



HOME ARP ALLOCATION PLAN AS A SUBSTANTIAL AMENDMENT TO THE FY 2021-2022 ANNUAL ACTION PLAN

Presented to City Council on March 28, 2023

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Introduction

As part of the Section 3205 of the American Rescue Plan Act of 2021 Congress appropriated \$5 billion in ARP funds for homelessness assistance and supportive services administered through the existing Home Investment Partnerships Program (HOME). HOME-ARP funds must be used for one or any of the established eligible activities which include (1) Administration and Planning (subject to 15% cap of allocation), (2) Acquisition, Rehabilitation, & Construction of Affordable Rental Housing, (3) Tenant-Based Rental Assistance (TBRA), (4) Supportive Services, (5) Acquisition and Development of Non-Congregate Shelter, and (6) Nonprofit Operating and Capacity Building Assistance (subject to 10% allocation, among others).

HOME-ARP funds must be used on eligible activities that will benefit individuals or families of specific “qualifying populations” (QPs). Qualifying populations, as defined by HOME-ARP, are individuals or families who are (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) part of other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that also meet the criteria one of (1) to (4) above.

To receive the HOME-ARP funds, the City of South Gate (“City”) must submit an allocation plan to the U.S. Department of Housing and Urban Development (HUD). As part of the plan, the City must engage in consultation and public participation processes to develop the allocation plan. The HOME-ARP allocation plan must describe how the City intends to distribute HOME-ARP funds, including how it will use the funding will be used to address the needs of HOME-ARP qualifying populations. The completed HOME-ARP will be submitted as a substantial amendment to the FY 2021-2022 Annual Action Plan.

To carry out eligible HOME-ARP activities the City of South Gate has been allocated **\$2,584,579** in **HOME-ARP funds**.

Consultation

Description of the consultation process

Before the development of the HOME-ARP plan the City consulted with various agencies and service providers who provide services to the HOME-ARP qualifying populations (QPs). The intent of the consultation was to identify and understand the unmet needs and service gaps for the noted qualifying populations. Partaking in the consultation process also allowed the City to take stock of the current activities and services available for QPs, which helped the City determine to which activities they would allocate funds.

To solicit feedback from agencies and service providers the City first created an inventory of all required agencies that needed to be consulted along with points of contact; these included the Continuum of Care, public housing agencies, homeless service providers, domestic violence service providers, veteran’s groups, and organizations that address fair housing /civil rights/needs of persons with disabilities. The City then reached out to all the identified organizations and provided them with a link to

a survey where they could provide their feedback and input. The City followed up with emails and calls to agencies that did not complete with the survey by the internal deadline. Responses from the survey informed the City’s proposed HOME-ARP activities.

List of Organizations Consulted

Agency/Org Consulted	Type of Agency/Org	Method of Consultation
Los Angeles Homeless Services Authority (LAHSA)	Continuum of Care Lead Agency	Agency Sponsored Virtual Session
South Gate Housing Agency	Public Housing Agency serving the City of South Gate	Online Survey
Fair Housing Foundation	Fair housing and civil rights service provider	Online Survey
Helpline Youth Counseling	Service (mental health, family services, homelessness, substance abuse) provider for qualifying populations	Online Survey
Compatior, Inc.	Service (mental health and substance abuse) provider for qualifying populations	Online Survey
South Gate Police Department – Family Violence Prevention Program	Services for domestic & family violence intervention	Online Survey
People Assisting the Homeless (PATH)	Homeless services provider	Online Survey
Newstart Housing Corporation	Nonprofit Housing Developer	Online Survey
U.S. VETS-Patriotic Hall	Veterans service provider including homeless prevention	Online Survey
Los Angeles County Department of Mental Health	Mental health services provider including homeless and veteran populations	Online Survey
Veteran Peer Access Network – LA County	Veterans service provider including homeless prevention	Online Survey

Summary of Feedback Received from Consultation

As part of the consultation process respondent feedback showed that development and preservation of affordable housing is a top priority need to address the homeless populations in the City. Other identified priorities that followed, in descending order, included Tenant Based Rental Assistance (TBRA) for the prevention of homelessness, Supportive Services, with Purchase/Development of Non-Congregate Homeless shelter ranked last.

The South Gate Housing Authority identified the development/preservation of affordable housing as the highest priority to address homelessness, which is in alignment with other survey respondents. In their consultation they also identify employment assistance/job training, homeless outreach services, and

rental/utility assistance as strategies/resources to further address homelessness in the City. The Los Angeles County Homeless Services Authority (LAHSA) hosted a virtual session as part the consultation process and developed a memo where they identified their recommendations for the use of funding. LAHSA noted the importance of having a balance of resources. They also noted that the top three priorities for use of funds are acquisitions of affordable housing, master leasing options, and supportive services.

Public Participation

Date of Public Notice: March 10, 2023

Public Comment Period: March 10, 2023 – March 28, 2023

Date of Public Hearing: March 28, 2023

Describe the public participation process:

The City outreached to local service providers working with qualifying populations and provided them a survey link to provide feedback. The City provided service providers with deadlines to submit responses and then followed up via email and phone calls for those who were unresponsive until a response was obtained.

The draft HOME-ARP Allocation Plan was made available for public review and comment for the required 15-day period from March 10, 2023, through March 28, 2023 via the City's website.

Additionally, as required, the City held a public hearing to hear public comments on the HOME ARP Allocation plan on March 28, 2023 at 6:30 pm.

The City published a notice of public comment and public hearing in the local newspaper, *South Gate Press*. The notice included the amount of HOME-ARP the City received, identified the intended use of the funds, the time, date and location of the public hearing. The notice also provided where the public may access the draft plan, instructions on how to submit comments, along with how to request accommodations.

Describe efforts to broaden public participation:

To broaden public participation, the City reached out to individual agencies to invite them to participate in the consultation process. In addition to reaching out to agencies whom the City already works on, the City made efforts to engage with service providers who have not previously formally partnered with the City. The City also consistently followed up with agencies to ensure that the City received as many responses as possible. Understanding that agencies may have limited time, the City made itself available

via phone, email, and provided an electronic survey to solicit feedback and be available to agencies in ways that were convenient to them.

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

TBD

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

TBD

Needs Assessment and Gaps Analysis

The *Homeless Needs Inventory and Gap Analysis Table* below demonstrates the City’s need for housing for both families and individuals. The table below was compiled using data from LAHSA’s 2022 Point In Time Homeless Count for the City of South Gate and City data from the Continuum of Care (CoC) Housing Inventory Count. Due to the limited availability of data at the City level, homeless population data was broken down using ratios based on the City’s homeless count of 340 and LAHSA homeless data for Service Planning Area (SPA) 7, which South Gate is a part of.

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	0	0	42	0	0								
Transitional Housing	0	0	0	0	0								
Permanent Supportive Housing	0	0	59	0	23								
Other Permanent Housing	0	0	0	0	0								
Sheltered Homeless						17	47	2	4				
Unsheltered Homeless						8	241	5	16				
Current Gap										25	-	191	-

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

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

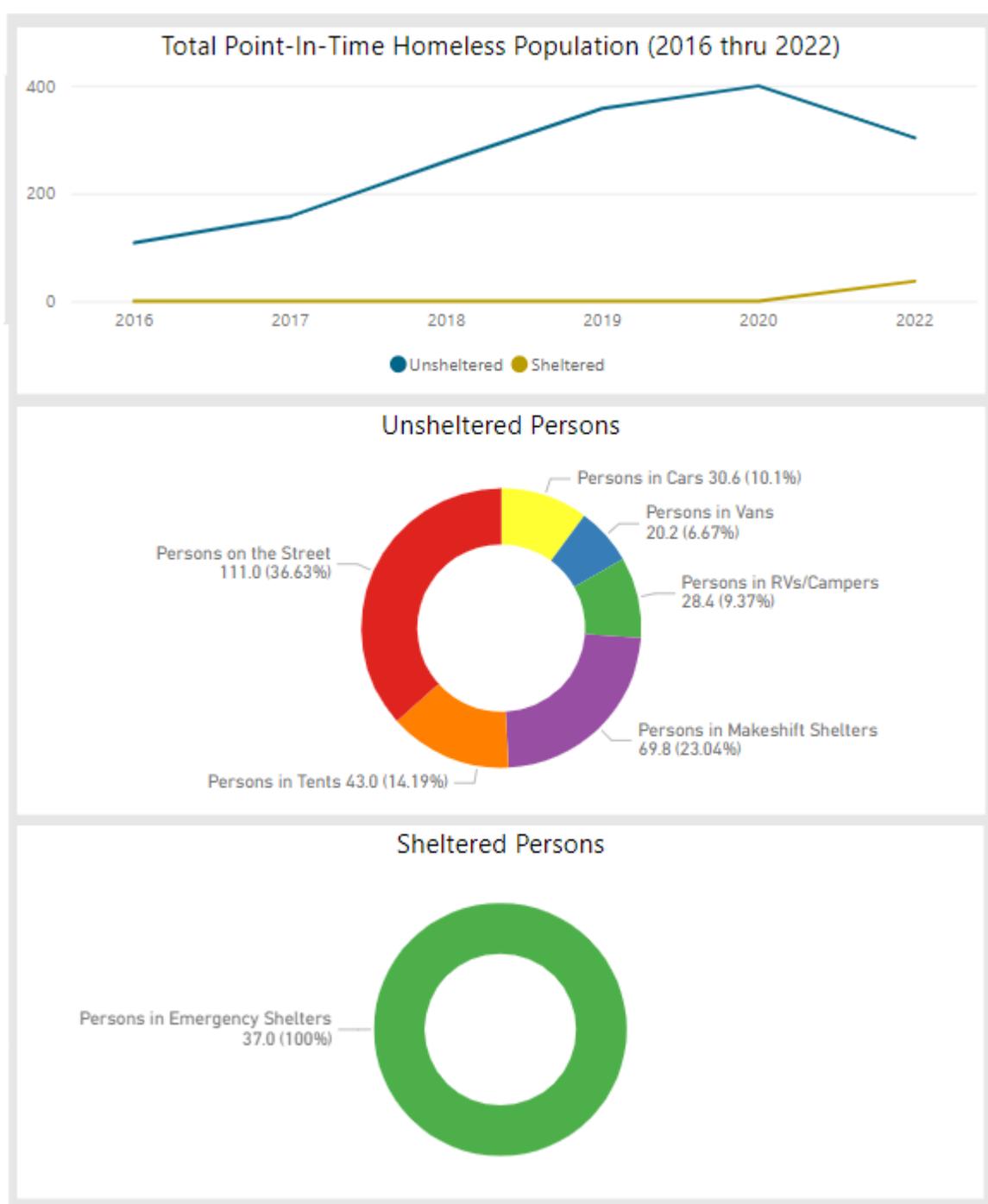


Source: Los Angeles County Homeless Services Authority (LAHSA)

Homeless as defined in 24 CFR 91.5

Los Angeles Homeless Services Authority (LAHSA), is the lead agency of the Los Angeles Continuum of Care (CoC) and are responsible for conducting annual Point in Time (PIT) counts which counts numbers of people experiencing homelessness throughout Los Angeles County. Information is provided at different levels like Countywide, Service Planning Area (SPA), and City. The 2022 annual PIT count determined that there are 340 persons experiencing homelessness in the city of South Gate.

The majority of the 340 people experiencing homelessness are unsheltered (303 people); with about 37 persons categorized as sheltered. Furthermore the 37 persons considered sheltered were housed in emergency shelters. Of the 303 persons categorized as unsheltered 31 (10.1%) were living in cars, 20 were living in vans (6.7%), 28 persons were living in RVs (9.4%), 43 persons were living in tents (14.2%), 70 persons were living in makeshift tents (23%), with the majority, 111 persons (36.6%) living on the streets.



Source: Los Angeles County Homeless Services Authority (LAHSA)

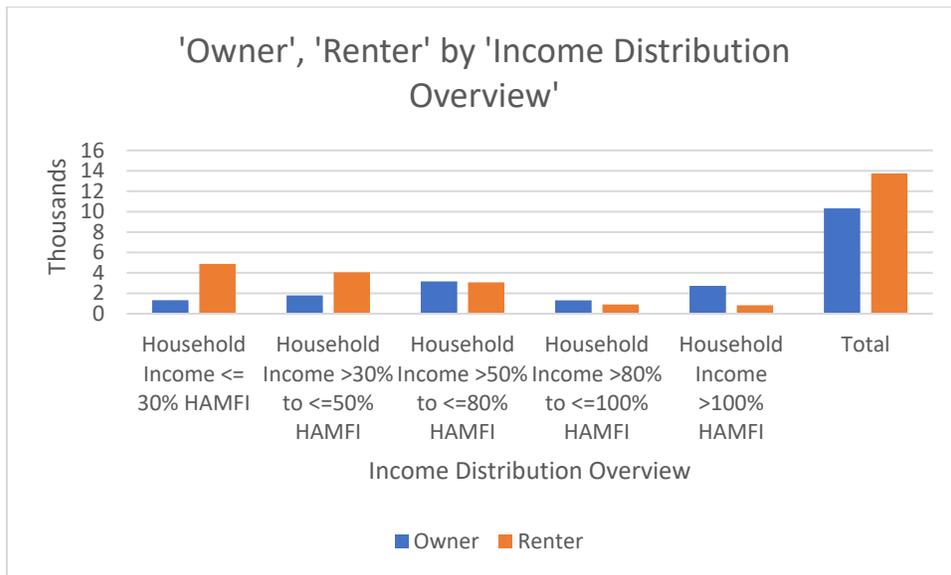
At Risk of Homelessness as defined in 24 CFR 91.5

Households at risk of homelessness are those with incomes at or below 30% AMI that lack sufficient resources or support networks to prevent homelessness, and

- Have moved more than two times due to economic reasons in the past 60 days, or
- Are doubled up with another household due to economic hardship, or

- Will be evicted within 21 days, or
- Live in a hotel or motel without financial assistance from a nonprofit or government entity, or
- Live in an efficiency apartment and are overcrowded, or
- Are exiting a publicly funded institution or system of care

The HUD Comprehensive Housing Affordability Strategy (CHAS) 2015-2019 data provides information on overcrowding among households that include more than one family, by household income level. This CHAS data indicates that there are approximately 4,880 renter households and 1,325 owner households with incomes at or below 30% AMI; this means that there is a total of 6,205 households at risk of homelessness in the City.



Source 2015-2019 CHAS

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

Information breakdown about persons experiencing or fleeing domestic violence was not available at the City level, therefore the City is using ratios based on the City’s homeless count of 340 and LAHSA homeless data for Service Planning Area (SPA) 7, which South Gate is a part of to determine demographics of this population.

South Gate’s homeless population accounts for about 7% of SPA 7’s homeless population of 4,781. In SPA there are about 1,497 (sheltered and unsheltered) persons who have experienced domestic or intimate partner violence. Using the 7% ratio this means that in South Gate there are about 104 people who have experienced domestic/intimate partner violence.

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

Other populations, as defined by HOME-ARP, include those who:

- Are currently housed and at risk of repeat homelessness;
- Have incomes below 30% AMI and are experiencing severe housing cost burden; and
- Otherwise meet the definition of at risk of homelessness and have incomes between 30% and 50% AMI

The LAHSA PIT indicates the approximately 11% of individuals exiting emergency shelter, or transitional or permanent housing in any given year will return to homelessness within 12 months.

The 2015-2019 HUD CHAS data indicates there are 4,880 renter households with an annual income at or below 30% AMI that are at greatest risk of housing instability.

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

Although the City does have about 25 families in need of housing, it does not currently have an inventory of housing options for families to offer. This is a significant gap in the City as it does not have readily available housing options for families and instead has to outsource housing services to County-wide services. This also poses an additional potential barrier as families would then need to travel outside of the City to seek services.

Similarly, the need for housing for individuals greatly outnumbers the available inventory of housing for individuals. Based on the LAHSA 2022 Housing Inventory Count there are about 101 available beds for individual (non-veteran) but currently there are about 288 individuals in need of housing for a gap of at least 191 beds.

Overall, the City has an unmet need of 212 beds for persons experiencing homelessness.

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.

To assess affordability and other types of housing needs, HUD defines four housing problems, The

1. Cost burden: A household has a cost burden if its monthly housing costs (including mortgage payments, property taxes, insurance, and utilities for owners and rent and utilities for renters) exceed 30% of monthly income.
2. Overcrowding: A household is overcrowded if there is more than 1 person per room, not including kitchens and bathrooms.

3. Lack of complete kitchen facilities: A household lacks complete kitchen facilities if it lacks one or more of the following: cooking facilities, refrigerator, or a sink with piped water.
4. Lack of complete plumbing facilities: A household lacks complete plumbing facilities if it lacks one or more of the following: hot and cold piped water, a flush toilet, or a bathtub or shower.

HUD also defines four severe housing problems, including a severe cost burden (more than 50% of monthly household income is spent on housing costs), severe overcrowding (more than 1.5 people per room, not including kitchens or bathrooms), lack of complete kitchen facilities (as described above), and lack of complete plumbing facilities (as described above).

Identify priority needs for qualifying populations:

The highest priority need for the qualifying populations is the availability of affordable rental housing options in the City. As noted in earlier sections the City has a bed gap of 216, as they currently have 124 beds available but a homeless population of 340. About one third of the available beds are emergency shelter beds. Increasing the availability of affordable rental housing options in the City would provide long-term housing options to qualifying populations.

Additionally, according to the most recent 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data, there are 11,285 low-income households (below 80% AMI) that experience cost burdens in the city of South Gate. Increased cost burdens along with rising inflation costs can put low-income renters at higher risks for homelessness. Other housing issues that may increase the risk of people becoming homeless include being low- or extremely low-income (earning 50% or 30% or less of AMI) and/or living in substandard or overcrowded conditions. In South Gate there are 9,895 households earning 50% of AMI or below have severe housing problems, which may include lacking kitchen or complete plumbing, severe overcrowding, or severe cost burden. By developing affordable rental housing in the City, the City also expands on the availability of affordable housing options for those who are at risk of homelessness because of their current cost-burdens or other severe housing problems. Providing housing of this type prevents at-risk families in unstable housing situations from becoming homeless, and thus preserves available emergency shelter and transitional housing options for the homeless households who most need them.

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:

The City used different data sources to determine the housing and service needs of the qualifying populations. Below is a list of the sources along with a summary of how that data source was used as part of the plan.

- Los Angeles Homeless Service Authority 2022 Point In Time Homeless Count
 - Information was used to determine the homeless population in the City and their living situations.

- Information was also pulled for Service Planning Area 7 (SPA 7) to determine ratios for categorized date.
- Comprehensive Housing Affordability Strategy (CHAS) Data
 - CHAS data was used to review housing problems and needs for low-income populations.
- Continuum of Care (CoC) Homeless Assistance Programs Housing Inventory Count Report
 - This data was used to review the availability of beds and units available in the City.
- Consultation with Stakeholders and Service providers
 - A key piece of data that informed the identification of priority need for the qualifying populations included the consultations with key stakeholders and service providers working with qualifying populations. Via the consultation process stakeholders, including LAHSA, identified development and preservation of affordable housing as a top priority need to address homelessness.

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 will solicit applications from developers for the development of affordable rental housing. A Notice of Funds Available (NOFA) will be issued. The NOFA will, at a minimum, specify eligible activities, eligible applicants, minimum and maximum funding amounts, application thresholds, and will provide instructions on how to submit a proposal. The NOFA will, at a minimum, specify eligible applicants, eligible activities, available funding amounts, and will provide instructions on how to submit an application.

Describe whether the PJ will administer eligible activities directly:

The City will administer its HOME-ARP funds directly, maintaining responsibility for project selection, and compliance with all HOME-ARP guidelines.

If any portion of the PJ's HOME-ARP administrative funds are provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

Not applicable. The City will not allocate funds to a subrecipient or contractor to administer the entire HOME ARP grant.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 0		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 2,196,893		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 387,686	15 %	15%
Total HOME ARP Allocation	\$ 2,584,579		

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

Based on the analysis completed as part of the development of its HOME-ARP plan the City will distribute its funds to two activities administration and planning, and the development of affordable rental housing. The City will use the allowed 15% (387,686) of limit for administration and planning of the HOME-ARP plan and activities and will allocate the remaining 85% (\$2,196,893) towards the development of affordable rental housing.

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:

Analysis of Comprehensive Housing Affordability Strategy (CHAS) data and input from stakeholders say that availability of affordable housing is a great need in the city of South Gate. A total of 11,285 low-income households (below 80% AMI) in South Gate experience cost burdens, spending more than 30% of their incomes on their housing costs. In South Gate there are also 9,895 households earning 50% of AMI or below have severe housing problems, which may include lacking kitchen or complete plumbing, severe overcrowding, or severe cost burden. By developing affordable rental housing in the City, the City also expands on the availability of affordable housing options for those who are at risk of homelessness because of their current cost-burdens or other severe housing problems.

Comparison of LAHSA’s PIT count from 2020 to 2022 shows that the homeless population has decreased and that more people are becoming sheltered. The City still has a housing gap of 216 beds in the number of emergency shelter, transitional housing, and permanent housing beds available to homeless adults. However, because the data shows that the existing homeless services are making an impact to the homeless population in the City, the City focusing on long-term options that will help continue to increase housing stability for City residents.

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:

Based on the needs assessment and analysis of gaps within the current system for meeting homeless and supportive service needs, the City is looking to allocate its HOME-ARP funds toward the development of affordable rental housing. The City is still in the planning phases of the project but based on the HUD Housing Production Goal Calculation Worksheet it is estimated that at least seven (7) affordable rental units will be produced.

Preferences, Prioritization, & Limitations

The city of South Gate does not intend to provide preferences prioritizations or limitations to any population or subpopulation.

HOME-ARP Refinancing Guidelines

The City of South Gate will not use HOME-ARP funds to refinance existing debt and therefore will not establish any HOME-ARP refinancing guidelines in this plan.