



**HOME Investment  
Partnerships Program**

**American Rescue Plan**

**Substantial Amendment to  
2021 Annual Action Plan**

**DRAFT**

# **HOME-ARP ALLOCATION PLAN**

**August 2022**



**MDG**  
ASSOCIATES • INC.

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**Substantial Amendment to  
2021 Annual Action Plan  
HOME-ARP ALLOCATION PLAN**

HOME Investment Partnerships Program  
American Rescue Plan



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## **CITY COUNCIL**

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## VERSION HISTORY

No.	Summary of Changes			
1	Published Draft for Public Comment:	8/13/22	Sent to HUD for Approval:	TBD
	Conducted Public Hearing:	9/13/22	Approved by HUD:	TBD
	Original HOME-ARP Allocation Plan.			

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## Executive Summary

The City of Fontana has been allocated \$2,633,568 of HOME Investment Partnerships Program-American Rescue Plan Act (HOME-ARP) funding from the US Department of Housing and Urban Development (HUD). In order to receive the HOME-ARP allocation, the City must develop a HOME-ARP Allocation Plan that will become part of the City's PY2021 HUD Annual Action Plan by substantial amendment.

To ensure broad input into the HOME-ARP Allocation Plan from stakeholders and the public, the City engaged in consultation with stakeholders and the public, including a virtual consultation session, a survey of stakeholders, a 30-day public comment period, and a public hearing.

The needs assessment and gap analysis identified the following needs and gaps within the City:

- In January 2020, the annual Point in Time (PIT) count revealed that 7 people were residing in emergency housing using motel vouchers. Another 149 people were unsheltered on the streets, in tents or makeshift shelters, or in cars, vans, RVs or campers.
- 2014-2018 CHAS Data from HUD reported 3,320 renter households with incomes at or below 30% AMI are at risk of homelessness in the City.
- The 2014-2019 HUD CHAS data indicates there are 8,715 renter households with an annual income at or below 30% AMI with a cost burden that are at greatest risk of housing instability.
- The CHAS data reports that there are 1,830 households with incomes more than 30 and but equal to or less than 50% AMI that are at risk of homelessness in the City because of at least one of the housing problems as defined by HUD.
- The greatest need for supportive services is in the areas of housing search and counseling services, case management services, financial assistance costs, mental health services, outpatient health services, services for special populations, and transportation assistance

To address these needs within the community the City will allocate \$2,238,533 of HOME-ARP funds to the development of affordable rental housing. Both the consultation with stakeholders and the needs assessment data show that the risk of homelessness and housing instability is affecting large numbers of City residents. The lack of affordable housing can be addressed using these available funds. The remainder of the funds will be used for planning and administration activities related to the funds.

## Introduction

The City of Fontana has been allocated \$2,633,568 of HOME Investment Partnerships Program-American Rescue Plan Act (HOME-ARP) funding from the US Department of Housing and Urban Development (HUD). To receive the HOME-ARP allocation the City of Fontana must develop a HOME-ARP Allocation Plan that will become a part of the City's PY2021 HUD Annual Action Plan by substantial amendment. The HOME-ARP Allocation Plan must include the following:

1. A summary of the consultation process and the results of consultation;
2. A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reason why;
3. A description of HOME-ARP qualifying populations within the jurisdiction;
4. An assessment of unmet needs of each qualifying population;
5. An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
6. A summary of planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
7. An estimate of the number of housing units for qualifying populations the City will produce or preserve with its HOME-ARP allocation;
8. A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population;
9. HOME-ARP Refinancing Guidelines; and
10. Certifications and SF-424, SF-424B, and SF-424D Forms.

The following entities are responsible for preparing the Allocation Plan and those responsible for administration of the HOME-ARP grant.

Responsible Agencies		
Agency Role	Name	Department/Agency
HOME Administrator	City of Fontana	Development Services Department

### HOME-ARP Eligible Qualifying Populations and Activities

HUD's CPD Notice 21-10 Requirements for the Use of Funds in the HOME-American Rescue Plan Program establishes the requirements for funds appropriated under section 3205 of the

American Rescue Plan Act of 2021 for the HOME Investment Partnerships Program (HOME) to provide homelessness assistance and supportive services.

The American Rescue Plan Act (ARP) defines qualifying individuals or families, including Veterans, that are:

1. Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act;
2. At risk of homelessness, as defined in section 401 of the McKinney-Vento Homeless Assistance Act;
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking (as defined by HUD in 24 CFR 5.2003) or human trafficking (as outlined in the Trafficking Victims Protection Act of 2000 as amended [22 USC 7102]); and
4. Part of other populations, where providing supportive services or assistance under section 212(a) of the National Affordable Housing Act 42 USC 12472(a) would:
  - a. Prevent a family's homelessness;
  - b. Serve those with the greatest risk of housing instability.

HOME-ARP funds may be used benefit qualifying populations through:

1. Tenant-based Rental Assistance (TBRA);
2. Development and support of affordable housing;
3. Provision of supportive services;
4. Acquisition and development of non-congregate shelter;
5. Nonprofit capacity building and operating assistance; and
6. Program planning and administration.

## Stakeholder Consultation and Public Participation

HUD requires each HOME-ARP Participating Jurisdiction to consult with agencies and service providers whose clientele include the HOME-ARP qualifying populations. Agencies that must, at a minimum, be consulted include the Continuum of Care serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address fair housing, civil rights, and the needs of persons with disabilities.

HUD also requires that each Participating Jurisdiction provide opportunities for the public to comment on the proposed Allocation Plan, including the amount of HOME-ARP funds that will be received and the range of activities that the City may undertake.

To ensure broad input into the HOME-ARP Allocation Plan from stakeholders and the public, the City engaged in consultation with stakeholders and the public, including a virtual consultation session, a survey of stakeholders, a 30-day public comment period, and a public hearing.

### Stakeholder Consultation

The City of Fontana consulted with representatives from multiple agencies, groups, and organizations involved in the development of affordable housing, addressing homelessness, and the provision of services to qualifying populations in preparing this HOME-ARP Allocation Plan.

A virtual session was held July 28, 2022. Representatives from multiple agencies, groups, and organizations were invited via email to attend. Those unable to attend were invited to submit written comments via emails or schedule a phone call to share their thoughts.

The virtual consultation session included an overview of the HOME-ARP notice to inform attendees of the qualifying populations and eligible activities, an opportunity to ask clarifying questions, a request for input into needs and gaps, and priority populations and activities, and an overview of the Allocation Plan timeline and process.

A survey instrument was designed and available online and invited representatives from multiple agencies, groups, and organizations to rank the qualifying populations and eligible activities and services in order of perceived need, and the best approach for carrying out those activities for the community.

The City's virtual session was attended by four representatives of three agencies. The survey was completed by seven representatives of six agencies. All HUD-required agency types were represented in either the virtual session or the online survey.

The City attempts to maintain a current and comprehensive list of agencies, organizations and other stakeholders and invited representatives from each entity to participate in the planning process at multiple points in the planning process. If an agency did not attend meetings or participate in surveys, it was done so by the agency's choice.

### Organizations Consulted by Type and Method

Organizations Consulted by Type and Methods		
Organization Consulted	Type of Organization	Method of Consultation
Boy & Girls Club of Fontana	Nonprofit, addresses needs of qualifying populations	Survey
City of Fontana	Public, addresses needs of qualifying populations	Virtual Session
City of Fontana Housing Authority	Public, addresses needs of qualifying populations, serves as public housing authority	Virtual Session
Housing Authority of the County of San Bernardino	Public, addresses needs of qualifying populations, serves as public housing authority	Email
Inland Fair Housing and Mediation Board	Nonprofit, addresses needs of qualifying populations including providing civil rights and fair housing services to the City	Survey
Inland Regional Center	Nonprofit, addresses needs of qualifying populations including disabled	Survey
Option House, Inc.	Nonprofit, addresses needs of qualifying populations including those fleeing domestic violence and other dangerous situations	Survey
Palm Communities	For profit, addresses needs of qualifying populations, including affordable housing	Virtual Session
VA Loma Linda Medical Center, Health Care for Homeless Veterans Program	Public, addresses needs of qualifying populations including veterans	Survey
Water of Life	Nonprofit, addresses needs of qualifying populations including homeless	Virtual Session
City of Fontana Housing Authority	Public, addresses needs of qualifying populations, serves as public housing authority	Survey

## Summary of Feedback Received from Consulted Organizations

Consultation revealed strong support for the following:

**Development and support of affordable housing.** Participants in the virtual session discussed the need for additional affordable housing. Specific issues mentioned included the shortage of affordable housing inventory and the long waitlists to access affordable housing, whether it's permanent supportive housing, subsidized housing, housing that accepts vouchers or other tenant-based assistance. Of respondents to the survey, 86% believed there was a high need for this activity and 14% believed there was a moderate need.

**Acquisition and development of non-congregate shelter.** Participants in the virtual session discussed the need for shelter in general and for specific populations including families, those fleeing domestic violence and other situations, people with service animals, the elderly and single people. There is shelter available within the City, but not enough people seeking shelter often are referred to other facilities outside the city, especially in the case of fleeing domestic violence and other dangerous situations. Of respondents to the survey, 57% believed there was a high need for this activity and 43% believed there was a moderate need.

**Provision of supportive services.** As part of the conversation about the development of non-congregate shelter, one participant mentioned the need for childcare assistance to shelter residents, allowing them to seek work or maintain a job. Survey respondents were asked to rate what they believed is the current need for various services eligible under HOME-ARP. Of respondents to the survey, 100% believed there was a high need for housing search and counseling services. The other activities with the most ratings for "high need" were case management services and financial assistance costs (86%), mental health services, outpatient health services, services to special populations, and transportation assistance (71%).

Rating of Current Need for Supportive Services				
Supportive Services	High Need	Moderate Need	Low Need	No Need
Housing search and counseling services	100%	0%	0%	0%
Case management services	86%	0%	14%	0%
Financial assistance costs	86%	14%	0%	0%
Mental health services	71%	29%	0%	0%
Outpatient health services	71%	14%	14%	0%

Services for special populations	71%	29%	0%	0%
Transportation assistance	71%	14%	14%	0%
Landlord/tenant liaison services	57%	29%	14%	0%
Legal services	57%	14%	29%	0%
Outreach services	57%	29%	14%	0%
Substance abuse treatment	57%	29%	14%	0%
Credit repair services	43%	43%	14%	0%
Food assistance	43%	57%	0%	0%
Mediation services	43%	29%	29%	0%
Education Services	33%	33%	33%	0%
Job training and employment services	29%	71%	0%	0%
Child Care Assistance	14%	57%	29%	0%

**Tenant-based rental assistance (TBRA).** In conjunction with affordable housing, many attendees mentioned the need to increase availability of the TBRA program and as a companion to the development of affordable housing. Of respondents to the survey, 43% believed there was a high need for this activity and 43% believed there was a moderate need.

**Nonprofit capacity building and operating assistance.** In the survey, respondents were asked if they believed there was a need for nonprofit capacity building and operating assistance. Of respondents to the survey, 100% responded affirmatively that there was a need in the nonprofit sector for this assistance.

## Public Participation

To provide opportunities for public participation, the City of Fontana sent an email to all agencies and individuals on its email list notifying them of the opportunity to participate in the virtual consultation session held on July 28, 2022. In addition to attending the virtual consultation session, they were asked to complete an online survey regarding their views of the level of need for the eligible activities and qualifying populations as described by the CPD Notice 21-10. Those unable to attend, or who had further comments after the virtual session were invited to email them directly to City staff.

A combined notice of public comment period and public hearing was published in the *San Bernardino Sun* and the *Press Enterprise*, on August 12, 2022 and the *Fontana Herald News* on August 19, 2022. The public notice was published in both English and Spanish. The *San Bernardino Sun*, the *Press Enterprise*, and the *Fontana Herald* qualify as newspapers of general circulation.



### **Efforts to Broaden Public Participation**

To broaden public participation, members of the public who are on the City's email list were also invited via email to attend the virtual consultation session held in the formulation of the Allocation Plan.

### **Public Comments and Recommendations Received**

To be completed after the Public Comment period and the Public Hearing.

### **Public Comments and Recommendations Not Accepted and Reasons Why**

To be completed after the Public Comment period and the Public Hearing.

## Needs Assessment and Gap Analysis

The needs assessment and gap analysis must evaluate the size and demographic composition of HOME-ARP qualifying populations, and unmet needs of HOME-ARP qualifying populations. In addition, the needs assessment and gap analysis must identify any gaps within its current shelter and housing inventory, and service delivery system. This needs assessment and gap analysis focuses on the following:

1. Sheltered and unsheltered homeless populations;
2. Currently housed populations at risk of homelessness;
3. Other families requiring services or housing to prevent homelessness; and
4. Those at greatest risk of housing instability or unstable housing situations.

### Housing Inventory Count

The annual Housing Inventory Count (HIC) provides useful context regarding the number and type of beds and units that are available for individuals and families experiencing on any given night. The following tables summarize beds and units available as of January 2021 in the City by bed type.

Emergency housing beds include emergency shelter and transitional housing; emergency shelter generally allows for short-term or nightly stays, while transitional housing generally allows for a stay up to 24 months. Both types of emergency housing may include supportive services designed to facilitate movement to independent living.

The 2021 HIC did not include details about housing available for subpopulations. (HIC)

Emergency Housing Beds Available January 2021					
	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Year-Round Beds
Emergency Shelter	0	0	10	0	10
Transitional Housing	7	25	4	0	36
Total Emergency Housing Beds	7	25	14	0	46

Rapid rehousing provides security and utility deposits and/or monthly rental and utility assistance for rental units that rent for less than the fair market rent. Assistance is generally provided for the shortest period of time necessary for a household to gain stable housing and can range from 3 to 24 months. Permanent supportive housing provides for an unlimited lease term; residents receive services necessary to promote continued housing stability.

Rapid Rehousing and Permanent Supportive Housing Available January 2021					
	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Year-Round Beds
Rapid Rehousing	7	20	1	0	21
Permanent Supportive Housing	0	0	0	0	0
Total Year-Round Beds		20	1	0	21

## Size and Demographic Composition of Qualifying Populations

### Sheltered Homeless Populations

The 2022 sheltered Point-in-Time count identified 7 people experiencing sheltered homelessness in the City on February 24, 2020. People are considered sheltered when they are residing in emergency shelter or transitional housing, but not when they are receiving rapid rehousing assistance or residing in permanent supportive housing. Among individuals experiencing sheltered homelessness:

- 7 (100%) were housed using motel vouchers

San Bernadino County Homeless Partnership does the official PIT count in the county and does not publish family status.

### Unsheltered Homeless Populations

The 2022 unsheltered Point-in-Time count identified 149 people experiencing sheltered homelessness in the City on February 24, 2022. Among individuals experiencing unsheltered homelessness who were interviewed:

- 67 (74.4%) were male
- 23 (25.6%) were female
- 5 (5.6%) were aged 18-24

- 29 (32.2%) were aged 25-39
- 22 (24.4%) were aged 40-49
- 24 (26.7%) were aged 50-61
- 10 (11.1%) were aged 62 or over
- 55 (61.1%) were White
- 20 (22.2%) were African American or Black
- 40 (46.7%) were Hispanic
- 32 (35.6%) became homeless for the first time during the past 12 months
- 20 (22.2%) were chronically homeless
- 29 (32.2%) were released from a correctional institution during the past year
- 55 (61.1%) had no monthly income

### **At-risk of Homelessness**

Households at risk of homelessness are those with incomes at or below 30% AMI that lack sufficient resources or support networks to prevent homelessness, and

- Have moved more than two times due to economic reasons in the past 60 days, or
- Are doubled up with another household due to economic hardship, or
- Will be evicted within 21 days, or
- Live in a hotel or motel without financial assistance from a nonprofit or government entity, or
- Live in an efficiency apartment and are overcrowded, or
- Are exiting a publicly-funded institution or system of care

The CHAS 2014-2018 Data Table 10 indicates that there are approximately 3,320 households with incomes at or below 30% AMI that are at risk of homelessness in the City.

### **Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking**

The State of California Department of Justice maintains statistics on domestic violence statewide by jurisdiction. In 2018, the Fontana Police Department responded to a total of 720 calls related to domestic violence. Of these calls:

- 599 of these domestic incidents did not involve a weapon
- 134 calls involved a weapon
  - 2 domestic incidents involved a firearm
  - 9 domestic incidents involved a knife or cutting instruments

- 72 domestic incidents involved other dangerous weapons
- 37 domestic incidents involved personal weapons (i.e. feet or hands, etc.)
- 52 domestic incidents involved strangulation
- 5 domestic incidents involved suffocation

Therefore, if each one of these calls represented a household with member(s) who required housing assistance, it can be estimated that there were up to 720 households in 2018 who were in need of some form of housing assistance. The form of housing assistance required may vary depending on the specific circumstances of each case.

### **Other Populations**

Other populations, as defined by HOME-ARP, include those who:

1. Are currently housed and at risk of repeat homelessness;
2. Have incomes at or below 30% AMI and are experiencing severe housing cost burden; and
3. Otherwise meet the definition of at risk of homelessness and have incomes income of more than 30% and at or below 50%

### **Other Populations: At greatest risk of housing instability – Households with incomes <30% AMI and experiencing housing cost burden**

The 2014-2019 HUD CHAS data indicates there are 3,320 renter households with an annual income at or below 30% AMI with a cost burden that are at greatest risk of housing instability.

These renter households include:

- Two-person households, one or both of whom are age 62 or older: 35
- Small families with 2-4 non-elderly people: 35
- Large families with 5 or more people: 4
- People living alone or with non-relatives who are age 62 or older: 40
- People living alone or with non-relatives, none of whom are age 62 or older: 10

### **Other Populations: At greatest risk of housing instability – Households with incomes 30-50% AMI that meet HUD's §91.5 definition of at risk of homelessness**

Households in this category are those with incomes at more than 30% and at or below 50% AMI that lack sufficient resources or support networks to prevent homelessness, and

- Have moved more than two times due to economic reasons in the past 60 days, or
- Are doubled up with another household due to economic hardship, or
- Will be evicted within 21 days, or
- Live in a hotel or motel without financial assistance from a nonprofit or government entity, or
- Live in an efficiency apartment and are overcrowded, or
- Are exiting a publicly-funded institution or system of care

HUD Comprehensive Housing Affordability Strategy (CHAS) 2014-2018 Data Table 10 provides information on households that include more than one family, household income level and overcrowding. The CHAS data indicates that there are approximately 3,310 households with incomes more than 30% and at or below 50% AMI that are at risk of homelessness in the City because of at least one of the housing problems as defined by HUD. In addition, 70 are living in households with more than one family.

### Unmet Housing Needs of Qualifying Populations

The greatest unmet housing need of qualifying populations is the availability of affordable rental housing. As the table below shows, only 4% of the nearly 19,000 rental units in the City are available to households with incomes at or below 50% AMI. The level of need for affordable rental units for households with incomes at or below 50% AMI is nearly three times the available units, according to HUD CHAS data for 2014-2018.

Housing Needs Inventory and Gap Analysis					
		Available Units	Level of Need	HH with at least 1 Housing Problem	GAP (units-level of need)
Total Rental Units	18,950				
<=30% AMI		175	3,320	2,910	(3,145)
>30% to <=50% AMI		80	3,310	3,060	(3,230)
Total <=50% AMI		255	6,630	5,970	(6,375)

### Unmet Service Needs of Qualifying Populations

Based on consultation with service providers in the City, the greatest unmet service needs of qualifying populations including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations are:

- Housing search and counseling services

- Case management services
- Financial assistance costs
- Mental health services
- Outpatient health services
- Services for special populations
- Transportation assistance

Additional unmet service needs of qualifying populations, including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations include the following as described in HUD CPD Notice 2021-10, as may be amended:

- Landlord/tenant liaison services
- Legal services
- Outreach services
- Substance abuse treatment
- Credit repair services
- Food assistance
- Mediation services
- Education services
- Job training and employment services
- Childcare assistance

### **Current Resources Available to Assist Qualifying Populations**

Current available resources include:

- Congregate beds and non-congregate shelter units
- Supportive services
- Affordable and permanent supportive housing
- Housing vouchers

### **Current Resources: Congregate Beds and Non-congregate Shelter Units**

In February 2022, there were seven congregate beds and no beds in non-congregate shelter units. Congregate beds include emergency, safe haven, and transitional housing beds and units. Non-congregate shelter includes permanent supportive housing and rapid re-housing.

### **Current Resources: Supportive Services**

San Bernardino County's homeless Continuum of Care (CoC) is comprised of a network of public, private, faith-based, for-profit, and non-profit service providers who utilize several federal, state and local resources to provide services for homeless people. The region's municipalities, including the City of Fontana, also provide resources for services that assist the homeless and those at risk of becoming homeless. The non-profit and faith-based community plays a key role in the current CoC system. Hundreds of agencies throughout the County provide programs ranging from feeding the homeless on the street to creating permanent supportive housing opportunities. These services are available to homeless families with children, and single men and women. The non-profit and faith-based community also serves special needs populations, such as victims of domestic violence, veterans, the disabled and youth.

### **Current Resources: Tenant-based Rental Assistance**

Currently there are no HOME funds being used in Fontana to support Tenant-based Rental Assistance vouchers.

### **Current Resources: Affordable and Permanent Supportive Rental Housing**

There are 28 apartment complexes within the City that have been identified by the Fontana Housing Authority as being affordable rental housing units. The City makes the contact information on these properties available to people and agencies assisting people seeking housing. The properties offer at least 2,484 affordable units. Of those properties, three properties are project-based Housing Choice Voucher programs, and nine rent only to seniors.

Of the 13 complexes renting to the general population that responded to the survey, 10 complexes (with a total of 176 units) had waiting lists that totaled more than 4,000 names (there may be duplicates between the lists); two complexes do not maintain a waiting list; and at least four had closed their list. Based on the survey and information found online, none of the complexes had units available for rent.

Of the three complexes renting only to seniors that responded to the survey, two complexes reported waiting lists of more than 400 names (there may be duplicates) and reported that the lists included names dating back from two to five years ago. Based on the survey and information found online, none of the complexes had units available.



## Current Resources: Housing Vouchers

The Housing Authority of the County of San Bernardino currently has 8,714 Housing Choice Vouchers deployed within the County. Of those, there are 634 vouchers deployed in the City.

The Housing Authority also maintains a waiting list for those vouchers. It is currently using a waiting list from 2019. There are 5,840 names still on the list and the list will probably be depleted in the next six to eight months if funding continues. Applications were taken for the 2022 waiting list between June 7 and June 30, 2022. About 26,000 applications were received and are currently being processed.

The City does not sponsor any Housing Choice Vouchers.

## Shelter, Housing and Service Delivery System Gaps

### Shelter Gap

There is an estimated need for 156 additional shelter beds based on the 2022 PIT count. The PIT count found that there were 7 persons in emergency shelter in the City but 149 unsheltered persons in a variety of situations, including on the street, in tents or makeshift shelters, or in cars, vans or RVs/campers.

The 2022 PIT count does not define how many were individuals, in family units, or children.

### Tenant-based Rental Assistance Gap

There is an estimated gap of 4,460 tenant-based rental assistance vouchers for households with income less than 50% AMI and paying more than 50% of household income for rent, including utilities.

Tenant-based Rental Assistance Gap	
Renter Households with Income at or below 50% AMI paying more than 50% of income for rent, including utilities	4,460
TBRA vouchers available	0
<i>TBRA gap</i>	<i>4,460</i>

The tenant-based rental assistance vouchers gap was calculated using HUD CHAS data Table 7 and is equal to the number of renter households with income at or below 50% AMI and paying more than 50% of household income for rent, including utilities.

### Affordable Rental Housing Gap

There is an estimated gap of 2,600 rental units affordable to renter households with income at or below 30% AMI and an estimated gap of 1,860 rental units affordable to renter households with income more than 30% and at or below 50% AMI.

Affordable Rental Unit Gap	
Renter Households with Income at or below 30% AMI paying more than 50% of income for rent, including utilities	2,600
Renter Households with Income 30% to 50% AMI paying more than 50% of income for rent, including utilities	1,860
<i>Total Affordable Rental Unit Need</i>	<i>4,460</i>

The number of Affordable Rental Units was calculated using HUD CHAS Data Table 7 and is equal to the number of renter households' income category paying more than 50% of household income for rent, including utilities.

### Permanent Supportive Rental Housing Gap

Permanent supportive rental housing is a subset of the affordable rental housing gap, primarily for households with income at or below 30% AMI. In addition to affordable rent, permanent supportive housing provides an array of services necessary to help people with disabilities and/or experiencing chronic homelessness to retain housing stability. There is an estimated gap of 663 permanent supportive housing units in the City.

Permanent Supportive Housing Gap	
Population of Fontana Census 2020	208,393
Per capita estimate of permanent supportive housing need	.003183
Estimated need for Permanent Supportive Housing	663
Permanent Supportive Housing Available	0
<i>Total Permanent Supportive Housing Gap</i>	<i>663</i>

The number of Permanent Supportive Rental Housing Units needed was calculated by multiplying the current population of the City, according to the California Census 2020, by the per capita need (.003182) in California as calculated by the Corporation for Supportive Housing.

### Housing Voucher Gap

The size of the housing voucher gap is in the City unknown. Fontana represents 9.6% of the county population (2,181,654 in 2020). The current waiting list is 5,840, and it is conceivable that there could be 560 names on the waiting list currently residing in Fontana. In addition, there are 26,000

applications for the new list. Using the same formula, and assuming that the applicants on the 2019 have reapplied for the new list, there could be another 1,900 applicants in the City hoping to get housing assistance with a housing voucher.

### **Service Delivery System Gap**

To identify gaps in the service delivery system, the City relied on its consultation with stakeholders and experience working with the organizations working in the City. The stakeholders believe that the most critical service gaps are in the areas of job training and employment services, housing search and housing counseling services, childcare, mental health services, outreach services, and case management. The stakeholders also believed there was a need for assistance with general administrative costs and building capacity among the service providers serving the City's qualifying populations.

### **Characteristics of Housing Associated with Increased Risk of Homelessness for Other Populations**

For other populations, severe housing cost burden, or paying more than 50% of household income for rent and utilities is the primary characteristic of housing associated with the risk of homelessness in the City. The HUD CHAS Data Table 7 indicates there are 6,665 households (owners and renters) at or below 50% AMI who are spending more than 50% of the household income on rent and utilities.

### **Priority Needs for Qualifying Populations**

**Homeless.** An article on the website [policyadvice.net](https://policyadvice.net), *The State of Homelessness in the US-2022*, uses PBS as a source for the following statistics:

- 25% of homeless people have a mental illness
- 38% have an alcohol abuse issue
- 26% have a drug abuse issue

That information, and other research, indicates that there is a need for mental health services and substance abuse services for the homeless in the City. Participants in the consultation process believed that homelessness was best served by the development of additional shelter beds, affordable housing, and TBRA assistance for housing. The priority needs for supportive services included housing search, mental health services, financial assistance, and case management.

**At risk of homelessness.** One of the indicators of risk of homelessness is housing cost burden. According to the National Alliance to End Homelessness, in their *State of Homelessness: 2021 Edition*, households experiencing a severe housing cost burden and households “doubling up” or sharing housing are both at a greater risk of homelessness than they were in 2007. They used numbers from 2019, before the COVID-19 pandemic and project that reduced work hours and elevated unemployment will have increased those at risk.

Participants in the consultation process believed those at risk of homelessness in the City would benefit from additional affordable housing, TBRA assistance for housing, and supportive services offering housing counseling, fair housing, credit repair services, and eviction defense.

**Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking.** The National Resource Center on Domestic Violence reports that domestic violence is frequently an immediate cause or precursor to homelessness and housing instability and that more than a third of domestic violence survivors report becoming homeless immediately after separating from their partners. The national Institute of Justice reports that one homeless woman in four is homeless mainly because of her experiences with violence. That violence can include categories of domestic violence, dating violence, sexual assault, stalking or human trafficking.

Participants in the consultation process believed those dealing with fleeing unsafe relationships or living situations, would benefit from supportive services offering housing counseling, mental health services, fair housing, case management services affordable housing and TBRA assistance.

**Housing instability and homelessness prevention.** Housing instability encompasses a number of challenges, such as having trouble paying rent, overcrowding, moving frequently, staying with friends or family, or rent burden. Those populations affected by housing instability can include children and people who have spent time in prison. According to the US Department of Health and Human Services, those affected by housing instability may live in substandard housing subjecting them to health and safety risks, live in overcrowded units, or forced moves that may result in homelessness.

Participants in the consultation process believed that housing instability, often caused by rent burden, and preventing homelessness was best addressed with affordable rental housing, TBRA assistance, non-congregate shelter, and supportive services including job training and

employment services, housing search and housing counseling services, childcare, mental health services, outreach services, and case management.

## HOME-ARP Activities

The City will solicit applications from developers, service providers, and/or nonprofits to implement eligible activities and/or develop shelter and housing. A Notice of Funds Available (NOFA) will be issued. The NOFA will, at a minimum, specify eligible activities, eligible applicants, minimum and maximum funding amounts, application thresholds, and will provide instructions on how to submit a proposal. The City will not directly administer HOME-ARP activities beyond program administration and planning and no developers, service providers, and/or nonprofits are responsible for program administration and planning on behalf of the City.

### Uses of HOME-ARP Funding

Activity	Funding Amount	Percent of Allocation	Statutory Limit
Non-congregate Shelter			
Affordable Rental Housing	\$2,238,533		
Tenant-based Rental Assistance			
Supportive Services			
Nonprofit Operating Assistance			5%
Nonprofit Capacity Building			5%
Administration and Planning	\$395,035		15%
<b>Total HOME-ARP Allocation</b>	<b>\$2,633,568</b>		

### Rationale for Uses of HOME-ARP Funding

There is need for more affordable rental housing within the City as evidenced by the consultation process and the needs assessment and gap analysis undertaken in preparation of this allocation plan.

**Affordable Rental Housing.** Participants in the virtual session discussed the need for additional affordable housing. Specific issues mentioned included the shortage of affordable housing inventory and the long waitlists to access affordable housing, whether it's permanent

supportive housing, subsidized housing, housing that accepts vouchers or other tenant-based assistance.

According to the CHAS 2014-2018 data, there were 3,320 households with incomes at or below 30% AMI and 3,310 households with incomes more than 30% but at or below 50% AMI that are at risk of homelessness in the City because of at least one of the housing problems as defined by HUD. Only 4% of the nearly 19,000 rental units in the City are available to households with incomes at or below 50% AMI. Allocating these funds to develop additional affordable rental housing will address the need in the community to serve those households at risk of homelessness.

**Administration and planning.** HOME-ARP administration and planning funds were used to pay City staff working on this allocation plan. HOME-ARP administrative and planning funds were not used to hire consulting services in the preparation of this plan. After the Allocation Plan is approved, administration and planning funds will be used for standard expenses in managing the HOME-ARP program, including the costs of City staff, and hired consultants. Consultants may assist with administrative tasks such as grant administration, monitoring, and reporting.

## **HOME-ARP Housing Production Goals**

The City of Fontana will produce an estimated 25 affordable rental housing units with HOME-ARP funds. The units will be available to households at or below 50% AMI.

## **Preferences**

The City of Fontana will not provide preferences to any population or subpopulation.

## **HOME-ARP Refinancing Guidelines**

The City of Fontana does not plan to use HOME-ARP funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds. Therefore, refinancing guidelines pursuant to 24 CFR 92.206(b) are not applicable to this HOME-ARP Allocation Plan.



## **APPENDIX A**

### **Citizen Participation**

## **Summary of Citizen Participation Comments**

Allocation Plan Public Review and Comment Period August 13 to September 13, 2022

To be completed after the Public Comment period and the Public Hearing.

Public Hearing before City Council on September 13, 2022

To be completed after the Public Comment period and the Public Hearing.





**APPENDIX B**  
**SF-424 Grant Application,**  
**SF-424B Assurances,**  
**SF-424D Assurances, and**  
**Allocation Plan Certifications**