



# HOME-ARP ALLOCATION PLAN

## Abstract

The State of Arkansas has been allocated HOME-ARP funds through the U.S. Department of Housing and Urban Development. HOME-ARP funds assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by helping to increase housing stability. This plan outlines the State's intended uses of HOME-ARP funds to achieve these outcomes.

SEPTEMBER 2022

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## 1. Executive Summary

The American Rescue Plan of 2021 (ARP), also called the COVID-19 Stimulus Package, Pub.L. 117–2 (March 11, 2021) provides \$5 billion to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country. These grant funds will be administered through HUD’s HOME Investment Partnerships Program (HOME) and are known as HOME-ARP funds. Eligible HOME-ARP activities include acquisition and development of non-congregate shelter, tenant based rental assistance, supportive services, HOME-ARP rental housing, administration and planning, and nonprofit operating and capacity building assistance. A certain portion of HOME-ARP funds must assist people in HOME-ARP "qualifying populations," which include:

- Sheltered and unsheltered homeless populations, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)); Those currently housed populations at risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42U.S.C. 113060(1));
- Those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Other families requiring services or housing assistance or to prevent homelessness

In September 2021, HUD announced that the State of Arkansas will receive \$37,547,010 in HOME-ARP funds. This supplemental funding was allocated by formula under the HOME entitlement program. To receive the HOME-ARP allocation, the Arkansas Development Finance Authority (ADFA) must develop a HOME-ARP Allocation Plan that will become part of the State’s PY2021 HUD Annual Action Plan by substantial amendment. The Allocation 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.

To ensure broad input into the HOME-ARP Allocation Plan from stakeholders and the public, the ADFA engaged in consultation with stakeholders and the public, including an online

survey, virtual consultation sessions, direct contact with HUD-required organizations that did not participate in a virtual session, a 16-day public comment period, and a public hearing.

The needs assessment and gap analysis identified the following needs and gaps that may be addressed using HOME-ARP funds:

- A 2019 Point in Time (PIT) count for the five CoCs in Arkansas, found a total of 1,302 sheltered homeless individuals and 1,415 unsheltered homeless individuals throughout the State for a total of 2,717 homeless individuals. (As explained in the demographic discussion on Homeless Individuals later in this Plan, the PIT count in 2019 is the last year that all COCs participated in both the sheltered and unsheltered counts.)
- According to data submitted by school districts to the U.S. Department of Education, in the 2019-2020 school year, an estimated 13,335 public school students in Arkansas experienced homelessness over the course of the year; this translates to 2% of all Arkansas youth between the ages of 5 and 19 experienced homelessness during this year
- Households earning between 0-30% AMI are more likely to pay more than 30% of their income towards housing expenses making them at risk for homelessness. Among all renters in Arkansas who are cost burdened at 30% income, 64% earn below 50% AMI (a total of 113,040 households).
- As reported in the data and community consultation, households earning between 0-30% AMI are more likely to experience at least one housing problem as defined by HUD, including overcrowding and poor housing conditions. In the following counties, more than 6% of renter-occupied housing units have two or more housing problems: Hot Spring (8.17%), Monroe (7.26%), Scott (6.58%), Van Buren (6.43%), Sevier (6.18%), and Columbia (6.12%).
- According to the Emergency Rental Assistance Program reporting required by the U.S. Department of the Treasury, Arkansas has approved over \$201 million in rental assistance payments. Between January 2021 and January 2022, 25,454 households in Arkansas received rental assistance.

- The Household Pulse Survey measures the percentage of adults in households not current on rent or mortgage where eviction or foreclosure in the next two months is either very likely or somewhat likely. On average between September 2020 and March 2022, about 49,000 households were facing eviction throughout the State.

To address these needs and gaps, the ADFA will utilize HOME-ARP funds for the development of non-congregate shelter, to fund supportive services, and to provide operating support to non-profit organizations.

## 2. Consultation

### A. Process

*Describe the consultation process including methods used and dates of consultation.*

In developing this Allocation Plan, the State conducted a diverse outreach strategy to engage the community and stakeholders through three methods. An online survey was published in English and Spanish, a series of four virtual community meetings were held, and direct one-on-one outreach to stakeholders was conducted to collect specific information around needs of qualifying populations. At this time, the State also sought to establish collaborative relationships with service providers in the spirit of increasing coordination between the State's efforts and those of the service providers. This section summarizes the consultation efforts made by the State.

The State's HOME-ARP Community Needs Survey was open from March 25 to April 15, 2022. The survey was made available in English and Spanish and received a total of 131 responses. A summary of the results is attached as Appendix A. The survey explored issues of fair housing, housing affordability, and the needs of those experiencing homelessness, at risk of homelessness, and other vulnerable populations. When asked about the greatest housing needs, respondents selected production of new housing units (77.1%), services for people experiencing homelessness (75.6%), housing for special needs populations (73.3%), and expanding shelter opportunities (71.8%) as very important. When asking about priorities for services for those experiencing homelessness, those at risk of homelessness, and other vulnerable populations, respondents selected mental health services (79.4%), life skills training (74%), substance abuse treatment (68%), childcare (67.9%), and outreach services (67.2%) as very important. Written responses to an open-ended question asking about community needs for qualifying populations contained themes related to the need for more

affordable units, low barrier entry for housing options, and more shelter space, particularly for families, those fleeing domestic violence, youth, and those with mental health issues. Shelter needs of homeless veterans were also mentioned, including for senior veterans and those with mental health and substance abuse challenges.

The State also held a series of four community meetings to solicit input and consult with key stakeholders that serve and support the qualifying populations identified in the HOME-ARP guidance issued by HUD in September 2021. At these meetings, the State provided an overview of HOME-ARP, reviewed the eligible qualifying populations, discussed the eligible uses of funds identified within the guidance provided by HUD, and described the required components of the HOME-ARP allocation plan including the process and anticipated timeline for submitting the plan. During the sessions, the State solicited questions, comments, and feedback about the eligible uses of funds through an interactive dialogue. Notice of the meetings was posted to the State’s website on March 25, 2022, and Invitations were sent to 436 stakeholders throughout the State. Registration was requested for attendance and the total number of registrants is listed below along with the total number of individuals in actual attendance. Overall themes in the meetings included a need for more units that are both affordable and safe as many areas of Arkansas have housing that is affordable but in poor condition, the need for low barrier entry housing, and the need for housing with wrap around supportive services.

Meeting Date	Meeting Topic	Registrants
April 4, 2022 12 pm CT	Homelessness and Special Needs	34
April 5, 2022 2 pm CT	Housing	34
April 28, 2022 5:30 pm CT	General Resident Perspectives	11
April 29, 2022 12 pm CT	Community Services	28

Finally, the State engaged stakeholders one-on-one to further explore the needs of those experiencing homelessness, those at risk of homelessness, and other vulnerable populations. Invitations for interviews were sent to 20 stakeholders and the overall themes from these conversations included the need for more affordable units and low barrier entry housing options. Stakeholders noted that without safe, decent units available to house individuals and

families, the services that already exist in communities fall short or being able to close the needs gaps for these vulnerable populations. Stakeholders also noted that older community members with behavioral, mental health, or substance use issues have a great need for housing options that can meet their needs for appropriate supportive services.

### B. Organizations Consulted

*List the organizations consulted.*

<b>Agency/Organization</b>	<b>Type of Organization</b>	<b>If a Service Provider, Qualifying Population Served</b>	<b>Method of Consultation</b>
7hills Homeless Center	Nonprofit	Homeless, At Risk of Homeless	Community Meeting; Stakeholder Interview, Online Survey Invitation
Arkansas Balance of State CoC	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview; Data Collection; Online Survey Invitation
Arkansas Coalition Against Domestic Violence	Nonprofit	Fleeing Domestic Violence, Homeless, At Risk of Homeless	Community Meeting; Stakeholder Interview; Online Survey Invitation
Arkansas Community Action Agencies Association (ACAAA)	Nonprofit	Vulnerable Populations	Stakeholder Interview; Online Survey Invitation
Arkansas Fair Housing Commission	Nonprofit	Vulnerable Populations with Fair Housing Concerns	Community Meeting; Stakeholder Interview; Online Survey Invitation
Arkansas Justice Reform Coalition	Nonprofit	Formerly Incarcerated, Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
Arkansas River Valley Action Council (ARVAC), Inc.	Nonprofit	Homeless, At Risk of Homeless	Community Meeting; Stakeholder Interview; Online Survey Invitation
Arvest Bank	Financial Institution	NA	Community Meeting; Online Survey Invitation
Brayboy Safety Against Domestic Violence Crisis Center/Purple Butterfly Shelter	Nonprofit	Fleeing Domestic Violence, Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
Center for Arkansas Legal Services	Nonprofit/Legal Services Provider	Vulnerable Populations with Fair Housing Concerns	Community Meeting; Online Survey Invitation
Central Arkansas Team Care for the Homeless (CATCH)	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview; Online Survey Invitation
City of Hot Springs	Local Government	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
City of Jonesboro	Local Government	NA	Community Meeting; Online Survey Invitation



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City of Little Rock	Local Government	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Community Rescue Mission	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Conway Housing Authority	Public Housing Authority	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Crawford-Sebastian Community Development Council, Inc.	Nonprofit/Community Action Agency	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Department of Veteran Affairs	Federal Government	Veterans, Homeless, At Risk of Homeless; People with Disabilities	Community Meeting; Online Survey Invitation
Economic Opportunity Agency of Washington County	Community Action Agency	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Fayetteville Housing Authority	Public Housing Authority	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
HARK	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
HOPE Campus	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Hope Found of Northeast Arkansas	Nonprofit	Fleeing domestic violence, sexual assault, human trafficking, elder abuse, dating violence, stalking, or other victimization by family or intimate partner violence	Data Collection; Online Survey Invitation
HouseAboutit Community and Economic Development Agency	Nonprofit/Community Action Agency	Vulnerable Populations	Community Meeting; Online Survey Invitation
Housing Authority of the City of Hot Springs	Public Housing Authority	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Law Offices of Bud Cummins	Legal Services Provider	NA	Community Meeting; Online Survey Invitation
M R Designs	Architectural Design	NA	Community Meeting; Online Survey Invitation
Margie's Haven House	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Northwest Arkansas CoC	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview; Data Collection; Online Survey Invitation

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Northwest Arkansas Continuum of Care	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Office of Rep Hill	Elected Official	NA	Community Meeting; Online Survey Invitation
Old Fort CoC	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview; Online Survey Invitation
Open Arms Shelter	Nonprofit	Fleeing Domestic Violence, Children, Homeless, At Risk of Homeless, Vulnerable Populations	Stakeholder Interview; Online Survey Invitation
Our House	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations, People with Disabilities	Community Meeting; Data Collection; Online Survey Invitation
Ozark Opportunities, Inc.	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Partners Against Trafficking Humans	Nonprofit	Fleeing domestic violence, sexual assault, human trafficking, dating violence, stalking, or other victimization by family or intimate partner violence	Community Meeting, Online Survey Invitation; Stakeholder Interview
Partners for Better Housing	Nonprofit/Housing Developer	Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
PEACE at Home	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Stakeholder Interview; Online Survey Invitation
Projects for Assistance in Transition from Homelessness ( <i>PATH</i> )	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Stakeholder Interview; Online Survey Invitation
Pruitt Agency/Arcare	Healthcare Provider	Vulnerable Populations	Community Meeting; Online Survey Invitation
Restoration Village	Nonprofit	Women and Children, Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
Restore Hope	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Rising Sun #11 Pha Masons/ Pha Sphinx Temple #25 Shriners	Fraternal Organization	NA	Community Meeting; Online Survey Invitation
Samaritan Community Center	Nonprofit	Vulnerable Populations	Community Meeting; Online Survey Invitation
Second Chance DV SA Shelter	Nonprofit	Fleeing Domestic Violence, Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
Southeast Arkansas CoC	Continuum of Care	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview

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Southeast Arkansas Community Action Corporation	Nonprofit/Community Action Agency	Vulnerable Populations	Community Meeting; Online Survey Invitation
Southwest Church and The HUB of Jonesboro	Faith Based Organization	NA	Community Meeting; Online Survey Invitation
St. Francis House, Inc.	Nonprofit	Veterans, Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Stakeholder Interview
Sunbelt Development Corp	Housing Developer	NA	Community Meeting; Online Survey Invitation
Supportive Services for Veteran Families	Nonprofit	Veterans, Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
The McVay Firm PLLC	Legal Services Provider	NA	Community Meeting; Online Survey Invitation
United Way of the Ouachitas	Nonprofit	Vulnerable Populations	Community Meeting; Online Survey Invitation
Universal Housing Development Corporation	Nonprofit/Housing Developer	Homeless, At Risk of Homeless	Community Meeting; Online Survey Invitation
Upward Housing Group	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Community Meeting; Online Survey Invitation
Veterans Healthcare System of the Ozarks	Healthcare Provider	Veterans	Community Meeting; Online Survey Invitation
White River Women's Shelter, Inc.	Nonprofit	Fleeing domestic violence, sexual assault, human trafficking, elder abuse, dating violence, stalking, or other victimization by family or intimate partner violence	Community Meeting; Online Survey Invitation
Wolfe Street Foundation	Nonprofit	Homeless, At Risk of Homeless, Vulnerable Populations	Stakeholder Interview; Online Survey Invitation
Women and Children First	Nonprofit	Fleeing Domestic Violence, Homeless, At Risk of Homeless, People with Disabilities	Community Meeting; Stakeholder Interview

### C. Summary of Feedback Received

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

Largely the public and stakeholders agreed that the needs lie primarily in accessing more affordable housing units and ensuring that those experiencing homelessness have the shelter and services needed to support their needs. See more detailed discussion of consultation in Section 2.A.

### 3. Public Participation

#### A. Process

*Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan.*

The state began its public participation process with a Community Needs Survey distributed throughout the state and during community engagement public hearings. This survey was utilized to gather information from respondents on their views on the specific needs and priorities within their communities. After the completion of the Community Needs Survey process, survey data was evaluated, and this information was utilized as a starting point for discussion with various individuals, groups, and organizations during formal and informal focus group sessions held throughout the state. This wide variety of contacts included: local officials, Planning and Development Districts, members of substance abuse and mental health committee members, COCs, housing advocates, homeless services advocates, and other members of the public. The State of Arkansas conducted four meetings on April 4, 5, 28, and 29, 2022. The public hearings included presentations to explain the HOME-ARP Allocation Plan and an opportunity for citizen comments. The meetings were held virtually via Zoom.

Public meeting notices were posted on the ADFA website and distributed directly to local officials; developers; non-profit organizations; Planning and Development Districts; and the Continuum of Cares throughout the state.

Once drafted, the plan was released for a 16-day comment period beginning August 21, 2022. A copy of the Draft was posted on the ADFA and State of Arkansas website.

#### Date of Public Notice:

The notice announcing the public comment period and public hearing was published on August 21, 2022. See attached.

#### Public Comment Period:

A 16-day public comment period during which the draft was available on ADFA's website began on August 21, 2022 and ended at 4:30pm on September 6, 2022.

### Date of Public Hearing:

A public hearing was held in-person and virtually on August 29, 2022.

## B. Efforts to Broaden Public Participation

*Describe efforts to broaden public participation.*

Efforts to broaden community participation included holding public focus group meetings, early in the planning process via Zoom to make them accessible to a wider range of people. Accommodations are made for people with disabilities upon request. ADFA its website and press releases to publicize meetings. The Community Needs Survey was available in English and Spanish.

## C. Comments and Recommendations Received

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

Comments received through the public participation process are summarized below.

- Written comments were received regarding:
  - additional available data for point in time counts for people experiencing homelessness
  - support for the inclusion of rental development as an activity under the State’s HOME-ARP Allocation Plan.
- Comments received at the public hearing on August 29, 2022, include:
  - support for supportive services, non-congregate shelter, and operational and capacity building funding
  - support for including rental development as an activity under the State’s HOME-ARP Allocation Plan
  - comments regarding how the qualified population is determined

## D. Comments or Recommendations Not Accepted

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

All comments were considered in the finalization of this HOME-ARP Allocation Plan. The State chose not to modify its activity selection to include rental housing development. While additional affordable housing is a need in the state, other sources exist to address this need.

Through the State’s Low Income Housing Tax Credit, HOME, and National Housing Trust Fund programs, 1,391 units have been approved for funding between 2020 and 2022. An additional 262 units are in the pipeline through the Low-Income Housing Tax Credit 4% program. In contrast, fewer resources are available to fund non-congregate shelter and supportive services for qualifying populations. The State has chosen to take advantage of the opportunity presented by the HOME-ARP program to address these unmet needs.

## 4. Needs Assessment and Gaps Analysis

### A. Size and Demographic Composition of Qualifying Populations

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

The needs assessment and gap analysis must evaluate the “demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations.”<sup>1</sup> The qualifying populations are as followed:

- Homeless
- At risk of Homelessness
- Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking
- Veterans and Families that include a Veteran Family Member
- Other Populations (Other Families Requiring Services or Housing Assistance to Prevent Homelessness and Households at Greatest Risk of Instability)

There are several demographic overlaps of these discreet qualifying population categories as defined in the HOME ARP Guidance. For this needs assessment section, two primary categories will be used, Homeless and At Risk of Homeless. Within these large categories, needs and gaps of other qualifying populations will be described.

#### [Homeless Individuals, as defined in 24 CFR 91.5](#)

The State of Arkansas has five Continuums of Care (COCs). They are AR-500 (CATCH), AR-501 (NWA), AR-503 (Balance of State), AR-505 (Southeast AR CoC), AR-508 (Old Fort). Based on the 2019 Point in Time (PIT) count for people experiencing homelessness, there were a total of 1,302

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<sup>1</sup> HOME ARP Guidance.

sheltered individuals and 1,415 unsheltered individuals reported to HUD by the five COCs for a total of 2,717 reported as homeless (unsheltered, sheltered-emergency shelter, and sheltered-transitional housing).

The 2020 PIT Count reported 1,273 unsheltered individuals and 1,093 sheltered individuals for a total of 2,366 homeless individuals (unsheltered, sheltered-emergency shelter, and sheltered-transitional housing). Note, however, AR-508 (Old Fort) did not participate.

For the 2021 PIT Count AR-500 (CATCH), AR-501 (NWA), and AR-505 (Southeast AR CoC) conducted a sheltered count only. AR-503 (Balance of State) and AR-508 (Old Fort) did sheltered and unsheltered counts. The unsheltered count was 669 individuals, and the sheltered count was 1,470 for a total of 2,139 homeless individuals (unsheltered, sheltered-emergency shelter, and sheltered-transitional housing).

Complete 2022 PIT Count data has not yet been posted.

Using 2019 data, which was the last year that all five COCs participated in both sheltered and unsheltered PIT counts, the charts below summarize overall homeless demographics. Of note in these counts is that nearly 11 percent of homeless individuals were children. Additionally, more than 33% were Black/African American while only 15.5% of the State population in 2019 was Black/African American, illustrating that Black/African American individuals represent a disproportionate share of the homeless population.

**Arkansas Overall Homeless PIT Count by Age, 2019**

TOTAL OVERALL HOMELESS	Under 18	Age 18 to 24	Over 24
2,717	303	317	2,097

**Arkansas Overall Homeless PIT Count by Gender, 2019**

TOTAL OVERALL HOMELESS	Male	Age 18 to 24	Transgender	Gender Non-Conforming
2,717	1,688	1,022	4	3

**Arkansas Overall Homeless PIT Count by Race/Ethnicity, 2019**

Race/Ethnicity	Total Overall Count (Total for State: 2,717)	Percentage of Total
White	1,651	60.7%
Black or African American	902	33.2%
Asian	4	.1%
American Indian or Alaska Native	36	1.3%
Native Hawaiian or Other Pacific Islander	24	.8%
Multiple Races	100	3.6%
Hispanic	60	2.2%

While COCs have faced limitations in collecting the PIT homeless count data since 2019 due to the COVID-19 pandemic, the above data offers a starting point for understanding the demographic composition of homeless individuals throughout the State. Additional data sources (discussed below) offer a more complete picture of Arkansas homeless demographic composition, especially in terms of homeless families and youth.

*Homeless Families and Youth*

The Arkansas Homeless Student Count as reported by School Districts on a quarterly basis. Homeless service providers recommended the use of this report as a more accurate reflection of the actual numbers of homeless families throughout the state.<sup>2</sup>

According to data submitted by school districts to the U.S. Department of Education, in the 2019-2020 school year, an estimated 13,335 public school students in Arkansas experienced

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<sup>2</sup> Data collection methods and homeless definitions for the U.S. Department of Education homeless student count differs from the HUD PIT count.



homelessness over the course of the year; this translates to 2% of all Arkansas youth between the ages of 5 and 19 experienced homelessness during this year.<sup>3 4</sup>

Our House, a central Arkansas based provider of shelter and services to those experiencing homelessness and at risk of homelessness, reported that 360 people requested housing in October 2021. Children represented over 1/3 of those in need of housing during that period.

<b>Our House, Housing Requests, October 2021</b>	
Total Adults	237
Total Children	123
Total Families	49
Total Single Adults	181
Total People	360

[At Risk of Homelessness, as defined in 24 CFR 91.5](#)

As defined in the HOME ARP Guidance, households at risk of homelessness are those with incomes below 30% AMI that do not have resources or family, friend, or faith-based support networks to prevent homelessness, and:

1. Has moved because of economic reasons two or more times during the 60 days,
2. Lives in the home of another because of economic hardship,
3. Has received a 21-day eviction notice,
4. Lives in a hotel or motel, which is not paid for with assistance from a charitable organization or government,
5. Lives in overcrowded conditions as defined by HUD, OR
6. Is exiting a publicly funded institution or system of care.

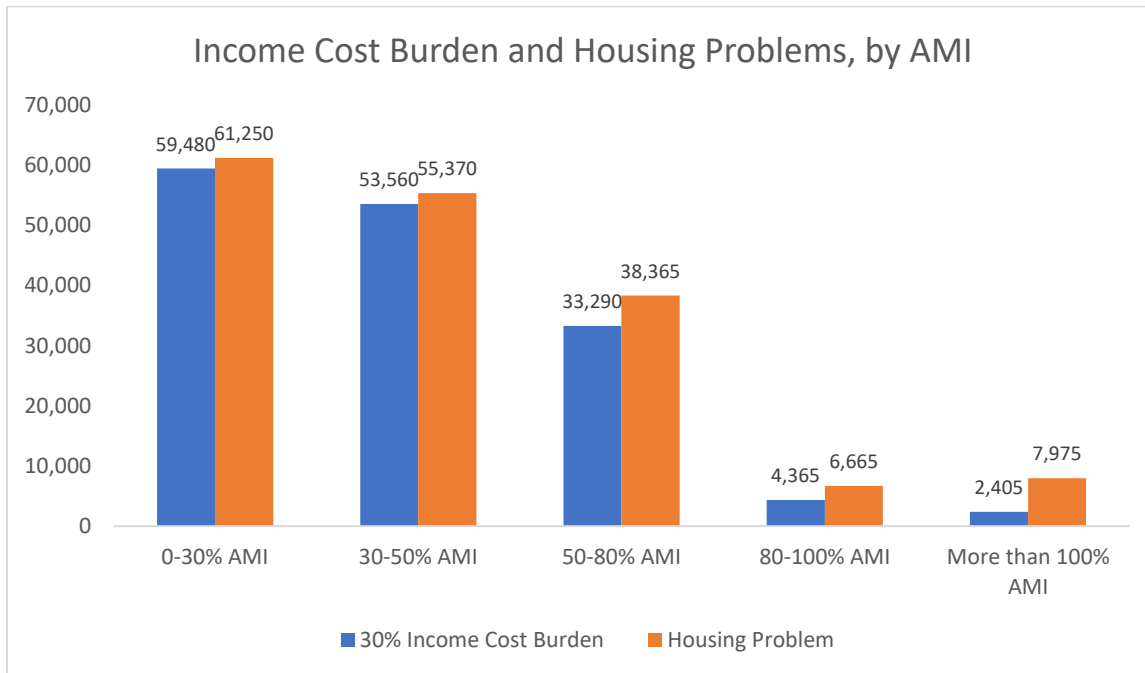
Cost burden, which is the ratio of housing costs to household income, is an indication of housing need, and the need for reduced rental costs. For renters, housing cost is gross rent (contract rent

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<sup>3</sup> National Center for Homeless Education using the U.S. Department of Education's EDFacts Initiative.

<sup>4</sup> American Community Survey 2019.

plus utilities). For owners, housing cost is "select monthly owner costs," which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. Renter households who pay more than 30% of their income for rent and utilities are considered cost burdened. In Arkansas, households earning between 0-30% AMI are more likely to pay more than 30% of their income towards housing expenses.<sup>5</sup> Among all renters in Arkansas who are cost burdened at 30% income, 64% earn below 50% AMI (a total of 113,040 households).



Source: HUD Comprehensive Housing Affordability Strategy (CHAS) 2014-2018.

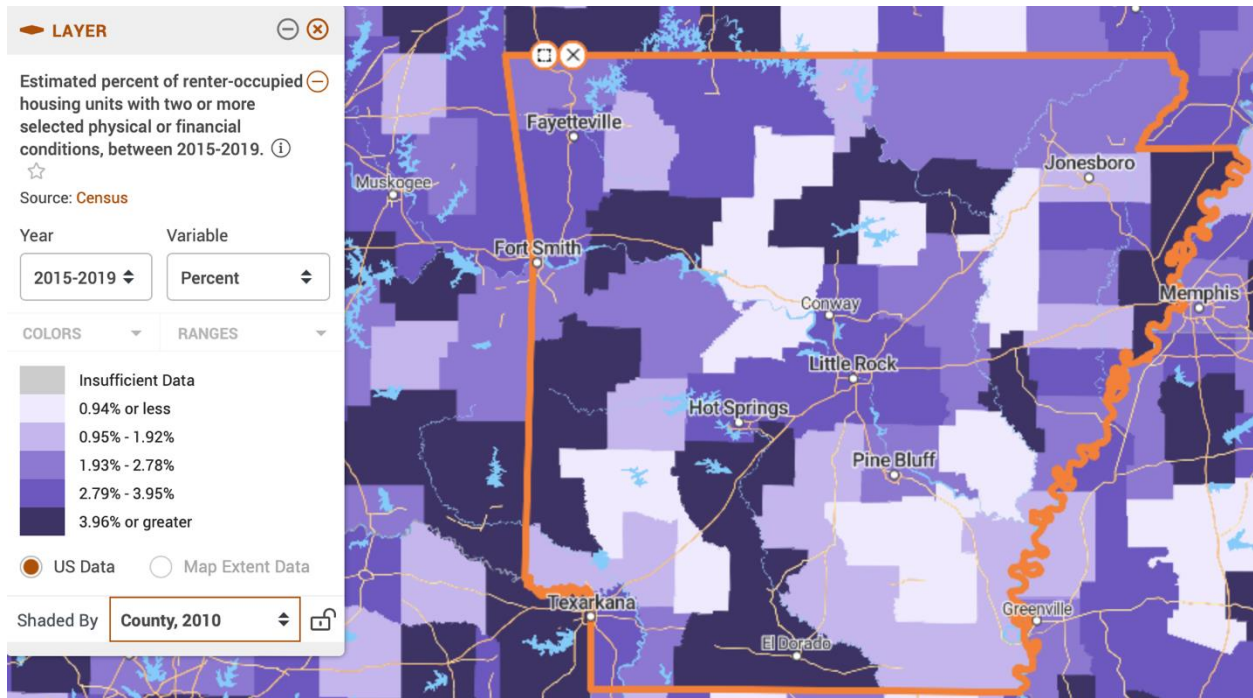
Similarly, households earning between 0-30% AMI are more likely to experience at least one housing problem as defined by HUD.<sup>6</sup> In the following counties, more than 6% of renter-occupied

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<sup>5</sup> Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs," which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

<sup>6</sup> The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%

housing units have two or more housing problems: Hot Spring (8.17%), Monroe (7.26%), Scott (6.58%), Van Buren (6.43%), Sevier (6.18%), and Columbia (6.12%).



Source: PolicyMap.

### *COVID-19 Related Emergency Rental Assistance*

Many of the eligibility requirements for the U.S. Department of Treasury’s Emergency Rental Assistance Programs overlap with HOME APR eligibility requirements, including:

- At risk of homelessness or experiencing housing instability (e.g. past due notice, non-payment of rent, or eviction notice) and
- A household income less than 80% AMI.<sup>7</sup>

Data from the Arkansas Emergency Rental Assistance Program can help quantify those individuals and households in Arkansas that are housing insecure. According to the Emergency Rental Assistance Program reporting required by the U.S. Department of the Treasury, Arkansas has approved over \$201 million in payments.

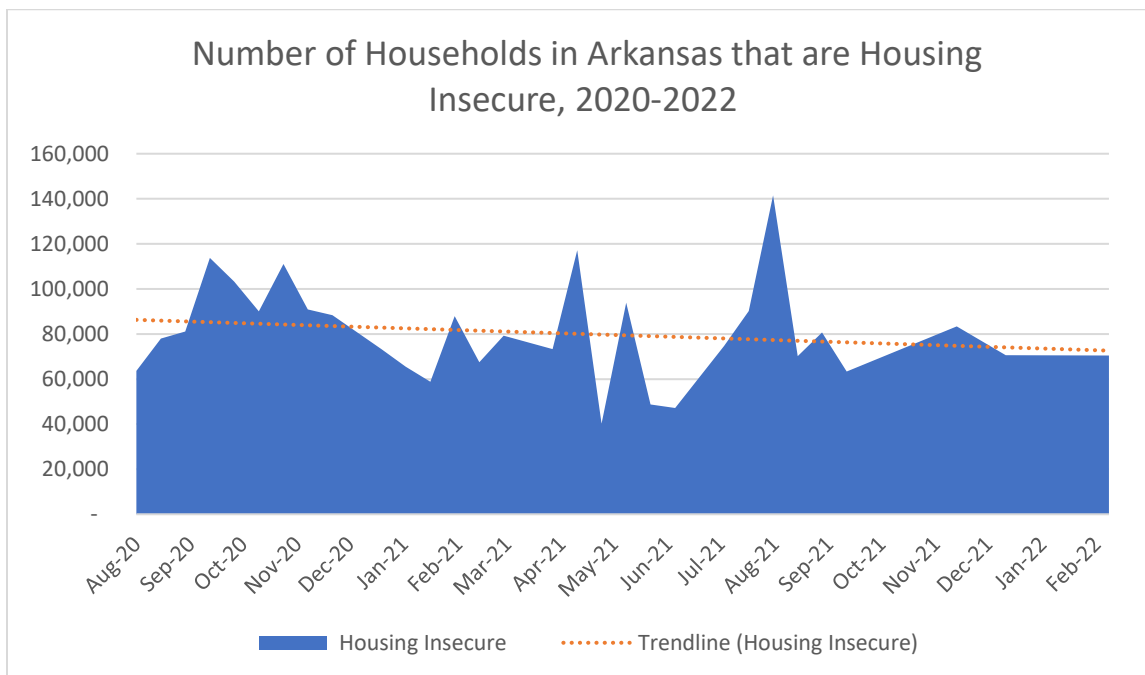
<sup>7</sup> While 80% AMI is the upper limit of assistance, many state and local ERA programs have developed systems to prioritize assistance for households earning 30% AMI.

## Arkansas HOME ARP Allocation Plan

- Between January 2021 and January 2022, 25,454 households in Arkansas received rental assistance.
- The average amount of assistance was just under \$7,900 per household.<sup>8</sup>

### *Housing Insecurity and Eviction*

Additionally, data collected in the online Household Pulse Survey, which measured housing insecurity throughout the COVID-19 pandemic found that household experiencing housing insecurity<sup>9</sup> in Arkansas was relatively stable between August 2020 to February 2022.



Source: Household Pulse Survey, Housing Insecurity (Missed Payment and Low Confidence).

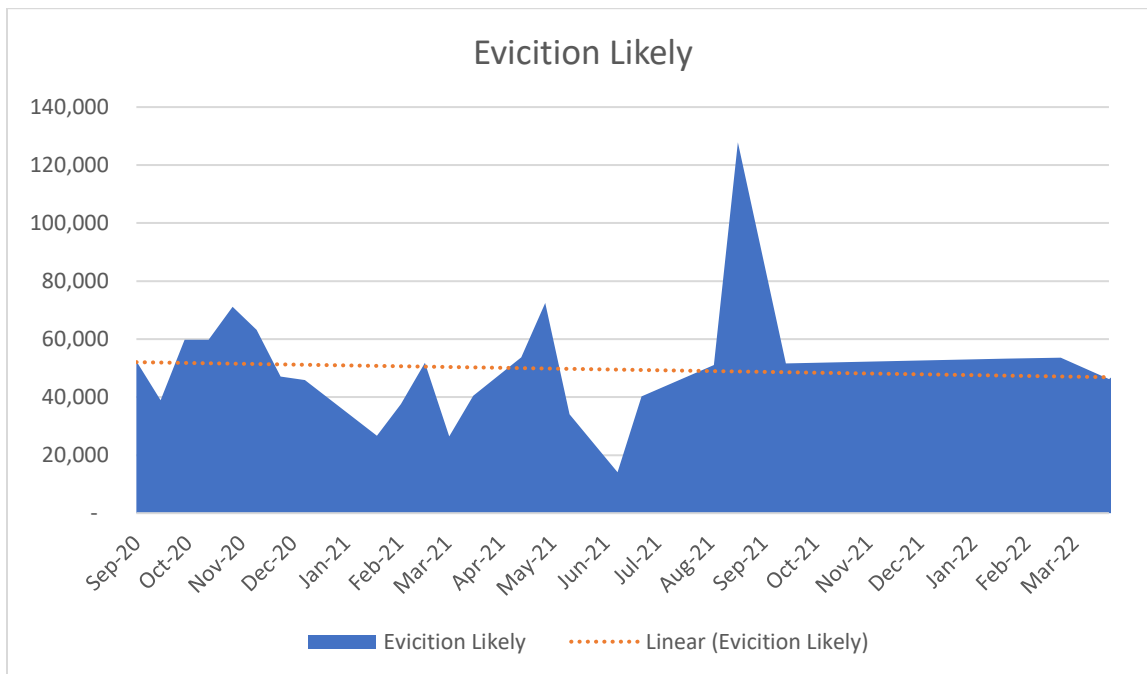
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<sup>8</sup> Emergency Rental Assistance monthly compliance report data: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>.

<sup>9</sup>Housing Insecurity as defined by the Household Pulse Survey includes households that have missed the last months' rent or mortgage payment, or who have slight or no confidence that their household can pay next month's rent on time.

While the number of households throughout Arkansas experiencing housing insecurity has remained stable throughout this time, this data helps establish a baseline data point of around 82,000 households in Arkansas experiencing housing insecurity between 2020 and 2022.

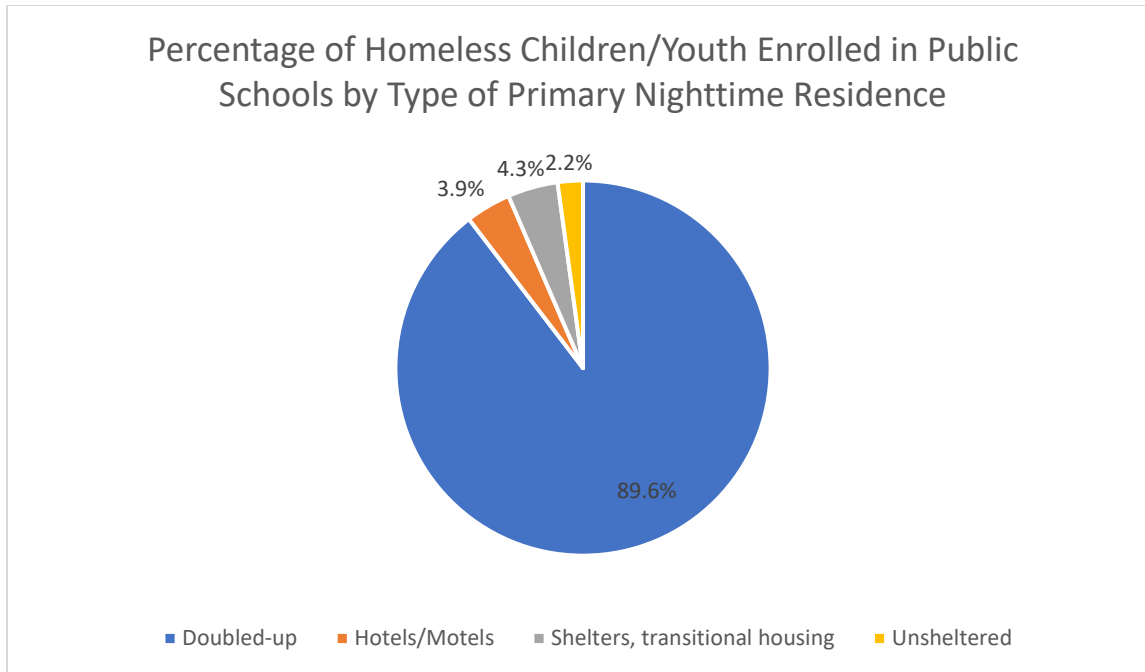
The Household Pulse Survey also measures the percentage of adults in households not current on rent or mortgage where eviction or foreclosure in the next two months is either very likely or somewhat likely. The graph below details the households in Arkansas reporting that eviction or foreclosure was likely between September 2020 and March 2022. While the trend of likely evictions or foreclosures has decreased since September 2020, on average, about 49,000 households are facing eviction throughout the State.



Source: Household Pulse Survey, Likelihood of Eviction or Foreclosure.

### *Students At-Risk of Homelessness*

During consultation meetings with homeless stakeholders, several mentioned the value and accuracy of using the U.S. Department of Education’s Homeless Student Count to better understand the real housing need of homeless children and youth throughout the State. According to data submitted by school districts to the U.S. Department of Education, in the 2019-2020 school year, most homeless students (89.6%) were doubled-up (living with another family).



Source: National Center for Homeless Education using the U.S. Department of Education's ED Facts Initiative.

Note: Unsheltered includes cars, parks, campgrounds, temporary trailer, or abandoned building.

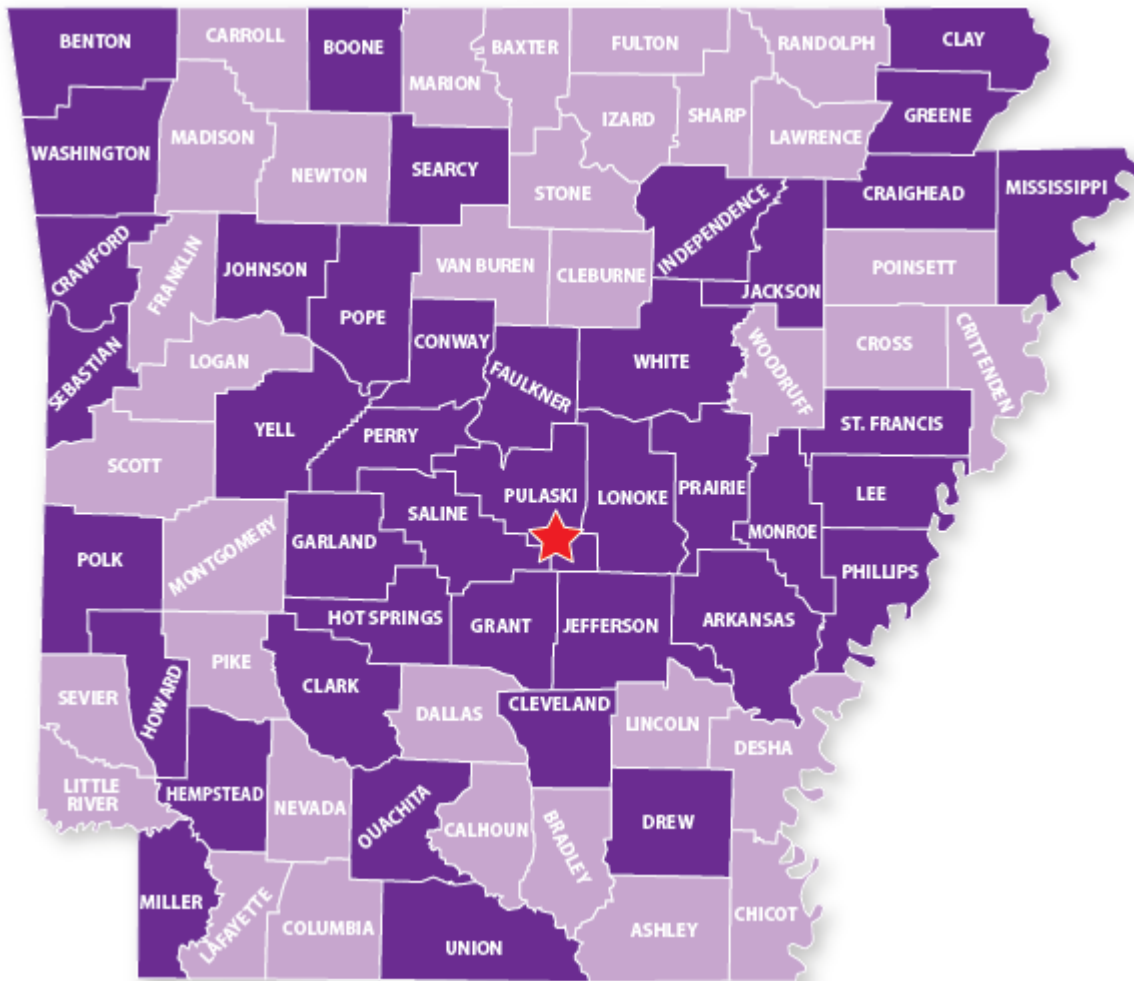
This is consistent with information provided by Our House, an organization based in Little Rock, AR that provides shelter, homelessness prevention, mental health assistance, a career center, and children's programs. In October 2021, Our House conducted a housing inquiry survey of all individuals seeking housing with its organization. A total of 360 people sought assistance, including 49 families and 181 single adults. When asked where they stayed the previous night, about 31% of families reported staying with family or friends in contrast to 23% of single adults reporting the same. Almost 30% of single adults reported spending the previous night unsheltered on the street or in a vehicle as compared to 12% of families.

[Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the HOME-ARP Notice](#)

HOME ARP Guidance specifically identifies individuals "Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking" as a specific qualifying population eligible to receive assistance. The 2019 PIT identified 318 homeless victims of domestic violence, 92 who were unsheltered. The growing need for victims to seek safety is better understood when looking at the increase of domestic violence in Arkansas in recent years. Arkansas Crime Information Center (ACIC) reported an 83% increase in domestic violence-related

homicides between 2019 to 2020. In a 2017 study on homicides by the Violence Policy Center, Arkansas reportedly ranked third nationally in the number of women killed by men.

Data from Women and Children First (WCF), a Little Rock based provider that serves victims from across the state, shows that shelter and service needs are not isolated to specific regions of the state. The map below shows in dark purple the counties that WCF alone has served through its programs. WCF reports that 37.3% of Arkansas women and 35.6% of Arkansas men experience intimate partner physical violence and/or intimate partner sexual violence in their lifetimes.



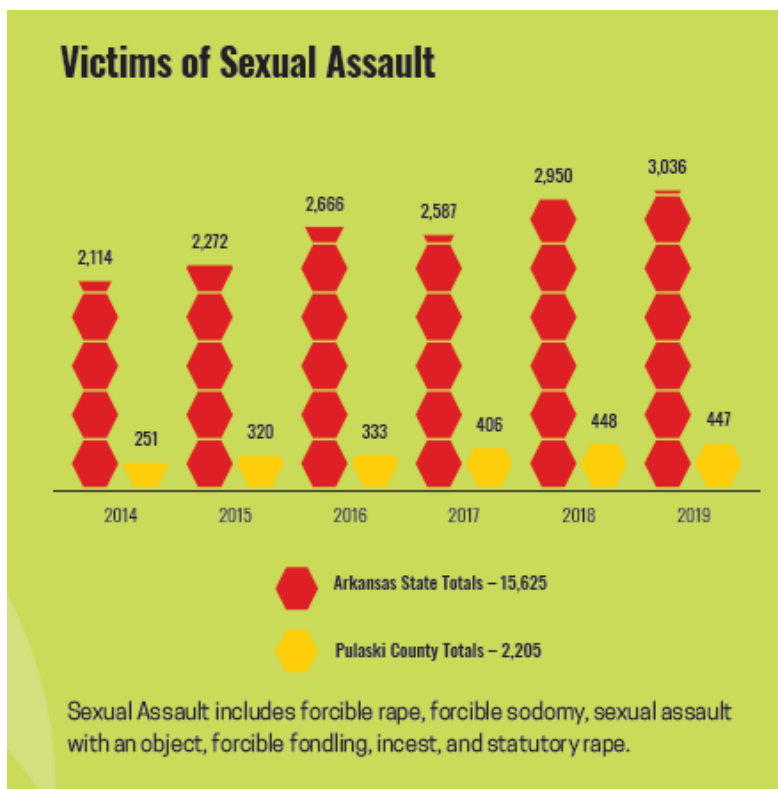
Women fleeing domestic violence are also likely to be entering poverty. Data of WFC reported that nearly 87% of victims seeking WCF emergency shelter were unemployed and/or made less than \$10,000 annually.

Children exposed to domestic violence may suffer both short-term and long-term effects, both behaviorally and developmentally. They are 6 times more likely to commit suicide, 50 times more

likely to abuse drugs or alcohol, and four-time more likely to commit a violent crime. 76.2% of children ended up becoming perpetrators as adults. WCF reported that in 2021, 470 children stayed in their shelter representing half of their shelter population

The State consulted with Hope Found of Northeast Arkansas during its community consultation. Hope Found educates the community and coordinates services for victims and survivors of human trafficking. They reported that from 2018 to present, they have served 50 clients. Of the 50 clients served, 47 were female and 3 were male.

WCF reported in its 2019 Campaign of Courage report that victims of sexual assault have also been on the rise in recent years with over 3,000 incidents of sexual assault in 2019.





## 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 HOME-ARP Notice

The HOME-ARP notice defines families “Requiring Services or Housing Assistance to Prevent Homelessness” 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.

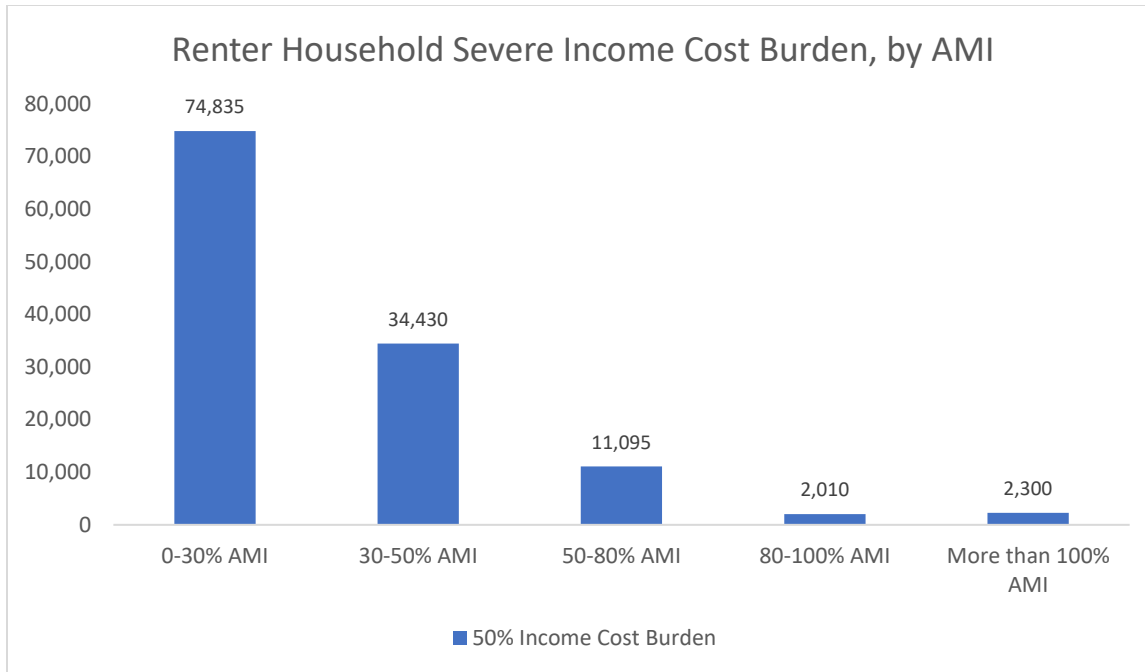
The HOME-ARP notice defines “Other Populations at Greatest Risk of Housing Instability” in two ways. The first definition includes those with annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e. is paying more than 50% of monthly income on housing costs.) In Arkansas, there are 74,835 extremely low income and severely cost burdened households, which places them at imminent risk of becoming homeless.

The second definition is that the household has an annual income that is less than or equal to 50% of the area median income, as determined by HUD, and meets one of the conditions of “At risk of homelessness.”

In Arkansas, there are 109,265 renter households earning between 0-50% AMI and are severely cost burdened or paying more than 50% of their income towards housing expenses.<sup>10</sup>

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<sup>10</sup> Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is “select monthly owner costs,” which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

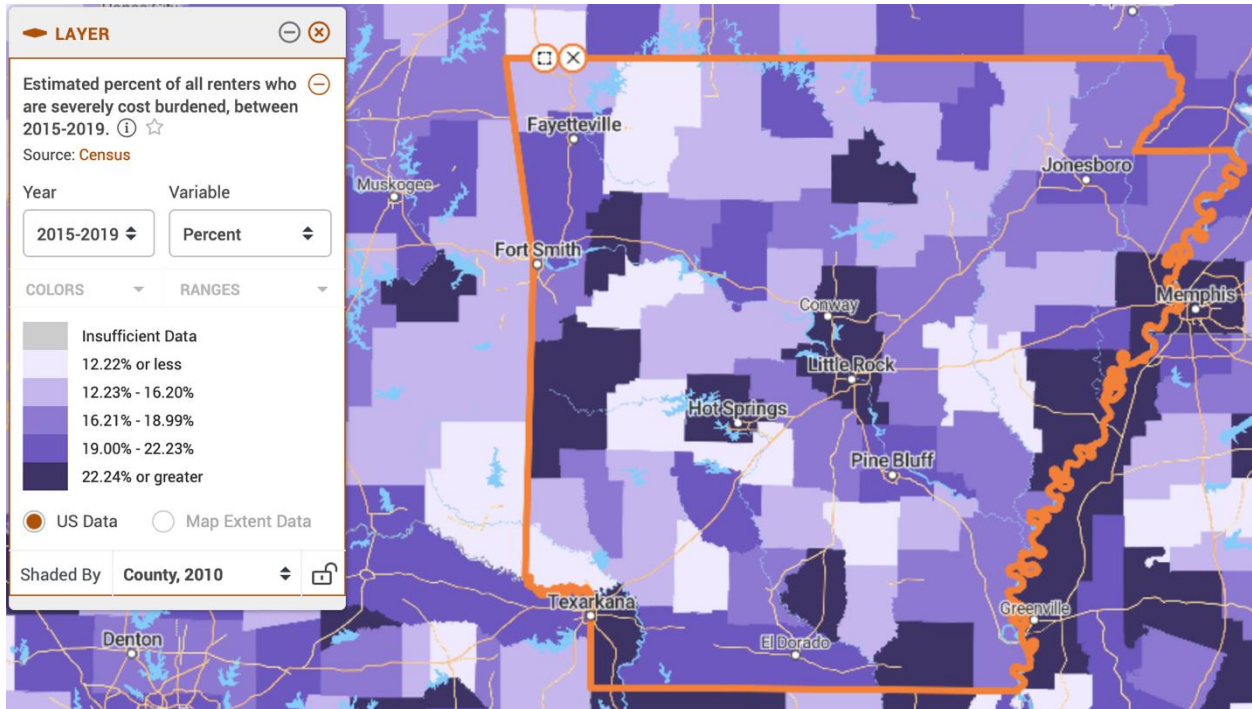


Source: HUD Comprehensive Housing Affordability Strategy (CHAS) 2014-2018.

The below map shows the geographic distribution of the estimated percent of all renters who are severely cost burdened.<sup>11</sup> The following counties have over 25% of *all* renters experiencing an extreme cost burden: Lee (28.16%), Polk (27.16%), Franklin (26.07%), Stone (25.45%), and Ashley (25.41%).

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<sup>11</sup> Severe Cost Burden: renter households for whom gross rent is 50% or more of household income.



Source: PolicyMap.

HOME ARP Guidance specifically identifies “Veterans and Families that include a Veteran Family Member” as another eligible population under HOME-ARP.

## B. Current Resources Available to Assist Qualifying Populations

*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 (Optional).*

### Congregate and Non-Congregate Shelter Units

As indicated in the 2020 HIC (Housing Inventory Count), Arkansas’ homeless system only had 3,216 year-round shelter beds for people experiencing homelessness: 1,184 of these beds are described as “family beds” and 588 are veteran beds. Further the state has shelters across the state including some dedicated to those fleeing domestic violence and sex trafficking, however, all the shelters consulted noted that they are always at maximum capacity and shelter services in rural areas are especially difficult to access.

## Supportive Services

Arkansas is a large and rural state, where supportive services are inconsistent across the state. According to the Consolidated Plan, “State will address homelessness prevention and rapid re-housing through its goal to increase the availability and affordability of supportive services offered to homeless families and individuals by providing Emergency Solutions Grant (ESG) funds to projects that focus on the prevention of homelessness, such as averting eviction, foreclosure, and /or utility disconnection, as well as paying deposits and first month’s rent.”<sup>12</sup>

## Tenant Based Rental Assistance

In Arkansas, there are over 140 agencies managing over 20,000 Tenant-Based vouchers and 153 Veterans Affairs Supportive Housing Vouchers.

## Affordable and Permanent Supportive Rental Housing

According to the 2020 HIC, there are 293 permanent supportive housing beds throughout the state. Further, ADFA has financed 5,500 Low-Income Units over the last five-years with an additional 1,391 units approved for funding between 2020 and 2022 through its Low-Income Housing Tax Credit (9%), HOME, and National Housing Trust Fund programs. An additional 262 units are in the pipeline through the Low-Income Housing Tax Credit 4% program.

## C. Unmet Housing and Service Needs of Qualifying Populations

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

### Homeless Populations, as defined in 24 CFR 91.5.

A 2019 Point in Time Count for the five CoCs in Arkansas, found a total of 1,302 sheltered homeless individuals and 1,415 unsheltered homeless individuals throughout the State for a total of 2,717 homeless individuals. As explained in the demographic discussion on Homeless Individuals, the PIT count in 2019 is the last year that all COCs participated in both the sheltered and unsheltered counts. During this same year, the Housing Inventory Count for Arkansas reported 1,917 total year-round bed for emergency housing, transitional housing, and supportive

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<sup>12</sup> 2020-2024 Consolidated Plan.

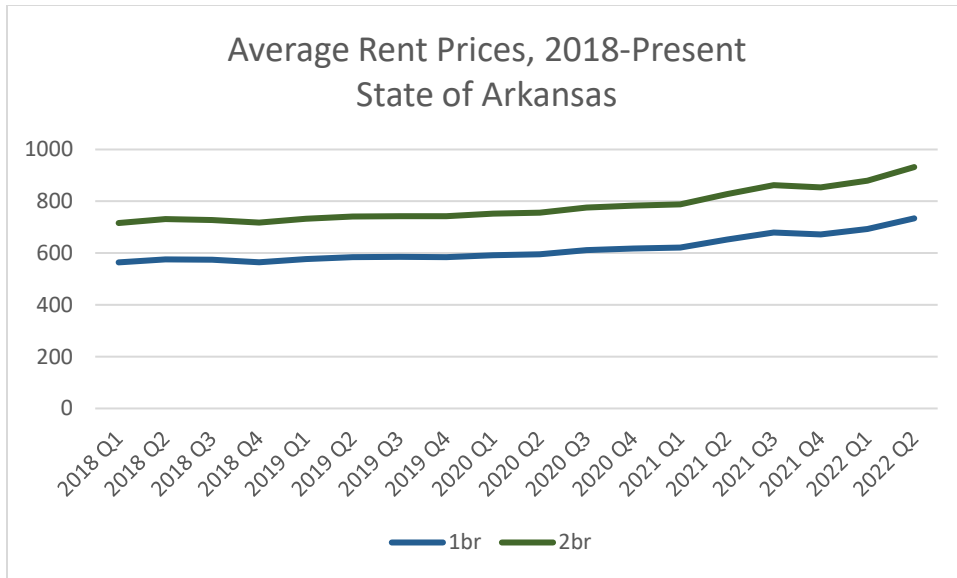
housing. While some beds are reserved for specific populations, this represents a net shortage of 800 beds. Additionally, in the 2019-2020 school year, an estimated 13,335 public school students in Arkansas experienced homelessness over the course of the year; just over 2% of these homeless public-school students are unhoused.

Our House, a Central Arkansas provider of shelter and services to those at risk of homelessness and those experiencing homelessness, reports that the need for shelter of those experiencing homelessness always surpasses the organization's ability to meet the need. For example, in October 2021, 360 individuals sought shelter while Our House is equipped to provide shelter to only 80 individuals through its dormitory style housing and to just 13 families through its family house. In October 2021, 49 families requested assistance. In that month, Our House was able to serve 160 individuals with only 85 individuals exiting housing, which means over 200 individuals were not served. The average length of stay for individuals is 21 days and for families is 129 days.

[At Risk of Homelessness, as defined in 24 CFR 91.5.](#)

Cost burden and extreme cost burden are the most common housing problems for Arkansas households earning less than 30% AMI. Among all renters in Arkansas who are cost burden, 64% earn below 50% AMI: 59,489 households under 30% AMI and 53,560 households between 30 and 50% AMI.

As incomes for many renters stay stagnant, costs of rents have been steadily increasing. Rental prices have been increasing since 2018 with sharper increases over the last two years. According to Apartment List, an online data source for rent and vacancy information nationally, the current median cost of a 1-bedroom unit in Arkansas is \$746, a \$154 increase since first quarter 2020, and the current median cost of a 2-bedroom unit is \$947, a \$195 increase since first quarter 2020. See graphic illustration below. These rents are statewide averages and urban markets will experience higher rents than rural areas. As rents increase, renters will spend increasingly higher percentages of their income on housing costs, which will further deepen concerns of housing instability.



Source: Apartment List Rent Estimate Data, August 2022

According to data submitted by school districts to the U.S. Department of Education, in the 2019-2020 school year, an estimated 13,335 public school students in Arkansas experienced homelessness over the course of the year.<sup>13 14</sup> The vast majority of these students (89.6%) were doubled-up. Additionally, the Household Pulse Survey found around 80,000 households in Arkansas experiencing housing insecurity, and over 40,000 households believed that eviction or foreclosure in the next two months is either very likely or somewhat likely, between 2020 and 2022.

[Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice](#)

The 2019 Arkansas PIT identified 318 homeless victims of domestic violence, 92 who were unsheltered. Domestic violence or human trafficking survivors often lack easy access to short-term shelter and quick access to medical and mental health and other services.

Those fleeing domestic violence who use intervention services (e.g., counseling, information services, human resources, or employment assistance programs), and other workplace support services have a much better positive outcome, including a more positive outlook, greater drive

<sup>13</sup> National Center for Homeless Education using the U.S. Department of Education’s EDFacts Initiative.

<sup>14</sup> American Community Survey 2019.

to achieve their goals, better mental health, stronger workplace performance, and lower rates of absenteeism. All stakeholders we consulted indicated a greater need for service funding for those fleeing domestic violence and, importantly, a need for the services to be more easily accessible to those in need. Services that are scattered and require transportation or multiple stops can mean that those services are more difficult or even impossible for those fleeing to use them.

Additionally, WFC reported that over 80% of clients using WCF services have at least one unmet legal need. The client's legal needs range from obtaining Orders of Protection, child custody, support, and other family law issues, to housing law issues, consumer protection issues, and the need for assistance in obtaining public benefits, such as ARKids' health insurance for minor children.

Further, the programs and needs of children experiencing domestic violence have increased with the rising incidents of violence in families making their needs a heightened priority. Children need an environment with programs to address the trauma they have experienced.

With respect to those fleeing sex trafficking, stakeholders reported that these populations tend to be immigrants and are often in need of legal services.

#### [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 HOME-ARP Notice](#)

Extremely low income and severely cost burdened households are those with housing expenses greater than 50% of their income and earning less than 30% AMI. In Arkansas, there are 109,265 renter households earning between 0-50% AMI that are severely cost burdened or paying more than 50% of their income towards housing expenses.<sup>15</sup>

The issues already discussed in the previous sections for those at risk of homelessness, including cost burden, apply equally to those facing housing instability.

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<sup>15</sup> Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs," which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

#### D. Gaps within Current Shelter and Housing Inventory and Service Delivery Systems

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

As described throughout this Plan, the consultation with residents and stakeholders reveals a gap in affordable units and the availability of services for people experiencing homelessness and at risk of homelessness. The State has a pipeline of affordable housing units that will assist in addressing the need for more affordable housing, but service providers indicate a drain on resources to provide shelter and services to those who request it daily. Shelter and services to support those experiencing homelessness and those at risk of homelessness or housing instability are most lacking in the community.

#### E. Additional Characteristics Associated with Instability and Increased Risk of Homelessness

*Optional: Under Section IV.4.2.ii.G of the HOME-ARP Notice, a PJ may provide additional characteristics associated with instability and increased risk of homelessness in their HOME- ARP allocation plan. These characteristics will further refine the definition of “other populations” that are “At Greatest Risk of Housing Instability,” as established in the HOME-ARP Notice. If including these characteristics, identify them here.*

The State does not plan to formally adopt additional definitions of “other populations,” however, a look at additional characteristics that can help clarify the stressors on those facing housing instability in Arkansas is useful. The high-cost burden is a housing characteristic strongly linked with instability and an increased risk of homelessness. The federal minimum wage is \$7.25/hour. The current state minimum wage is \$11.00/hour. Massachusetts Institute of Technology, Department of Urban Studies and Planning Living Wage Calculator reported the State of Arkansas living wage for an individual is \$15.55. A single parent with three children would need to earn at least \$49.31 per hour to make a livable wage. Two working parents with three children in Little Rock would need to earn at least \$25.14 each per hour to sustain a livable wage.



## F. Identify Priority Needs for Qualifying Populations

*Identify priority needs for qualifying populations.*

The following priority needs have been identified for qualifying populations:

- Shelters for families, those fleeing domestic violence, those with mental health and substance abuse challenges
- Services for vulnerable populations, including mental health, life skills, substance abuse treatment
- Affordable housing units
- Low barrier entry housing options
- Housing options for seniors with behavioral, mental health, and substance abuse challenges
- Diversion programs to prevent homelessness
- Supportive housing

## G. Determination of Level of Need and Gaps in Shelter and Housing Inventory and Service Delivery Systems

*Explain how the PJ determined the level of need and gaps in the PJ's shelter and housing inventory and service delivery systems based on the data presented in the plan.*

Determination of level of need and gaps in shelter and housing inventory and service delivery was determined through an analysis of data and series of community outreach efforts, including an online survey and stakeholder interviews. The data presented in this Allocation Plan is a compilation of data collected from Census, ACS, CHAS, PIT count, data from organizations on the populations served through their programs, and the current Consolidated Plan. All the sources have various methodologies and went through extensive public consultation process including multiple public hearings. Stakeholders consulted to assess need and gaps included the public, the COC, homeless service providers, veterans' groups, domestic violence agencies, the public housing agency and other public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

## 5. HOME-ARP Activities

### A. Method(s) of Selection

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

HOME-ARP is a new one-time funding program authorized by the American Recovery Plan Act of 2021. HOME-ARP program requirements do not mirror the requirements of the HOME Investment Partnership Program (HOME program) and potential applicants should not rely on knowledge of the HOME program when contemplating or applying for HOME-ARP funding. Applicants are advised to review HOME-ARP Notice [CPD 21-10](#) on the HUD Exchange for more information.

The Arkansas Development and Finance Authority (ADFA), proposes to focus its HOME-ARP funding on non-congregate shelter, supportive services, and non-profit operations. Project selection will be made on an ongoing basis through a competitive Notice of Funding Opportunity (NOFO). ADFA will award funds through the application process until all funds are committed. As part of ADFA's method of selection, applications will be evaluated based on the applicant's ability to obligate HOME-ARP funds and undertake eligible activities in a timely manner, their development capacity (for non-congregate shelter applications); their experience with federal affordable housing programs; and their ability to cover the operating expenses for non-congregate shelter applications for the full 10-15 years.

Applications will only be accepted for HOME-ARP Non-Congregate Shelter Housing, Supportive Services and Non-Profit Operating Assistance. Before awarding funds for HOME-ARP NCS projects, ADFA will take the following actions as part of its NOFO:

- Require that the developer submit evidence of appropriate skills and experience related to the development of shelters or similar facilities.
- Require the owner to submit evidence of prior experience with operating shelters.
- Require an acquisition or development budget, timeline, and sources and uses statement for the acquisition and/or development of the project be submitted for review.
- Require the owner to submit a proposed operating budget, including secured sources for operating costs and any operating gap that will require additional assistance. If there is a gap in the operating budget, ADFA will require the owner to submit a plan for securing

additional private, local, state, or Federal funding sufficient for successful operation of the project.

Before committing funds, ADFA will ensure the owner intends to continue operating the project as HOME-ARP NCS or emergency shelter NCS under ESG for the entire full restricted use period.

ADFA will review applications based on the date and time received. The underwriting process may include submission of additional information or documentation within the specified time period. If an applicant does not submit additional information within the specified time period, or does not otherwise successfully complete the underwriting process, the application will be denied.

All awards are made at the sole discretion of ADFA. Applicants approved for funding should be prepared to initiate projects within thirty (30) days of the execution of the funding agreement.

Upon request, unfunded applicants will have the opportunity to review their application with ADFA staff.

Maximum Funding Amount: ADFA has placed a maximum funding amount as follows:

- Non-Congregate Shelter Acquisition and Development - \$7,000,000 per application
- Supportive Services- \$1,000,000 per application
- Non-Profit Operating- May not exceed the greater of 50% of the general operating expenses of the organization or \$50,000, in any fiscal year.

## B. Direct Administration by PJ

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

ADFA will contract with subgrantees for the implementation of activities and monitor all activity delivery.

## C. No Use of Subrecipient

ADFA has not provided funds to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP Allocation Plan and will not allocate funds to a subrecipient nor contractor to administer the entire HOME-ARP grant.

#### D. Use of HOME-ARP Funding

In accordance with Section V.C.2. of the Notice (page 4), PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance and administrative costs is within HOME-ARP limits.

	Funding Amount	Percent of the Grant
Supportive Services	\$ 10,137,692.50	27%
Acquisition and Development of Non-Congregate Shelters	\$ 21,026,326.00	56%
Tenant Based Rental Assistance (TBRA)	\$ 0	0%
Development of Affordable Rental Housing	\$ 0	0%
Non-Profit Operating	\$ 1,877,350.50	5%
Non-Profit Capacity Building	\$ 0	0%
Administration and Planning	\$ 4,505,641.00	12%
Total HOME ARP Allocation	\$ 37,547,010.00	100%

## Distribution of HOME-ARP funds In Accordance with Priority Needs

ADFAs reviewed the gap analysis for shelter, affordable and supportive housing, as well as feedback and experience from those working to end homelessness in the Balance of State. As a result, ADFAs proposes to focus its HOME-ARP funding on non-congregate shelter, supportive services and nonprofit operating assistance. The State's HOME-ARP allocation presents the opportunity to make a substantial investment in shelter and services that will strengthen the State's homeless system of care. The individual activities that will be considered must address the shortage of non-congregate, housing-focused emergency shelter and supportive service options that currently exist in the State.

Similarly, HOME-ARP services' funding will leverage resources such as Medicaid, HUD Continuum of Care (CoC) funds, and behavioral health funding to strengthen supportive services targeted to transition Qualifying Populations into permanent housing.

Availability of appropriate shelter varies across the State and demand for new and improved shelter facilities continues to be a critical need. Investment of HOME-ARP funds in non-congregate shelter will provide continued opportunities to serve all qualifying populations who are experiencing homelessness.

Availability of appropriate supportive services also varies within the State. Ensuring that occupants of HOME-ARP non-congregate shelter and other homeless housing in the State are offered appropriate services, including those that are less frequently available or unavailable in rural areas, will support long-term housing stability and decrease the likelihood of a return to homelessness.

Many nonprofit partners have the capacity to deliver services and manage shelter yet lack development and property management experience. Others have the capacity to develop, manage and deliver services, yet struggle to secure the operating funds necessary to ensure consistency in operations. Nonprofit partners will benefit from operating assistance to support their efforts to develop appropriate shelter, housing, and services. Operating assistance will help fill gaps in available administrative funding, particularly in organizations that are expanding and/or serving areas with few providers and limited shelter and/or affordable rental housing.

ADFAs will administer the HOME-ARP allocation and oversee all projects to completion.

As described in Section 5.A. Method of Selection, ADFAs will issue a Notice of Funding Opportunity (NOFO), soliciting applications for funding until all funds are committed. Applications will be

accepted for HOME-ARP Non-Congregate Shelter Housing, Supportive Services and Non-Profit Operating Assistance. If applicants have questions or wish to discuss their plans prior to application submission, ADFA will make staff available to answer any questions. ADFA will provide background information about what is expected to meet the non-congregate shelter and housing-focused services criteria. The solicitation will clearly outline any other conditions that ADFA will require to receive funding.

For Supportive Services, based on feedback received from the initial public participation and stakeholder engagement, as well as additional public comments received in response to the draft Allocation Plan, ADFA may identify specific supportive services needed to address the gaps identified in the needs assessment and gaps analysis.

Funding for supportive services, including housing stabilization activities, may include direct services such as, but not limited to, case management, mental health and substance abuse services and treatment, support with housing related applications, and other healthcare related services.

ADFA will develop the application process for organizational support to nonprofit homeless providers to develop organizational capacity to provide services.

ADFA will announce the projects that were awarded HOME-ARP funding on its website, on Facebook, and through other social media.

#### [Rationale Funding Based on Characteristic Needs Identified in the Gap Analysis](#)

During its consultation process, ADFA heard from several organizations that the need for capital improvements or acquisition/development of non-congregate shelters was a critical need. An inventory of the housing needs and gaps assessment, including robust stakeholder feedback, illustrates that there are insufficient non-congregate shelter beds for the general population experiencing homelessness in the State of Arkansas.

Other funding sources that are currently available and accessible to ADFA provide the opportunity for the State to provide more affordable rental housing and rental assistance. However, there is limited available funding that provides for investment in the long-term homeless delivery infrastructure that can be used to construct, renovate, or rehabilitate buildings for use as non-congregate shelter. Some shelters may serve some specific sub-populations (e.g., veterans or women with children). To bring more capital resources into the State and to ensure shelters are more accessible and effective, ADFA will leverage HOME-ARP resources to support

organizations willing to increase access to non-congregate shelters. All organizations serving qualified populations will be eligible to apply for funding.

Additionally, the public funding mechanism for health and substance abuse, housing support and stabilization, does not allow provider agencies to build long-term capacity. Service funding does not always cover the actual administrative costs to the provider agency and is highly variable. Service providers are also struggling to meet staffing needs or to offer higher wages or other incentives needed to be competitive in the current job market. HOME-ARP resources will provide funding for needed mental health services, including but not limited to, home stabilization, transition services, eviction prevention and other prevention services.

## 6. HOME-ARP Production Housing Goals

### A. Estimated Number of Affordable Rental Housing Units for Qualifying Populations

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

ADFA will not be using the HOME-ARP allocation toward affordable rental housing units for qualifying populations. The focus of the State of Arkansas's HOME-ARP funding will be to increase the number of non-congregate shelter beds available statewide.

### B. Rental Housing Production Goals and Correspondence with Need

*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.*

Not applicable to chosen HOME-ARP Activities.

## 7. Preferences

The State of Arkansas has not given a preference to any of the qualifying populations or sub-populations. However, the Allocation Plan does propose to direct HOME- ARP funding to Non-Congregate Shelter, Supportive Services, and Nonprofit Operational Assistance. Both the shelter component and the Supportive Services component are prioritized as intending to serve all qualifying populations.

### Identification of Preference

*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.*

There will be no preference for qualifying populations. The solicitation for applications will entertain projects targeted toward any or all qualifying populations who may need Non-Congregate Shelter and/or Supportive Services. ADFA will issue guidance in its NOFA regarding serving all populations. For the sheltered, unsheltered, and at risk of homelessness populations, ADFA will recommend use of the Coordinated Entry System (CES), which assesses homeless and at-risk status of each individual or household to determine program eligibility. Coordinated Entry will also work with the funded non-congregate shelters to secure permanent housing placements for each individual or household served.

For those requiring services or housing assistance to prevent homelessness, and those at greatest risk of housing instability or unsuitable housing situations who may fall outside CES, the State will utilize its 211 system to provide referrals to participating agencies to determine eligibility. As calls for assistance come through the 211 system and through local partners who serve qualifying populations who are not served by CES, referrals for supportive services and non-congregate shelter will be made to the HOME-ARP projects. The HOME-ARP service providers may develop waiting lists from those referrals, documenting the date households presented for assistance, whether through CES or 211, to determine the first come first serve order at their locations.

### Using Preference to Address Unmet Need

*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.*

As described above, no preference has been identified.

## 8. Referral Methods

*PJs are not required to describe referral methods in the plan. However, if a PJ intends to use a coordinated entry (CE) process for referrals to a HOME-ARP project or activity, the PJ must ensure compliance with Section IV.C.2 of the Notice (page10).*

*Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ's may use multiple referral methods in its HOME-ARP program. (Optional)*

*If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional).*



*If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional).*

Not applicable to activity design.

## 9. 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.*

*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.*

*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).*

Not applicable to chosen HOME-ARP activities.

## 10. HOME-ARP Refinancing Guidelines

*If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with 24 CFR 92.206(b).*

Not applicable to chosen HOME-ARP activities.

ATTACHMENTS – Public Hearing Minutes, Comments, and Legal Notices