



# HOME-ARP ALLOCATION PLAN

**SUBMITTED TO:** THE U.S. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
451 7TH ST SW, WASHINGTON, DC 20410

**PREPARED BY:** CITY OF MEMPHIS DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT  
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## 1.0 Consultation

The City of Memphis Division of Housing and Community Development (HCD) consulted with relevant agencies including the local Continuum of Care (CoC) and affordable housing providers serving the jurisdiction's geographic area. Represented were homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), and other public agencies that address the needs of the qualifying populations. Additionally, HCD coordinated effort with the Shelby County Department of Housing (SCDH) team. This collaboration will continue throughout HOME-ARP program implementation for the City and County.

***Table 1: Organizations HCD consulted, and summary of the feedback received from the entities.***

<b>Agency/Org Consulted</b>	<b>Type of Agency/Org</b>	<b>Method of Consultation</b>	<b>Feedback/Takeaway</b>
CoC, SCDH	Continuum of Care, Shelby County	Virtual	Coordination between City and County and the CoC on plans and to identify needs
HCD Homeless Program Administrator	HCD	Internal deliberations	Identified potential partners and agencies to consult, particularly on TBRA housing
SCDH	SCDH	Virtual	Identify data gathered thus far, coordinating allocation plan development, summarize needs
Alpha Omega Veterans Services	Veterans Services	Virtual	Identified the challenges and needs of the population served
Chosen Vessels Ministries	Faith-Based Organization	Virtual	Identified the challenges and needs of the population served
Promise Development Corporation	Community Development Corporation	Virtual	Identified the challenges and needs of the population served
Hospitality Hub	Homeless Housing Provider	Virtual	Identified the challenges and needs of the population served
Memphis Center for Independent Living (MCIL)	Homeless People with Disability	Correspondence	Identified the challenges and needs of the population served

Memphis Public Housing Authority	Public Housing Authority	Correspondence (E-mail)	Identified the challenges and needs of the population served
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Table 2 provides an expanded list of participants for the large group gathered for the Continuum of Care Stakeholder Meeting. The meeting kicked off the gathering and synthesizing of feedback for HOME-ARP priorities and needs.

Abbreviations are as follows: CAFTH – Community Alliance for the Homeless; CoC – Continuum of Care

**Table 2. Participant List for HOME-ARP Community Needs Meeting (Joint City of Memphis/Shelby County Meeting)**

Agency	Type
<b>Agape</b>	Housing provider (families/youth/domestic violence)
<b>Alliance Healthcare Services (AHS)</b>	Housing provider (individuals), mental health provider
<b>Alliance Healthcare Services (AHS)</b>	Housing provider (individuals), mental health provider
<b>Alliance Healthcare Services (AHS)</b>	Housing provider (individuals), mental health provider
<b>Alpha Omega Veterans Services</b>	Veterans service organization, housing provider
<b>Alpha Omega Veterans Services</b>	Veterans service organization, housing provider
<b>Behavioral Health Initiatives</b>	Housing provider (individuals), mental health provider
<b>Behavioral Health Initiatives</b>	Housing provider (individuals), mental health provider
<b>Catholic Charities of West TN</b>	Street outreach team, housing provider (individuals)
<b>CMI Healthcare Services - PATH Team</b>	Street outreach team, mental health provider
<b>CMI Healthcare Services</b>	Housing provider (individuals/families), mental health provider
<b>Door of Hope</b>	Housing provider (individuals)
<b>Friends for Life</b>	HIV/AIDS service organization, housing provider (individuals/families)

<b>Friends for Life</b>	HIV/AIDS service organization, housing provider (individuals/families)
<b>Friends for Life</b>	HIV/AIDS service organization, housing provider (individuals/families)
<b>FTP Nonprofit</b>	new organization (not yet providing services)
<b>OUTMemphis</b>	LGBTQ+ service organization; shelter provider, housing provider
<b>OUTMemphis</b>	LGBTQ+ service organization; shelter provider, housing provider
<b>Salvation Army</b>	Shelter provider (families)
<b>SHIELD Inc</b>	Housing provider (individuals), shelter provider (families)
<b>YWCA</b>	Domestic Violence shelter
<b>CAFTH</b>	CoC Lead
<b>CAFTH</b>	CoC Lead
<b>CAFTH</b>	CoC Lead
<b>CAFTH</b>	CoC Lead
<b>City of Memphis</b>	City Government
<b>City of Memphis</b>	City Government
<b>City of Memphis</b>	City Government
<b>City of Memphis</b>	City Government
<b>City of Memphis</b>	City Government
<b>City of Memphis</b>	City Government
<b>Shelby County</b>	County Government
<b>Shelby County</b>	County Government
<b>Faith-based</b>	

## **1.1 Feedback**

Throughout the consultation process, the agencies revealed that the City of Memphis is experiencing a growing lack of affordable housing units for the homeless and other participating population, which contributes to greater housing instability among these population. Further, rents continue to increase at an alarming rate, and low-income families, particularly, the population served are unable to afford rising rents. Hence, a difficulty in securing them rental housing units. The homeless service providers revealed the need for non-congregate living for the homeless veterans, especially those with terminal or mental illness. The lack of affordable housing also impacts the availability of permanent supportive housing units for these population as well as housing instability in the city at large.

Homeless providers addressed the need to acquire, construct and rehabilitate rental housing for occupancy by both individuals and families they serve. Currently, Hospitality Hub is constructing studio apartments, non-congregate hub to address chronic homelessness in the city and there a \$1.6M gap needed to finance and complete the project. Hospitality Hub also revealed the need for permanent supportive housing units for the population served as the available shelter beds are not enough to and the non-congregate beds are very much limited. Alpha-Omega Veterans Services noted a \$1M gap funding needed to support their permanent and transitional housing program for their population.

The need for supportive services and case management emerged from area stakeholders during the joint meeting between the City and County. Supportive services contribute to meeting the needs of those experiencing housing instability and the homeless as there would be 24/7 case management provided, particularly for those with terminal illnesses and the older veterans. Further, the mentally ill folk are not catered for in the congregate setting and are usually exited from other programs. These population require closer care such as the studio units, through which they can have individualized attention and care. The providers noted that renovating hotels and motels cannot successfully cater for case management for these population. However, other homeless providers stated the need to acquire neglected and disrepair housing units for rehabilitation for HOME-ARP qualifying population to have permanent supportive housing units.

### 3.0 Needs Assessment and Gaps Analysis

**Table 3. Comprehensive Housing Affordability Strategy (CHAS) Data showing population size of each category of individuals or households in the City of Memphis.**

Data for: Memphis city; Tennessee			
Year Selected: 2014-2018 ACS			
Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	11,075	36,880	47,955
Household Income >30% to <=50% HAMFI	12,650	24,210	36,860
Household Income >50% to <=80% HAMFI	17,750	25,910	43,660
Household Income >80% to <=100% HAMFI	11,320	12,835	24,155
Household Income >100% HAMFI	64,935	33,250	98,185
Total	117,730	133,085	250,810
Housing Problems 1	Owner	Renter	Total
Household has at least 1 of 4 Housing Problems	31,400	69,595	100,995
Household has none of 4 Housing Problems OR cost burden not available no other problems	86,325	63,485	149,810
Total	117,730	133,085	250,810
The four housing problems are: incomplete kitchen facilities; incomplete plumbing facilities more than 1 person per room; and cost burden greater than 30%.			
Severe Housing Problems 2	Owner	Renter	Total
Household has at least 1 of 4 Severe Housing Problems	15,705	40,970	56,675
Household has none of 4 Severe Housing Problems OR cost burden not available no other problems	102,025	92,115	194,140
Total	117,730	133,085	250,810
The four severe housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than 1 person per room; and cost burden greater than 50%.			
Housing Cost Burden 3	Owner	Renter	Total
Cost Burden <=30%	86,315	59,810	146,125
Cost Burden >30% to <=50%	15,965	30,210	46,175
Cost Burden >50%	13,745	36,260	50,005
Cost Burden not available	1,710	6,805	8,515
Total	117,730	133,085	250,810
Cost burden is the ratio of housing costs to household income. For renters- housing cost is gross rent (contract rent plus utilities)			
Income by Housing Problems (Owners and Renters)	Household has at least 1 of	Household has none of 4 Housing	Total

	4 Housing Problems	Problems OR cost burden not available no other problems	
Household Income <= 30% HAMFI	35,545	12,415	47,955
Household Income >30% to <=50% HAMFI	28,805	8,045	36,860
Household Income >50% to <=80% HAMFI	23,390	20,270	43,660
Household Income >80% to <=100% HAMFI	5,895	18,260	24,155
Household Income >100% HAMFI	7,365	90,820	98,185
Total	100,995	149,810	250,810
Income by Housing Problems (Renters only)	Household has at least 1 of 4 Housing Problems	Household has none of 4 Housing Problems OR cost burden not available no other problems	Total
Household Income <= 30% HAMFI	27,195	9,690	36,880
Household Income >30% to <=50% HAMFI	21,115	3,090	24,210
Household Income >50% to <=80% HAMFI	15,575	10,335	25,910
Household Income >80% to <=100% HAMFI	2,970	9,865	12,835
Household Income >100% HAMFI	2,745	30,505	33,250
Total	69,595	63,485	133,085
Income by Housing Problems (Owners only)	Household has at least 1 of 4 Housing Problems	Household has none of 4 Housing Problems OR cost burden not available no other problems	Total
Household Income <= 30% HAMFI	8,350	2,725	11,075
Household Income >30% to <=50% HAMFI	7,690	4,955	12,650
Household Income >50% to <=80% HAMFI	7,815	9,935	17,750
Household Income >80% to <=100% HAMFI	2,925	8,395	11,320
Household Income >100% HAMFI	4,620	60,315	64,935



Total	31,400	86,325	117,730
Income by Cost Burden (Owners and Renters)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	34,895	30,235	47,955
Household Income >30% to <=50% HAMFI	28,390	14,855	36,860
Household Income >50% to <=80% HAMFI	22,235	3,755	43,660
Household Income >80% to <=100% HAMFI	5,210	425	24,155
Household Income >100% HAMFI	5,450	740	98,185
Total	96,180	50,005	250,810
Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	26,705	23,645	36,880
Household Income >30% to <=50% HAMFI	20,830	10,420	24,210
Household Income >50% to <=80% HAMFI	14,830	1,960	25,910
Household Income >80% to <=100% HAMFI	2,545	95	12,835
Household Income >100% HAMFI	1,560	140	33,250
Total	66,470	36,260	133,085
Income by Cost Burden (Owners only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	8,190	6,590	11,075
Household Income >30% to <=50% HAMFI	7,565	4,435	12,650
Household Income >50% to <=80% HAMFI	7,405	1,790	17,750
Household Income >80% to <=100% HAMFI	2,665	330	11,320
Household Income >100% HAMFI	3,885	600	64,935
Total	29,710	13,745	117,730

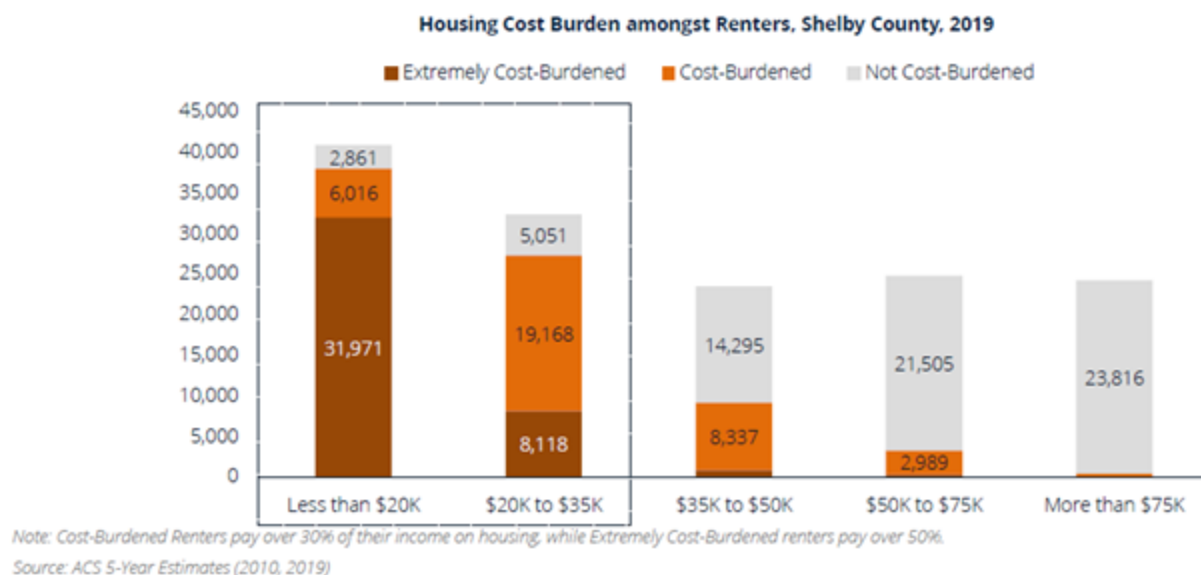
HAMFI = HUD Area Median Family Income.

### **Housing Needs Inventory and Gap Analysis Table**

First, there are obsolete and disinvested housing stock in Memphis, and to a lesser degree Shelby County. The city has a large share of older homes that are obsolete, an outdated configuration or not had major systems (e.g. windows, heating, electrical, etc.) or improved in decades. Nearly 30,000 houses (10 of single-family stock) are 2 bed/1 bath, and almost 50,000 (17 of single-family stock) are 3 bed/1 bath. Of the houses that sold for less than 100 K since 2019, 60 were either 2 bed/1 bath or 3 bed/1 bath and 89 were built before 1980. Additionally, less than 2,000 houses are being renovated annually, resulting in a 162-year reinvestment cycle. For comparison, a healthy housing market typically has a 30–40 years reinvestment cycle.

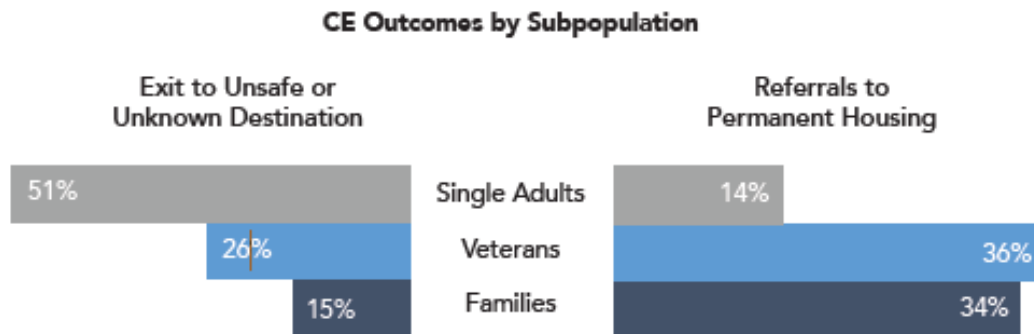
Secondly, Shelby County has a high poverty rate and limited stock of quality affordable housing that has led to a significant need for quality low and very low-income housing units. The gap between the number of available homes that are affordable and the number of households that need these units is about 30 000 for households making less than 30 000 a year. Low wages and household incomes drives the need for affordable housing in the City of Memphis. In additions, Shelby County has about 20% poverty rate which is significantly greater than the national average of 13%. Further, households experience low wages, with a 1.6% decrease in household income since 2010. Also, stagnant and declining wages have continued to exacerbate the need for affordable housing, coupled with housing cost burden for the low-income households.

Last, there is a supply gap of rental units for renters making less than \$40,000 a year Because of this, renters making below this amount often live in rental units priced above their spending power, leading them to become cost burdened. There is a supply gap of approximately 2,500 units for renters making less than \$40,000 a year, and over 33 000 units for renters making less than \$30,000 a year. Because of this lack of supply, nearly 81 of renters earning less than \$35,000 spend more than 30% of their income on housing, so are severely cost-burdened. For a household making \$35,000 translates to \$10,500 spent annually on housing, or \$875 monthly in rent.



Concerning the homeless population, the Community Alliance for the Homeless (CAFTH) used the Coordinated Entry (CE), the process by which those experiencing homelessness in Memphis/Shelby County community can have access to permanent housing. CAFTH provided a self-reported and categories align to HUD's FY22 Data Standards on all clients in Memphis/Shelby County who received an assessment between July 1, 2020 and June 30, 2021, and their subsequent exit destination (if applicable) by gender identity/expression and race/ethnicity. Safe Exit Destination refers to solutions that are not permanent housing (PH), but

indicate the client has self- resolved, such as “staying with friends/family on permanent tenure.” Negative/Unknown Exit Destination’ refers to any destination that represents temporary housing, institutionalization, or when exit destination has not been captured. ‘Still Active’ indicates clients still enrolled in coordinated entry. BIPOC refers to clients who self-identify as Black, Indigenous, or People of Color. For Single Adults, a total of 1,104 individuals were assessed; for Families, a total of 1,203 heads of household were assessed; and, for Veterans, a total of 238 were assessed.



## Single Adults

This population is disproportionately made up of BIPOC individuals, accounting for 82% of the CE population, while representing 53% of the Memphis population. The BIPOC Males account for 50% of the population, but only 18% exited to PH.

		TOTAL	BIPOC Male	BIPOC Female	BIPOC Gender Diverse	White Male	White Female	White Gender Diverse	Exit to PH	Safe Exit Destination	Still Active	Negative/Unknown Exit Destination
TOTAL			50%	29%	3%	9%	10%	0%	19%	7%	23%	51%
Identity	BIPOC Male	50%		-	-	-	-	-	18%	3%	22%	57%
	BIPOC Female	29%	-		-	-	-	-	22%	11%	26%	41%
	BIPOC Gender Diverse	3%	-	-		-	-	-	24%	7%	24%	45%
	White Male	9%	-	-	-		-	-	26%	1%	19%	54%
	White Female	10%	-	-	-	-		-	14%	17%	18%	51%
	White Gender Diverse	0%	-	-	-	-	-		-	-	-	-
Exit Destination	Exit to PH	19%	18%	22%	24%	26%	14%	-	-	-	-	-
	Safe Exit Destination	7%	3%	11%	7%	1%	17%	-	-	-	-	-
	Still Active	23%	22%	26%	24%	19%	18%	-	-	-	-	-
	Negative/Unknown Exit Destination	51%	57%	41%	45%	54%	51%	-	-	-	-	-

Single adults report that they have been without stable housing at a significantly longer rate than families. Nearly 47% reported a period of unstable housing for over two years, whereas 50% of

families stated they were last in stable housing within 3 months of presenting to coordinated entry.

		TOTAL	BIPOC Male	BIPOC Female	BIPOC Gender Diverse	White Male*	White Female	White Gender Diverse	Exit to PH	Safe Exit Destination	Still Active	Negative/Unknown Exit Destination
TOTAL			4%	92%	0%	0.2%	3%	0%	38%	39%	7%	15%
Identity	BIPOC Male	4%	-	-	-	-	-	-	56%	24%	9%	11%
	BIPOC Female	92%	-	-	-	-	-	-	38%	40%	7%	15%
	BIPOC Gender Diverse	0%	-	-	-	-	-	-	-	-	-	-
	White Male*	0.2%	-	-	-	-	-	-	50%	0%	50%	0%
	White Female	3%	-	-	-	-	-	-	26%	37%	3%	34%
	White Gender Diverse	0%	-	-	-	-	-	-	-	-	-	-
Exit Destination	Exit to PH	38%	56%	38%	-	50%	26%	-	-	-	-	-
	Safe Exit Destination	39%	24%	40%	-	0%	37%	-	-	-	-	-
	Still Active	7%	9%	7%	-	50%	3%	-	-	-	-	-
	Negative/Unknown Exit Destination	15%	11%	15%	-	0%	34%	-	-	-	-	-

## Families

Heads of household are overwhelmingly led by BIPOC women. Families exited to negative destinations at significantly smaller rates than single adults, likely due to having more resources available.

		TOTAL	BIPOC Male	BIPOC Female	BIPOC Gender Diverse	White Male	White Female	White Gender Diverse	Exit to PH	Safe Exit Destination	Still Active	Negative/Unknown Exit Destination
Identity	TOTAL	238	181	9	0	40	8	0	106	23	48	61
	BIPOC Male	181	-	0	0	0	0	0	79	16	41	45
	BIPOC Female	9	0	-	0	0	0	0	2	3	0	4
	BIPOC Gender Diverse	0	0	0	-	0	0	0	0	0	0	0
	White Male	40	0	0	0	-	0	0	20	2	6	12
	White Female	8	0	0	0	0	-	0	5	2	1	0
	White Gender Diverse	0	0	0	0	0	0	-	0	0	0	0
Exit Destination	Exit to PH	106	79	2	0	20	5	0	-	0	0	0
	Safe Exit Destination	23	16	3	0	2	2	0	0	-	0	0
	Still Active	48	41	0	0	6	1	0	0	0	-	0
	Negative/Unknown Exit Destination	61	45	4	0	12	0	0	0	0	0	-

## Veterans

This population is made up of majority men. Approximately 45% of the population served exited to PH, which is likely due to the additional housing resources accessible to Veterans.

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

The Point-In-Time (PIT) Count provides a snapshot of homelessness in Memphis and Shelby County at a given point in time, and it is one of several critical elements used for measuring progress in our efforts to end homelessness.



The Community Alliance for the Homeless (CAFTH) serves as the local Continuum of Care (CoC) that provides extensive data to capture the gaps in Memphis and Shelby County. A 2021 Point-in-Time (PIT) Summary for Memphis/Shelby County identified 537 sheltered and 202 unsheltered individuals over the course of one week (total 739). This PIT count was limited due to COVID, which did not fully collect information pertaining to chronicity specifically. Data collection techniques included open service site visits to reduce contact with volunteers without any deduplication. Family members in family units accounted for 18.4% of this population, and 13.4% of this total were children under the age of 18. Individuals not in family units comprised 81.6% of the 739 counted, while 16.5% (n = 122) of the population are veterans. Among the veterans, about 84% (n = 102) are sheltered, and 16% (n = 20) are unsheltered. Further, about

82% are within the ages of 25 years and above, 13% under 18 years, and 5% (n = 38) are youth ages 18 – 24 years, of which 34% (n = 13) are unsheltered.

***Describe the unmet housing and service needs of qualifying populations, including but not limited to: Include sheltered and unsheltered homeless populations, those at risk of homelessness, other families requiring services or housing assistance, and those at greatest risk of housing instability or in unstable housing situations.***

There were several unmet housing and service needs identified by different stakeholders during the consultation process. First, the city lacks permanent supportive housing units for the homeless population as well as a limited dedicated and family-oriented shelter. Second, prior to the Covid pandemic, homeless veterans were housed in a congregate shelter, but the current VA regulations no longer support such congregations. Hence, the need for more non-congregate shelter units for these population. The available shelter beds are limited. Further, non-congregate units help trauma and mentally ill patients. Third, inspection-compliant units for the rapid rehousing type are limited, as landlords are unwilling to accept such clients due to their need for case management. Further, older veterans need more support and those with terminal illness. There is the need for closer care units such as studio programs to cater for them. The renovation of hotels may not successfully cater for case management as they do not provide means for closer care need by these populations.

Further, CAFTH's data to improve outcomes for those experiencing homelessness showed that the greatest funding allocation is for Permanent Supportive Housing (PSH) for single adults (\$3,011,401) in FY21 for the CoC. But those in this population have a retention rate of greater than 95% over the last 5 years. Thus, these funds only maintain the housing, and not providing new housing units. Similarly, Rapid Rehousing Housing (RRH) provides new housing, but the amount of money allocated for RRH for single adults (\$478,544) in FY21 did not significantly meet the need. As a result, more negative outcomes were experienced. According to the survey results from CAFTH among a group of homeless individuals in Memphis, 25% revealed lack of job as one barrier to securing permanent housing, while 21% stated low-income. Among these population, 39% reported sleeping outside on streets, sidewalks, park, etc., 30% in shelter, 10% with friends/families, 7% in motels/hotels, and 4% in cars. However, 51% of these population indicated not enough accessible resources to help people experiencing homelessness in the city and county at large.

In addition, the CHAS data showed that families requiring services or housing assistance, or those at greatest risk of housing instability or in unstable housing situations are not just cost burdened (greater than 30%.) or severely cost burdened (greater than 50%.) but also live in housing units with severe problems such as incomplete kitchen facilities, incomplete plumbing facilities, and more than 1 person per room. Among renters in Memphis, the extremely low-income household with income at or below 30% HAMFI that are cost burdened are about 26,705, and 23,645 are severely cost burdened. Similarly, the low-income household with

income greater than 30% and less than or equal to 50% HAMFI that are cost burdened are 20,830, and 10,420 are severely cost burdened.

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

The Hub, a local housing resource for women in Memphis showed that 588 beds were provided in 2018 for homeless women seeking shelter in Memphis, which comprised 37% of the city's homeless population at that time. Previously, women were considered as a small percentage of the homeless population in Memphis. With only 6% of the available beds open to homeless women, the Hub revealed that the available beds cannot serve the growing female population. With 94% of shelter beds available to men only, there is a great deficit of beds for women in the city. Also, many of the current shelters will not allow a woman to bring her children in. Hence, a gap in emergency shelters for women and their children. At the same time, the available shelter only caters for homeless female in Memphis and not Shelby County. Meanwhile, COVID-19 has further reduced the number of available beds at shelters in Memphis. Some shelters have reduced the number of beds available to women. Others have been forced to close temporarily due to outbreaks of COVID-19, which further reduces the number of available beds for women and their children.

The Community Alliance for the Homeless (CAFTH) works in partnerships with the City and County to provide more effective services for the homeless. For instance, CAFTH is currently addressing housing instability among the youth (18 -24 years) through a HUD funded Youth Housing Demonstration Program. The program is designed to provide transitional and rapid rehousing for this population, particularly those that are aging out of foster care. Further, CAFTH work with outreach workers that provide supportive services to persons with mental health problems who are experiencing homelessness by assisting them with addressing the immediate need for food, shelter, and other necessities. Their services also include screening and diagnostic treatment, housing, community mental health services, and primary health care. CAFTH also maintains a web-based electronic referral tool and resource guide to maximize existing resources and make it easier for people experiencing homelessness to seek help. There is an online sighting tool designed to allow concerned citizens to report an adult or youth (18-24) that witnessed anyone living on the street or homeless. Once submitted, an email is sent to partnering outreach organizations to determine who will be assigned to follow up.

In 2021, MHA received 190 Emergency Housing Vouchers (EHV) as part of the American Rescue Plan. The EHV's were provided to help assist individuals and families in the following categories (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high

risk of housing instability. Community Alliance for Homeless (CAFT), the lead agency for the Continuum of Care will verify and refer individuals and families to MHA. In addition to EHV, there are 492, Veteran Assistance Supportive Housing (VASH). The agency was awarded seventy-two (72) Family Unification Program (FUP) vouchers. The FUP program is designed to serve two populations: 1.) Families who because of the lack of adequate housing are in danger of losing the child to out-of-home care or who experiencing delay in the discharge of a child from out-of-home care and 2.) Youth who have aged out of foster care but are not yet 24 years of age. The Youth component is now the "Foster Youth to Independence." MHA received one hundred, fifty-eight vouchers for the Mainstream Voucher Program to assist a non-elderly person with disabilities and his/her family. Twenty-five (25) additional Veterans Assistance Supportive Housing (VASH) vouchers were awarded for a total to 492 vouchers to assist homeless veterans and their families. The voucher awards are additional tools from HUD for the City of Memphis and the Memphis Housing Authority to reduce homelessness and keep family units intact.

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

Individuals and families experiencing homelessness require significant case management and well aligned resources to successfully navigate the resources of rapid rehousing. The lag between successful case management and housing placement is exacerbated by a lack of rapid rehousing and permanent shelter housing compliant landlords or lack of available units in Memphis.

The Hub is considered as the region's single point of entry for homeless individuals. The HUB assesses their individual needs of their clients and connects them with stabilizing resources. Hub Outreach, Work Local (jobs), shelter, benefits, identification and extensive case management all operate at this central point, and so allow for expanded services.

***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:***

According to the data provided by the Hub, there are about 400 low barrier adequate congregant beds for individual men, and five (5) zero barrier non-congregate beds, which are inadequate. There are only five (5) beds for men with attached Continuum of Care (CoC) case management, and this is a major gap. However, there is a decent human services link from identification / outreach to case management, housing navigation and placement, assuming adequate beds attached to case management. Further, there is a housing crisis as individual woman has zero (0) congregant beds, which is inadequate. There are also 75 mid-barrier beds, and 50 zero barrier beds coming in July 1, 2022. Also, couples have 0 beds, which is a complete gap. Families have 40 low barrier shelter beds plus approximately 55 hotel rooms. There are roughly 20 beds with CoC case management attached. Although, the organizations all work well together, there is a



significant gap in coordination between Case Management and Housing navigation. Lastly, there are not enough rapid rehousing landlords for families.

***Identify priority needs for qualifying populations:***

Priority needs for qualifying populations include non-congregate shelter housing for homeless veterans, mentally or terminally ill, and other homeless populations, the need for rapid rehousing and permanent housing units. There are also need for supportive services and increased access to affordable housing units for cost burdened households and victims of domestic violence.

Another clear solution identified during stakeholder engagement are increasing support for specific population that are impacted by 1) Single youth 2) youth families, and 3) family. All shelter with attached case management. 4) non-congregant individual and couple shelter with attached case management. 5) Rapid Rehousing and Permanent Shelter Housing compliant landlords/units.

Providing funding support for the shelter facility by the Hub will allow for an expansion in services that provide space for more caseworkers, counselors, and programming with other partner organizations, and training facilities. The building itself will be a positive public icon for the HUB that fills a gap in emergency shelters for women and their children in Memphis.

***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:***

Gaps and needs were identified through extensive stakeholder engagement during fall and winter of 2021-2022. HCD consulted with the CAFTH, the local CoC serving the City of Memphis 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, and the needs of persons with disabilities. An ongoing coordination between City of Memphis and Shelby County offices assisted in identifying local needs, which also allowed thoughtful and detailed local voice to emerge in prioritizing how this HOME-ARP allocation is best utilized. Data were used to illustrate demographic trends and housing stability among the qualifying population.

#### 4.0 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:**

The Division of Housing and Community Development (HCD) administers Federal and City funds for programs that carry out its mission and while many programs are carried out through HCD directly, others are contracted out to eligible organizations on a competitive basis. HCD through the HOME ARP funding will provide an opportunity for organizations and agencies to submit competitive applications. The funds available on a competitive basis will be awarded to eligible nonprofit, and other organizations to implement community and economic development programs. The funds through this process will primarily be available for programs that benefit low and moderate-income persons of Memphis. Other subrecipients and/or contractors will consist of set-asides earmarked for major partners such as the Community Alliance for the Homeless to implement programs in collaboration with agencies representing the Continuum of Care (CoC). Apart from circumstances aligned with the CAFTH and CoC, the PJ will administer all programs.

**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

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.

## 5.0 Use of HOME-ARP Funding

Item	Funding Amount	Percent of the Grant	Statutory Limit
<b>Supportive Services</b>	\$3,386,496	25%	100%
<b>Acquisition and Development of Non-Congregate Shelters</b>	\$1,354,598	10%	10%
<b>Tenant Based Rental Assistance (TBRA)</b>	\$1,354,598	10%	100%
<b>Development of Affordable Rental Housing</b>	\$5,418,393	40%	70%
<b>Non-Profit Operating Expenses (YR 4-9)</b>	\$ 677,299	5%	5%
<b>Non-Profit Capacity Building</b>	\$ 677,299	5%	5%
<b>Administration and Planning</b>	\$1,354,598	10%	10%
<b>Total HOME ARP Allocation</b>	\$13,545,982	100%	N/A

### Additional narrative, if applicable:

#### Descriptions/Definitions

**Supportive Services:** The city will provide HOME-ARP funds for a broad range of supportive services to the qualifying individuals and families that meet HUD's requirements. The eligible supportive services include (1) McKinney-Vento Supportive Services; (2) HOME-ARP Homelessness Prevention Services; and (3) Housing counseling services, except homeowner assistance and related services. Eligible costs associated with McKinney-Vento supportive services and homelessness prevention supportive services include: Costs of child care, Costs of improving knowledge and basic educational skills, Costs of establishing and/or operating employment assistance and job training programs, Costs of providing meals or groceries, Costs of assisting eligible program participants to locate, obtain and retain housing, Costs of certain legal services, Costs of teaching critical life management skills, Financial assistance costs, including, Rental application fees, Security deposits, Utility deposits, Payment of rental arrears. Costs associated with housing counseling services include staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-program participants. Other costs are the development of a housing counseling workplan, marketing and outreach, Intake, financial and housing affordability analysis, action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s).

**Acquisition and Development of Non-Congregate Shelters:** The city will use the HOME-ARP funds to acquire and develop non-congregate shelter (HOME-ARP NCS) for qualifying individuals and families according to the CPD Notice. NCS provides private units or rooms as

temporary shelter to individuals and families and do not require occupants to sign a lease or occupancy agreement. The activities include the construction of new structures or the acquisition and/or rehabilitation of existing structures (such as motels, nursing homes, or other facilities) to be for use as HOME-ARP NCS. Eligible Costs are as follows (1) acquisition Costs: Costs to acquire improved or unimproved real property for use as or development of HOME-ARP NCS; (2) demolition Costs: Costs to demolish existing structures to develop HOME-ARP NCS; (3) development Hard Costs: Costs to rehabilitate or construct HOME-ARP NCS units, which are costs to make improvements to the project site, such as installation of utilities or utility connections, laundry facilities, community facilities, on-site management, or supportive service offices; (4) related Soft Costs associated with financing, acquisition, and development of HOME-ARP NCS projects; and, (5) replacement Reserve costs to capitalize a replacement reserve to cover reasonable and necessary costs of replacing major systems and their components.

**Tenant-Based Rental Assistance (TBRA):** The City of Memphis Division of Housing and Community Development will assist the qualifying households in the city to provide payments towards housing and housing-related costs, such as rent, security deposits, utility deposits, and utility costs. The HOME-ARP TBRA will be provided in coordination with other non-profit HOME-ARP sponsors that facilitate a qualifying household's use of HOME-ARP TBRA. The sponsors will make rental subsidy payments and security deposit payment on behalf of a qualifying household, sublease units to the qualifying household and maintenance of HOME-ARP TBRA units. The city will follow the stipulated contracts and leasing requirements according to HUD's standards with the HOME-ARP sponsors.

**Development of Affordable Rental Housing:** The city will use HOME-ARP funds to acquire, construct and rehabilitate rental housing for occupancy by individuals and families that meet one of the Qualifying Populations. HOME-ARP rental housing that will provide single family or multifamily housing, transitional or permanent housing, group homes, single room occupancy (SRO) units, and manufactured housing. To promote the development of financially viable housing, the city would opt for the most profitable development option. That is, to pay the entire amount of eligible costs associated with HOME-ARP rental units, work with Memphis Housing Authority (MHA) or local agencies to obtain project-based rental assistance, or to provide ongoing operating cost assistance or capitalize a project operating cost assistance reserve to address operating deficits of HOME-ARP units occupied by qualifying households. To promote inclusion of HOME-ARP units in mixed-income housing, up to 30 percent of the units in the city with its HOME-ARP grant may be restricted for occupancy by households that are low-income.

**Non-Profit Operating Expenses:** The city will use the HOME-ARP funds to provide operating expense assistance to CHDOs and other nonprofit organizations. These operating expenses assistance are defined as reasonable and necessary costs of operating the nonprofit organization. Eligible costs include: (1) employee salaries, wages and other employee compensation and benefits; (2) employee education, training and travel; (3) rent; (4) utilities; (5) communication costs; (6) taxes; (7) insurance; and (8)

equipment, materials, and supplies. Further, the HOME-ARP funds will cover the operating expenses, “general operating costs” of the nonprofit organizations. **Non-Profit Capacity Building:** The city will use the HOME-ARP funds to provide capacity building assistance to CHDOs and other nonprofit organizations. Capacity building expenses are defined as reasonable and necessary general operating costs that will result in expansion or improvement of an organization’s ability to successfully carry out for eligible HOME-ARP activities. The eligible costs include: (1) salaries for new hires including wages and other employee compensation and benefits; (2) employee training or other staff development that enhances an employee’s skill set and expertise; (3) equipment (e.g., computer software or programs that improve organizational processes), upgrades to materials, and supplies; and (4) contracts for technical assistance or for consultants with expertise related to the HOME-ARP qualifying populations.

**Administration and Planning:** The city will use the HOME-ARP funds to pay reasonable administrative and planning costs of up to 15 percent of the HOME-ARP allocation. Some or a portion of the HOME-ARP administrative funds would be to subrecipients and contractors that are administering activities on the behalf of the city, particularly the local CoC.

**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:**

There exists a need for emergency shelters among women and their children in the city of Memphis and so the allocation plan provided 25% for supportive services in the allocation plan. These supportive services would cover cost for activities such as childcare services, costs of improving knowledge and basic educational skills, costs of establishing and/or operating employment assistance and job training programs, costs of certain legal services, costs of teaching critical life management, among other eligible cost per the McKinney-Vento Supportive Services.

Due to the city’s lack of permanent supportive housing units, there is a 10% allocation for the acquisition and development of non-congregate shelters for the homeless population. In addition, homeless veterans were housed in a congregate shelter prior to Covid, but the current VA regulations no longer support such congregations. Hence, the need for more non-congregate shelter units for these population which would also help trauma and mentally ill patients.

The need analysis suggested the need for increased access to affordable housing units for cost burdened households in the city. Therefore, 10% of the allocation plan will cover the tenant based rental assistance (TBRA) program to support the qualifying population and to provide payments towards housing and housing-related costs, such as rent, security deposits, utility deposits, and utility costs. The TBRA will be provided in coordination with other non-profit HOME-ARP sponsors that facilitate a qualifying household’s use of HOME-ARP TBRA. The sponsors will make rental subsidy payments and security deposit payment on behalf of a qualifying household, sublease units to the qualifying household and maintenance of HOME-ARP TBRA units.

Lastly, there is a 40% allocation for the development of affordable rental housing to support the housing providers in the city that support the qualifying population. For example, the plan would support the expansion of the Hub facility, which would allow for an expansion in services that provide space for more caseworkers, counselors, and programming with other partner organizations, and training facilities.

## **6.0 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:**

HOME-ARP funds may be used to acquire and rehabilitate **100** and construct **60** affordable rental housing primarily for occupancy by households of individuals and families of the qualifying 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:**

Through the activities of the community housing development organizations (CHDOs) and community development organizations (CDCs), the city hopes to acquire, rehabilitate, and construct affordable rental housing for the qualifying population. The goal is to support homeless providers as they address the need to acquire, construct and rehabilitate rental housing for occupancy by both individuals and families they serve by providing housing units not limited to manufactured housing, single room occupancy (SRO) units, and permanent supportive housing. For instance, Hospitality Hub is constructing studio apartments and non-congregate hub to address chronic homelessness in the city. According to Hospitality Hub, the city can support the project by providing the gap finance of \$1.6M gap needed to complete the project. Similarly, Alpha-Omega Veterans Services need a \$1M gap funding to support their permanent and transitional housing program for the population serve. Other homeless providers stated the need to acquire neglected and disrepair housing units for rehabilitating permanent supportive housing units for their population.

A lack of quality affordable rental housing remains a challenge in Memphis. However, the city is committed to prioritizing affordable housing needs through the rehabilitation, acquisition, and production of affordable housing for qualifying populations. The city's housing goal include (1) Providing housing for the qualifying populations - to connect these populations to existing housing resources and create new housing resources; (2) Support to homeless populations - by providing support facilities, housing, and services for homeless populations; (3) New affordable housing opportunities – to increase the numbers of affordable housing units to insure access to affordable housing by low and moderate income persons and families; and (4) Affordable housing preservation – to preserve and enhance existing affordable housing units to ensure that low- and moderate-income persons and families retain housing.

## **7.0 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.

N/A

**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



## 8.0 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

N/A

- 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.

N/A

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

N/A

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

N/A

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

N/A

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

N/A