

April 25, 2022

County Commissioner Derek Householder County Commissioner Ben Carpenter County Commissioner Scott Owen

Via email, perryco@perrycountyohio.net

Dear Perry County Commissioners:

I am writing to you on behalf of the National Homelessness Law Center ("the Law Center") to reiterate our strong support for the Perry Housing Coalition's efforts to develop transitional housing for unhoused people in your community using Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") distributed to Perry County through the American Rescue Plan ("ARP").

At the Law Center, my role focuses on removing barriers to creating housing for people currently experiencing homelessness. The COVID-19 pandemic has only exacerbated the affordable housing crisis. Although certain policies, such as the eviction moratorium and stimulus payments, kept some people in their homes over the past two years, chronic homelessness is projected to increase by 49% nationwide over the next four years unless governments take action. This is why a major priority of the SLFRF is to support "programs or services that address housing insecurity, lack of affordable housing, or homelessness. Eligible uses of funds in this category include "individual-level assistance (e.g., rapid rehousing services) or assistance for groups of individuals" such as capital expenditures for the development of permanent supportive housing and "transitional shelters (e.g., temporary residences for people experiencing homelessness)". 5

In partnership with Integrated Services for Behavioral Health, the Housing Coalition envisions 10 units of temporary housing (including a larger unit for a family) to help people transition off the street and into permanent housing. The building will include offices for Integrated Services staff, who can provide in-home behavior health services, mental health counseling and medication, and support in finding a permanent home for residents. The

¹ "Housing prices and rents have grown faster than incomes, so housing costs consume an increasing portion of workers' budgets." <u>Economic Roundtable | Locked Out (economicrt.org)</u>

² "To increase the supply of affordable housing the federal government should fully fund rent subsidies for low-income families and increase subsidies for building affordable housing. State and local governments should establish affordable housing trust funds and use some of this money to buy empty commercial buildings and convert them to affordable housing." *Id.*

³ The Treasury has clarified that SLFRF funds should be used to address "the general lack of affordable housing and housing challenges underscored by the pandemic"

⁴ SLFRF-Final-Rule.pdf (treasury.gov), p. 80

⁵ *Id.*, p. 83

Coalition has identified several possible sites for the project – a new build would cost approximately \$800,000, a renovation approximately \$300,000. With funds for the development of the housing program secured through SLFRF, the Coalition will then be able to leverage other funding through HUD and the Homeless Crisis Response Program ("HCRP") to support their residents.

Advocates estimate that, on any given day, Perry County has 30 to 40 unsheltered people. As I sit here writing to you, I am in Seattle, WA where we have nearly 6,000 people suffering on the streets. It will cost \$4.5 billion and \$11 billion over ten years to build the amount of housing we would need to ensure that people have an affordable place to live. The fair market rent in Seattle for a one-bedroom apartment is \$1895. In Perry County, it is under \$600. Vou could solve homelessness in your county! In fact, with the \$7.2 million that Perry County received you could build a 40-unit apartment building to permanently house people who are living outside or in places not meant for habitation. The Housing Coalition has a plan to reduce street homelessness by 25-30%. I think the county can do better. As such, I encourage you to both fund the Housing Coalition's project AND think about other ways you can use SLFRF funds to bring people inside.

Investments in projects that benefit the whole community, such as broadband internet, are a worthy effort and explicitly included as an eligible expenditure under SLFRF funds. However, there are certain projects either committed or proposed by Perry County (such as court renovations, buildings at the fairground, etc.) that do not fall under ARP priorities ¹² and are likely ineligible uses of the funds. ¹³ In order to be an eligible capital expense, the expenditure must be a direct response "to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency." ¹⁴

The Law Center is also concerned about the lack of transparency in how the funds are being spent. It does not appear that Perry County has submitted an Interim Report nor any Quarterly Project and Expenditure Reports to the Treasury as required. ¹⁵ Nor has there been any public reporting of "assistance provided to private-sector businesses" or policies and procedures established to manage potential conflicts of interest "including any self-dealing or violation of ethics rules" as required. ¹⁷

⁶ The most recent confirmed data for Perry County is from the 2018's Point In Time Count, which "found 12 homeless individuals and seven households" <u>Point In Time count to identify county's homeless | News | perrytribune.com</u>. We are currently trying to gather more current numbers.

⁷ Point-in-Time count estimates a 5 percent increase in people experiencing homelessness, newly updated data dashboards reveal more people receiving shelter and services - King County

⁸ New McKinsey report dives into Seattle-area homelessness crisis (sccinsight.com)

⁹ 2022 Fair Market Rent in Seattle-Bellevue | RentData.org

¹⁰ 2021 Fair Market Rent in Perry County | RentData.org

¹¹ How Much Does It Cost To Build An Apartment Complex? | ProEst

¹² Updated NACo Analysis: Overview of U.S. Treasury's Final Rule for ARPA Fiscal Recovery Fund

¹³ "[S]ome commenters also requested use of funds for capital expenditures in government administration buildings, such as public courthouses...Like other eligible uses of SLFRF funds in this category, capital expenditures should be a related and reasonably proportional response to a public health or negative economic impact of the pandemic." Interim Final Rule (treasury.gov), pg. 192

¹⁴ https://www.federalregister.gov/d/2021-10283/p-46

¹⁵ SLFRP Reporting Guidance Webinar Counties Cities under 250k over 5m (treasury.gov)

¹⁶ SLFRF-Final-Rule.pdf (treasury.gov), p. 162

¹⁷ *Id.* p. 347

This is the fourth request for funding by the Housing Coalition and the lack of a transparent process for how decisions about these funds will be spent is extremely concerning. As a recipient of SLFRF funds, Perry County is required to "comply with...federal civil rights and nondiscrimination requirements" Without a transparent process, it is impossible to tell if lawful decisions are being made and I have advised the Housing Coalition to raise these concerns with their federal legislators. *Please do not waste this historic opportunity to address homelessness in Perry County.* I look forward to hearing back from you and discussing the issues raised in this letter.

Sincerely,

Fatie Scott

Katie Scott, Senior Attorney, National Homelessness Law Center

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¹⁸ SLFRF-Final-Rule.pdf (treasury.gov), p. 347