



HOME-ARP ALLOCATION PLAN

City of Chula Vista

Housing and Homeless Services
Director Stacey Kurz

Contents

Executive Summary	2
Consultation	4
Consultation Process.....	4
Consultation Participation and Feedback	4
Summary of feedback received from consultation.....	5
Public Participation	5
Public participation process description.....	6
Efforts to broaden public participation	6
Summary of comments and recommendations received.....	6
Summary of comments or recommendations not accepted.....	6
Needs Assessment and Gaps Analysis	7
Needs Assessment	7
Current resources available	9
Unmet housing and service needs of qualifying population.	9
Gaps within the current shelter, housing inventory, and service delivery system.....	11
Priority needs for qualifying populations	11
Need and Gap Determination Process.....	11
HOME-ARP Activities.....	11
Method(s)that will be used for soliciting applications	11
Administration of eligible activities	12
HOME-ARP funds administered by a subrecipient or contractor	12
HOME-ARP funds distribution	12
Plan rationale	12
HOME-ARP Production Housing Goals.....	13
Preferences	13
Referral Methods	13
Limitations	14
HOME-ARP Refinancing Guidelines	14

Executive Summary

The American Rescue Plan (ARP) provides \$5 billion to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country. These grant funds are administered through HUD's HOME Investment Partnerships Program (HOME). As an entitlement jurisdiction for a fiscal year 2021 HOME program allocation, the City of Chula Vista is also eligible to receive a HOME-ARP grant allocation for the fiscal year 2021 program year. Using the same HOME Program allocation formula HUD has determined that the City of Chula Vista will be receiving an allocation of \$3,139,777.

Grants funds must be used to benefit individuals who are eligible according to the U.S. Department of Housing and Urban Development (HUD) HOME-ARP guidelines. HUD has established four qualifying populations that the use of these funds must primarily benefit:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a));
- At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1));
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary;
- In other populations where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability.

Along with these qualifying populations HUD also determined four eligible activities:

- Production or Preservation of Affordable Housing;
- Tenant-Based Rental Assistance (TBRA);
- Supportive Services, including services defined at 24 CFR 578.53(e), homeless prevention services, and housing counseling;
- Purchase and Development of Non-Congregate Shelter. These structures can remain in use as non-congregate shelter or can be converted to: 1) emergency shelter under the Emergency Solutions Grant program; 2) permanent housing under the Continuum of Care; or 3) affordable housing under the HOME Program.

HOME-ARP funding is a subset of the general HOME Investment Partnership program which aims to expand housing options for low-income households. The HOME program is the federal government's largest grant designated to create new affordable housing units. The City receives approximately \$900,000 in HOME funding annually, which is primarily allocated towards Tenant-Based Rental Assistance (TBRA).

The use of HOME-ARP funds is critical for Chula Vista at a time when the need for affordable housing and housing assistance is greater than ever. The City currently has an annual population growth of 12.5 percent, outpacing San Diego County's total growth rate of 7.8 percent. Overall, Chula Vista's population is expected to increase by 40 percent by 2050. This rapid growth brings added pressure to existing housing challenges and homelessness within the City. Low- and moderate-income households are disproportionately impacted by this pressure, compared to those earning higher income; thus, there is a high need for housing assistance targeted at the 19,085 households earning at or below 80 percent of AMI experiencing housing problems. In addition, special needs groups like victims of domestic violence, disabled individuals, and those at risk of homelessness are more affected by these problems, as they tend to need supportive services in addition to affordable housing.

As of 2020 16,770 low- and moderate-income renter households in Chula Vista were experiencing overpayment for rent, in excess of 30% of their household incomes. 10,230 of these households experience a cost burden of more than 50% of household income. Overall, 48% of low- and moderate-income households in the City are defined as cost-burdened. These numbers translate to a significant number of households who are at-risk of homelessness within the City of Chula Vista.

Families with incomes below the poverty level, typically those households with extremely-low and very-low incomes, are at greatest risk of becoming homeless and typically require special programs to assist them in meeting their rent and mortgage obligations to prevent homelessness. The 2020 Census estimated 9.6 percent of the residents in Chula Vista as living in poverty. In comparison, the County of San Diego had 10.3 percent. Individuals with a disability in Chula Vista experience poverty at 16.7 percent. These households need assistance with housing subsidies, utility and other living expense subsidies, as well as other supportive services.

Victims of domestic violence are often severely impacted by these problems as well, as their incomes may drastically change if they must leave their job for safety and lose a partner, whom they may be sharing expenses with. According to the 2020 Point In Time Count for the County of San Diego, it is estimated that nearly 1,080 homeless adults were a victim of domestic violence at some point in the past, and an estimated 600 adult domestic violence victims were unsheltered on the night of the count. Shelters contracted through the City using HUD funds currently house around 389 victims of domestic violence, but the housing needs for this population are also expected to increase drastically.

The City surveyed and consulted with multiple community partners and members of the public to shape goals and objectives for HOME-ARP funding. Overall, this effort has influenced the City to prioritize production and preservation of affordable housing units. This is largely based on the perceived needs explained through outreach efforts and the City's own gaps in existing funding opportunities and services.

Based on the information above, the City's priority housing need for qualifying populations is the development and preservation of affordable housing units. This includes housing units included in permanent supportive housing with wraparound services. The City of Chula Vista will use the \$3,139,777 HOME-ARP allocation specifically for the development of permanent supportive housing units.

Consultation

Consultation Process

The City of Chula Vista consulted with relevant agencies and stakeholders that serve each of the qualifying populations within the jurisdiction and surrounding areas. These organizations include homeless service providers; domestic violence survivor service providers; substance use treatment providers; the local Continuum of Care; a local homelessness taskforce; veteran's service providers; a public housing agency; and an organization that addresses fair housing, civil rights, and the needs of persons with disabilities. Providers were chosen based on services provided as well as ensuring there was a representative organization for each of the qualifying populations to be served, as shown in Table 1.

There were two surveys developed and distributed to solicit feedback on spending priorities for HOME-ARP funds, one at the beginning of 2022 and another in the later part of the year. The surveys were issued to the public as well as the above-mentioned providers through the San Diego Regional Taskforce on Homelessness. Additionally, a public presentation was given at the November 30, 2022 meeting of the San Diego Regional Taskforce on Homelessness meeting.

Consultation Participation and Feedback

Table 1 - Organizations consulted and feedback provided

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	QP Served	Feedback
Interfaith Shelter Network of San Diego	Homeless Service Provider	Survey and public meeting	QP #1	Permanent supportive housing is needed
SBCS Corporation	DV Service Provider	Survey and public meeting	QP #2, #3 and #4	Permanent supportive housing is needed with wrap around services
Alpha Project	Homeless Service Provider	Survey and public meeting	QP #1	Permanent supportive housing is needed

McAllister Institute	Substance Use Service Provider	Survey and public meeting	QP #1	Permanent supportive housing is needed
San Diego Regional Taskforce on Homelessness	CoC	Survey and public meeting	QP #1	Permanent supportive housing is needed
South Bay Homeless Alliance	Homelessness Taskforce	Survey and public meeting	QP # 1 and #4	Permanent supportive housing is needed
Veterans Village of San Diego	Veteran's Group	Weekly meetings and coordinated outreach	Veterans	Growing need for additional sheltering for homeless veterans..
San Diego Housing Commission	Public Housing Agency	Survey	QP #1, #2, and #4	The City's goals of producing more affordable housing aligns with their regional approach to solving displacement and preventing homelessness.
CSA San Diego	Fair Housing Organization	Survey	QP #4	Permanent supportive housing is needed.

Summary of feedback received from consultation

Nearly every consulted agency and service provider indicated a high need for supportive services and affordable housing. There is an abundance of need in the region for permanent supportive housing that combines the services that individuals need as well as housing that is affordable at individual income levels. The current housing shortage combined with a lack of available case management puts our vulnerable populations at risk even more than they already are.

Public Participation

The section below describes the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- **Date(s) of public notice:** 02/04/2022 and 11/11/2022
- **Public comment period:** start date - 11/25/2022 end date - 12/25/2022
- **Date(s) of public hearing:** 2/15/2022 & 2/14/2023

Public participation process description

Information on HOME-ARP funds and their upcoming availability to the City of Chula Vista was made known to the public through a public participation process that follows the City's Citizen Participation Plan. Additionally, public notices for comment and hearings were made available once at the beginning of 2022 and again later in the same year.

A 20-question survey was developed to solicit public feedback on eligible uses and spending priorities of the allocated HOME-ARP funds. This survey was made available through the City of Chula Vista social media on November 3, 2022, and shared with relevant stakeholders as well, as mentioned in the consultation summary.

The official public comment period began with a publication in the Star News on November 25, 2022, and will end on December 25, 2022. The cost allocation plan will also be included in the Staff report for a public hearing to be held on February, 14th, 2023 therefore any feedback received after the respective Council meeting will be incorporated into the cost allocation plan, as applicable.

Efforts to broaden public participation

The City's decisions to fund projects that directly benefit the residents of Chula Vista can only be accomplished through a thorough and transparent citizen participation process. Consistent with the Citizen Participation Plan, the City of Chula Vista continues to increase presence and promotion efforts on social media and in local news agencies. The City's intention is that this increased engagement through social media platforms will increase resident and stakeholder participation in the City's efforts to provide informed funding decisions. The goal with this approach is to use as many means as possible to solicit public and partner-agency input on the decision-making processes with these funding opportunities.

Summary of comments and recommendations received

Overall, comments and survey results largely favored development of affordable housing and permanent supportive services for individuals experiencing homelessness. Survey respondents requested additional resources for permanent supportive housing and favored non-congregate housing options. Chula Vista residents recognize the growing need of affordable housing leveraged with supportive services that can assist the most vulnerable populations in our City and ultimately benefit the City as a whole. All Chula Vista residents are affected by the poor or inadequate living conditions that many of our low-income residents are experiencing, and the development of affordable housing can provide a dignified solution.

Summary of comments or recommendations not accepted

The City of Chula Vista did not reject any public comments or recommendations.

Needs Assessment and Gaps Analysis

Needs Assessment

There is a growing need for affordable housing and supportive services in the City of Chula Vista. As the City's population grows over the next two decades, existing housing challenges are expected to increase. This includes an increase in the number of homeless households and households at risk of becoming homeless. Detailed below are inventories on the City's current housing needs and a gap analysis.

In August of 2021 the City conducted its own count of unsheltered persons. The August 18th, 2021, count totaled 792 persons meeting the definitions of homeless. Of these 792 individuals, 453 were sheltered and 339 were unsheltered. The unsheltered population of Chula Vista included 239 males, 89 females and 11 individuals of other or unknown gender. 50% of all homeless individuals had been homeless for 3 years or more and 55% percent of these individuals were experiencing homelessness for their first time. These are not being used for the gap analysis below, we are instead using the Federal Point in Time Count data, which is lower than our local count.

Table 2: Homeless Needs Inventory and Gap Analysis

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	0	0	95	0	0								
Transitional Housing	0	0	121	0	0								
Permanent Supportive Housing	0	0	0	0	0								
Other Permanent Housing	0	0	0	0	0								
Sheltered Homeless						81	5	17	0				
Unsheltered Homeless						6	200	0	0				
Current Gap										0	0	93	0

Data Sources: 1. 2022 Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

Table 3: Housing Needs Inventory and Gap Analysis

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	34,883		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	0		
Rental Units Affordable to HH at 50% AMI (Other Populations)	2,179		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		9,200	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		9,170	
Current Gaps			18,370

Data Sources: 1. 2021 American Community Survey Estimates (ACS); 2. 2015-2019 Comprehensive Housing Affordability Strategy (CHAS); 3. Chula Vista Housing Element 2021-2029

Qualifying populations size and demographic information

Homeless as defined in 24 CFR 91.5

As of the 2022 Point in Time Count, there were 309 homeless individuals staying in both sheltered and unsheltered conditions.

At Risk of Homelessness as defined in 24 CFR 91.5

As of 2020, there were 12,015 households in the City making less than 30% AMI. Of these, 9,755 households, or 81%, had a housing problem such as a cost burden greater than 30%, more than one person per room, or lacking facilities like plumbing or a kitchen.

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

1,257 residents of Chula Vista contacted SBCS Corporation in fiscal year 2022 for specific housing needs. SBCS is Chula Vista's primary resource for victims of domestic violence and partner in providing services to other low-income populations. SBCS currently operates two domestic violence shelters within the City.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice

The City serves many households who have previously been qualified as homeless and who are currently housed due to temporary financial assistance or services. This includes 29 individuals currently receiving Tenant-Based Rental Assistance.

According to the City's 2020-2025 Consolidated Plan there were 110 veterans currently receiving Housing Vouchers, with 14 being elderly and 33 being disabled.

Current resources available

The City of Chula Vista currently employs a hotel/motel voucher program for individuals in need of a transitional living solution as they move into a permanent housing unit. Additionally, there is an active HOME-funded tenant-based rental assistance (TBRA) program available for low-income households which helps provide a temporary hand-up for 12-24 months as households achieve self-sufficiency. There are also 20 permanent supportive units at the Casa Anita project with more units currently being planned for production within the next few years. The City also continues to monitor and keep the existing affordability covenants for 2,179 units across the City, with more affordability restricted units in development. In addition to each of these efforts, the City of Chula Vista is also in the process of constructing a non-congregate 60-bed bridge shelter for homeless individuals that are working towards a permanent housing solution. The shelter will contain wrap-around services for each program participant as well as key infrastructure to serve as a navigation center to provide key resources.

Unmet housing and service needs of qualifying population.

Homeless as defined in 24 CFR 91.5

Chula Vista leverages several resources for individuals living in homelessness, however there are still many unmet housing and service needs, paired with a growing homeless population. As an entitlement jurisdiction, the City receives approximately \$400,000 in Emergency Solutions Grant (ESG) funding each year. ESG funds in Chula Vista are primarily used for homeless prevention, homeless shelter operations, and shelter rehabilitation projects. The City also utilizes its Community Development Block Grant (CDBG) allocation for similar purposes including homeless services and a hotel/motel voucher program. Despite the use of these funds for homeless services and shelters, there are still major gaps in the availability of permanent supportive housing and affordable units for this population. As many as 93 additional shelter

beds are needed to house homeless individuals. This gap is expected to rise as the homeless population in Chula Vista increases over the next five years.

At Risk of Homelessness as defined in 24 CFR 91.5

There are not enough affordable units throughout the City to assist individuals and families at risk of homelessness. Approximately 14,885 households experience a housing cost burden greater than 50% of their household income. Currently, the City maintains covenants restricting the affordability of around 3,110 rental units in the city. With an increasing population and increased costs for renter and homeowners, this number is not expected to be sufficient for the number of households in Chula Vista in need of more affordable housing. As many as 12,261 affordable units may be needed to serve this population.

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

Domestic Violence (DV) is one of the top crimes in the City of Chula Vista. It is the number two type of police call for service. Each year, there are more than 3,700 incidents, with about 1,200 of those incidents resulting in actual crimes. Assuming each of the crime calls referenced is an unduplicated household, it is likely that approximately 1,200 households in Chula Vista may need to relocate, possibly with minor children and may require temporary housing assistance. According to the City's last Consolidated Annual Performance Evaluation Report (CAPER), the South Bay Community Services Family Violence Program assisted 513 victims of domestic violence, which indicates that many victims may not seeking help and/or there may be a barrier to obtaining legal help.

While the City partners with SBCS Corporation on the operation of two domestic violence shelters, there is a need for more transitional housing and permanent supportive shelter options for this population.

Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice

The number of households in this category is currently growing in Chula Vista. Households previously qualified as "homeless" may be currently housed through the following options:

- Chula Vista Seven - a project consisting of seven scattered housing units designated for extremely low-income households [0 – 30% of area median income ("AMI")], which are now occupied by previously homeless families, who are finding their way back to self-sufficiency.

- Hotel/Motel Voucher Program - Understanding the critical need of emergency shelter beds, an alternative was created with voucher program funding, providing up to 28 days of a safe space for our Homeless Outreach Team and clients to work together towards stabilization.
- Tenant-Based Rental Assistance Program - For those requiring longer term housing assistance, HOME funds were earmarked to provide up to twenty-four months of rental assistance.

Gaps within the current shelter, housing inventory, and service delivery system

Additional Characteristics Refining the definition of “Other Populations”:

The City’s Consolidated Plan does not provide additional characteristics associated with instability and an increased risk of homelessness, therefore there are no additional characteristics refining the definition of the fourth “other” qualifying populations.

Priority needs for qualifying populations

Based on feedback from community partners and the public, the City has determined that in addition to affordable housing the greatest needs for all four qualifying populations are more wrap around services such as mental health care, housing navigation, and drug rehabilitation options, among others.

Need and Gap Determination Process

The City determined the need for mental health care, housing navigation, and drug rehabilitation services through HMIS data and individual interviews with homeless individuals who are clients of the City’s Homeless Outreach Team. The City also receives input and feedback from our various nonprofit and social service partners.

HOME-ARP Activities

Method(s)that will be used for soliciting applications

The City will issue a standard request for proposals (RFP) to solicit bids from qualified developers who want to construct affordable housing or complete affordable housing conversions in Chula Vista. The City will also release RFPs for qualified service providers once the units have been constructed or converted. The RFPs will be published in the City’s public bid software, PlanetBids. The City’s Finance Department’s Procurement team will facilitate a

contractor selection process that will include a panel of subject experts who will each rank submitted bids on qualification and costs. Qualified bidders will then be interviewed to determine which bidder is preferred for project development.

Administration of eligible activities

The City of Chula Vista will oversee the administration of the permanent supportive housing project by a qualified contractor. Oversight will include monitoring compliance with program regulations for tenant selection and affordability restrictions as well as the availability of supportive services.

HOME-ARP funds administered by a subrecipient or contractor

The City of Chula Vista's HOME-ARP allocation will not be administered through a subrecipient.

Table 4: Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services			
Acquisition and Development of Non-Congregate Shelters			
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$ 2,668,810.45	85%	
Non-Profit Operating			
Non-Profit Capacity Building			
Administration and Planning	\$ 470,966.55	15 %	15%
Total HOME ARP Allocation	\$ 3,139,777	100%	

HOME-ARP funds distribution

The City's gap analysis clearly demonstrates a need for affordable housing units and permanent supportive services for those experiencing or at risk of homelessness. Based on this demonstrated need, all funds will assist with the development of permanent supportive beds and affordable housing units. The City's needs assessment indicates that of the eligible HOME-ARP activities production and preservation of affordable housing is the most important. The City can leverage various other funding sources, such as ESG and CDBG, for supportive services and Tenant-Based Rental Assistance. Therefore, the City's intention is to use its full HOME-ARP allocation for production of affordable housing.

Plan rationale

The City's planned use of HOME-ARP funds is based on data and consultation feedback that strongly point to a need to address the lack of permanent supportive units and services in the

City. This is coupled with the large number of persons currently living in homelessness or at risk of homelessness in the City, which is expected to rise as the population of the City increases over the coming two decades. These factors indicate that the greatest need is for production of more affordable housing units. To assist the City with this goal, it was decided that HOME-ARP funds entirely be allocated to development or conversion of affordable housing units.

HOME-ARP Production Housing Goals

Number of affordable rental housing units for qualifying populations that Chula Vista expects to produce or support with its HOME-ARP allocation:

With HOME-ARP funding we would expect to obligate the development of approximately 18 units. With similar funding and leveraging opportunities recent developments have yielded approximately 90 affordable units.

Affordable rental housing production goal that the Chula Vista hopes to achieve and how the production goal will address the City's priority needs:

In the City's 2021-2029 Housing Element, Chula Vista established its affordable housing goals according to the Regional Housing Needs Assessment (RHNA). Of the 11,105 housing units the City needs to produce by 2029, 2,750 units are to be set aside for very-low-income households and 1,777 units need to be set aside for low-income households.

There are many projects and initiatives planned or currently underway in the City to help accomplish these goals, however there is a major need for gap financing when it comes to development and production of affordable housing. Units produced or converted with the use of HOME-ARP funds would directly contribute to this goal.

Preferences

The City of Chula Vista will intentionally not establish preferences as there is already a high need for low-barrier services for each of the qualifying populations. The City intends for units and associated wrap-around services developed with these funds to strictly be available to households currently experiencing homelessness, those at risk of homelessness, households fleeing domestic violence, and other qualifying populations. HOME-ARP funding will be used to provide gap-financing to facilitate the development of affordable units within affordable housing projects that also utilize other funding sources.

Referral Methods

The City of Chula Vista will work with the eventual on-site management and service provider to establish an internal chronological waiting list. The use of a waiting list better suits the needs of

the community and ensures that applicants are served on a first-come first-served basis instead of receiving referrals from a third-party agency.

Limitations

The City of Chula Vista will not be limiting the assistance provided under the development of permanent supportive housing to any one qualifying population. The services provided through this project will be made available to all applicants that fall under the eligible qualifying populations for HOME-ARP funding. The need in the Chula Vista community is too great to prevent a subpopulation from accessing resources they may desperately need.

HOME-ARP Refinancing Guidelines

The City of Chula Vista does not intend to use HOME-ARP funds to refinance existing debt.