

**Substantial Amendment #2
HOME-ARP Allocation Plan (Program Year 2021 Annual Action Plan)
Background:**

RIHousing’s HOME-ARP Allocation Plan (Exhibit “A”) was accepted February 1, 2022; and subsequently RIHousing’s 1st Substantial Amendment was accepted January 16, 2024 (Outlined in RED). HOME-ARP Rental Development funding was included in RIHousing’s October 2022 Consolidated Funding Round Request for Proposals (“RFP”). One rental project was awarded \$2,000,000 to construct ten HOME-ARP rental units in a 9% LIHTC development. This award was rescinded, and in RIHousing, October 2023 Consolidated Funding Round Request for Proposals (“RFP”) another project was awarded to construct 10 HOME-ARP rental units in a 9%LIHTC development. This project is currently in the underwriting process approaching firm commitment and then ultimately final approval.

It was anticipated in our 1st Substantial Amendment that capital and operating funds would be available for the production or preservation of rental units prioritizing households at or below 30% AMI including households referred by Rhode Island’s Coordinated Entry System. This is no longer the case as certain anticipated funding sources are no longer available; therefore RIHousing is seeking approval of our 2nd Substantial amendment. RIHousing will issue the next Consolidated Funding Round Request for Proposals (“RFP”) in October 2024.

RIHousing is proposing the following revisions to its accepted allocation plan & 1st Substantial Amendment. Revisions to the accepted 1st Substantial Amendment will be outlined in BLUE and labeled as Proposed 2nd Substantial Amendment:

1. Revise allocation of funds for HOME-ARP Activities as well as increase the amount of Admin initially set aside
2. Revise estimate of HOME-ARP rental units to be produced
3. Revise to include RI Coordinated Entry Systems and site-specific project based chronological waitlists as the methods of referral for Qualified Populations to access both HOME-ARP Rental Units and HOME-ARP Supportive Services.

USE OF HOME-ARP FUNDING (Exhibit “A” PAGE 15):

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services	\$ 3,000,000		
Acquisition and Development of Non-Congregate Shelters			
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$ 9,186,659		
Non-Profit Operating			5%
Non-Profit Capacity Building	\$ 300,000	2%	5%
Administration and Planning	\$ 1,000,000	7.4 %	15%
Total HOME-ARP Allocation	\$ 13,486,659		

USE OF HOME-ARP FUNDING (ACCEPTED 1ST SUBSTANTIAL AMEMENDMENT):

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services	\$ 10,486,659		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$ 2,000,000		
Non-Profit Operating	\$ 0		5%
Non-Profit Capacity Building	\$ 0		5%
Administration and Planning	\$ 1,000,000	7.4 %	15%
Total HOME ARP Allocation	\$ 13,486,659		

USE OF HOME-ARP FUNDING (Proposed 2ND SUBSTANTIAL AMENDMENT):

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services	\$ 2,464,659		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 9,000,000		
Non-Profit Operating	\$ 0		5%
Non-Profit Capacity Building	\$ 0		5%
Administration and Planning	\$ 2,022,000	15%	15%
Total HOME ARP Allocation	\$ 13,486,659		

Additional narrative, if applicable: (Exhibit “A” PAGE 15)

RIHousing will allocate the largest amount of HOME-ARP Program funds, \$9,186,659, to the development of affordable rental housing. Eligible costs may include, but are not limited to, property acquisition, hard and soft development costs and operating subsidies required to serve extremely low-income households. Three Million Dollars (\$3,000,000) will be allocated to supportive services that will either be paired with the newly created rental units or be provided to existing supportive housing providers to deliver improved quality care to qualifying populations where current resources are insufficient to provide such services currently or to meet current demand. Supportive services can include but are not limited to: (i) support with housing and benefits applications and re-examinations, (ii) coordination of healthcare, assistance with transportation and access to food, and, (iii) support in navigating relationships with landlords and the broader community. Diversion funds which are flexible and can be used to divert a household from the homelessness and shelter system will also be included. Diversion funds are often used to pay for first month’s rent and security deposits, utility arrears, car repairs, short-term childcare, etc. An additional \$300,000 will be allocated to non-profit capacity building.

Additional narrative, if applicable (Exhibit “A” Page 15): (Accepted 1st Substantial Amendment)

RIHousing will allocate the largest amount of HOME-ARP Program funds, \$10,486,659, to Supportive Services. Eligible costs may include, but are not limited to, property acquisition, hard and soft development costs and operating subsidies required to serve extremely low-income households. Two Million Dollars (\$2,000,000) will be allocated to the development of affordable rental housing.

Preference for rental housing and supportive services will be for Qualifying Populations 1 & 3. The unmet housing and service needs of QP 3, those Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking are not expressly described in the original Allocation plan. However, as a result of the COVID-19 pandemic, there has been a substantial increase in individuals and families seeking assistance for domestic violence. This was evidenced in the consultation process and new data since 2021. Service providers involved with transitional housing and Safe House programs for QP3 have reported a dramatic increase in the demand for services. Those attempting to flee violent situations face unique challenges in accessing assistance and are in need of targeted resources. Rhode Island has a number of very qualified domestic violence service providers with documented success in providing transitional and permanent housing. Increased funding will allow them to meet a crucial unmet need and move families out of crisis situations towards stability.

Supportive services will be available for qualified populations in newly created rental units or be provided to existing supportive housing providers to deliver improved quality care where current resources are insufficient to meet current demand. Supportive services can include but are not limited to: (i) support with housing and benefits applications and re-examinations, (ii) coordination of healthcare, assistance with transportation and access to food, and, (iii) support in navigating relationships with landlords and the broader community. Diversion funds which are flexible and can be used to divert a household from the homelessness and shelter system will also be included. Diversion funds are often used to pay for first month’s rent and security deposits, utility arrears, car repairs, short-term childcare, etc.

Additional narrative, if applicable: (Exhibit “A” PAGE 15): Proposed 2nd Substantial Amendment

RIHousing will allocate the largest amount of HOME-ARP Program funds, \$9,000,000, to the development of affordable rental housing. Eligible costs may include, but are not limited to, property acquisition, hard and soft development costs and operating subsidies required to serve extremely low-income households. Just over Two Million Four Hundred Thousand Dollars (\$2,464,659.00) will be allocated to supportive services that will either be combined with the newly created rental units or be provided to existing supportive service providers to deliver improved quality care to qualifying populations where current resources are insufficient to provide such services to meet current demand. Supportive services will include all McKinney-Vento services listed in HUD’s CPD 21-10 for those currently experiencing homelessness as defined by HOME-ARP, and all services listed under Homelessness Prevention in HUD’s CPD 21-10 for those experiencing a documented housing insecurity as defined by HOME-ARP and not receiving services from any other services provider ensuring there are not duplication of services.

HOME-ARP Production Housing Goals (Exhibit “A” PAGE 17)

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

RIHousing estimates 90 new supportive and affordable housing units will be created from the recommended allocation, which may include but is not limited to housing for households experiencing homelessness and homes for eligible seniors and adult individuals with intellectual and developmental disabilities.

(Accepted 1st Substantial Amendment)

RIHousing estimates 10 new HOME-ARP supportive and affordable housing units will be created from the recommended allocation, which may include but is not limited to housing for households experiencing homelessness and homes for eligible seniors and adult individuals with intellectual and developmental disabilities.

(Proposed 2nd Substantial Amendment)

RIHousing estimates 30 new HOME-ARP supportive and affordable housing units will be created from the recommended allocation, which may include but is not limited to housing for households experiencing homelessness and housing insecurity as well as homes for individuals that qualify in any one of the four qualified populations.

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

RIHousing estimates the HOME-ARP grant can support the creation of 90 new units by providing gaps in capital funds and by leveraging the state’s 4% and 9% Low Income Housing Tax Credit (“LIHTC”) programs, state, and affordable housing trust funds, and HOME/ Housing Trust Fund (“HTF”) formula allocation funds. While projects may be financed solely with HOME-ARP rental housing funds, all efforts will be made to leverage additional financing opportunities, including Medicaid reimbursement for services. This financing will help to meet the need for affordable and permanent supportive housing in the State.

(Accepted 1st Substantial Amendment)

Capital and operating funds will be available within RIHousing’s next issuance of its Consolidated Funding RFP for the production or preservation of rental units prioritizing households at or below 30% AMI, including those that are experiencing homelessness, surviving domestic violence or at risk of experiencing homelessness.

RIHousing identified “a critical need for additional housing units that accept rental assistance vouchers or are priced affordably for very and extremely low-income households AND the services to accompany them. Most formerly homeless households require very little support long-term, but some require long-term on-going support. The evidence base suggests a system that is equipped to provide the right intensity of services at the right time. These services can be as simple as teaching

someone how to pay their rent and complete housing recertifications, to more complicated support such as coordinating urgent behavioral healthcare.” (Exhibit “A” PAGE 13)

All Qualifying Populations will be eligible for HOME-ARP Supportive Services. Re-allocating \$10.5 million in HOME-ARP funds to Supportive Services will support both households living in newly created units and diversion activities to ensure housing stability.

(Proposed 2nd Substantial Amendment)

RIHousing will utilize HOME-ARP to support the operation of HOME-ARP rental units by creating a Capital reserve to support the unit through the entire 15-year mandatory affordability period for low-income units.

All Qualifying Populations will be eligible for HOME-ARP Supportive Services and Rental Units. RIHousing is reducing the allocation of supportive services to \$2.64 Million dollars, while increasing the amount allocated to Rental Development to \$9 Million based on the lack of affordable housing in the State of RI. Combining supportive services and affordable rental units is directly in line with RI’s Allocation plan and reduces the level of housing insecurity experienced in our state due to the current housing crisis.

Preferences (Exhibit “A” PAGE 17)

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:

- 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).
- PJs are not required to describe specific projects to which the preferences will apply

In an effort to provide maximum program flexibility and opportunities to all Rhode Islanders experiencing or at-risk of homelessness, RIHousing has elected to not apply preferences among the qualifying populations.

Preferences (Exhibit “A” Page 17) (Accepted 1st Substantial Amendment)

The Preferences for referral of Qualified Populations to HOME ARP Rental Units and Supportive Services will be as follows:

1. HOME ARP Qualifying Population 1 & 3.
2. HOME ARP Qualifying Population 2.
3. HOME ARP Qualifying Population 4.

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 category of qualifying population, consistent with the PJ’s needs assessment and gap analysis.

These preferences offer vulnerable populations the quickest access to achieving housing stability, while at the same time achieving the goals set forth in the Allocation Plan. This plan satisfies the goal of moving households to a place of housing stability. Additionally, the plan identified the need for

supportive services to ensure individuals and families have a way to not only secure stable housing while homeless, but services specifically for households experiencing housing instability that provides resources to avoid homelessness. These preferences along with the allocations to the HOME-ARP activities allow for the greatest positive impacts on vulnerable populations identified.

Preferences (Exhibit “A” Page 17) (Proposed 2nd Substantial Amendment)

The preferences accepted in the 1st Substantial Amendment are unchanged and Rhode Island is not seeking to make any revisions to preferences as they are currently accepted.

Referrals (Accepted 1st Substantial Amendment)

After applying the preferences above, each HOME-ARP project or activity will establish their own chronological waitlist.

Referrals (Proposed 2nd Substantial Amendment)

Although the preferences accepted in the 1st Substantial Amendment will not change, RI is seeking to revise Referrals Methods. Referrals will be made for HOME-ARP Rental Units and Supportive Services through a combination of CES and Project Specific chronological waiting list. CES preferences and methods of prioritization will not be adopted in placements of HOME-ARP units or in delivery of Supportive Services to any of the qualifying populations. CES may refer to project based chronological waiting list. In the event the project or activity offers both Rental Units and Supportive Services, two separate chronological waiting list shall be used.

Exhibit A
Rhode Island
Substantial Amendment
Program Year 2021 Annual Action Plan
(July 1, 2021 – June 30, 2022)

HOME-ARP Allocation Plan

FINAL FOR HUD SUBMISSION

December 22, 2021

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HOME-ARP Allocation Plan Template

Guidance

- To receive its HOME-ARP allocation, a PJ must:
 - Engage in consultation with at least the required organizations;
 - Provide for public participation including a 15-day public comment period and one public hearing, at a minimum; and,
 - Develop a plan that meets the requirements in the HOME-ARP Notice.
- To submit: a PJ must upload a Microsoft Word or PDF version of the plan in IDIS as an attachment next to the “HOME-ARP allocation plan” option on either the AD-26 screen (for PJs whose FY 2021 annual action plan is a Year 2-5 annual action plan) or the AD-25 screen (for PJs whose FY 2021 annual action plan is a Year 1 annual action plan that is part of the 2021 consolidated plan).
- PJs must also submit an SF-424, SF-424B, and SF-424D, and the following certifications as an attachment on either the AD-26 or AD-25 screen, as applicable:
 - Affirmatively Further Fair Housing;
 - Uniform Relocation Assistance and Real Property Acquisition Policies Act and Anti-displacement and Relocation Assistance Plan;
 - Anti-Lobbying;
 - Authority of Jurisdiction;
 - Section 3; and,
 - HOME-ARP specific certification.

Participating Jurisdiction: Rhode Island

Date: 12/22/2021

Consultation

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction’s geographic area, homeless and domestic violence service providers, veterans’ groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state’s boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

Summarize the consultation process:

In preparation for further guidance from HUD, RIHousing initiated a consultation process in the Spring of 2021, following the passage of the American Rescue Plan.

RIHousing hosted a webinar, Partnerships to End Homelessness, on June 10, 2021. 106 participants attended. The virtual event showcased existing, successful partnerships formed to create sustainable projects to end

homelessness. The panel included representatives from a local Community Development Corporation (“CDC”), a federally qualified health center, a homeless service provider, and a for-profit developer. Each set of partners discussed their unique and innovative collaborations before welcoming questions and feedback from community stakeholders.

On June 30, 2021, RIHousing hosted an additional virtual convening with 80 participants representing homeless service providers, community advocates, healthcare providers, CDCs, veterans’ groups, community action programs, state agencies, domestic violence organizations, municipalities, public housing authorities, mental healthcare providers and local philanthropic organizations. The event included an overview of HOME-ARP Program (the “Program”) parameters that were known at the time, as well as anticipated timelines for rolling out the Program. Our partners from the Rhode Island Coalition to End Homelessness (“RICH”) manage Rhode Island’s homeless management information system (“HMIS”) and provided an overview of the most recent homeless data. The data presentation was followed by nine moderated breakout rooms that discussed housing and service provider partnerships, priority needs and populations, and strategies to invest for a long-term impact to address the homelessness challenges in RI. The larger group reconvened to share the themes and ideas generated during the breakout sessions. Following the event, stakeholders were invited to provide further feedback via a Survey Monkey. We received feedback from 92 stakeholders through the survey. (List of virtual convening participants and the meeting summary are attached as Appendix A).

After HUD’s issuance of HOME-ARP CPD Notice 21-10 on September 13, 2021, RIHousing once again reached out to key stakeholders for additional feedback informed by HUD’s program guidance. The details on the organizations consulted and the feedback received during that second round of outreach are included in the table below.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
HOMES RI	Policy / Advocacy	Virtual Meeting	<ul style="list-style-type: none"> • Increase operating assistance for rental units • Increase rental opportunities for youths
CoC Transition Aged Youth (“TAY”) / Family subcommittee	CoC subcommittee	Virtual Meeting	<ul style="list-style-type: none"> • On-site support for life / parenting skill development and crisis intervention • Supportive units needed for families with high-level mental illness needs in order to remain in a family setting and stay safely housed
CoC domestic violence subcommittee	CoC subcommittee	Virtual Meeting	<ul style="list-style-type: none"> • Assistance to connect survivors with existing resources

Public Housing Association of RI	PHA advocacy group	Virtual Meeting	<ul style="list-style-type: none"> • Supportive Services needed to assist with daily living needs, appointments, etc. to ensure housing stability • Services needed to assist with independent living in a community setting, aging in place (elderly)
RI Housing Resources Commission	State Planning/ Policy commission (Membership included in Appendix B- includes wide range of state agencies, organizations representing veterans, disabled populations, housing, healthcare and service providers)	In-person	No specific feedback received
Housing Network of RI	Umbrella organization for CDCs (Membership included in Appendix C)	Virtual Meeting	<ul style="list-style-type: none"> • Increase funding for supportive services • More coordination needed between rental housing developers and supportive service providers • Non-profit capacity building needed • Coordinate HOME-ARP RFPs with HTF RFPs
RI Continuum of Care	HUD mandated governing body (includes homeless service providers across the spectrum- veterans, youth, domestic violence, behavioral health)	In-person	<ul style="list-style-type: none"> • More housing units, need for increase in shelter beds, need supportive service funding. Members highlighted repurposing state-owned properties, vacant buildings and commercial space.
Adoption RI	Non-profit focused on	Phone	<ul style="list-style-type: none"> • Life skills support for TAY

	permanent homes for foster and transitional aged youths	<ul style="list-style-type: none"> • Focus on kinship placement, but families often at risk of homelessness too • Education specialists support youths with post-HS options
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Public Participation

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.

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

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

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:

RIHousing consulted with a variety of key stakeholders in the preparation of the HOME- ARP Allocation Plan to discuss Current State and System Challenges related to homelessness and homelessness prevention. Individuals representing government and policymakers, nonprofit organizations, healthcare providers, affordable housing developers, housing advocates, and other interested parties were invited to participate to ensure a diverse array of stakeholder feedback.

In addition to the outreach and engagement efforts described above, RIHousing made the draft plan available for review and public comment from December 6, 2021 through December 21, 2021. A public meeting was held on December 17, 2021. The meeting was held in person at an accessible and centrally located state office building. The meeting was also accessible remotely through a virtual meeting platform which allowed the public to view the meeting and provide feedback online and by telephone.

Describe any efforts to broaden public participation:

Efforts were made to promote and encourage citizen participation in the HOME-ARP Allocation Plan preparation process. Outreach efforts took place both in-person and through virtual meeting platforms. Documents were made available for review by the public through RIHousing’s website and a public notice was printed in local newspapers including a Spanish language news outlet. The

HOME-ARP Allocation Plan was also circulated by RIHousing to a wide range of housing and homelessness partners. As noted above, the hearing was held in hybrid fashion, both in-person at an accessible and centrally located state office building and through a digital platform, and accommodated persons with disabilities and non-English speakers. The draft plan was posted at www.rihousing.com.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process:

RIHousing received four written comments via email. Five public meeting participants provided commentary in support of the public engagement process and the proposed allocation and further emphasized the summarized comments below.

Capacity Building / Supportive Services:

- The public funding mechanism for housing support services / housing stabilization does not allow agencies to build long-term housing services capacity. Because it is reimbursement-based, it doesn't cover the actual administrative costs necessary to manage fluid staffing needs, nor is it entirely predictable. It is also not lucrative enough to offer the higher wages or other incentives needed to be competitive in this job market.
- The HOME-ARP grant should consider direct funding to educational and training resource organizations for public and workforce training for home stabilization, transition services, eviction prevention and other prevention services.
- Continuity of funding for supportive services is imperative beyond 2030.

Funding to educational and training resource organizations for public and workforce training for home stabilization, transition services, eviction prevention and other prevention services will be included in capacity building RFP's. Organizations serving seniors and individuals with disabilities as well as those serving the homeless and other populations targeted by this program will be eligible to apply for capacity building resources.

Qualified Populations

- The HOME-ARP plan should expressly include eligibility for funding for affordable homes and services within these homes for adult individuals with intellectual and developmental disabilities and non-profit capacity building for agencies that are working to provide affordable, supportive housing for these individuals.
- The HOME-ARP funding should explicitly be used to create the estimated 90 units of permanent supportive housing for RI residents at 30% AMI or below. Scoring criteria in forthcoming RFP's

should be weighted in favor of proposals that would house residents at 15% AMI or below. The need for deeply subsidized units is higher than ever.

Language was added to HOME-ARP Production Housing Goals on page 17:

“RIHousing estimates 90 new supportive and affordable housing units will be created from the recommended allocation, *“which may include but is not limited to housing for households experiencing homelessness and homes for eligible seniors and adult individuals with intellectual and developmental disabilities.”*

HOME-ARP RFP’s for rental housing will explicitly state that units developed with the funding are for the benefit of households earning up to 30% AMI.

(Eligibility for qualified populations will be included in all HOME-ARP RFP’s.)

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

All of the comments and recommendations were either accepted by RIHousing or not proscribed in the allocation plan. They will be further refined in the development of HOME-ARP program policies and Requests for Proposals (“RFP”s) for rental housing, supportive service and capacity building.

The HOME-ARP plan was developed by RIHousing with the recognition that \$13.5 million is a consequential and important resource to end homelessness in the state, but will need to be augmented with additional funding streams. Housing programs unrelated to HOME-ARP funding are in development to support Extremely Low Income (“ELI”) families. It is expected that funds will be leveraged by applicants for HOME-ARP funds.

Needs Assessment and Gaps Analysis

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. 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. The PJ may use the optional tables provided below and/or attach additional data tables to this template.

OPTIONAL 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	426	144	738	706	0								
Transitional Housing	170	73	104	97	94								
Permanent Supportive Housing	540	152	803	765	277								
Other Permanent Housing						135	705	30	187				
Sheltered Homeless						156	520	85	182				
Unsheltered Homeless						41	291	6	115				
Current Gap										591	197	840	811

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

OPTIONAL 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	160,997		
Rental Units Affordable to HH at 30%AMI (At-Risk of Homelessness)	25,241		
Rental Units Affordable to HH at 50%AMI (Other Populations)	61,683		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		31,960	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		21,440	
<i>Current Gaps</i>			6,719

Suggested Data Sources: 1. American Community Survey (ACS); 2. Comprehensive Housing Affordability Strategy (CHAS)

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

According to HMIS, just over 870 Rhode Islanders are currently living outside or in an emergency shelter. Of those individuals, children ages 0-17 make up nearly 20% of the population, with 25-44 year-olds constituting 35% of the population, 45-64 another 35%, and those 65 and over, less than 1% of the homeless population. When examining the income of RI’s homeless population, all are considered extremely low-income as defined by HUD. The population of Rhode Islanders experiencing homelessness is just over 61% are white, 23% identify as black, 8% identify as multi-racial and 23% identify as Latino.

Assessing the size of the population who are at-risk of homelessness is imperfect, but a look at the Coordinated Entry System (“CES”) call log data for the period 10/15/21-11/14/21 reflected an enormous demand for such a small state. Over 5,200 calls for help were logged by 1608 unique individuals. Many Rhode Island households are paying more than they can afford for their housing. Currently (2014-2018), 42.9% of Rhode Island renters are housing cost burdened and 21.6% are severely cost burdened. Similarly, 27.1% of Rhode Island homeowners are housing cost burdened, and 11.1% are severely cost burdened.

Another indication of the number of renters in Rhode Island that are housing insecure is the demand we have seen for emergency rental assistance. As of December 1, 2021, RIHousing had accepted \$65.9 million in rent and utility assistance for 9,874 households. Sixty-eight percent of the households receiving rent and utility assistance earn less than 30% of Area Median Income (“AMI”) and 89% earn less than 50% of AMI. Of the applicants who provided demographic information, 54% identified as racial minorities and 34% identified as Hispanic or Latino. Another 6,743 applications were in review on December 1, 2021.

Until recently, activities to divert families and individuals from the shelter and homelessness system, known as diversion activities, were largely an afterthought, but in Rhode Island, the state’s largest homeless service provider, Crossroads RI operates a Diversion program that receives over 100 calls a month from families and individuals trying to avoid homelessness. The most common diversion activities include security deposit assistance, utility assistance and moving expenses.

Describe the unmet housing and service needs of qualifying populations, including but not limited to:

- ***Sheltered and unsheltered homeless populations;***
- ***Those currently housed populations at risk of homelessness;***
- ***Other families requiring services or housing assistance or to prevent homelessness;***
and,
- ***Those at greatest risk of housing instability or in unstable housing situations:***

Similar to many other states in the country, Rhode Island is experiencing an extremely low vacancy rate in its rental market. While a healthy rental market would have a vacancy rate of 6% - 7%, Rhode Island’s vacancy rate is below 1.5% (down 1.9% since the first quarter of 2020). The result is increased competition for rental units, higher prices and a market that disadvantages individuals perceived as being risky tenants. Since the first quarter of 2020, the 2-bedroom rent in Rhode Island has increased 10.9% from \$1,499 to \$1662 according to CoStar. This low-vacancy rate and rising housing costs, coupled with the COVID-related de-densification of the emergency shelters, has left many more individuals and families sleeping outside or in their cars, for longer periods of time.

Most of these vulnerable individuals experiencing street and shelter homelessness have been homeless for at least 4 months and often for up to 1 year or more. Research has taught us that the longer an individual remains homeless the more ill they become, requiring greater support.

The community-based organizations that care for individuals are also understaffed and struggling to meet the growing demands of the homeless population. Since the beginning of the pandemic Rhode Island has seen a more than 100% increase in unsheltered homelessness. Congregate shelters that while not ideal, provided an opportunity to support many individuals in a safe space, have had to reduce their capacity. Concurrently, direct service professionals have been difficult to recruit and retain. This environment has put enormous pressure on existing staff and left many vulnerable Rhode Islanders unserved or underserved.

Nearly 90% of housing choice voucher (“HCV”) holders rent from a “mom and pop” landlord. Because of the escalating real estate market in the state, many of these small property owners, some of whom are nearing retirement, are increasingly selling their investment properties in this seller’s

market. When this happens, tenants are frequently told that they must leave and thus, may abandon their apartments in fear of being displaced by new owners. This has contributed to both a slight increase in homelessness, as well as a reduction in available rental units. Further, service providers are often called in to provide support and housing assistance with already diminished staffing capacity.

Consistent with the data reported above, based on the most recent Point in Time (“PIT”) Count and Housing Inventory Count (“HIC”), Rhode Island is grappling with a gap of almost 600 family beds and almost 850 beds for individuals experiencing homelessness. For less vulnerable households who may be at-risk or experiencing housing instability the gap is even wider. While the State has almost 161,000 affordable units only 25,241 are affordable for households with incomes at or below 30% of AMI. The level of need among those renters with incomes below 30% AMI reaches just under 32,000 and for those 30-50% of AMI, the total is 21,440 households. This leaves the state with a gap of at least 6,710 households who need assistance.

As the administrator of the Centralized Wait List (“CWL”), RIHousing manages the HCV program waiting list for the public housing agencies (“PHA”) in 19 cities. The CWL provides a single application and portal to apply for the HCV program at each participating PHA. The CWL data tells us that over 40,000 Rhode Islanders are seeking subsidized rental assistance through just this one resource. Furthermore, RIHousing alone has 54 housing choice vouchers issued to applicants that are unable to find an apartment to rent. The CES’s HMIS report indicates 96 households with rental assistance searching for an apartment to call home.

All of these conditions point to the critical shortage of housing affordable to low-income households, particularly extremely low-income households and those with special needs. Families and individuals experiencing homelessness in particular, also require assistance finding and maintaining affordable housing including wrap-around supportive services. Finally, resources are needed to address temporary financial hardships experienced by these households to divert them from homeless.

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:

Shelter Units: As indicated in its 2021 Housing Inventory Count, Rhode Island’s homeless system had 608 emergency shelter beds for people experiencing homelessness and fleeing domestic violence. Since that count, to respond to increased need for shelter, the State’s Office of Housing and Community Development (“OHCD”) issued funding for an additional 217 emergency shelter beds, bringing the current total beds funded to 824. Unfortunately, there is still a need for additional beds. In November of 2021, the RICoC identified a remaining 150 bed gap to meet current need for crisis emergency shelter in Rhode Island. In response, the state of Rhode Island recently allocated \$5,000,000 to expand winter shelter capacity which includes continuation of multiple non congregate shelter hotel projects throughout the state.

Services: The Rhode Island Executive Office of Health and Human Services (EOHHS) has taken several steps to ensure the rapid alignment of healthcare dollars with housing investments. During

the pandemic EOHHS allowed for emergency case management funds to be deployed to non-traditional providers, waiving both beneficiaries and organizations to rapidly meet the needs of those experiencing homelessness or at-risk. EOHHS also obtained approval from the Centers for Medicare and Medicaid (CMS) to reimburse for a set of housing stabilization services and increased the rate of reimbursement at the urging of advocates.

The challenge faced by community-based organizations that provide services to the qualified populations is two-fold: First, developing the internal organizational capacity to qualify for the use of federal Medicaid funds; and second, to attract and retain quality direct service staff.

Tenant Based Rental Assistance (TBRA): RIHousing, projects funded through the RI Continuum of Care (“CoC”), and the Rhode Island Office of Housing and OHCD administer several tenant-based rental assistance programs, totaling over \$1.6 million. This investment in TBRA is sourced by state general revenue, CoC grants, and HOME funds.

Permanent Supportive Housing: Through the coordinated entry system individuals and families are prioritized for housing opportunities using a vulnerability index. According to the Housing Inventory Chart, RICH reports permanent supportive housing beds for 540 family members and 803 beds for individuals.

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

As illustrated above, the gap between available shelter and housing compared with the need is deep and growing. According to the latest HIC, Rhode Island has 1,132 shelter beds for individuals and persons in families and the state recently made a \$5,000,000 investment in adding hypothermia shelter beds for the Winter. With all the existing shelter beds full, an additional 1,064 people that make up 683 households are on a waiting list to access a shelter bed.

The housing inventory picture looks similar with 1,620 permanent supportive housing beds reported in the annual HIC, and a vacancy rate of nearly 0%, the unmet need is overwhelming. The PIT count reported 1,324 individuals or Heads of Households in need of a permanent housing option.

The sustainable model of Medicaid reimbursement for housing support is well underway in Rhode Island, but the capacity of non-traditional service providers to utilize the resource is a challenge. Furthermore, once a provider is eligible to bill Medicaid, or offer housing and other supportive services, hiring and staff retention has become a significant challenge during the pandemic.

Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of “other populations” as established in the HOME-ARP Notice:

RIHousing will not include these conditions in its definition of other populations.

Identify priority needs for qualifying populations:

Ideally, a system exists that is nimble and responsive enough to stop homelessness before an at-risk household becomes homeless. There are very few resources available for diversion and current efforts are supported by a private foundation grant and a small state investment.

Ultimately, the qualifying populations require affordable housing and effective support services delivered at the right time, with the appropriate intensity. In Rhode Island, we have deployed rental assistance and funds for security deposits, moving expenses, landlord incentives, utility assistance and furniture, all matched with emergency funds to provide case management support. The key missing links now for most qualifying populations are (i) available permanent housing opportunities for very low- and extremely low-income families and individuals to call home and, (ii) enough well-trained direct service provider staff to sustainably support the growing needs of these households.

Specifically, there is a critical need for additional housing units that accept rental assistance vouchers or are priced affordably for very and extremely low-income households AND the services to accompany them. Most formerly homeless households require very little support long-term, but some require long-term on-going support. The evidence base suggests a system that is equipped to provide the right intensity of services at the right time. These services can be as simple as teaching someone how to pay their rent and complete housing recertifications, to more complicated support such as coordinating urgent behavioral healthcare.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

Using the state's HMIS, specifically the PIT count and the HIC, we were able to assess the current level of acute need in comparison to the opportunities currently available. The information system provides vacancy data for emergency shelter and permanent supportive housing, both of which are operating at full capacity. Using data from the CES call center, information was gleaned on how many households are urgently seeking help either prior to their perceived imminent homelessness, or during an episode of homelessness.

Because of on-going concerns from property managers and landlords, the RI CoC board initiated a work group focused on ensuring high quality, sustainable services are made available to those who need and want care. As part of this effort, board members conducted several listening sessions to learn from providers and property managers what the issues were on the ground that exacerbated the issues. The message was quite clear, Rhode Island's system needs more direct service staff, and our service providers need support to access sustainable funding streams, like Medicaid.

Lastly, the American Community Survey and the Comprehensive Housing Affordability Strategy were used to assess the number of cost burdened households and the gap between the number of households earning less than 50% AMI and the number of housing units available and affordable to them.

HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

RIHousing will encourage HOME-ARP Program funds to be leveraged with private and public funding sources to support the development of rental housing and the provision of supportive services.

Rental Housing Development:

Funding will be allocated through a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. The Program will be available to all communities in the State. To be considered eligible for Program funds, RIHousing will require that recipients, at a minimum meet the following criteria:

- a) Make acceptable assurances to RIHousing that it will comply with the requirements of the HOME-ARP Program during the entire period that begins upon selection of the recipient to receive HOME-ARP funds and ending upon the conclusion of all HOME-ARP Program funded activities.
- b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity.
- c) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HOME-ARP Program funds to ensure compliance with all applicable requirements and regulations of such programs
- d) Have demonstrated experience and capacity to conduct HOME-ARP Program eligible activities as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

Supportive Services:

Funding for supportive services, including housing stabilization activities, will be included in a separate RFP process. Supportive services will encompass both direct services such as support with housing and benefits applications and reexaminations; treatment or case planning; co-ordination of on-going healthcare, including mental health and substance use treatment; support with managing tenancy and community relationships as well as organizational support to develop capacity to provide quality services.

If any portion of the PJ's HOME-ARP administrative funds were 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:

N/A: RIHousing did not appoint subrecipients or contractors for the development or administration of the HOME-ARP allocation plan.

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. The following table may be used to meet this requirement.

Use of HOME-ARP Funding

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services	\$ 3,000,000		
Acquisition and Development of Non-Congregate Shelters			
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$ 9,186,659		
Non-Profit Operating			5%
Non-Profit Capacity Building	\$ 300,000	2%	5%
Administration and Planning	\$ 1,000,000	7.4 %	15%
Total HOME ARP Allocation	\$ 13,486,659		

Additional narrative, if applicable:

RIHousing will allocate the largest amount of HOME-ARP Program funds, \$9,186,659, to the development of affordable rental housing. Eligible costs may include, but are not limited to, property acquisition, hard and soft development costs and operating subsidies required to serve extremely low-income households. Three Million Dollars (\$3,000,000) will be allocated to supportive services that will either be paired with the newly created rental units or be provided to existing supportive housing providers to deliver improved quality care to qualifying populations where current resources are insufficient to provide such services currently or to meet current demand. Supportive services can include but are not limited to: (i) support with housing and benefits applications and re-examinations, (ii) coordination of healthcare, assistance with transportation and access to food, and, (iii) support in navigating relationships with landlords and the broader community. Diversion funds which are flexible and can be used to divert a household from the homelessness and shelter system will also be included. Diversion funds are often used to pay for first month’s rent and security deposits, utility arrears, car repairs, short-term childcare, etc. An additional \$300,000 will be allocated to non-profit capacity building.

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:

Homeless families and individuals who are very or extremely low-income households require a wide range of services and supports to remain stably housed. It is not surprising that our outreach efforts generated a wide range of responses on system gaps and strategies to address them. However, the highest priority needs that were consistently identified through these efforts and reinforced with the data described earlier in this document were; 1) Increasing the supply of housing available and affordable to our most vulnerable populations; and 2) Expanding supportive services to help vulnerable populations access housing and remain stably housed.

Increasing the supply of housing:

The Homeless and Housing Inventory and Gaps Analysis included above clearly shows significant gaps in the supply of everything from shelter beds and permanent supportive housing, to housing affordable and available to households earning 50% of AMI. Even when homeless or at-risk households have access to resources like rental assistance vouchers or emergency rental assistance, many of them are unable to find an available apartment in their price range or a landlord willing to accept those subsidies. To address this need, RIHousing intends to dedicate a significant portion its HOME-ARP funds to producing housing accessible and affordable to eligible populations, particularly extremely low-income and homeless households. These resources will be available to acquire, produce and preserve housing affordable to these vulnerable populations, and potentially provide operating support if needed to ensure that even the lowest income households can be served.

Expanding supportive services:

Organizations providing supportive services to families and individuals who are homeless or at risk of homelessness are already facing a critical shortage of staff to meet the increasing needs of these vulnerable populations. Without supportive services, many at risk households are unable to sustain housing and landlords are often less likely to serve these populations without these kinds of wrap-around services in place. RIHousing intends to dedicate a portion of HOME-ARP funds to expand supportive services for eligible populations, divert households from homelessness by addressing emergency costs that could result in the loss of housing, and leverage additional federal resources that can sustain this work over the long-term.

Capacity Building:

As noted above, the sustainable model of Medicaid reimbursement for housing support is well underway in Rhode Island, but the capacity of non-traditional service providers to utilize the resource is a challenge. Furthermore, once a provider is eligible to bill Medicaid, or offer housing and other supportive services, hiring and staff retention has become a significant challenge during the pandemic. In addition, the production of additional permanent supportive housing will require expanded capacity among Rhode Island service providers to meet the supportive service needs of the households these units will serve. Therefore, \$300,000 has been set-aside to build capacity among supportive service providers.

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:

RIHousing estimates 90 new supportive and affordable housing units will be created from the recommended allocation, which may include but is not limited to housing for households experiencing homelessness and homes for eligible seniors and adult individuals with intellectual and developmental disabilities.

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

RIHousing estimates the HOME-ARP grant can support the creation of 90 new units by providing gaps in capital funds and by leveraging the state's 4% and 9% Low Income Housing Tax Credit ("LIHTC") programs, state, and affordable housing trust funds, and HOME/ Housing Trust Fund ("HTF") formula allocation funds. While projects may be financed solely with HOME-ARP rental housing funds, all efforts will be made to leverage additional financing opportunities, including Medicaid reimbursement for services. This financing will help to meet the need for affordable and permanent supportive housing in the State.

Preferences

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

- 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).
- PJs are not required to describe specific projects to which the preferences will apply.

In an effort to provide maximum program flexibility and opportunities to all Rhode Islanders experiencing or at-risk of homelessness, RIHousing has elected to not apply preferences among the 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 category of qualifying population, consistent with the PJ's needs assessment and gap analysis:

N/A

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

N/A

HOME-ARP Refinancing Guidelines – NOT APPLICABLE for RIHousing

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*
- *Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.*
- *State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.*
- *Specify the required compliance period, whether it is the minimum 15 years or longer.*
- *State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.*
- *Other requirements in the PJ's guidelines, if applicable:*

Appendix A – June 30, 2021 Virtual Convening Participants
Better Lives Rhode Island
City of Pawtucket
Community Action Partnership of Providence County
Community Care Alliance
Community Care RI
Crossroads Rhode Island
East Bay Community Action Program
Elizabeth Buffum Chace Center
Family Care Community Partnership
Family Service of Rhode Island
GATHER TOGETHER UNITED AS 1
House of Hope CDC
Housing Network of Rhode Island
HousingWorks RI at Roger Williams University
Lifespan
McAuley Village
MLPB
Neighborhood Health Plan of Rhode Island
Newport Mental Health
Office of Housing and Community Development
ONE Neighborhood Builders
Pawtucket Central Falls Development Corporation
Progreso Latino
Providence City Council
Providence Housing Authority
Rhode Island Coalition to End Homelessness
RI Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals
RI Office of Housing & Community Development
Saint Elizabeth Haven for Elder Justice
Smith Hill Community Development Corporation
South County Habitat
The House of Hope CDC
The Providence Center
The Rhode Island Coalition to End Homelessness
Thrive Behavioral Health
Tricounty CAP
United Way Rhode Island
Veterans Inc.
Voices of the Homeless
Washington County CDC
West Elmwood Housing Development Corporation

Appendix B - RI Housing Resources Commission
Anne M. Nolan – Chair
Nicole Alexander-Scott, MD – Director, RI Dept. of Health
Lisa W. Bryer - Town of Jamestown Planning Dept.
Maureen E. Maigret - Senior Housing Advocate
Vacant – Rhode Island Builders Association
Deborah Imondi – Pres., RI Mortgage Bankers Association
Celia Blue – Director, RI Dept. of Human Services
Gene Michael Deary – President of the RI Bankers Association
James Thorsen – Director, RI Dept. of Administration
Michelle Syzlin – Interim Director, RI Office of Healthy Aging
Ronald Watts - Homelessness Representative
Elizabeth Fuerte - Advocate for Racial Minorities
Vacant - Representative of Insurers
Joseph Garlick, Jr. – Non-Profit Development Corporation
Margarita Robledo Guedes – Representing Lead Poisoning Agency
Jean Lamb – Representative of Community Development Corp.
The Honorable Peter Neronha – Attorney General
Philip Tedesco – Pres., RI Realtors Association
Melina Lodge – Executive Director, Housing Network of Rhode Island
Melissa Sanzaro – RI Association of Executive Directors for Housing
Elizabeth Tanner – Director, RI Dept. of Business Regulation
Richard Charest –Director, Behavioral Healthcare, Developmental Disabilities & Hospitals
Brenda Clement – Representative of Fair Housing
Joseph F. Raymond – Zoning Official, Town of Burrillville
Carol Ventura – Chair RI Housing & Mortgage Finance Corp
Caitlin Frumerie – Director RI Coalition for the Homeless
Erik Wallin, Esq. - Executive Director of Operation Stand Down
Kyle Bennett – Community Development Intermediary

Appendix C - RI Continuum of Care Board
Barbara Frietas - RI Homeless Advocacy Project
Cathy Schultz - RI Department of Health
Ehren Hunt - Tri-Country Community Action Program
Emily Freedman - City of Providence, Community Development
Eric Hirsch - Providence College
Ian Colomer - RI Coalition Against Domestic Violence
Jessica Mowry - RIHousing
Kasim Yarn - State Office of Veteran Affairs
Kelly Henry - Sojourner House
Laura Jaworski - House of Hope
Lisa Guillette - Foster Forward
Michael Tondra - State Office of Housing & Community Dev
Michelle Brophy - State Dept of BHDDH
Michelle Wilcox - Crossroads Rhode Island
Peter Asen - Providence Housing Authority
Tyrone Smith - Operation Stand Down Rhode Island