



Charleston County HOME-ARP Allocation Plan
Program Year 2021 Annual Action Plan Amendment
March 2, 2023
DRAFT

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Introduction

The HOME-ARP Allocation Plan determines which eligible activities funds will be dedicated towards. It will be implemented as a major amendment to Charleston County's Program Year 2021 Annual Action Plan. The amendment will not change the existing document but will supplement what has already been established.

Background

As part of the American Rescue Plan Act, the U.S. Department of Housing and Urban Development (HUD) awarded Charleston County \$2,940,411 in HOME-ARP funding to be administered through the HOME Investment Partnership Program (HOME). Charleston County was eligible for this opportunity due to its qualification to receive HOME funds for its annual Urban Entitlement Program and an award agreement was executed on November 29, 2021. The purpose of the HOME-ARP program is to provide homelessness assistance and supportive services through eligible activities to qualifying populations.

Qualifying populations include:

- 1) Those that are homeless (as defined in 24CFR 91.5);
- 2) Those at risk of homelessness (as defined in CFR 91.5);
- 3) Those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking (as defined by HUD); or
- 4) Other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; OR
- 5) Veterans and families that include a veteran family member that meet the criteria in one of the four preceding categories.

Eligible activities include:

- 1) Development and support of affordable rental housing;
- 2) Tenant-based rental assistance (TBRA);
- 3) Provision of supportive services; and
- 4) Acquisition and development of non-congregate shelter.

Consultation

Charleston County Community Development staff utilized one-on-one interviews, small group discussions, and facilitated roundtables to inform its Allocation Plan for HOME-ARP funds. Through this process, leaders from government agencies, non-profits, and private organizations were asked to share their knowledge about existing service gaps and opinions on best-practices for addressing the affordable housing crisis.

Targeted meetings were used to groups individuals with similar expertise to discuss housing needs in Charleston from a shared perspective. The agenda for each of these meetings varied but focused on identifying needs and services gaps for individuals facing housing insecurity in Charleston County. The following meetings were held during March 2022:

- March 8, 2022 – Lowcountry Continuum of Care & One80 Place Interview (virtual).
- March 14, 2022 – Charleston Metro Chamber of Commerce Interview (virtual).
- March 22, 2022 – Charleston County Public Housing Authority, The Housing Authority of the City of Charleston, and North Charleston Housing Authority Small Group Discussion (hybrid).
- March 30 & 31, 2022 – Affordable Housing Developer Roundtable (hybrid)
- May 12, 2022 – Service Provider Facilitated Discussion (hybrid).

Each of these discussions provided a detailed insight into the housing needs of Charleston County residents, with findings summarized in the table below. Key themes from these findings have been used to inform this Allocation Plan.

Consultation table of participants and findings in progress

Public Participation

To include Charleston County residents in the HOME-ARP planning process, the public was invited to provide comments on the potential use of funds from March 6-21, 2023. A public notice to inform the residents of this opportunity was published in the local paper on March 1, 2023 and included the amount of HOME-ARP funding available, along with a list of eligible activities (Attachment A). At the end of this comment period, a public hearing concerning a draft of this Allocation Plan was held on March 21, 2023.

Community Survey

A community survey was deployed by Charleston County to learn more about resident perspectives on affordable housing needs in the region. A total of 1,227 responses were collected between March and June of 2022. The survey was marketed at community engagement events and was promoted on the County's website. The findings from this survey, summarized below, were used to inform this Allocation Plan:

- Housing assistance was ranked as the number one service need among County residents (followed by: transportation, education, life skills education, childcare, mental health, employment assistance, financial assistance, food assistance, substance abuse, outpatient health, and legal needs).

- When asked to divide a pot of \$1,000 among five strategic issues (improved access to affordable housing, improvement of infrastructure, availability of behavioral health support, support for small businesses, and non-profit capacity building), respondents consistently dedicated the majority of funds (avg. 30%) to improved access to affordable housing.
- Approximately 64% of respondents identified insufficient affordable housing stock as Charleston County's greatest affordable housing challenge. This was compared to supportive services and poor quality of existing affordable housing, both of which ranked as the number one issue by only 18% of respondents.
- When asked to divide a pot of \$1,000 among housing-related services, the average respondent dedicated nearly 60% of funds to creation of affordable housing through either new construction or the rehabilitation/conversion of existing structures.

Public Comments

TBD

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Needs Assessment & Gaps Analysis

Table 1. 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	65	18	174	174	0								
Transitional Housing	2	1	99	99	101								
Permanent Supportive Housing	48*	16*	388*	388*	350*								
Other Permanent Housing						725*	138*	530*	110*				
Sheltered Homeless						66	924	205	154				
Unsheltered Homeless						9*	159*	60*	15*				
Current Gap										14*	4*	197*	197*

Source: Lowcountry Continuum of Care Homeless Management Information System (*Data reflecting entire Lowcountry CoC)

Table 2. NON-HOMELESS			
	Inventory	Level of Need	Gap Analysis
	# of Units	# of HHs	# of HHs
Total Occupied Rental Units	62,844		
Occupied Rental Units Affordable to HH at 30% AMI (Less than \$500/month)	1,990		
Occupied Rental Units Affordable to HH at 50% AMI (< \$1,000/month)	10,319		
Cost-Burdened Households Making < \$20,000 Annually (30% AMI = \$21,644)		9,086	
Cost-Burdened Households Making \$20,000-34,999 Annually (50% AMI = 36,074)		7,310	
Current Gaps			16,396

Data Source: American Community Survey 2021 5-Year Estimates (Tables: DP04, S2503)

Size & Demographics of Qualifying Populations:

Homeless Population

During the 2022 Point-In-Time (PIT) Count, the counties within the Lowcountry Continuum of Care¹ (CoC) had a homeless population of approximately 264 households (324 individuals). Forty-five percent of households were unsheltered, 39% in emergency shelter, and 16% in transitional housing. An additional 419 households were staying in permanent supportive housing and 398 households were participating in a rapid rehousing program. According to the Institute for Community Alliances (ICA), the homeless population in the Lowcountry Continuum of Care region consists of the following demographics:

Race:

- 55% Black or African American,
- 38% White,
- 4% Mixed-Race,
- 3% Asian, American Indian, or Pacific Islander.

While the ICA's 2022 PIT analysis report does not break down counts by County, the 2022 South Carolina State of Homelessness Report stated that Charleston County's homeless population count made up 75% of the totals for the Lowcountry Continuum of Care. Due to this high ratio, it can be assumed that the demographics of the homeless population in Charleston County closely reflect demographics for the entire CoC.

The PIT can also be compared to the Lowcountry HMIS data from 2021 shared in Table 1, which shows the homeless population in Charleston County to be much higher. While this data could not be broken down by County for every category, it does show that there were 990 sheltered homeless individuals in Charleston County and 168 unsheltered homeless individuals throughout the Lowcountry CoC region. Ninety-four percent of this population were adults without children, 18% were veterans, 15% were victims of domestic violence, and 6% were families with children.

At-Risk Population

According to the American Community Survey (ACS) 2021 5-Year Estimates, there are 62,844 renter-occupied units in Charleston County. Of these households, approximately 15% are making less than 30% of the Area Median Income (AMI) and 14% are making 30-50% AMI². Cost-burdened households (those spending more than 30% of their income on housing) are at a higher risk of becoming homeless. In Charleston County, 90% of low- and extremely low-income renter households are cost-burdened. Table 2 provides a snapshot of housing needs for low- and extremely low-income renters.

The overwhelming response to Charleston County's Emergency Rental Assistance Program (ERAP) supports the needs illustrated by ACS data. In February of 2021, the County received funds via the American Rescue Plan Act (ARPA) to establish the ERAP. Throughout the duration of this program, which lasted until June 2023, a total of 4,352 tenants supported through \$35 million in rental payments and \$2 million in utility payments. Priority was given to low- and extremely low-income households with 53% of households served earning <30% AMI and 25% earning 30-50% AMI. The greatest need was seen in Black or African American households who accounted for 79% of households that participated in the ERAP,

¹ The Lowcountry Continuum of Care includes Charleston, Beaufort, Colleton, Dorchester, and Berkeley Counties.

² HUD defines extremely-low income as < 30% AMI and low-income as 30-50% AMI.

followed by white households at 14%, and multi-racial households as 3%. Data also showed that only 2.5% of households service were Hispanic or Latino.

Unmet housing and service needs of qualifying populations, including but not limited to:

Housing Needs

According to Table 2, Charleston County has a shortage of 16,396 units affordable to renter-households in the low- to extremely-low income range. This need is more greatly experienced by extremely low-income households, of which 95% are cost-burdened, than low-income households, of which 85% are cost-burdened.

Homeless Needs

According to the HMIS data provided in Table 1, the Lowcountry Continuum of Care region has a gap of 14 beds or 4 units for homeless households with children and 197 beds for homeless adult individuals. Emergency shelter is a great need for Charleston County, but there are also needs for more specialized housing. The 2022 PIT Count found that 61 individuals counted struggled with mental illness, 46 struggled with substance-use disorders, 19 were domestic violence survivors, and 3 were battling HIV/AIDS.

Services

Current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

In progress

Gaps within the current shelter and housing inventory as well as the service delivery system:

In progress

Characteristics of housing associated with instability and an increased risk of homelessness:

In progress

Identify priority needs for qualifying populations:

In progress

How level of need and gaps were determined:

In progress

HOME-ARP Activities

Solicitation Method:

Considering feedback from service providers and citizens paired with the data presented above, Charleston County proposes that 85% of funds be dedicated to development of affordable rental housing and 15% of funds be dedicated to program administration and planning. HOME-ARP funds may be used to pay for up to 100% of the following eligible costs associated with the development of rental affordable:

- Development hard costs,
- Refinancing,
- Acquisition,
- Related soft costs,
- Costs relating to payment of loans, and
- Operating cost assistance.

HOME-ARP activities will be administered by sub-grantees selected through a Request for Applications (RFA) in compliance with Charleston County Procurement Department procedures. For-profit and non-profit developers with experience in affordable housing development will be invited to apply for HOME-ARP dollars that will be used towards new construction or rehabilitation of affordable rental housing designated to be leased to members of the qualifying populations previously identified. All units produced through HOME-ARP must follow grant guidelines for the entire 15-year compliance period.

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Services			
Acquisition & Development of Non-Congregate Shelters			
Tenant Based Rental Assistance			
Development of Affordable Rental Housing	\$ 2,499,349.35	85%	
Non-Profit Operating			5%
Non-Profit Capacity Building			5%
Administration and Planning	\$ 444,061.65	15%	15%
TOTAL HOME-ARP Allocation	\$ 2,940,411.00		

Narrative:

Two methods are proposed to facilitate funding of affordable rental housing projects through the RFA: gap financing and infill development. The Housing & Neighborhood Revitalization Department has already established these two programs utilizing ARPA funds. Community Development proposes using the existing structure of these programs as the vehicle through which to get money into the hands of local organizations.

- Gap Financing: Funding of projects in development stages.
- Infill Development: Returning vacant houses/lots to inventory.

Rationale for chosen activities:

In progress

HOME-ARP Housing Production Goals

Estimate number of affordable housing rental units to be produced with HOME-ARP funds:
Outcomes will be dependent upon the type of development projects and supplemental funding organizations bring to the table. Staff looked at three proposals received for the Gap Financing and Infill Program issues by the Housing and Neighborhood Revitalizations Department to calculate an average cost for unit in the projected outcomes. Based on this calculation, it is estimated that these funds will produce approximated 14 affordable rental housing units.

Affordable rental housing production goal & rationale for addressing priority needs:

In progress

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