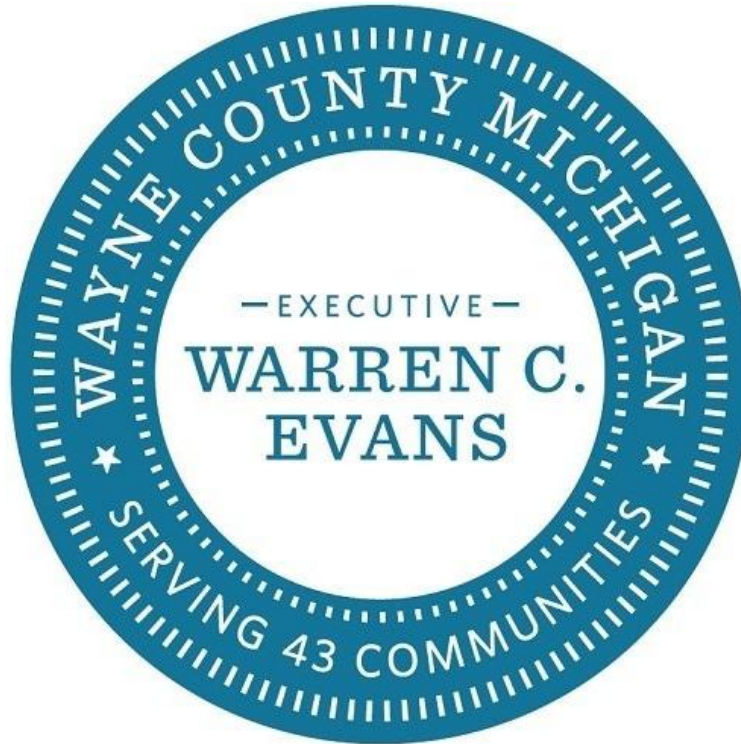




HOME Investment Partnerships Program
American Rescue Plan Allocation Plan
(HOME-ARP)
Second Substantial Amendment
DRAFT FOR PUBLIC COMMENT

Contents

Summary of Changes	3
Overview	3
Consultation	4
Public Participation	5
Needs Assessment and Gaps Analysis	5
Use of HOME-ARP Funding	8
HOME-ARP Production Housing Goals	10
Preferences	10
Referral Methods.....	11

Charter County of Wayne
HOME Investment Partnerships Program
American Rescue Plan Allocation Plan
(HOME-ARP)
Second Substantial Amendment

Summary of Changes

The Charter County of Wayne completed a second substantial amendment to the approved HOME-ARP Allocation Plan (Second HOME-ARP Amendment) to modify the use of funds and adjust the preferences for rental unit activities. Substantial Amendments are required when preferences, limitations, and methods of prioritization are changed. The change proposed in the Second HOME-ARP Amendment moved all funding from Non-Congregate Shelter and \$100,000 from Supportive Services to the production of Affordable Rental Units to provide more support for permanent housing options. Further, the County established a preference in the selection of tenants for rental units to better serve people in Qualifying Population 1 – Homeless.

Wayne County engaged in consultation to develop this Second HOME-ARP Amendment in compliance with the HOME-ARP requirements. The agencies consulted and their feedback are described in the Consultation section. Additional data was included in the Needs Assessment and Gaps Analysis to illustrate the need for more rental unit assistance and the use of a preference. Consistent with the County's Citizen Participation Plan and waivers under the HOME-ARP program, the County provided the public with a 15-day comment period.

This Second Amendment outlines only changes to the previously approved Allocation Plan and Amendment (collectively, the Plan). All other sections of the approved Plan remain unchanged.

Overview

The American Rescue Plan (ARP) Act of 2021 has provided \$10,303,795 to the Charter County of Wayne to provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. This HOME - ARP Allocation Plan outlines the consultation, public participation, needs assessment and gap analysis, proposed funding activities and production housing goals.

Consultation

Describe the consultation process including methods used and dates of consultation:

In keeping with the requirements listed in Notice-21-10 of the Community Planning and Development Division (CPD) of the U.S. Department of Housing and Urban Development (HUD), the Charter County of Wayne consulted with the following required entities throughout 2025 and 2026 to identify shifting unmet needs and gaps in housing or service delivery systems prior to establishing a Second Amendment to the HOME-ARP Allocation Plan:

Organization Contact	Organization Type	Qualifying Population (QP) served
Out-Wayne County Continuum of Care	CoC	QP1 QP4
Wayne Metropolitan Community Action Agency	CoC Lead	QP1 QP2 QP3 QP4
Samaritas	Homeless Service provider	QP1 QP2 QP3 QP4
Detroit Continuum of Care	CoC	QP1 QP4

QPI = HOMELESS;

QP2 = AT-RISK HOMELESS;

QP3 = FLEEING, OR ATTEMPTING TO FLEE, DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING, OR HUMAN TRAFFICKING;
and

QP4 = OTHER POPULATIONS

Summarize feedback received and results of upfront consultation with these entities:

These organizations noted challenges in accessing housing created by the continued rise of rents and slow wage growth. Out-Wayne County Continuum of Care reported a rise in both senior and working households. They shared that they have seen nearly a doubling in the number of households with wage income on their By Name List (BNL) since 2024. For all populations in 2024, 14% of households had wage income; in 2025, 22% of households had wage income; in 2026, 27% of households have income from wages. Looking at only family households, homelessness continued to rise among working families with 31% of homeless families reporting wage income in 2024, 32% in 2025, and 35% in 2026. These increases highlight the reality that even working households have difficulties finding affordable housing. All agencies consulted cited the lack of affordable housing as the

primary cause of homelessness with other factors such as mental health and disabilities complicating some households' ability to access appropriate housing options that support stability.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

A notice advertising the public comment period and public hearing for this Second Amendment was published in the Detroit News. A public comment period ran from July 10 through July 25. A public hearing was held on July 9, 2026.

Describe efforts to broaden public participation:

In addition to publishing notices in the Detroit News, a copy of the HOME-ARP Public Notice was also listed on the County's website, as well as being posted on the meeting board in the Guardian Building, which is the site of the County's administrative offices.

Summarize the comments and recommendations received through the public participation process either in writing, or orally at a public hearing and state the reasons why any recommendations were not accepted:

[TBD]

Needs Assessment and Gaps Analysis

Describe the unmet housing and service needs of qualifying populations:

The Second Amendment to the HOME-ARP Allocation Plan shifts funds from non-congregate shelter to rental housing unit production. The following analysis illustrates changes in need for renters, especially those with lower incomes, and supports the shift of funding to housing production.

Rent to Income Analysis

Since the adoption of the original HOME-ARP Allocation Plan in 2021, the cost of rent in the County has continued to rise at nearly double rate of income. Based on data from the American Community Survey (ACS) median gross rent in Wayne County increased from \$975 per month in 2021 to \$1,171 per month in 2024, a 20% increase over three years. Over the same period, median household income rose from \$52,605 to \$59,294, an increase of 12.7%. Rent is rising at roughly 1.6 times the rate of income growth, meaning households must dedicate a growing share of income to cover housing costs.

Indicator	2021 (Plan Adopted)	2024 (Current)
Median Gross Rent (monthly)	\$975	\$1,171 (+20.1%)
Median Household Income	\$52,605	\$59,294 (+12.7%)

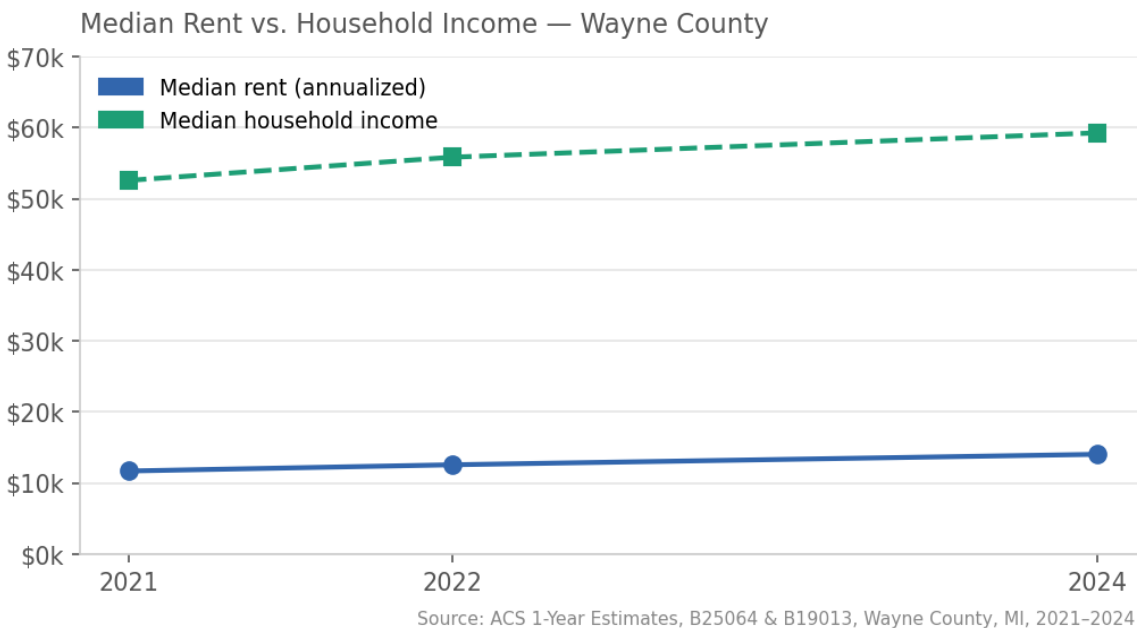


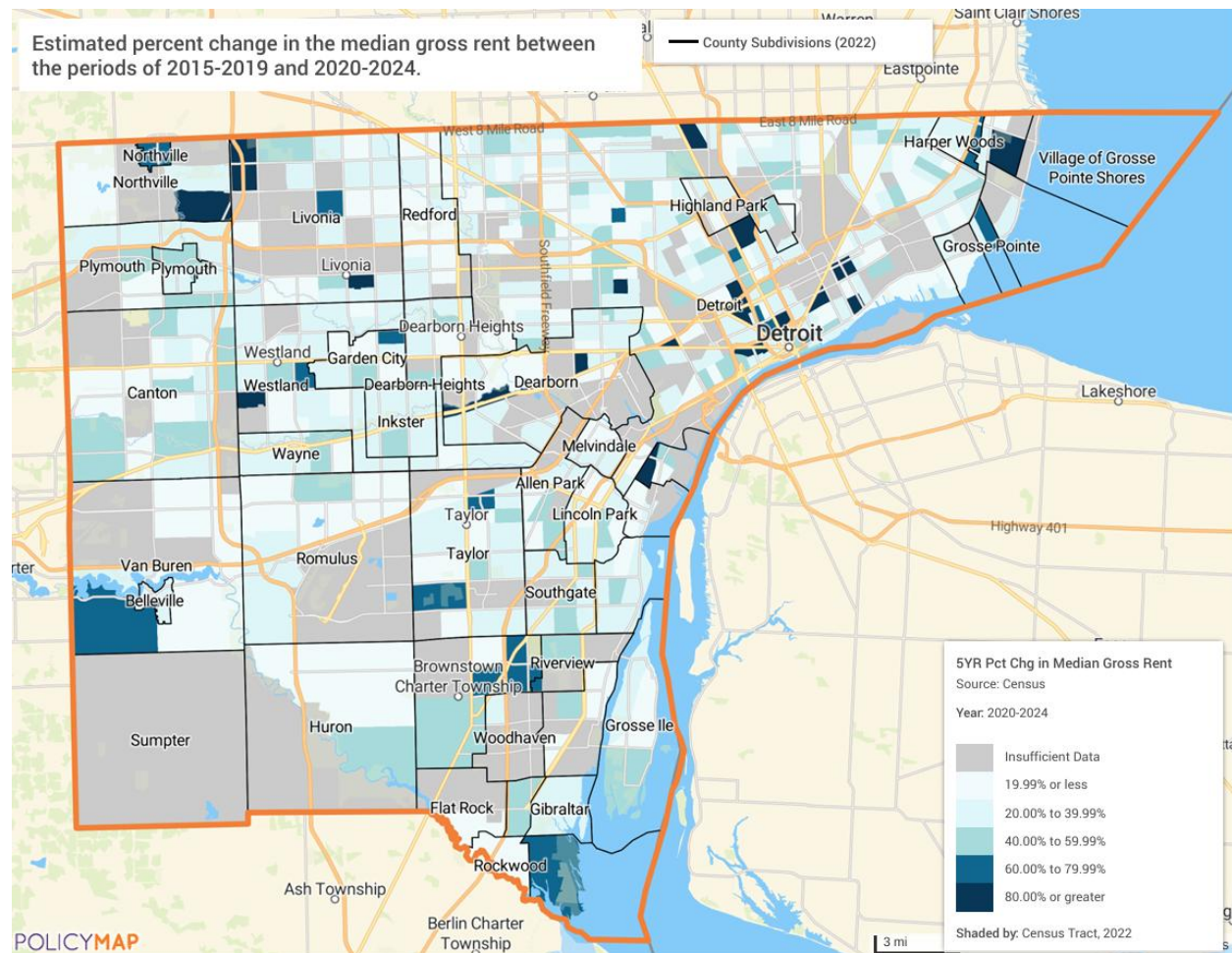
Figure 1. Median gross rent (annualized) and median household income, Wayne County, MI, 2021–2024. Source: U.S. Census Bureau, ACS 1-Year Estimates, Tables B25064 and B19013.

Rent Increases and Cost Burden

The following maps illustrate the geographic distribution and trajectory of housing affordability conditions across Wayne County census tracts. Taken together, they demonstrate that cost pressures are not isolated to specific communities but are widespread across the county, and that conditions have deteriorated materially since the 2015–2019 ACS Five-Year Estimates used as a baseline to inform the original HOME-ARP plan.

Median gross rent increased in many Wayne County census tracts between the 2015–2019 and 2020–2024 five-year periods, with average tract-level increases of approximately 30% countywide. Several tracts highlighted in the darkest colors experienced increases of 60% or more. See Map 1.

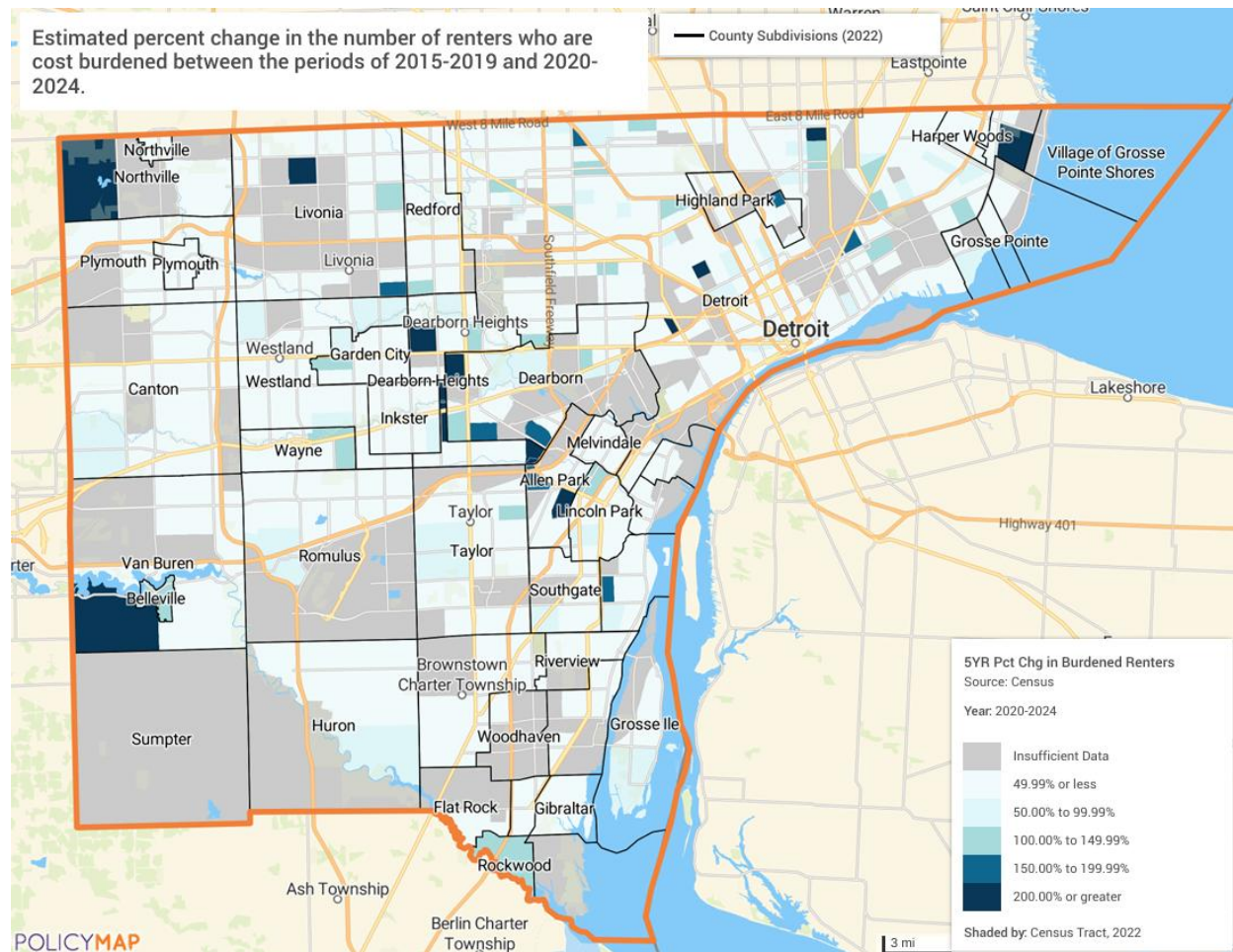
Map 1. Estimated Percent Change in the Median Gross Rent Between the Periods of 2015-2019 and 2020-2024.



Source: U.S. Census Bureau via PolicyMap

Relatedly, the number of cost-burdened renter households, defined as those paying more than 30 percent of income toward housing costs, increased across a substantial share of Wayne County tracts between the two five-year periods. Some tracts experienced increases of 150% or more, indicating that the population of renters facing housing cost stress has grown significantly since the original plan period. See Map 2.

Map 2. Estimated percent change in cost-burdened renter households, Wayne County census tracts, 2015–2019 to 2020–2024.



Source: U.S. Census Bureau via PolicyMap.

Rental Housing Vacancy

In addition to the post-pandemic rent inflation described above, the County has a limited supply of rental housing. Based on 2019-2024 ACS data, the percentage of housing units vacant and available for rent or sale in Wayne County averages approximately 2.4% percent at the census tract level, well below the 5% threshold generally associated with a balanced, accessible rental market. A vacancy rate at this level indicates that demand for available units substantially exceeds supply, limiting options for households seeking stable housing and sustaining upward pressure on rents.

Use of HOME-ARP Funding

In accordance with Section V.C.2. of the Notice (page 4), PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and

demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits.

This Section Amendment revises HOME-ARP Funding allocations as shown below:

	FUNDING AMOUNT	PERCENT OF THE GRANT	STATUTORY LIMIT
Supportive Services	\$500,000	5%	
Acquisition and Development of Non-Congregate Shelters	\$0	0%	
TBRA	\$0		
Development of Affordable Rental Housing	\$8,258,226	80%	
Non-Profit Operating	\$0	0%	5%
Non-Profit Capacity Building	\$0	0%	5%
Administration and Planning	\$1,545,569	15%	15%
TOTAL	\$10,303,795	100%	

Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis:

The Needs Assessment and Gap Analysis as well as consultation with homelessness services and shelter providers show an increased need for affordable rental housing due to increased costs, worsening housing cost burden, and limited rental housing supply. Without more affordable housing options those in emergency shelter will continue to cycle through the shelter without a pathway to more permanent housing. The shift of funds from non-congregate shelter to affordable rental units in this Second Amendment reflects the County's priority to invest in more permanent housing options that address the housing instability experienced by those who are currently unhoused and those who are severely cost burdened. However, as discussed in the section on Preferences, the County will prioritize housing applicants in QP1 (Homeless) to help address the strain on shelter resources and then open access to HOME-ARP units to the other qualifying populations.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

Taken together, rental costs increasing at higher rates than income, rising rates of housing cost burden, and limited rental housing supply, as described in the Needs Assessment and Gaps Analysis section, underscore the need for additional affordable rental units rather than expanded short-term shelter capacity. These factors directly affect the ability of renters to access housing options, especially for individuals and families in or near homelessness as they

lack the resources to manage these changing conditions. For individuals exiting emergency shelter or transitional housing programs, a tight rental market creates significant barriers to successful placement in permanent housing. Cost-burdened renters are among the populations most at risk of housing instability and homelessness and represent a core HOME-ARP target group. Further, without an increase in the number of affordable units, individuals will continue to cycle through crisis systems without achieving housing stability.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

The County's HOME-ARP will be leveraged to produce up to seven affordable housing developments totaling 233 units, of which 23 will be HOME-ARP units serving Qualified Populations. Each development is expected to also receive financial support through 4% and 9% LIHTC awards, as well as other public and private sources which may include HOME or CDBG. The HOME-ARP units will include supportive services, funded by an array of sources which may include HOME-ARP or other public and private sources.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:

It is anticipated that the HOME-ARP funds will provide for the creation of 23 new affordable housing rental units to support all four qualifying populations in Wayne County with a preference for QP1. Utilizing HOME-ARP to create new affordable rental housing coupled with supportive services aligns with the County's goal to use Federal dollars to assist with homelessness and housing affordability.

Preferences

A preference provides a priority for the selection of applicants who fall into a specific Qualifying Population (QP) or category (e.g., elderly or persons with disabilities) within a QP (i.e., subpopulation) to receive assistance. A preference permits an eligible applicant that qualifies for a PI-adopted preference to be selected for HOME-ARP assistance before another eligible applicant that does not qualify for a preference. A method of prioritization is the process by which a PJ determines how two or more eligible applicants qualifying for the same or different preferences are selected for HOME-ARP assistance. For example, in a project with a preference for chronically homeless, all eligible QP applicants are selected in chronological order for a HOME-ARP rental project except that eligible QP applicants that qualify for the preference of chronically homeless are selected for occupancy based on length of time they have been homeless before eligible QP applicants who do not qualify for the preference of chronically homeless. In accordance with Section V.C.4 of the Notice

(page 15), the HOME-ARP allocation plan must identify whether the PJ intends to give a preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).*
- The PJ must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements when establishing preferences or methods of prioritization.*

While PJs are not required to describe specific projects in its HOME-ARP allocation plan to which the preferences will apply, the PJ must describe the planned use of any preferences in its HOME- ARP allocation plan. This requirement also applies if the PJ intends to commit HOME-ARP funds to projects that will utilize preferences or limitations to comply with restrictive eligibility requirements of another project funding source. If a PJ fails to describe preferences or limitations in its plan, it cannot commit HOME-ARP funds to a project that will implement a preference or limitation until the PJ amends its HOME-ARP allocation plan.

For HOME-ARP rental housing projects, Section VI.B.20.a.iii of the HOME-ARP Notice (page 36) states that owners may only limit eligibility or give a preference to a particular qualifying population or segment of the qualifying population if the limitation or preference is described in the PJ's HOME-ARP allocation plan. Adding a preference or limitation not previously described in the plan requires a substantial amendment and a public comment period in accordance with Section V.C.6 of the Notice (page 16).

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

To create more affordable housing options that prioritizes moving people from shelter into stable living environments, the County has established a preference for QP1, people experiencing homelessness as defined by the HOME-ARP program.

Referral Methods

Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ's may use multiple referral methods in its HOME-ARP program. PJ's may use multiple referral methods in its HOME-ARP program.

If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE.

HUD mandates that every CoC operates a Coordinated Entry System (CES). The CES is an approach to the coordination and management of a crisis response system's resources that connects those experiencing homelessness to available resources. HUD requires that every CoC has a CES process that leverages all available housing resources and connects prioritized households quickly.

The local CoC currently prioritizes households experiencing chronic homelessness for all permanent supportive housing projects like the projects that will be funded with the County's HOME-ARP funds. Chronic homelessness is used to describe people who have experienced homelessness for at least a year, or repeatedly, while also having a disabling condition such as a serious mental illness, substance use disorder, or physical disability. If there are no chronic households in Detroit, non-chronic households will be referred.

If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any.

Occupancy of the HOME-ARP Assisted Units funding under the Plan will be restricted to qualifying populations defined in the CPD HUD Notice 21-10, and the units will be leased in accordance with a written tenant selection policy that prioritizes QP1 through referrals from the COC CES. If the COC CES ceases to coordinate housing for QP1, people experiencing homelessness, then the HOME-ARP Assisted Units will be filled with referrals from a first-come, first-served waitlist of other interested QP households for the project (i.e. QP2 - At Risk of Homelessness, QP3 - Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, and QP4- Other Populations (Other Families Requiring Services or Housing Assistance to Prevent Homelessness and At Greatest Risk of Housing Instability).