



Leveraging Home-ARP for Supportive Housing

Kentucky Housing
Corporation Allocates
\$44 million to Supportive
Housing and Services

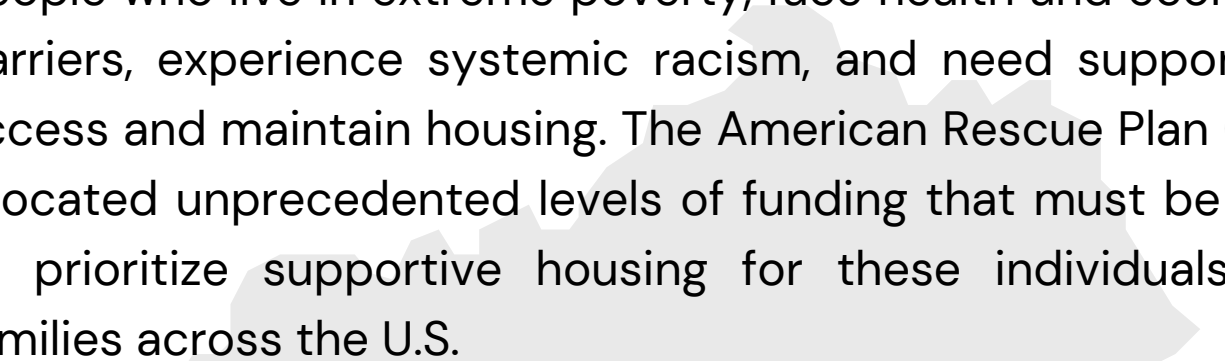


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Case Study: Leveraging Home-ARP for Supportive Housing

Kentucky Housing Corporation Allocates \$44 million to Supportive Housing and Services

CSH calls on states and local jurisdictions to leverage HOME-ARP as part of a broader strategy to house the 1.1 million people who live in extreme poverty, face health and economic barriers, experience systemic racism, and need supports to access and maintain housing. The American Rescue Plan (ARP) allocated unprecedented levels of funding that must be used to prioritize supportive housing for these individuals and families across the U.S.



Case Study: Leveraging Home-ARP for Supportive Housing

Supportive housing pairs affordable housing with tenancy support services that help people get housed and stay housed. It is an evidence-based intervention for people who experience chronic homelessness, unnecessary institutionalization, and the cycle between institutional settings and the streets. HOME-ARP, issued through the Department of Housing and Urban Development (HUD) as part of the American Rescue Plan Act, is an ideal resource for increasing the number of supportive housing units nationwide. It provides \$5 billion to states and local jurisdictions to assist households who are homeless, at risk of homelessness, fleeing or attempting to flee domestic violence or trafficking, and other vulnerable populations. Jurisdictions can finance the development and operations of supportive housing, as well as provide supportive services to residents. The State of Kentucky's HOME-ARP plan provides an example for other jurisdictions in both process of development and proposed uses of funds.

HOME-ARP Allocation Plan Process



Jurisdictions have already received HOME-ARP funds from HUD and may use up to 5% to conduct the planning process. HUD must approve final plans before jurisdictions can spend their remaining funds. As part of the planning process all jurisdictions are required to:

- 1. Determine the needs and gaps** to identify the size and make-up of the qualifying population, the unmet need, and gaps in the available housing and services. CSH also recommends including system representation by race to ensure that there is a consideration for equitable distribution of resources. Jurisdictions may use CSH's Racial Disparities and Disproportionality Index; which provides aggregated data by the state that looks at sixteen systems and measures whether a racial and/or ethnic group's representation in a particular public system is proportionate to their representation in the population. Most frequently, Black and Indigenous individuals and families are most at risk of being disproportionately represented in the homeless system.

2. **Consult** with the continuum of cares (CoC) serving the geographic area, as well as homeless and domestic violence service providers, public housing agencies (PHA), any public and private organization that works to address fair housing, civil rights, and the needs of persons with disabilities. CSH recommends also including people with lived experience in the process and conducting a scan of other critical stakeholders to determine additional organizations whose input is critical.

3. **Develop a new allocation plan** specific to HOME-ARP that states how the funds will be spent by each activity type including supportive housing and the population served.

4. **Post the proposed HOME-ARP Allocation Plan** for public comment for a minimum of 15 days.



Kentucky Housing Corporation

The Kentucky Housing Corporation (KHC) works across the state of Kentucky to create and invest in affordable housing. KHC invests in affordable housing solutions by offering programs and services designed to develop, preserve, and sustain affordable housing throughout the state. Created by the 1972 General Assembly, KHC is a self-supporting, public corporation of the Commonwealth of Kentucky. KHC serves as Kentucky's Housing Finance Agency and as the Balance of State administrator for many of the state's HUD programs (HOME, ESG, HOPWA, NHTF, CoC, and HCV).

Overall Need

KHC used several data sources to conduct the needs assessment and gaps analysis including the Point in Time Count (PIT), The National Low Income Housing Coalition's Housing Needs by State Report for Kentucky, KHC's 2020 Consolidated Plan Housing Needs Assessment, Homeless Management Information System (HMIS), CoC Housing Inventory Count, HUD's Comprehensive Housing Affordability Strategy, and CSH's developed investment modeling and projection tool.

Overall findings indicate that there are 3,422 individuals and 233 families who experience sheltered and unsheltered homelessness that require supportive housing to exit homelessness and remain stably housed. Existing supportive housing programs house 319 households per year, leaving a gap of 3,366 units. An additional 11,358 households need access to affordable housing but do not require support services to get into and remain in housing.

Additional data indicate that there are another 16,832 households at risk of homelessness and in need of supportive housing. This includes individuals who are incarcerated and have behavioral health needs, individuals in nursing homes, developmental centers, psychiatric hospitals and residential treatment facilities, as well as families and youth involved in the child welfare system due to lack of safe and affordable housing. There are also an additional 56,926 extremely low-income households that are precariously housed, behind on rent, or facing eviction with limited options for affordable housing options.

1. The full analysis can be found at: <https://www.kyhousing.org/Planning-Documents/Documents/HOME-ARP-Allocation-Plan-KHC%20Draft%204.pdf>

KHC’s needs assessment also found that Kentuckians who identify as Black are more than three times as likely to experience homelessness than their white counterparts. The results of the needs assessment and gaps analysis are shown in the tables below.(1)

Table 1: 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	897	258	1726	1726	30								
Transitional Housing	205	66	452	452	297								
Permanent Supportive Housing	1368	423	1819	1819	925								
Other Permanent Housing						137	108	0	0				
Sheltered Homeless						2,271	14,146	359	2682				
Unsheltered Homeless						60	1,206	40	#				
Current Gap										288	96	3240	3240

Table 2: Housing Needs Inventory and Gap Analysis

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	568,587		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	89,409		
Rental Units Affordable to HH at 50% AMI (Other Populations)	51,455		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		94,885	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		28,845	
Current Gaps			123,730

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

Stakeholder Consultation

KHC conducted a total of 27 consultations over three weeks through virtual meetings and focus groups and reviewed written comments. A range of stakeholders were consulted including the CoC, state agencies, local and state governments, PHA, service providers, housing developers, housing property managers, elected officials, supportive housing providers, advocacy organizations, and people with lived experience.

Key findings include:

- There is a significant need across the state for all eligible HOME-ARP activities.
- Only a small number of non-congregate shelter projects were identified.
- Affordable and supportive housing, specifically, the creation of new units emerged as the most frequently cited need.
- Supporting housing must be resourced appropriately if new units come on line.
- Any new projects should build capacity where there are fewer existing resources and high needs.

Planned Home-ARP Activities and Allocations

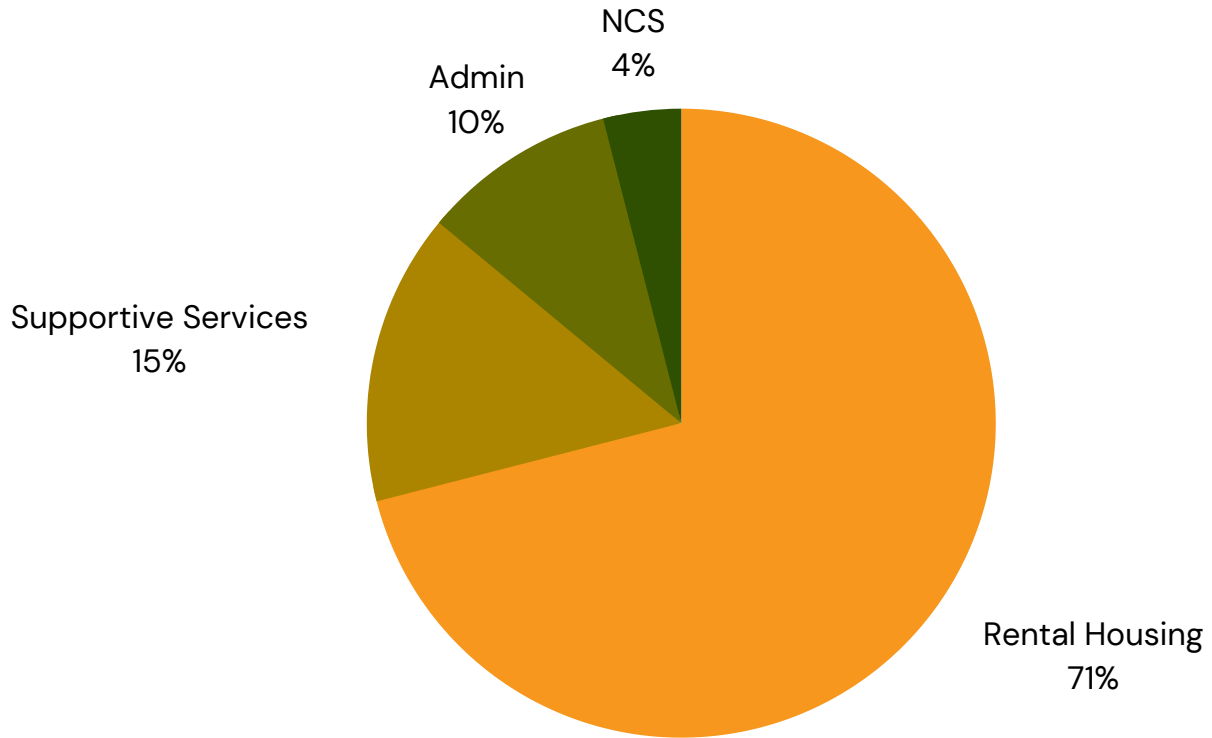
Based on the analysis and consultation process, KHC plans to allocate 71% of HOME-ARP to the development of affordable and supportive housing, with an additional 14% going to supportive services and 4% going to capital investments in non-congregate shelters. KHC also plans to provide \$500,000 for non-profit organizational capacity building including funding pre-development activities, and/or training and personnel costs for entities that will build and serve the affordable and supportive housing units funded with HOME-ARP for qualifying households. Table 3 and the chart below includes a breakdown of costs for all eligible activities.

Table 3: Homeless Needs Inventory and Gap Analysis

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 7,500,000		
Acquisition and Development of Non-Congregate Shelters	\$ 2,000,000		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 36,552,539		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 500,000	0 %	5%
Administration and Planning	\$ 5,172,504	10 %	15%
Total HOME ARP Allocation	\$ 51,725,043		

Chart 1: Percent of HOME-ARP Funding by Eligible Activity



Expected Outcome and Impact

KHC estimates that the HOME-ARP funding will support the development of 300 new supportive and affordable units, which reflects a 10% increase in units, and serve 600 households with support services, primarily residents in the new units created through HOME-ARP. In addition to some projects being solely funded through HOME-ARP, the state's Low Income Housing Tax Credit (LIHTC) 9% and 4% programs, state and national housing trust funds, and HOME program funds will also be leveraged to develop new units.

The funding for services will provide a bridge as service providers enroll in the state's Medicaid and Managed Care provider network, as well as cover services that are not eligible for Medicaid reimbursement. KHC is also working with the state's Department of Medicaid Services to address barriers to Medicaid reimbursement that will be critically important for accessing service funding both in the short-term and in the long-term once HOME-ARP funds for services expire in 2030.

KHC has hired CSH to provide capacity building, training, and ongoing technical assistance to non-profit organizations and development teams to ensure the supportive housing units coming on-line meet quality standards and operate according to the evidence-based practices.

Learn More

For more information, read [HUD's fact sheets on HOME-ARP](#). If you represent a jurisdiction that needs support in leveraging HOME-ARP to develop a pipeline of supportive housing, inquire with consulting@csh.org.



About CSH

Corporation for Supportive Housing (CSH) is the national champion for supportive housing, demonstrating its potential to improve the lives of individuals and families by working with communities to create more than 385,000 real homes for people who desperately need them. CSH funding, expertise and advocacy have provided \$1 billion in direct loans and grants for supportive housing across the country. Building on 30 years of success developing multiple and cross-sector partnerships, CSH engages broader systems to fully invest in solutions that drive equity, help people thrive, and harness data to generate concrete and sustainable results. By aligning affordable housing with services and other sectors, CSH helps communities move away from crisis, optimize their public resources, and ensure a better future for everyone. Visit us at www.csh.org.

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