

**CITY OF SPRINGFIELD, MA**

**SUMMARY  
HOME ARP ALLOCATION PLAN  
SUBSTANTIAL AMENDMENT #1**

The City of Springfield proposes to amend its HOME ARP Allocation Plan. The amendment will add a new category for funding – Tenant-Based Rental Assistance—and will allocate \$1,000,000 to this activity. The amendment will remove the activity Acquisition and Development of Non-Congregate Shelter.

The amended plan will allocate the City’s HOME ARP grant as follows:

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$500,000		
Acquisition and Development of Non-Congregate Shelter	\$0		
Tenant-Based Rental Assistance	\$1,000,000		
Development of Affordable Rental Housing	4,262,797		
Non-Profit Operating	\$0	0%	5%
Non-Profit Capacity Building	\$0	0%	5%
Administration and Planning	\$303,305	5%	15%
<b>Total HOME-ARP Allocation</b>	<b>\$6,066,102</b>		

The activity Tenant-Based Rental Assistance (TBRA) will be subject to the limitation that it will only serve the Qualifying Population (QP) “Homeless” as defined in 24 CFR 91.5 (definitions (1), (2), and (3)). Within this population, preference will be given for unsheltered people living in Springfield. The City will use the Springfield-Hampden County Continuum of Care Coordinated Entry System for referrals for TBRA. The Coordinated Entry System prioritizes among eligible households using length of homelessness and degree of vulnerability/service needs. The goal of the Coordinated Entry System is to serve those with the longest histories of homelessness and highest level of vulnerability first.

The City will release a Request for Proposals in September 2024 seeking one or more providers to operate a program that combines TBRA and Supportive Services to provide a medium-term low-threshold service-enriched rental assistance program to assist unsheltered people to quickly access housing.

**Background**

The 2021 [American Rescue Plan Act](#) (ARPA) provides \$5 billion in ARPA funds to be administered by the U.S. Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships Program (HOME) to address the critical need for homelessness assistance and supportive services across the country. As a HOME program participating jurisdiction, the City of Springfield was awarded \$6,066,102 of HOME-ARP funds to benefit our community’s qualifying populations. HUD issued guidance for the utilization of the HOME-ARP funds through [CPD-Notice 21-10](#) on September 13, 2021. HOME-ARP funds are a one-time allocation and must be spent by September 30, 2030.

HOME-ARP funds may be used for the following activities:

1. Planning and administration of the HOME-ARP Program
2. Development of affordable rental housing
3. Tenant-based rental assistance
4. Provision of supportive services
5. Acquisition and development of non-congregate shelter
6. Nonprofit capacity building and operating assistance

HOME-ARP funds must be used to primarily benefit individuals or families in the following qualifying populations:

1. Homeless, as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3)
2. At risk of homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*
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. Other populations, where providing supportive services or assistance under section 212(a) of the National Affordable Housing Act 42 USC 12472(a) would prevent a family's homelessness or serve those with the greatest risk of housing instability.

Following community consultation and public participation process, the City published its HOME ARP Allocation Plan on September 12, 2022. The City issued a Request for Proposals for HOME ARP funds in fall 2022, and awarded funds for three projects that are developing 91 affordable permanent supportive housing units.

### **Justification for Amendment**

In 2022, at the time the initial Allocation Plan was created, Springfield had an extremely tight housing rental market. Several factors contributed to the market conditions. Following the pandemic, the creation of new households increased quickly, leading to more people seeking to rent. At the same time, Springfield's rental market was impacted by a single purchaser that took ownership of about 1500 rental units in Springfield with the goal of repositioning the units, and began leaving large numbers of units vacant. As a result of the tight market, the consultation process in 2022 revealed that it was very difficult to find units to rent and that it was difficult to find landlords willing to accept tenants with medium-term rental assistance. Further, rent amounts spiked quickly and many units were renting for amounts above the HUD Fair Market Rent (FMR). Due to the market conditions at the time, the City elected not to allocate any HOME ARP funds for TBRA.

In 2024, providers that operate medium-term rental assistance programs report that they now find greater availability of units. The large landlord has sold its holdings in Springfield, and the vacant units are being rented again. Due to new development, the City's inventory of affordable rental units has increased by 153 units. As of 2024, the City has a development pipeline that will produce 337 new affordable units, including 91 permanent supportive housing (PSH) units. Rents are leveling off after large spikes in 2022 and 2023, and HUD-published FMRs are more in line with existing rents.

Although rents have leveled off, they are unaffordable for many, and the City has seen homelessness increase. For individuals without children, the emergency shelters are consistently full, and the number

of unsheltered individuals doubled between the 2022 point-in-time count and the 2024 point-in-time count. The 2024 count identified 74 unsheltered people. The state’s family shelter system for families with children has imposed a cap on the number of families it will serve, and has instituted a wait list. Providers are reporting that the unsheltered population now includes families with children.

In summer 2024, providers report that they are concerned that the city will have insufficient shelter capacity for the 2024-2025 winter. No provider indicated that they had capacity to acquire or develop a non-congregate shelter.

During the period 2022-2024, the Commonwealth of Massachusetts has made funds available for low-threshold rental assistance models, and local providers have experimented with these funds. Providers report success in housing unsheltered people and assisting those people to maintain housing. Providers indicate a willingness to expand these programs.

Through community consultation, the City has determined that use of funds for TBRA, when combined with funds for supportive services, will be the most effective way to quickly assist people to exit unsheltered homelessness.

### **Community Consultation**

The City updated its community consultation in several ways:

- Discussions the Continuum of Care Coordinated Entry System—case conferencing meetings, in July and August 2024
- Meetings of the Western Mass Network to End Homelessness in July and August 2024
- Series of telephone calls with providers operating large state-funded low-threshold housing programs in July and August 2024—the providers were the Center for Human Development, Clinical and Support Options, and the Mental Health Association.

### **Public Participation**

On August 10, 2024, the City published a notice announcing the availability of the draft Substantial Amendment #1 to the City’s HOME ARP Allocation Plan in the *Republican*, Springfield’s paper of record. The draft Substantial Amendment #1 is available for review online at <https://www.springfield-ma.gov/housing>, and a printed copy of the draft Substantial Amendment #1 is available to the Springfield Office of Housing, 1600 E. Columbus Ave., Springfield, MA.

The City sent notice of the availability of the draft Substantial Amendment #1 for review and public comment to an extensive email distribution list and posted the information on the City’s website and social media accounts.

The plan will be available for review and comment from August 10, 2024, through August 26, 2024. The City will hold a public hearing on the draft substantial amendment on Monday, August 26, 2024 at 4:30 pm. The hybrid public hearing took place in person at the Springfield Municipal Operations Center, 70 Tapley St., Springfield, and is also available via Zoom at <https://us02web.zoom.us/j/86338482047?pwd=CD77cbhXg8Non1WYT7aPEK4FQ4BQaJ.1>