance available to other populations at greatest risk of homelessness are in production and or in the planning stages. At the end of the Affordable Housing Bond period the City expects to have 1,600 new affordable housing units developed and preserve an additional 800 affordable housing units. Currently this population is seeing a reduction of affordable units as owners of affordable properties have either sold their units to investors and/or changed rental requirements such as increasing the minimum income to rent units.

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

Based on consultation with the CoC members there is a shortage of affordable housing units and many people with HCVs are requesting extensions due to the inability to find a unit to rent. The Durham Housing Authority has paused issuing new HCVs due to the length of time it is taking people secure housing.

Prior to the COVID-19 pandemic, there are 80 emergency shelter beds for single men, 32 emergency shelter beds for single women, and 30 rooms in emergency shelter for families. Due to the pandemic the number of beds for single women and men has been reduced to 50 beds for men and 14 beds for women. This reduction is expected to remain in place for the foreseeable future to allow guests to have a little more room. The other challenge in the emergency shelter system relates to the use of bunkbeds in order to help the most people possible. As the homeless population is getting older and sicker, many people are unable to use the top bunk.

The service delivery system for household experiencing homelessness has almost come to a standstill due to the lack of affordable rental units. Households enrolled in rapid rehousing programs are requiring longer and deeper subsidies to remain in their housing, if they are able to find a landlord willing to accept a payment for rent from a third party.

**HOME-ARP Activities**

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

The City of Durham will use a request for proposal (RFP) process to award funds to developers, contractors, and/or service providers. The RFP will be open for a minimum of 30 days. RFPs will be scored by a committee based on the criteria established in the RFP. Based on the scoring of the RFPs funds will be awarded to one or more projects through the City’s contract process.

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

The City of Durham will not administer any activities directly. None of the City of Durham’s administrative funds were provided to any subrecipients or contractors prior to HUD’s acceptance of the HOME-ARP allocation plan.

**Use of HOME-ARP Funding**

	<b>Funding Amount</b>	<b>Percent of the Grant</b>	<b>Statutory Limit</b>
Supportive Services	\$ #		

Acquisition and Development of Non-Congregate Shelters	\$ #		
Tenant Based Rental Assistance (TBRA)	\$ #		
Development of Affordable Rental Housing	\$ 4,196,151		
Non-Profit Operating	\$ #	# %	5%
Non-Profit Capacity Building	\$ #	# %	5%
Administration and Planning	\$ 150,000	3.45%	15%
<b>Total HOME ARP Allocation</b>	\$ 4,346,151		

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

The City of Durham will use the HOME-ARP funds to develop new affordable rental housing to be prioritized for individuals and/or families experiencing homelessness according to 24 CFR 91.5.

***Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:***

The emergency shelter beds available for single men and women has been reduced due to the COVID-19 pandemic. At the same time the number of beds has been reduced the number of unsheltered persons has increased since 2020. It is also taking longer to find affordable rental units to accept households exiting homelessness this is extra time is increasing the length of time people remain homeless.

In an effort to increase opportunities for persons who are literally homeless it is critical to have affordable housing prioritized for them. The HOME-ARP funds will fund the development of at least 25 new units. 25 units of new housing would reduce the number of people experiencing unsheltered homelessness by 14%. Ideally the project will be able to leverage other funds and more than 25 units will be developed.

The CoC members and landlords shared that supportive services are critically needed for many people who are living in their own apartments after they exit homelessness. The need for supportive services includes everything from ensuring the tenant keeps the unit clean to ensuring the rent is paid on time. In an effort to close the gap on supportive services the Homeless Services Advisory Committee (HSAC), the governing board of the CoC, is making a request of the City of Durham and Durham County to fund additional supportive services workers.

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

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

The City of Durham through a Request for Proposal (RFP) process has a production goal of a minimum of 25 housing units to be developed for households experiencing literal homelessness. The current average total development costs (TDC) is conservatively estimated to be \$325,000 per unit.

This housing production estimate is a minimum based on the developer only using only the HOME-ARP funds and making a minimum leveraging with traditional bank financing. If tax credits or other sources of capital for development is available, it is expected that the City will be able to produce more units. The RFP will encourage other funding sources to be leveraged.

***Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:***

The City of Durham is planning to issue a RFP to find a developer/contractor to develop a minimum of 25 affordable housing units to be prioritized for households experiencing homelessness as defined by 24 CFR 90.5.

The priority need is for units available to households earning 30% AMI and below. The City of Durham is working with the Housing Authority of the City of Durham, the local PHA, to obtain 25 project-based rental assistance subsidies. It should be noted that the DHA is currently working on developing mixed-income housing under its Choice Neighborhood Initiative (CNI).

## **Preferences**

***Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:***

The City of Durham plans to prioritize housing units for Individuals and families who are homeless as defined by 24 CFR 91.5, because they lack a fixed, regular and adequate nighttime residence or are at imminent risk of homelessness.

***If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:***

The preference will assist in exiting households experiencing homelessness to permanent housing. On any given night there are an estimated 28 families and 78 single adults experiencing unsheltered homelessness. These households are unsheltered due to a lack of affordable units that will accept Housing Choice Vouchers (HCVs), persons with low credit and/or low income, and/or criminal records. Due to the lack of affordable housing the length of time people remain in emergency shelter has increased by 11% resulting in less turnover emergency shelter beds. By prioritizing units for those experiencing homelessness defined by 24 CFR 91.5 the system will be able to reduce the number of people experiencing unsheltered homelessness. This preference is supported by our needs assessment and gap analysis as referenced above.

## **Limitations in a HOME-ARP rental housing or NCS project**

***Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:***

Rental units will not be limited to Individuals and families who are homeless as defined by 24 CFR 91.5, they will only be prioritized. If a unit is available and there is not a household experiencing homelessness interested or able to use the unit, referrals will be opened to any other household within the qualifying populations.

***If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:***

The City of Durham is not intending to implement a limitation.

***If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):***

The City of Durham is not going to limit housing units to only one of the qualifying populations.

## **HOME-ARP Refinancing Guidelines**

- ***Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity***

The minimum level of rehabilitation required for each unit will vary based upon thorough analysis of the capital needs for each property, but the amount of rehabilitation funds needed to address capital needs in each unit. Using DHA Project Based Vouchers (PBV), it is noted that substandard rental housing is eligible if rehabilitation costs are at least \$1,000 per unit.

- ***Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.***

The RFP process will require a pro forma as well as evidence the developer and property management company has experience successfully operating other similar projects.

The City will assess the financial and management capacity of the developer, before committing funds. This assessment will encompass the developer's ability to uphold its financial responsibilities such as capacity to absorb cost overruns, capacity to perform on any financial guarantees, and capacity to provide any equity the developer has committed to provide to the project.

The City of Durham will require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can

be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.

- ***State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.***

The investment through refinancing will be used to maintain and/or create new affordable units with a priority for making new units available for households exiting homelessness.

- ***Specify the required compliance period, whether it is the minimum 15 years or longer.***

The compliance period will be a minimum of 15 years but the City may require up to 30 years.

- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.***

HOME-ARP funds may not be used to refinance multifamily loans insured by federal programs including CDBG.

- ***Other requirements in the PJ's guidelines, if applicable:***

Refinancing is limited to existing properties in residential use, and cannot include new construction or expansion of the height or footprint of an existing building, or any repairs, which involve ground disturbance. Refinancing may only be used for vacant units.

Proceeds may be used to fund:

- (a) the payoff of existing Durham Affordable Housing Loan Fund (DAHLLF) loans, or other recognized indebtedness,
- (b) the cost of refinancing,
- (c) the cost of critical and non-critical repairs (as described in a required Capital Needs Assessment and,
- (d) deposits to reserves amount of HOME-ARP for rental housing operations and reserves.

Equity take-outs are not permitted.