July 15, 2022

NC Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina, 27609

To Ms. Annie Baumann-Mitchell,

This correspondence is intended to serve as public comment related to NCHFA's HOME-ARP allocation plan released on 7/1/22. The North Carolina Coalition to End Homelessness (NCCEH) appreciates the scale and scope of NCHFA's public input process related to the creation of its HOME-ARP plan, and thanks NCHFA for working with us to ensure that feedback from direct service providers, CoC staff, and other community stakeholders was considered in the formulation of the plan. NCCEH agrees with the proposed HOME-ARP allocation plan's emphasis on the creation of new affordable units and non-congregate shelter in counties currently without low-barrier shelter options. NCCEH's feedback on the HOME-ARP input process and allocation plan follows.

NCCEH's biggest concern is that the HOME-ARP allocation plan as currently presented, does not prioritize amongst the four eligible qualifying populations (QPs). Based on statistics presented in the proposed HOME-ARP plan, North Carolina had 9,280 people experiencing homelessness as of the 2020 Point in Time (PIT) count and 282,480 renters at or below 30% AMI, of which 63% were severely cost-burdened and most at-risk of homelessness. Multiplying the number of extremely low-income renters by .63 indicates an expected value of roughly 177,963 people most at-risk of homelessness in the state. This figure is over nineteen times the number of people who were experiencing literal homelessness at the time of the 2020 PIT count, and without prioritization within the QPs, all of these groups (including those fleeing domestic violence) will be competing for the 165 proposed rental units.

Homelessness is being seen increasingly as a public health crisis with adverse impacts across a range of factors including physical health, mental health, substance use, employment, and developmental milestones in children. The vast majority of coordinated entry (CE) systems in the state prioritize literal homelessness using the HUD definition since the demand for emergency shelter and subsidized housing far exceeds the supply. **Using a "first come, first served" approach will very likely privilege higher-functioning households with internet access and natural supports. This dynamic makes it far more likely that future residents of the proposed units will be whiter; have fewer conditions that put people at higher risk of death without safe, affordable housing such as mental illness, substance abuse disorders, chronic physical health issues, intellectual and developmental disabilities, and violence; and have**

higher incomes than the homeless population as a whole. To put people literally experiencing homelessness on par with people at-risk of homelessness is a false equivalency that rejects the best practice of triaging and prioritizing scarce resources that the homeless services system has utilized for many years. **NCCEH strongly recommends that NCHFA create a preference for literal homelessness amongst the four QPs and given the acute needs of people who experience long-term or chronic homelessness, that NCHFA adopt an additional preference within the literal homelessness category for households experiencing chronic homelessness as defined by HUD.** Adopting these priorities has the additional benefit of making it far more likely that NCHFA will be able to work with CE systems in filling affordable units once they are available.

The following was shared by the NC ESG Office regarding our recommendation above:

"On any given night in North Carolina, just over 9,000 people are experiencing homelessness. Fourteen percent (14%) of those are chronically homeless which means they have been homeless for at least one year or have had multiple episodes of homelessness over several years and have a disabling condition. People who meet the chronic definition of homelessness are some of the most vulnerable among the homeless population and are the most likely not to survive if they remain homeless. This often means they experience more barriers to obtaining and maintaining housing. Because of their vulnerability and barriers to housing, most communities in North Carolina have prioritized them as those most in need of housing assistance, and they are at the top of the waiting lists for housing opportunities and services. This prioritization through the coordinated access/coordinated entry system in each community helps to ensure that the most at risk in our communities are housed as quickly as possible and have access to the needed financial assistance and supports. Data has shown that utilizing this model of identifying and prioritizing those most vulnerable has proven to be an effective approach throughout the state of North Carolina which is why HUD requires its use for those receiving HUD funds. In addition to the data, the ESG office frequently hears from subrecipients and other stakeholders in the community who reiterate the need for this type of approach to prioritizing housing in order to ensure safe, affordable housing is available for those who are most in need and most at risk of not surviving their homeless experience."

The strongest data that we have to support preferencing households experiencing homelessness comes from the forthcoming research from Dr. Mike Fliss at UNC-CH. His preliminary summary of the study ("Preliminary findings of linkage of NCCEH HMIS enrollment records to NC death certificates, 2014 to 2019, by Mike Dolan Fliss & Esther Chung, UNC Injury Prevention Research Center, 2022. Funded by Duke Endowment Opioid Collaboratory") states:

"*Residents experiencing homelessness had 7.0 times the all-cause mortality of the NC general population. Though small numbers limit some interpretations, numerous injury outcomes seemed elevated in either or both percent of deaths and Standardized Mortality Ratio, including med-drug overdose, certain cancers (lung, colon), alcohol-associated causes, motor vehicle/ pedestrian crashes, and firearm assaults*."

This study includes Durham, NC BoS, and Orange CoC Data and compares that to state levels of mortality. This finding reinforces the urgency for preferencing both the literally homeless QP and the chronically homeless population within the homeless QP since chronically homeless households combine extended periods of homelessness with a diagnosed disabling condition and this population is traditionally the most vulnerable when viewed with a public health lens.

While the public input solicited for the HOME-ARP plan was extensive, NCCEH is concerned that the input of certain stakeholders was prioritized in the actual creation of the plan. **NCCEH believes that providers and stakeholders that do not belong to or explicitly serve any of the four QPs should not be included in the public input phase as a matter of process.** Our hope is that themes and trends emerge when a larger group of advocates, providers and stakeholders is included in the process and that the aggregate feedback, rather than the wishes of a single advocate, is used to inform the creation of the plan. While NCCEH cannot argue with the emphasis on the creation of new affordable units and for temporary shelter in communities without shelter options, the agency is concerned that some stakeholders had undue and inappropriate influence over the process.

A final concern relates to the ongoing service needs for those households that are lucky enough to secure rental housing in the new affordable units. For our homeless services system, affordable housing and services go hand and hand. The vast majority of households in our system are at or below 30% AMI and struggle with one or more disabling conditions such as mental health disorders, chronic physical health conditions, intellectual developmental disabilities, and substance use disorders. Without adequate service funding to address household needs once permanently housed, we risk people cycling back into homelessness and further exacerbating these issues. The lack of services also risks damaging relationships with landlords and property owners who house these individuals and families without support. The lack of available supportive services makes eviction more likely and has the potential to lead to problematic interactions with neighbors, police involvement, and ongoing challenges for property managers. Households served through the HOME-ARP program may not be eligible to receive services through the state's Medicaid Standard or Tailored Plans. This reality leaves these households virtually without services support as they transition into permanent housing. While this issue will not manifest until the new units are built and occupied, **NCCEH urges NCHFA to engage the LME/MCOs and other supportive services providers as early as possible in the project planning process to ensure that the ongoing service needs of this population are adequately addressed in permanent housing**.

We understand that the NCHFA is balancing a host of concerns as it considers statewide needs related to the HOME-ARP funding. As you juggle these competing priorities, we ask that you continue to use NCCEH as a resource to ensure that the state considers the special needs of people at or below 30% AMI which includes people experiencing homelessness. We welcome the opportunity to discuss this feedback in more detail in the coming weeks and months. I can

be reached at ryan.fehrman@ncceh.org or by phone at 919-360-8219. Thank you for being a key partner in our efforts to end homelessness in North Carolina.

Best Wishes,

Ryan J. Fehrman