



HOME-American Rescue Plan Program Webinar

Session 1: Overview, Qualifying Populations, and Allocation Plans

Today's Presentation

- This is the first in a four-part webinar series on the HOME-American Rescue Plan Program conducted by HUD's Office of Affordable Housing Programs (OAHP)
- Today's Presenters:
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HOME-ARP Webinar Series

- Session 1: HOME-ARP Overview, Qualifying Populations, and Allocation Plans
- Session 2: Preferences, Referral Methods, and Rental Housing
- Session 3: Tenant-Based Rental Assistance, Supportive Services, and Non-Congregate Shelter
- Session 4: Program Administration, Administrative/Planning Funds, Nonprofit Operating Funding



American Rescue Plan Act of 2021

- \$5 billion for homelessness assistance and assistance to other vulnerable populations to:
 - Provide capital investment for permanent rental housing
 - Upgrade available stock of shelter to include non-congregate shelter
 - Provide tenant-based rental assistance and supportive services
- Funds were appropriated under Title II of Cranston-Gonzalez National Affordable Housing Act of 1990 (NAHA) – HOME Program statute
- Allocated via HOME Program formula to jurisdictions that qualified for a HOME allocation in FY21 and announced on April 8th
- Funds available to PJs until September 2030



American Rescue Plan Act of 2021

- Suspended certain HOME statutory requirements for HOME-ARP
 - Match Requirement
 - Community Housing Development Organization (CHDO) Set-Aside Requirement
 - Maximum Per Unit Subsidy Limit (aka, 221(3) limit)
 - 24-month commitment deadline
- Increase PJ administrative and planning set-aside to 15%
- Provided HUD authority to suspend HOME and McKinney Act statutes, waive regulations, and establish alternative requirements to facilitate the use of funds for the eligible activities.



HOME-ARP Implementation

- HUD used waiver and alternative requirement authority to:
 - Alter rental housing and TBRA program requirements
 - Create supportive service and non-congregate shelter programs
- Published *CPD Notice 21-10: Requirements for the Use of Funds in the HOME-ARP Program* (September 13, 2021)
 - Establishes all HOME-ARP requirements
 - Suspensions, Waivers and alternative requirements issued as an Appendix
- Provided \$25 million for technical assistance



HOME-ARP Purpose

- HOME-ARP funds must be used to primarily benefit individuals and families that meet the requirements for one or more “qualifying populations” (QPs)
- Participating jurisdictions (PJs) may use HOME-ARP funds for the following eligible activities:
 - Affordable Rental Housing (HOME-ARP Rental Housing)
 - Tenant-Based Rental Assistance (HOME-ARP TBRA)
 - Supportive Services (HOME-ARP Supportive Services)
 - Non-congregate Shelter (HOME-ARP NCS)



HOME-ARP Qualifying Populations (QPs)

- 1) Homeless (McKinney Act definition at 24 CFR 91.5)
- 2) At-risk of homelessness (McKinney Act definition at 24 CFR 91.5)
- 3) Fleeing/Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking
 - Definitions from VAWA regulation at 24 CFR 5.2003, except
 - Human trafficking definition from Trafficking Victims Protection Act of 2000
- 4) Other Populations where assistance would:
 - Prevent the family's homelessness; or
 - Serve those with the Greatest Risk of Housing Instability

Veterans and families including veteran member that meet one of preceding criteria



Other Populations Definitions

- Other Families Requiring Services or Housing Assistance to Prevent Homelessness: Households (i.e., individuals and families)
 - who have previously been qualified as “homeless” as defined in 24 CFR 91.5
 - are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and
 - who need additional housing assistance or supportive services to avoid a return to homelessness



Other Populations Definitions

At Greatest Risk of Housing Instability means a household that has:

1) Annual income \leq 30% of area median income **and** is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

OR

2) Annual income \leq 50% of AMI **and** meets one of the conditions in paragraph (iii) of “At risk of homelessness” definition at §91.5





HOME-ARP Rental Housing

Rental Housing: Eligible Activities and Costs

- HOME-ARP Eligible Activities:
 - Acquisition of standard rental housing
 - Construction of rental housing
 - Rehabilitation of rental housing
 - Includes conversion of nonresidential buildings to housing
- HOME-ARP Eligible Costs:
 - Development hard and soft costs
 - Relocation
 - Operating cost assistance/reserves



Rental Housing Targeting

- Not less than 70% total HOME-ARP rental units assisted by PJ with its HOME-ARP grant must be restricted for occupancy by qualifying households at time of household's initial occupancy
 - These are “QP units”
- Not more than 30% of total HOME-ARP rental units assisted by PJ may be restricted for occupancy by low-income households
 - These are “LI units”
 - Proportions in a project may vary, but LI Units are only permitted in projects that also include QP units restricted for qualifying households



Rental Housing: Program Characteristics

- Maximum Rent Levels
- Initial/Ongoing Occupancy Req'ts
- Cost allocation and unit designation
- Underwriting, subsidy layering, developer capacity assessment
- Written agreement
- Deed restrictions/land covenants
- Lease requirements/tenant protections
- Tenant rent contribution limits
- Qualifying Populations v. Income Qualification
- Operating Assistance/Reserves
- Multiple methods for tenant admission
- Master Leases
- Compliance period





HOME-ARP Tenant Based Rental Assistance (TBRA)

HOME-ARP TBRA

- HOME-ARP can assist qualifying populations to pay the rent, security deposits, utility payments, and utility deposits
 - A PJ may provide up to 100% of rent and utility costs
- Assistance is attached to qualifying household rather than the unit
 - Household can take assistance to another unit that is rent reasonable and meets applicable property standards



TBRA: Program Characteristics

- Eligible Costs include:
 - Rental assistance
 - Security deposit payments
 - Utility payments, as part of rental assistance
 - Utility deposit payments, as part of rental assistance or security deposit assistance
- HOME-ARP TBRA sponsors
- Higher subsidy amounts
- PJ chooses term of contract
- If used in HOME or HOME-ARP rental unit, inspections deferred
- Cannot be used in connection with homebuyer programs





HOME-ARP Supportive Services Overview

HOME-ARP Supportive Services

- HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families:
 - As a standalone program, or
 - In combination with other HOME-ARP activities
- Individuals and families who meet a QP definition and are not already receiving these services through another program are eligible for HOME-ARP supportive services



Supportive Services: Eligible Activities

- Three categories of eligible supportive services under HOME-ARP:
 - McKinney-Vento Supportive Services -- adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act
 - HOME-ARP Homelessness Prevention Services -- adapted from eligible homelessness prevention services under Emergency Solutions Grant (ESG) regulations and are revised, supplemented, and streamlined.
 - Housing Counseling -- as defined in Part 5, including requirement that counseling only be provided by HUD-certified housing counselors



Eligible Costs - McKinney Vento Supportive Services and Homelessness Prevention Services

- Child care
- Education services
- Employment assistance and job training
- Food
- Housing search and counseling services
- Legal Services
- Life skills training
- Mental Health Services
- Outpatient Health Services
- Outreach Services
- Substance abuse treatment services
- Transportation
- Case management
- Mediation
- Credit Repair
- Landlord/tenant liaison
- Services for special populations
- Financial Assistance Costs



Eligible Costs – Housing Counseling

- Staff salaries and overhead costs of HUD-certified housing counseling agencies - direct housing counseling services
- Development of a housing counseling workplan
- Marketing and outreach
- Intake
- Financial and housing affordability analysis
- Action plans
- Follow-up communication with program participants





HOME-ARP Non-Congregate Shelter

HOME-ARP Non-Congregate Shelter (NCS)

- For purposes of HOME-ARP, NCS is defined as one or more buildings that:
 - Provide private units or rooms for temporary shelter
 - Serve individuals and families that meet one or more of the qualifying populations
 - Do not require occupants to sign a lease or occupancy agreement



NCS - Eligible Activities and Costs

- Eligible Activities:
 - Acquisition of structures
 - New construction, with or without land acquisition
 - Rehabilitation of existing structures (such as motels, nursing homes)
- Eligible Costs
 - Acquisition Costs
 - Development Hard and Soft Costs
 - Replacement Reserve (for costs identified in capital needs assessment)

Ongoing Operating Costs of NCS cannot be paid for HOME-ARP



Disposition of HOME-ARP NCS

- Remain as HOME-ARP NCS
- Be used as NCS under the Emergency Solutions Grants (ESG) program
- After Minimum Use Period Met:
 - Be converted to HOME-ARP affordable rental housing
 - Be converted to CoC permanent housing

Cost of conversion cannot be paid with HOME-ARP



NCS - Restricted and Minimum Use Periods

Restricted Use Period: Must comply with HOME-ARP requirements

- New Construction: 15 years
- Rehabilitation: 10 years
- Acquisition Only: 10 years

Minimum Use Period (before conversion permitted):

- Acquisition Only: 3 years
- Moderate Rehabilitation: 5 years (Total Investment < 75% Appraised Value)
- Substantial Rehabilitation: 10 Years (Total Investment > 75% Appraised Value)
- New Construction: 10 Years





Nonprofit Operating and Capacity Building Assistance

Assistance to Nonprofits

- Up to 5% of allocation to pay operating expenses of nonprofit organizations undertaking HOME-ARP activities
- Up to an additional 5% of allocation to pay eligible costs related to developing capacity of nonprofit organizations undertaking HOME-ARP activities
- Can be provided if PJ expects to provide HOME-ARP funds to the organization for HOME-ARP activities within 24 months
- Eligible costs are “general operating costs” of the nonprofit



Limitations on Assistance to Nonprofits

- In any fiscal year, operating assistance may not exceed $> 50\%$ of the general operating expenses of organization for that fiscal year, or \$50,000
- In any fiscal year, capacity building assistance may not exceed $> 50\%$ of general operating expenses of organization for that fiscal year, or \$50,000
- If an organization receives both types of assistance in a fiscal year, the aggregate total amount it may receive is greater of 50% of their operating expenses for that year or \$75,000





HOME-ARP Allocation Plan

Consultation Requirements

- Before developing its plan, at minimum a PJ must consult with:
 - CoC(s) serving the jurisdiction's geographic area (Note: State PJs are not required to consult with every CoC);
 - Homeless and domestic violence service providers;
 - Veterans' groups;
 - Public housing agencies (PHAs) (Note: State PJs are not required to consult with every PHA);
 - Public agencies that address the needs of the qualifying populations; and,
 - Public/private organizations that address fair housing, civil rights, and the needs of persons with disabilities



Consultation in HOME-ARP Allocation Plan

- Helps a PJ to identify unmet needs and gaps in housing or service delivery systems
- Provides a basis for the PJ's strategy for distributing HOME-ARP for eligible activities
- In the plan, a PJ must:
 - Describe the consultation process;
 - List the organizations consulted; and,
 - Summarize the feedback received



Public Participation

- Before submitting the plan, a PJ must:
 - Provide notice and a public comment period of no less than 15 calendar days;
 - Follow requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan; and,
 - Hold at least one public hearing during development of the plan.
- PJs must make the following available to the public:
 - Amount of HOME-ARP funds the PJ will receive, and
 - Range of activities the PJ may undertake.



Public Participation in HOME-ARP Allocation Plan

- PJs must consider any comments or views of residents received in writing or orally at a public hearing
- The plan must include:
 - A description of the PJ's public participation process;
 - Any efforts made to broaden public participation;
 - A summary of comments and recommendations received; and,
 - Any comments or recommendations not accepted, and why.



Needs Assessment and Gap Analysis

- Use current data and consultations to:
 - Quantify the QPs, including size and demographic composition;
 - Assess the unmet needs of those populations;
 - Consider current resources available to assist QPs; and,
 - Identify any gaps in the shelter and housing inventory as well as the service delivery system.
- A PJ must consider housing and service needs of QPs, including:
 - Sheltered and unsheltered homeless populations;
 - Currently housed populations at risk of homelessness;
 - Other families requiring services/housing assistance to prevent homelessness; and
 - Those at greatest risk of housing instability or in unstable housing situations.



Needs Assessment and Gap Analysis

- PJ should include data in the plan that describes the QP.
- The plan must include a narrative description that:
 - Identifies characteristics of housing associated with instability and increased risk of homelessness if the PJ will include such conditions under HUD's definition of "other populations";
 - Identifies gaps within PJ's shelter and housing inventory and service delivery system;
 - Identifies PJ's priority needs for QP; and,
 - Explains how PJ determined the level of need and gaps in its shelter and housing inventory and service delivery systems.



HOME-ARP Activities

- The plan must describe:
 - How PJ will distribute HOME-ARP funds in accordance with its priority needs;
 - PJ's method for soliciting applications for funding and/or selecting developers, service providers, subrecipients, and/or contractors; and
 - Whether PJ will administer eligible activities directly.
- If PJ will provide HOME-ARP admin funds to a subrecipient/contractor before HUD's acceptance of the plan, the plan must identify the subrecipient/contractor and describe role and responsibilities.



HOME-ARP Activities

- The plan must indicate the amount of HOME-ARP funding planned for each eligible activity type, including admin and planning.
- The plan must demonstrate that use of HOME-ARP for nonprofit operating assistance, nonprofit capacity building, and admin costs will be within HOME-ARP limits.
- The plan must describe how the current shelter/housing inventory and service delivery system, and the needs identified in the gap analysis provide a rationale for planned activities.



HOME-ARP Production Goals

- The plan must estimate the number of affordable rental housing units for QPs that a PJ will produce or support;
- The plan must describe the specific affordable rental housing production goal that the PJ hopes to achieve;
- The plan must explain how the PJ's goal will address the priority needs.



Preferences

- The plan must identify whether preference will be given to one or more QPs or a subpopulation of a QP.
 - PJs are not required to describe specific projects to which the preferences will apply.
 - Preferences may not violate any applicable fair housing, civil rights and nondiscrimination requirements.
- The plan must explain how the preference/method of prioritization will address unmet need or gap in benefits/services.
- The plan must also describe how HOME-ARP will be used to address unmet needs or gaps in benefits/services of the other QPs not included in a preference.



HOME-ARP Refinancing Guidelines

- If PJ intends to use HOME-ARP to refinance existing debt secured by multifamily rental housing being rehabilitated with HOME-ARP, the plan must include HOME-ARP refinancing guidelines.
- At a minimum, the guidelines must:
 - Establish a minimum level of rehabilitation/unit or a required ratio between rehabilitation and refinancing.
 - Require a review of management practices.
 - State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - Specify the required compliance period (15 years or longer).
 - State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.



Certifications and SF-424s

- PJs must submit the SF-424, SF-424B, and SF-424D with the HOME-ARP allocation plan.
- PJs must also submit the required certifications, including the following:
 - Affirmatively Further Fair Housing;
 - Uniform Relocation Assistance and Real Property Acquisition Policies Act and Anti-displacement and Relocation Assistance Plan;
 - Anti-Lobbying;
 - Authority of Jurisdiction;
 - Section 3; and,
 - HOME-ARP specific certification that a PJ will only use HOME-ARP funds consistent with ARP and HOME-ARP Notice for eligible activities and eligible costs.



Substantial Amendments to HOME-ARP Allocation Plan

- A substantial amendment to the HOME-ARP allocation plan is required if:
 - A PJ changes the method of distributing funds;
 - To carry out an activity not previously described;
 - To change the purpose, scope, location, or beneficiaries of an activity; and,
 - To add new preferences not previously described in the plan.
- Substantial amendment is not required to describe individual projects if the eligible activity is included in the plan.
- PJs must make the proposed substantial amendment available to the public and provide for a 15-day public comment period prior to submission.
- Substantial amendment must be submitted to HUD.



Submission in IDIS

- The plan must be submitted to HUD through the eCon Planning Suite, unless HUD provides alternate direction to the PJ.
- Follow the process in IDIS to create an amendment to the FY 2021 action plan.
- Attach the plan next to the “HOME-ARP allocation plan” option on the AD-25 or AD-26 screen, as applicable.
- Attach the SF-424s and HOME-ARP certifications on the same screen.
- Change the plan status to “Submitted for Review.”
- PJs are not required to make edits to any other screens for the FY 2021 annual action plan or con plan.



HUD Review

- The plan is considered submitted when the SF-424 is submitted electronically on the AD-25 or AD-26 screen, as applicable.
- HUD will review the plan to determine that it is:
 - Substantially complete; and,
 - Consistent with the purposes of the American Rescue Plan.
- If the plan is not disapproved, the plan is deemed approved 45 days after HUD receives the plan, and HUD will notify the PJ that the plan is accepted.
- The PJ must make the final HOME-ARP allocation plan available to the public in accordance with its current citizen participation plan



Disapproval

- HUD may disapprove the plan if HUD determines that it is:
 - Inconsistent with ARP if it allocates HOME-ARP funds for uses other than a HOME-ARP eligible activity, as described in the Notice.
 - Substantially incomplete if:
 - The PJ does not complete the required public participation or consultation or fails to describe those efforts in the plan;
 - The PJ fails to include the required elements outlined in the Notice;
 - The PJ fails to identify and describe the responsibilities of the subrecipient or contractor administering all of its HOME-ARP award, if applicable; or,
 - HUD rejects the PJ's HOME-ARP certification as inaccurate.



Resubmission

- HUD will notify PJ in writing with the reasons for disapproval.
- If PJ's plan is disapproved, PJ may revise or resubmit the plan for HUD review within 45 days after the first notification of disapproval.
- HUD will accept or disapprove the resubmitted plan within 30 days of receiving the revisions or resubmission.
- Once HUD notifies a PJ that the plan is accepted, the PJ must make the final HOME-ARP allocation plan available to the public.



Alternate Requirements for Insular Areas

- HUD will review an insular area's HOME-ARP allocation plan in accordance with 24 CFR 92.62, including:
 - The plan complies with the HOME-ARP allocation plan requirements; and,
 - Eligible activities described in the plan are within the insular area's management capability as demonstrated by past performance.
- If HUD cannot make a determination, HUD will notify the insular area within 30 days of receipt that supporting documentation is needed.
- The insular area will have a mutually agreed upon period to submit the necessary supporting information or to revise the eligible activities in its HOME-ARP allocation plan.





What's Next?