



HOME-ARP Allocation Plan

DRAFT

February 24, 2023

Introduction

On March 11, 2021, President Biden signed American Rescue Plan (ARP) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID 19 pandemic. The U.S. Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships (HOME) Program Grant has allocated the City of Tuscaloosa \$1,719,375.00 from the American Rescue Plan Act (ARP) of 2021. The purpose of HOME-ARP funds is to assist individuals or households who are experiencing homelessness, at risk of experiencing 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.

HOME-ARP funds must be primarily used to serve the following qualifying populations:

- Sheltered and unsheltered homeless populations
- Those currently housed populations at risk of homelessness
- Those fleeing or attempting to flee domestic violence or human trafficking
- Other Populations where providing supportive services or assistance would prevent the family's homelessness or would serve those at greatest risk of housing instability.

The City of Tuscaloosa's Office of Community and Neighborhood Services (CNS) developed the HOME-ARP Allocation Plan by engaging the community and agencies through consultation and public participation. Based on feedback from the community and agencies as well as data, the CNS describes in this plan how it intends on distributing HOME-ARP funds to address the needs of the identified qualifying populations. This Allocation Plan will become a substantial amendment to the 2021 Action Plan of the City's 5 Year Consolidated Plan for Community Planning and Development Programs for PY 2020-2024.

Consultation

The City of Tuscaloosa consulted with various agencies and service providers that serve the qualifying populations as identified by HOME-ARP in Notice CPD-21-10. The agencies and providers responding are considered to have in depth knowledge on the gaps in services and overall needs in housing or service delivery systems of the qualifying populations. The results from following consultations helped the City identify current services that were available as well as continuing needs of the qualifying populations as a tool to alleviate housing instability.

In accordance with the HOME-ARP consultation requirements, the CNS consulted with the West Alabama Coalition for the Homeless (WACH Continuum of Care (CoC)), homeless providers, domestic violence service providers, sex trafficking and human trafficking, veteran's groups, Tuscaloosa Housing Authority (THA (PHA)), public agencies that address the needs of qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

Describe the consultation process including methods used and dates of consultation:

The CNS began its consultation process with the release of survey that was distributed to elected officials, first responders, City departments, and various member agencies of WACH (PHA, homeless providers, DV providers, Veterans providers, City Schools, support services providers, etc.) The survey was conducted from December 22, 2022, through January 30, 2023. The survey was promoted through the City Council Community Development Committee, an advertised public meeting, held on December 20, 2022. The CNS received a total of 110 responses to this survey. Furthermore, the CNS also conducted direct consultations with various organization types that serve the qualifying populations in Tuscaloosa during a two-week period from February 6 to 17, 2023. The CNS also held a virtual consultation meeting with the general body of the local CoC on February 9, 2023, at 11:30am. A listing of the direct consultations is identified in the following table.

List the organizations consulted:

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
First United Methodist Church	Services/Homeless Service Provider	Email	Needs shelters and transitional housing. Need section 8 and low-income vouchers.
Turning Point	Services/Domestic Violence Provider	Email	Unmet needs include transitional housing, affordable housing options, rental assistance for clients, extra staff to help address increased number of victims seeking services, funds for victim necessities, and subsidized affordable housing.
Indian Rivers	Services/Homeless Service Provider/Mental Health Services	Email	Needs emergency shelters, assistance securing affordable housing, income, transportation, IDs, financial assistance with apartment deposits, transportation.
Tuscaloosa VA	Services/ Veterans Homeless Service Provider	Email	Need more affordable housing, utility

			assistance, and emergency beds.
Temporary Emergency Service	Services/Homeless Service Provider/At-Risk of Homelessness	Virtual	Barriers include client income, credit, criminal background, poor financial habits. Needs include food, water, clothing, IDs, birth certificates, personal hygiene services, short-term hotel funding, transportation to appointments, and homeless prevention.
Tuscaloosa City Schools	Services/ Homeless Service Provider /At-Risk of Homelessness for students and families McKinney-Vento Status	Virtual	Current unmet needs include housing, food, clothing, and transportation. Need funding to provide permanent housing.
Emergency Management Service Prevention Program	Services/ Homeless Service Provider / At-Risk of Homelessness/	Virtual	Clients are often on average income 100% below poverty level making it difficult to finding housing to fit their budget. Need funding to obtain another case worker because the caseload has become overwhelming.
City of Tuscaloosa Housing Counseling Agency	Services/ Homeless Service Provider/ At Risk of Homelessness	Virtual	Need to target pre/post-rental counseling to prevent the return to homelessness. Primary barriers identified include income, credit, housing history, fair housing, criminal history, and mental health issues.
Priority Veteran	Services/Veterans/At Risk of Homelessness	Email	Need funds to assist with utility and rental bills in arrears. Need affordable apartments

			units with low barriers for renters.
Tuscaloosa Police Department	Services/Police/DV/Homeless Service Provider/Human Trafficking/	Survey	Need affordable housing production, permanent supportive housing, Funds to offer life skills training, job readiness, and case management services.
Tuscaloosa Fire and Rescue	Services/Fire & Rescue/DV/Human Trafficking/ Homeless Service Provider	Survey	Need affordable housing production, permanent supportive housing, Funds to offer life skills training, job readiness, and case management services.
Good Samaritan Clinic	Health Care Services/Homeless and At-Risk Service Provider	Survey	Need funds for the production of affordable housing and to offer life skills training.
Tuscaloosa One Place	Services/HMS or at-risk/ DV	Survey	Needs permanent affordable housing and homeless prevention services.
Tuscaloosa Housing Authority	Public Housing Agency/Homeless and At-risk Homelessness Service Provider/DV and Human Trafficking/AIDS/HIV/Veterans/Mental Illness	Phone/Email	Need for more affordable housing units. PHA has a waiting list of 200-300 for public housing and over 2,000 for Section 8. New vouchers have difficulty finding units to rent. Barriers faced include funds for specific populations, waiting period to be housed, availability of affordable housing units, credit, security/utility deposits, and rent application fees.
Catholic Social Services of West Alabama	Services/Homeless Provider/At-Risk of Homelessness	Survey	Provides rental assistance to citizens.

			Need the creation of new affordable housing and the development of non-congregate shelters.
Habitat for Humanity of Tuscaloosa	Services/Homeless provider/At-Risk of Homelessness	Survey	Needs affordable housing production and homeless prevention services.
CAPS	Services/ Homeless provider/At-Risk of Homelessness	Survey	Need new affordable housing units and life skill training programs.
Community Service Programs of West Alabama	Services/Homeless and At-Risk of Homelessness provider/DV/Elder care/childcare	Email	Need funds for job training, transportation, psychological help in dealing with issues related to homelessness, legal services, vouchers for housing and food, medical access. Hotel vouchers allocated to service providers who aid homeless/near homeless to secure temporary housing. Monies to support refuge from domestic violence.
UA PD West Alabama Human Trafficking Task Force	Services/DV/HMS	Questionnaire	Need housing for victims with children and/or housing for minor victims.
Fair Housing Center of North Alabama	Services/HMS/DV/ At-Risk of Homelessness/Fair Housing Provider	Questionnaire	Due to our limited ability to provide fair housing assistance to the extent needed, many people who experience housing discrimination do not receive assistance. Elderly with complaints related to denials of reasonable accommodations, and

			design and construction issues. Knowledge and understanding of fair housing. The lack of accessible units. Housing industry workers and providers lack fair housing information which leads to a larger number of housing discrimination complaints. One of the most prevalent problems in Tuscaloosa as well as our entire coverage area, is the lack of available low-to-moderate income housing.
Safe Center	Services/HMS/At- Risk of Homelessness/DV	Questionnaire	Need assistance with awareness of the availability of services, transportation and financial support to secure safe housing for victims.
Five Horizons Health Services	Services/HMS/At- Risk of Homelessness/	Questionnaire	Need an increase in affordable housing availability, both short-term and transitional.
Salvation Army	Emergency Shelter/ Homeless Services and At-Risk of Homelessness Service Provider/DV/At-risk Youth/Veterans/Human Trafficking	Virtual	Noticed an increase in transient population before Christmas of 2022. Due to limited funding, client needs are not always meet. Salvation Army is dependent on grant funding and private donations. Clients are primarily contacting about housing and utility assistance. Monthly call volume is 700-800. Additional

			barriers to housing and employment include state identification, transportation, credit, prior evictions, limited second chance landlords, and availability of affordable units.
West Alabama Coalition for the Homeless (WACH)	Local Continuum of Care	Email/Virtual Meeting	Challenges faced by CoC are based on lack of adequate funding and limited housing stock. Unmet needs include transportation, safe housing for homeless such as homeless camps, mental health services, basic needs (i.e. clothes, food, etc.), night social service providers, IDs and birth certificates, criminal record cleanup, training for providers to assist mental health clients, credit, prior evictions.

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

Based on the surveys and direct consultation, the following is a summary of the feedback received.

- Lack of availability of affordable housing units for low-income renters
- Access to transportation
 - Addition bus routes to include evening and weekends to support access to employment and housing
- 24-Hour Emergency Shelter and Transitional Housing
- Access to public housing and Section 8 Vouchers
 - Demand for public housing and vouchers is very high
- Fair Housing Training for Landlords to avoid housing discrimination complaints
- Alleviating barriers to obtaining/maintaining affordable housing
 - Fixed-Income/Underemployment
 - Credit/financial management issues

- Criminal background
- Prior evictions
- Rental/utility assistance
- Security Deposits
- Landlord Engagement by service providers
- Increase in service provider staff to support the needs of qualifying populations
- Various services for qualifying populations to include state-issued identification, mental health services, healthcare services, childcare, elder care, food, clothing, life skills training, job training, housing counseling

Public Participation

In accordance with Section V.B of the Notice (page 13), PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of **no less than 15 calendar days**. The PJ must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan. In addition, PJs must hold **at least one public hearing** during the development of the HOME-ARP allocation plan and prior to submission.

PJs are required to make the following information available to the public:

- The amount of HOME-ARP the PJ will receive, and
- The range of activities the PJ may undertake.

Throughout the HOME-ARP allocation plan public participation process, the PJ must follow its applicable fair housing and civil rights requirements and procedures for effective communication, accessibility, and reasonable accommodation for persons with disabilities and providing meaningful access to participation by limited English proficient (LEP) residents that are in its current citizen participation plan as required by 24 CFR 91.105 and 91.115.

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:

- *Date(s) of public notice: 2/24/2023*
- *Public comment period: start date - 2/25/2023 end date - 3/13/2023*
- *Date(s) of public hearing: 3/2/2023 City Council Chambers @10:00am and 5:00pm*

Describe the public participation process:

The CNS invites members of the community to participate in the HOME-ARP planning process by reviewing and commenting on the draft of the Allocation Plan. The Plan will be made available via the City of Tuscaloosa’s website and by hard copy located in the Office of

Community and Neighborhood Services (CNS). Furthermore, a presentation of the plan was made in the City Council Community Development Committee, an advertised public meeting, on February 21, 2023, at 5:00pm. It was also announced at this meeting that a public hearing would be held on March 2, 2023, at 10:00am and 5:00pm. The public can attend this committee meeting in-person or virtually through website, television, or Facebook. The public hearing and citizen comment period was also advertised in the Tuscaloosa News and the City's website on February 24, 2023. The public will be able to submit comments on the Plan by e-mail, website, or in-person at the public hearing or in the CNS office during the 15-day comment period.

Describe efforts to broaden public participation:

The CNS wanted to ensure that best efforts were made in soliciting citizen comment on the Allocation Plan. The public hearing was held in the morning and evening to accommodate multiple work schedules. The CNS also advertised in the newspaper as well as on its website. In the advertisements, the CNS stated the name of the program, funding amount, all potential eligible activities under HOME-ARP, location of public hearing, and the process of requesting special accommodations to attend the public hearing.

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

TBD pending public hearing on March 2, 2023.

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

TBD pending public hearing on March 2, 2023.

Needs Assessment and Gaps Analysis

In accordance with Section V.C.1 of the Notice (page 14), a PJ must evaluate the size and demographic composition of **all four** of the qualifying populations within its boundaries and assess the unmet needs of each of those populations. If the PJ does not evaluate the needs of one of the qualifying populations, then the PJ has not completed their Needs Assessment and Gaps Analysis. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services.

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	19	5	87	87	0								
Transitional Housing	0	0	0	0	8								
Permanent Supportive Housing	0	0	15	15	0								
Other Permanent Housing (VASH)	0	0	0	0	267								
Sheltered Homeless						1	36	273	7				
Unsheltered Homeless						0	1	0	0				
Current Gap										14	4	56	56

Suggested Data Sources: 1. Point in Time Count (PIT) 2022; 2. Continuum of Care Housing Inventory Count (HIC) 2022; 3. Consultation – HMIS Data January 1, 2022 – December 31, 2023. **Note:** Data from the 2022 PIT Count represents only one day out of the year. In January 2022, which is when this count occurred, there was a significant outbreak of COVID-19 which affected the ability to have enough volunteers to accurately count the unsheltered. Furthermore, The Salvation Army emergency shelter was also undergoing a major plumbing repair as well dealing with a COVID-19 outbreak. As a result, the City will consult with HMIS data in order fully understand the unmet needs.

Housing Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	18,195		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	1,265		
Rental Units Affordable to HH at 50% AMI (Other Populations)	575		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		4,710	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		2,505	
Current Gaps			-5,375

Data Source: Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

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

Homeless as defined in 24 CFR 91.5

According to the 2022 Point-In-Time (PIT) count, Tuscaloosa had a total of 33 individuals that were in emergency shelter, 6 in transitional housing, and 1 that was unsheltered. Of the 40 individuals counted, 20 were female, 13 were male, and 8 were considered to have severe mental illness. During the 2022 PIT, the emergency shelter has a utilization of 39%. Taking into consideration data from the 2022 Housing Inventory Count (HIC) conducted on the same date, Tuscaloosa had 282 individuals utilizing permanent supportive housing.

It is to be noted, however, that this count took place during an active pandemic which has deterred shelter stays in some cases, especially since there was a major resurgence of COVID-19 in Tuscaloosa County during this count. The Continuum acknowledges a shift in its ability to fully engage in the count of the literally homeless in 2022 due to COVID-19; while a team was sent out to count unsheltered homeless, the CoC also remains aware of unsheltered needs by the HMIS records kept in the Street Outreach program to more accurately reflect the literal homeless in the area.

According to 2022 data from HMIS, a total of 74 individuals received street outreach services. Of the 74 individuals receiving services, 49% were male, 31% were female, and 20% gender unknown. 54% were African American, 31% were white, and 15% Other. Furthermore, an examination of services provided through emergency shelter in 2022 demonstrated a total of 392 individuals served. Of the 392 served, 53% were male, 33% were female, and 14% data was not collected. 65% African American, 30% White, and 5% Other. Furthermore, in consultation with the emergency shelter, the utilization rate on average is 75%.

At Risk of Homelessness as defined in 24 CFR 91.5

HUD defines those at risk of homelessness as individuals and families who have an income at or below 30% of the area median income (AMI), do not have sufficient resources or support networks to prevent them from becoming homeless, or live with instability.

According to HUD's 2015-2019 CHAS data, 49% of renter occupied households was cost burdened or paying more than 30% of their household income. The data also identified that renter occupied households that paid over 50% of their household income accounted for 29%.

The impact on very low-income renter occupied housing appears to be even greater. Based on 2015-2019 CHAS data, 5,975 of renter households or 33% of total renter households are at or below 30% of the AMI (very low income). 77% of these households are cost burdened

or paying over 30% of their household income towards housing costs (contract rent plus utilities). Furthermore, of the households that are cost burdened or paying over 30% of their income, 67% are considered severely cost-burdened or paying over 50% of their household income towards housing costs.

The issue of cost burdened households was reviewed in the City's 2018 Affordable Housing Study and 2020-2024 Consolidated Plan. Tuscaloosa has a heavy college student presence, which has caused the market to focus on developing a great deal of student-oriented luxury apartment types. The large number of student-oriented rental housing has likely contributed to this issue as these units distort the rent prices.

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

SAN Inc. d.b.a. Turning Point is the primary agency in Tuscaloosa that is dedicated to addressing victims of domestic violence, dating violence, sexual assault, and stalking. During the 2022 PIT count, 7 individuals were identified as domestic violence. The shelter utilization rate for the PIT was 58%. In fiscal year 2021, Turning Point (TP) provided 24-hour emergency shelter to 88 clients, assisted 2,291 victims of domestic violence in court proceedings with advocacy services, and 58 Protection from Abuse orders were obtained. The agency also received 891 crisis calls. Turning Point identifies that the availability of funds and lack of affordable housing for low-income families impact their ability to meet the needs of their clients. Turning Point has recently moved into a new location that has increased their bed count from 12 to 27 beds. Turning Point's shelter utilization on average is 70%.

Furthermore, Safe Center, sexual assault crisis center, identifies that they served approximately 350 people with approximately 20 individuals experiencing homelessness or at risk of homelessness. In assessing the needs of clients that have experienced sexual violence, the agency identified that this experience often creates more needs to include securing safe housing and other medical 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 Notice

CNS consulted with multiple service providers concerning housing instability. In reviewing the Tuscaloosa Housing Authority (THA) waitlist numbers, there is a great need of subsidized housing for low and very low-income individuals. According to THA's waitlist, there are over 2,000 for Section 8 and 200-300 for public housing. Furthermore, the affordable housing inventory is a barrier for existing vouchers as it can be difficult to find housing to utilize the voucher. According to THA, newly issued Section 8 vouchers normally take closer to 120 days to locate an eligible unit to participate.

In addition, in consultation with the Tuscaloosa City Schools, 150 students have McKinney-Vento status or children that lack “a fixed, regular, and adequate nighttime residence.”

Veteran providers identified that there is limited access to transitional housing. There are currently 8 units as identified in 2022 HIC at the Salvation Army, however, these units are only for men. The HUD-VASH vouchers currently have 100% utilization (267). It was also identified that more affordable housing units are needed as lower income individuals and families are being priced out of rent.

The U.S. Treasury Emergency Rental Assistance Program 1 and 2 (ERAP 1 and ERAP 2) has closed-out its program in Tuscaloosa serving approximately 2,176 households. Based on utilization of the program, 83% of ERAP 1 was 50% AMI (955) and 76% of ERAP 2 was 50% AMI (778). ERAP 1 median months of arrearage was 7 and ERAP 2 median months of arrearage was 5. According to Legal Services Alabama is working ERA Alabama to assist those that are still in court.

The Fair Housing Center of Northern Alabama (FHCNA) provides fair housing education, outreach and enforcement services to the citizens of Tuscaloosa. The center investigates allegations of housing discrimination and conducts testing to uncover discriminatory treatment. This organization participates in HUD’s Fair Housing Initiatives Program. This organization serves veterans, persons with disabilities, at-risk of homelessness, and fleeing or attempting to flee domestic violence. In 2022, FHCNA assisted 137 clients in Tuscaloosa. Of the 137, 9 clients were experiencing homelessness or at-risk of homelessness, 10 clients faced housing instability, and 40 clients identified as having disabilities. According to FHCNA, due to limited resources to provide fair housing assistance, many people who experience housing discrimination do not receive assistance. Many of the clients are elderly with complaints of denials of reasonable accommodations.

Indian Rivers (IR), a comprehensive behavioral health provider, that provides care for mental illness, substance abuse, and developmental disabilities. In consultation with IR, barriers identified included transportation, lack of income, symptoms of mental illness, lack of ID, difficulty with filling out forms and keeping appointments. Many of the clients served by IR are low income and cannot qualify for a lot of rental housing units.

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:

Tuscaloosa currently has the following resources to address HOME-ARP qualifying populations:

- HUD VASH – 267 Vouchers (Veterans)
- Section 8 Vouchers – 1,435

- Public Housing Units – 960 (Managed by THA or 3rd Party)
- Veterans Transitional Housing – 8 units
- Permanent Supportive Housing – 15 beds
- Emergency Shelter
 - Men – 46 beds
 - Women – 10
 - Family – 19
- DV Emergency Shelter – 27 beds
- TBRA – funded through 2019 HOME
- Housing Counseling – funded through CDBG
- Homeless Prevention, Rapid Re-Housing, and Street Outreach – these activities are contingent on funding as Tuscaloosa does not receive entitlement funds under ESG. CDBG is currently funding Street Outreach under its 2022 program year.
- Tuscaloosa Homeless Prevention Project (Legal Services Alabama) – provide legal assistance and community education to LMI individuals and families facing barriers to housing.
- After School and Summer Programs (Boys and Girls Club of West Alabama) – provide academic support, meals, mental health support, enrichment activities, and family support services for K-12 children and youth.

In review of the current housing, emergency shelters, transitional housing, permanent supportive housing, and services, the City understands that funding availability could greatly affect the ability of the community to administer these services. In addition, even with current funding, a great deal of these resources has a greater demand than what is available.

Describe the unmet housing and service needs of qualifying populations:

Homeless as defined in 24 CFR 91.5

HMIS data identified that the unsheltered homeless population is growing. Although the 2022 PIT demonstrated 1 unsheltered individual, 74 unsheltered homeless individuals were offered street outreach services in 2022. In review of this growth, it can be determined that supportive services are needed to connect this population with emergency shelter, affordable housing, and supportive services.

At Risk of Homelessness as defined in 24 CFR 91.5

CHAS 2015-2019 data identifies that Tuscaloosa does not have an adequate supply of affordable rental housing units for low and very low households. The data also determines that over 75% of low and very low-income households are housing cost burdened. In addition, the heavy college student presence has driven the market to produce student-oriented luxury apartment types that have likely contributed to distorting the rent prices.

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

Based on the utilization rate of the shelter and consultations with providers, the availability of affordable housing units for low-income families is a barrier for this population as well. After experiencing the trauma of domestic violence, stalking, dating violence, sexual assault, and human trafficking, secure safe housing and medical services are needed to achieve housing stability.

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

Supportive services and affordable rental housing units were identified as a need. This is based on the lack of adequate supply of affordable rental units and cost burdened families. The additional barriers causing housing instability include credit/financial management issues, criminal history, fair housing violations, long wait list for subsidized housing, rental/utility assistance, security deposits, symptoms of mental illness, etc.

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

There is a shortage of affordable rental housing in Tuscaloosa. The availability of affordable rental housing units does not meet the needs of the qualifying populations. The combination of fixed-incomes and underemployment contributes to the need for this housing type. Furthermore, the unsheltered homeless population is growing, which demonstrates a gap in meeting the need of this population in connecting them with emergency shelter and other vital services. Aside from construction of rental units, supportive services were identified as a gap that needed to be filled amongst service providers that were directly consulted. These services are critical to successful outcomes for housing stability.

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:

CNS recognizes the definition of Other Populations set forth by HUD in the CPD Notice (Families Requiring Services or Housing Assistance to Prevent Homelessness or At Greatest Risk of Housing Instability). The criteria related to these categories include households/persons who are (1) extremely low-income with a severe cost burden, or households with (2) an annual income that is less than or equal to 50% of the area median income meet one of the following conditions from paragraph (iii) of the “At risk of homelessness” definition established at 24 CFR 91.5. No further characteristics of housing instability have been defined in the City’s

Consolidated Plan; thus, the City will use the criteria listed in the first six conditions listed in the “At risk of homelessness” definition established at 24 CFR 91.5.

Identify priority needs for qualifying populations:

The combination of the analysis of data as well as consultations conducted with service providers of qualifying populations have identified the following priority needs:

1. Construction of Affordable Rental Housing Units
2. Supportive Services
 - a. To include, but limited to medical and mental health treatment, housing counseling, transportation, case management services, and other services essential to prevent homelessness and increase housing stability.

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:

To determine the level of need and gaps, CNS looked at both qualitative and quantitative measures. Data from CHAS, 2022 PIT count, 2022 HIC, and HMIS data were utilized in partnership with feedback and on-the-ground insights from key stakeholders in Tuscaloosa. The takeaways from data analysis and stakeholder input were incorporated into the needs assessment.

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:

CNS will follow the same two-part application process that is utilized in the funding process for CDBG and HOME. Phase I involves submitting a pre-application to determine if the proposed activity meets local and federal standards and priorities to include the HOME-ARP Allocation Plan. CNS will review pre-applications and those meeting the minimum qualifications will be invited to submit a full application in Phase II. The full applications are evaluated and scored by staff and funding recommendations, based on aforementioned Allocation Plan, are presented to the Community Development Committee and the entire City Council for final review and approval.

Describe whether the PJ will administer eligible activities directly:

The City intends to administer a portion of supportive services through its HUD-Certified Housing Counseling Agency.

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:

The City will not allocate and funds to a subrecipient or contractor to administer the entire HOME-ARP program prior to HUD's acceptance of the HOME-ARP Allocation Plan.

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, nonprofit capacity building, and administrative costs is within HOME-ARP limits.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 461,468.75		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 1,000,000.00		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 257,906.25	15 %	15%
Total HOME ARP Allocation	\$ 1,719,375.00		

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

CNS, through data and consultation of service providers assisting the qualified populations, has identified that there is a shortage in available affordable rental housing units. Understanding that there is a gap of 5,375 affordable rental units to serve low and very low-income households. Also, data demonstrated that over 75% of these households are considered cost burdened. Furthermore, it has been identified that there are additional barriers outside of affordable units that require supportive services to assist with obtaining or maintaining affordable housing.

Supportive Services

The purpose of funding this line item is to address housing stability to include, **but not limited to** the following services

- Housing Counseling
- Case Management
- Job Readiness

- Transportation
- Outreach Services
- Mental Health Services
- Homeless Prevention
- Rapid Rehousing

Development of Affordable Rental Housing

The purpose of funding this line item is to address the shortage of available rental housing units. The City intends to leverage HOME-ARP funds to produce eight affordable rental housing units.

Administration

Fifteen percent of the allocation is set aside for costs of overall HOME-ARP management, coordination, monitoring, and evaluation. Expenditures may include salaries, wages, and related costs in the administration of the program through project completion.

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

The community needs and gap analysis demonstrated multiple barriers to housing stability to obtain and/or maintain affordable housing. The review of utilization of emergency shelters, housing vouchers, public housing units, and the City's growing unsheltered homeless population, CNS identified that the priority needs were increasing affordable rental housing units and providing services to promote housing stability. Each qualifying population service provider has identified this as a barrier in their consultation.

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:

Using HUD's 2022 Unit Total Development Cost Limits (TDC) for Tuscaloosa, Alabama, the estimated cost per one bedroom 700 square feet is \$171,629 and per two-bedroom 900 square feet unit is \$217,793. The data along with the housing characteristics required by qualifying populations representing individuals and families was inserted into HUD's HOME-ARP Housing Production Goal Calculation Worksheet to determine housing production goals. The City intends to allocate \$1,000,000 of its HOME-ARP funds towards the development of affordable rental housing. Understanding the rising costs of construction, but also wanting to make an impact in meeting the needs of our qualifying populations, the City intends to leverage HOME-ARP funds to construct a minimum of 8 affordable rental housing units. Depending on funding

available to leverage with HOME-ARP funds, the City could potentially increase the number of affordable rental housing units.

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:

Based on CHAS 2015-2019 data provided in the gaps/needs analysis, Tuscaloosa has a shortage of affordable rental housing units for individuals and families that are considered low and very-low income. The addition of 8 affordable rental housing units will be a step towards addressing this housing need. Pending approval of the HOME-ARP Allocation Plan from HUD, the City will identify partnerships in achieving this goal through the competitive notice of funding opportunity to allocate funding.

Preferences

A preference provides a priority for the selection of applicants who fall into a specific QP or category (e.g., elderly or persons with disabilities) within a QP (i.e., subpopulation) to receive assistance. A *preference* permits an eligible applicant that qualifies for a PJ-adopted preference to be selected for HOME-ARP assistance before another eligible applicant that does not qualify for a preference. A *method of prioritization* is the process by which a PJ determines how two or more eligible applicants qualifying for the same or different preferences are selected for HOME-ARP assistance. For example, in a project with a preference for chronically homeless, all eligible QP applicants are selected in chronological order for a HOME-ARP rental project except that eligible QP applicants that qualify for the preference of chronically homeless are selected for occupancy based on length of time they have been homeless before eligible QP applicants who do not qualify for the preference of chronically homeless.

Please note that HUD has also described a method of prioritization in other HUD guidance. Section I.C.4 of Notice CPD-17-01 describes Prioritization in CoC CE as follows:

“Prioritization. In the context of the coordinated entry process, HUD uses the term “Prioritization” to refer to the coordinated entry-specific process by which all persons in need of assistance who use coordinated entry are ranked in order of priority. The coordinated entry prioritization policies are established by the CoC with input from all community stakeholders and must ensure that ESG projects are able to serve clients in accordance with written standards that are established under 24 CFR 576.400(e). In addition, the coordinated entry process must, to the maximum extent feasible, ensure that people with more severe service needs and levels of vulnerability are prioritized for housing and homeless assistance before those with less severe service needs and lower levels of vulnerability. Regardless of how prioritization decisions are implemented, the prioritization process must follow the requirements in Section II.B.3. and Section I.D. of this Notice.”

If a PJ is using a CE that has a method of prioritization described in CPD-17-01, then a PJ has preferences and a method of prioritizing those preferences. These must be described in the HOME-ARP allocation plan in order to comply with the requirements of Section IV.C.2 (page 10) of the HOME-ARP Notice.

In accordance with Section V.C.4 of the Notice (page 15), the HOME-ARP allocation plan must identify whether the PJ intends to give a preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).
- The PJ must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements when establishing preferences or methods of prioritization.

While PJs are not required to describe specific projects in its HOME-ARP allocation plan to which the preferences will apply, the PJ must describe the planned use of any preferences in its HOME-ARP allocation plan. This requirement also applies if the PJ intends to commit HOME-ARP funds to projects that will utilize preferences or limitations to comply with restrictive eligibility requirements of another project funding source. **If a PJ fails to describe preferences or limitations in its plan, it cannot commit HOME-ARP funds to a project that will implement a preference or limitation until the PJ amends its HOME-ARP allocation plan. For HOME-ARP rental housing projects, Section VI.B.20.a.iii of the HOME-ARP Notice (page 36) states that owners may only limit eligibility or give a preference to a particular qualifying population or segment of the qualifying population if the limitation or preference is described in the PJ's HOME-ARP allocation plan.** Adding a preference or limitation not previously described in the plan requires a substantial amendment and a public comment period in accordance with Section V.C.6 of the Notice (page 16).

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

The City does not intend to give preference to one or more qualifying populations.

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:

Not applicable

Limitations in a HOME-ARP rental housing or NCS project

Limiting eligibility for a HOME-ARP rental housing or NCS project is only permitted under certain circumstances.

- PJs must follow all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a). This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, section 504 of Rehabilitation Act, HUD's Equal Access Rule, and the Americans with Disabilities Act, as applicable.
- A PJ may not exclude otherwise eligible qualifying populations from its overall HOME-ARP program.
- Within the qualifying populations, participation in a project or activity may be limited to persons with a specific disability only, if necessary, to provide effective housing, aid, benefit, or services that would be as effective as those provided to others in accordance with 24 CFR 8.4(b)(1)(iv). A PJ must describe why such a limitation for a project or activity is necessary in its HOME-ARP allocation plan (based on the needs and gap identified by the PJ in its plan) to meet some greater need and to provide a specific benefit that cannot be provided through the provision of a preference.
- For HOME-ARP rental housing, section VI.B.20.a.iii of the Notice (page 36) states that owners may only limit eligibility to a particular qualifying population or segment of the qualifying population if the limitation is described in the PJ's HOME-ARP allocation plan.
- PJs may limit admission to HOME-ARP rental housing or NCS to households who need the specialized supportive services that are provided in such housing or NCS. However, no otherwise eligible individuals with disabilities or families including an individual with a disability who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

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:

The City does not intend to set any preference.

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

The City does not intend to implement any limitation.

If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation

through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):

Not Applicable

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\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

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

The City has elected to not use its HOME-ARP funds to refinance existing debt secured by multi-family rental housing. This is not applicable.

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

This is not applicable.

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

This is not applicable.

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

This is not applicable.

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

This is not applicable.

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

This is not applicable.