

Serving Communities Through Housing Counseling
Including Housing Counseling in Affordable Housing Programs

Shawna LaRue Moraille: Hi everyone. Welcome back to the Serving Communities for Housing Counseling Conference. This is Shawna LaRue Moraille from ICF. And our session is today, is we're starting with "Including Housing Counseling in Affordable Housing Programs." We're so pleased to be with you again today.

I just have a few reminders about the technology that we're using. We are operating the Zoom platform and we have the chat box specifically for your technical questions and for our team to push out really important links as we have today's discussion. If you have any questions on content that we're covering related to the HOME program, the HOME-ARP program or the Housing Trust Fund program, please go ahead and put any questions that you have throughout the presentation in the Q&A box and that would be really helpful.

So materials have been posted. This slide deck is available to you at the link that was just provided to you. And we will have a transcript as well as the recording posted over the course of the next week or so. And these materials we will be going through at the end of the presentation, as well there's some additional materials that we also thought would be helpful that are also posted on that conference page, such as rental assistance and Housing Counseling through the CPD lens. So I'll make sure that we cover that towards the end.

And then just like any other Housing Counseling webinar, we do have the certificate of attendance that once our team marks attendance, which will take a couple days after today's session, then you can go ahead and get credit for this and print a training certificate. We know that it's really important for housing counselors to get their continuing ed credits and you would like that in your portfolio.

So we are going to pivot to Mentimeter, just like we have on day one of this conference. So we wanted to just start with a word cloud. We didn't do a word cloud yesterday but this word cloud is meant to be representative of how you felt about yesterday's session, what one word comes to mind.

You might remember we had sessions from field policy and management. We also had an overview of what is Housing Counseling, which was a foundational course before today's presentation, if you're new to the HOME program or Housing Trust Fund. And we also had some sessions related to the community development block grant program and disasters.

So we just thought that we would give you a moment to just reflect on what happened yesterday. And, so, I'm seeing helpful. I'm seeing knowledge. I'm seeing funding. I'm seeing excited, amazing. Basic. I'm really glad that somebody put that in the word cloud. We started raising the knowledge with a baseline of what are these are block grants, what is FPM or field policy management. And we told you what is Housing Counseling and end the day with community development.

So I think we are ready for day two and that will be all on affordable housing, which is HOME, Housing Trust Fund and the HOME-ARP program. Then we're going to have homeless and also a partnership session before closing. So we have a full day ahead of us. Folks can keep adding to the word cloud. I'm just going to pivot back to the PowerPoints.

And, so, I am so pleased to be here with both my colleague Carrie Kronberg, who works at ICF. But also Ginny Sardone, who's the director of the Office of Affordable Housing program. She will be providing a welcome.

Carrie and I both come from state and local government. We worked on the HOME program and Carrie on the Housing Trust Fund program when she worked for the State of Colorado.

I worked for the fifth largest urban county, as I told you folks yesterday and also I'm the day-to-day manager of technical assistance with HUD's Office of Housing Counseling as well as work on HOME-ARP and Home -- and a couple of other projects. So I'm lucky enough to work in both community planning and development programs as well as Housing Counseling. So I'll have Carrie tell you a little bit more about her when she starts talking in a little bit.

But let's look at our agenda. So after Ginny's welcome, I'm going to do the background on the Affordable Housing Programs. Again, we're building knowledge here, so we're going to start with some basics. And then Carrie and I put together this comparison of program requirements that we thought might be helpful, particularly if you're new to the program.

And then we also thought this would be a great opportunity to take a deeper dive on the Home American Rescue Plan or HOME-ARP or HOME-A-R-P in terms of supportive services, Housing Counseling and the nonprofit operations and capacity building.

I'll go over some resources and we will have time at the end for Q&A but don't forget there are others in the Q&A box who you can go ahead and submit questions and we'll be answering those by typing along the way.

So thank you so much for being here. And I'm very pleased to turn it over to Ginny Sardone who is going to [inaudible].

Ginny Sardone: Thank you Shawna. Good morning to those of you who are on -- or good afternoon to those of you on the east coast. I'm Ginny Sardone. As Shawna mentioned I'm the director of the Office of Affordable Housing programs in HUD's Office of Community Planning and Development. I want to take a moment to welcome both CPD grantees and Housing Counseling agencies to today's presentation on Housing Counseling in Affordable Housing programs.

Administering Affordable Housing grants is a complex business with many requirements. And we can sometimes get lost in those details. So with the Housing Counseling role finally in affect, this conference and today's session are an opportunity to focus not just on compliance with those rules but also on the importance of Housing Counseling in promoting housing sustainability for the beneficiaries of our programs.

I hope this sessions helps clarify the Housing Counseling requirements for HOME and HTF and provide insight in to how to successfully incorporate Housing Counseling requirements into our

programs. If you are a HOME-ARP grantee considering using those funds for supportive services, hopefully you'll gain some insight into how that could work in your community.

And finally, I'd like to thank my colleagues in HUD's Office of Housing Counseling for including a session on HOME HTF and HOME-ARP in their conference. And also thank ICF for putting together today's presentation. I hope you all enjoy the session. Thank you.

Shawna LaRue Moraille: Thanks so much, Ginny. That was a really helpful welcome. I'm really glad that you could spend some time with us today.

So I'm going to just cover some basics or the background on these affordable housing programs. So just like we started yesterday, there are many different types of affordable housing programs and this session is really going to take a deep dive on the HOME investment partnerships act program, or HOME. The HOME investment partnerships American rescue plan or HOME-ARP or HOME A-R-P, however you want to say it and then the national Housing Trust Fund. I meant to send that earlier.

There are some state Housing Trust Funds that are very helpful in terms of affordable housing out there, but we're really talking about the national Housing Trust Fund. So I know we have a mixed audience and sometimes you don't know where some of the funding is coming from. What we did, though, is provide you with links here, if you downloaded the materials so that you could go into each of those later after the presentation.

So I just want to cover the HOME program. The HOME program is another block grant program just like the community development block grant program. And this is specifically for funding that goes toward affordable housing needs of low income and very low income: Renters, home buyers, homeowners, there's so many different activities and we'll talk about each of those.

And with the most recent appropriation it was now at \$1.5 billion, so PJs, which is the HUD grantee in this case participating jurisdiction, these are cities, counties, states across the country, approximately 650 of those, they're the ones that, as we discussed yesterday, they put together their consolidated plan and their annual action plan and they determine through their housing committees and through public input what types of affordable housing activities they can do.

And then, just as a reminder for some of the folks on the phone who are PJs that we always have this completion deadline for projects and these are typically construction projects that would linger out there for four years, certainly not tenant based rental assistance. So that's HOME.

And then the HOME-ARP program, I guess I say HOME-ARP more than I say A-R-P but this is a one-time funds are appropriated through the American Rescue Plan act. They are precious and special to all of our jurisdictions who receive them and they're the same ones that I mentioned, the cities, counties and states that receive the HOME program. They received also this special allocation.

So this was a one-time 5 billion to assist in individuals or households who were homeless or at risk of homelessness, as well as other vulnerable populations that are called qualifying

populations. And those qualifying populations Carrie will go into greater detail but it's one of the things that's really important to understand about the HOME-ARP program.

So this being a once in a while opportunity we know a lot of PJs are looking at doing permanent supportive housing, they're looking at some non-congregate shelter opportunities, either acquisitions or development of, and there might be some additional opportunities to tenant based rental assistance.

TBRA was one of those, there weren't a lot of HOME PJs providing tenant based rental assistance that can operate just like your Section 8 program locally but we know that there's been additional opportunities for -- or additional PJs have decided to fund tenant based rental assistance. And then finally, in HOME-ARP we also have supportive services including Housing Counseling is also eligible.

So the funds were allocated, like I said, to the same jurisdictions that qualified underneath federal fiscal year 2021 and right now allocation plans are currently underway. Only 10 percent have submitted their allocation plan to date and not all of those have been accepted. So there's plenty of time to work with the HOME-ARP PJs around the country. They're still working on their plans and we'll keep talking about that throughout the next hour. And then there is a five-year expenditure deadline for this particular allocation to September 2030.

The National Housing Trust Fund is a little bit different than HOME and HOME-ARP. This is an annual formula allocation program. It goes directly to states to serve largely very low income renters. And there might be a small percentage that are first-time home buyers but to date there haven't been home buyers served in the program and that's because of certain targeting that must be done that Carrie will talk about.

And the National Housing Trust Fund is funded with a portion of the proceeds from Fannie Mae and Freddie Mac and other government sponsored entities or GSEs. And the size of the Housing Trust Fund in FY 2022 was 780- which has been the largest allocation to date. So states have to submit their allocation plan annually and they have two years to commit and five years to expend the funds.

So I am pleased to turn it over to Carrie Kronberg here at ICF. She can tell you a little bit about where Carrie has been and why she's on the ICF team and covering this with you. Carrie.

Carrie Kronberg: Great. Thank you, Shawna. Good morning to everyone on the west coast like me and Midwest and good afternoon to those of you on the east coast. I'm Carrie Kronberg, as Shawna mentioned, with ICF.

I come from a background in both state and county level government so I was with the State of Colorado for a very long time and was part of standing up our Housing Trust Fund program when that was new. And also worked at the county level in northern California on HOME CDBG programs.

So let's get into the differences between these three OHP programs that we're talking about today. So this table indicates the general categories of eligible activities under these three programs and allows you to quickly see their similarities and differences as far as what they can fund.

HOME funds can be used for tenant based rental assistance, or TBRA. It can also be used for rental development in many forms so that can be new housing construction, acquisition and rehab. And the HOME program is primarily our rental housing production program, that's the primary intent.

Homeowner and home buyer activities are also eligible including rehab for low-income homeowners and assistance purchasing or purchasing and rehabbing homes for low income buyers.

And then HOME-ARP also allows tenant based rental assistance and rental housing development. Unlike either of the other programs, though, HOME-ARP funds maybe used to provide supportive services for qualifying populations and we'll talk about those in a couple of slides. Shawna already mentioned this very unique definition of the beneficiaries.

And then additionally another new eligible activity is acquisition and development of non-congregate shelter. And many of us are familiar with that, it became an essential resource during the pandemic to minimize the spread of infectious disease.

And then finally, the Housing Trust Fund program allows rental housing development as acquisition, new construction and rehab, sounds familiar. I'll note that one thing that the trust fund and HOME-ARP programs have in common is that they allow operating assistance for rental units serving households that have or expected to have the lowest incomes, where the rents really can't support the operating costs. So it's really just another type of subsidy to support the operating costs of the project when there isn't a project or tenant based rental assistance or a voucher involved.

Finally, home buyers are technically eligible for HTF assistance but as Shawna mentioned, that hasn't happened yet because of who the program can serve, while the size of the funds nationally is less than a billion dollars. So for now, it's limited to extremely low income households who are defined as households earning up to 30 percent AMI or below the poverty line, if that's greater than 30 percent AMI in the community.

So let's talk a little more about the beneficiaries. All three of these programs are targeted to serve lower income households but the newer HTF and brand new HOME-ARP program are really targeted to much lower income folks or those who are highly vulnerable.

HOME can fund a lot of workforce rental housing, technically for households earning up to 80 percent AMI but there are quotas for households earning up to 50 percent and 60 percent AMI. And because, as you see here, 90 percent of all rental housing activities must serve households earning up to 60 percent AMI. Many HOME-ARP PJs limit all rental eligibility to that income level. We certainly did in places when I worked in Colorado and in local government. For

HOME ownership, beneficiaries can be low income or earn up to 80 percent, a very median income.

As we've kind of talked about and we'll go into more detail, HOME-ARP target population is very different. So up to 70 percent of the rental units developed or acquired must serve households defined as qualifying populations. One key difference is qualifying populations aren't necessarily defined by income. They're defined by other characteristics associated with vulnerability, homelessness, fleeing domestic violence, etcetera, and we'll talk about the details of what that population looks like in just a minute.

Additionally, for rental housing activities only, development activities only, up to 30 percent of HOME-ARP units can serve low income households earning up to 80 percent AMI. All of the other HOME-ARP activities must exclusively benefit members of qualifying populations.

Then Housing Trust Fund is also targeted to much lower incomes. Since it was first funded in 2016 until now the size of that fund nationally hasn't exceeded a billion dollars. It's on an upward trajectory or I think around 740 million this year. But while the nationwide fund is under that billion dollar threshold, 100 percent of the beneficiaries must be ELI, extremely low income.

As I had mentioned on the previous slide that means earning no more than 30 percent of area medium income or less than the poverty line if that exceeds 30 percent in the community. So it's highly unlikely that for now that we'll see Housing Counseling as part of HTF because it's not yet used for home ownership activities.

Okay, so let's talk a little bit more about those qualifying populations under HOME-ARP. So this is who the program is primarily intended to serve and the definition refers as you see to a lot of other definitions. But you can see from the list and where it's referring that these groups are all likely to be highly vulnerable. So I'll give a few examples as we go through these groups.

So this first bullet, QPs can be homeless or at risk of homelessness and that's according to the McKinney-Vento. Some examples, not exhaustive, are the homeless definition includes individuals and families who lack a fixed regular and adequate nighttime residence. So that could be people living in shelters, in places not meant for human habitation such as in a car or in a tent. It could also be people exiting an institution such as a jail when they met one of those other two definitions just listed prior to entering that institution and they were in jail for instance for 90 days or less.

So at risk of homelessness is the one qualifying population category that does rely on income. It includes individuals and families who earn below 30 percent AMI, don't have the resources or support networks to prevent them from falling into homelessness and who meet one of several conditions such as they move frequently in the last 60 days because of economic hardship. They might be couch surfing, facing imminent eviction within three weeks among other conditions.

Qualifying populations can also be individuals and families fleeing or attempting to flee domestic violence: Dating violence, sexual assault or human trafficking. And those terms are

defined in the violence against women act regulation and then the trafficking definitions are in the trafficking victims protection act.

So again, this is an exhaustive but these generally include cases where there is a reasonable belief that there's a threat of imminent harm from violence due to dangerous or life threatening conditions faced by the individual or family that make them afraid to return home.

So domestic and dating violence describes situations when an individual and/or members of their family have experienced violence perpetrated by a current or former intimate partner, for instance. And then human trafficking includes both sex and labor trafficking when people are forced or coerced into sex or labor acts.

Additionally, qualifying populations can be a member of other populations where providing supportive services or assistance under Section 212(a) of the National Affordable Housing Act, also known as the Cranston-Gonzalez, would prevent them from becoming homeless or improve their housing stability.

And then one final note, in the American Rescue Plan statute, veterans and their families that meet one of the criteria that we just went over, they're specifically called out as eligible but there isn't any imposed preference or difference in eligibility since the household would already meet one of the other criteria.

So now I'm going to pass the mic back to Shawna for a few minutes to talk a little bit about Housing Counseling in the context of all three OAHF programs we're discussing today.

Shawna LaRue Moraille: Thank you so much, Carrie, for going over the qualifying populations. There's a lot to unpack.

I just wanted to say, this is broadest definition I think that we've ever seen in terms of serving additional populations on top of what, if you're working in the McKinney programs then what you've seen underneath the McKinney act a lot more folks can be served here, particularly around those attempting to flee domestic violence, etcetera, so really appreciate Carrie's overview.

So we thought that it would also be really helpful to define where you might be encountering Housing Counseling in these three programs. So I think that some of you know, you might be sitting in a HOME PJ or a HTF grantee know that any time there's home ownership that particular program, you're doing pre-purchase or funding down payment assistance or you might be providing funding to what's called a CHDO, a Community Housing Development Organization, to create home buyer unit, then Housing Counseling is required by the regulation in both programs whenever there is home ownership.

And so one thing, though, to keep in mind is that because in HOME and Housing Trust Fund is that Housing Counseling has to be reimbursed after closing because all HOME funds in Housing Trust Funds with the exception of administration must create an affordable unit, okay, in this case create a house.

So it might be that you see programs where maybe the family pays for the Housing Counseling or another program covers the Housing Counseling, such as like CDBG or something like that like we talked about yesterday but we typically see it reimbursed at closing. It's very rare for a HOME PJ to use their HOME administration to pay for Housing Counseling. They could but we've seen that in rare instances. But it is required and as we talked about, it's super helpful for those engaging in home ownership.

In the HOME-ARP program, and we're going to spend some time on this. I said we're taking a deeper dive today on HOME-ARP. So Housing Counseling is one of those where it's an eligible cost. It's an eligible activity. It's not specifically required but it can be part of supportive services, which we will take a deep dive on what the options are for supportive services.

It can also be a standalone activity, which I will cover later in the presentation as well. And we see that some PJs may choose to do this just because they need Housing Counseling for these qualifying populations, there's a lot of need for rental housing counseling as we discussed yesterday and also those that are homeless and at risk of homelessness can benefit from them.

And then I would be remiss not to cover this point, which is my final bullet on this slide. We covered yesterday what is Housing Counseling and also that the Housing Counseling certification rule requirements that Ginny mentioned earlier is what is required for any activity where counseling is provided on or after August 1st of 2021.

And, so, this is the companion rule that talks about the fact that if Housing Counseling is required by regulation or the program, it also covers when an organization decides to make Housing Counseling a requirement as well if it's not in the regulations.

So it has to be a HUD approved Housing Counseling agency and those that are delivering Housing Counseling must be certified. And if you missed yesterday's session that we did for you all there will be a recording provided, you could also take a look at the slides today. It's really helpful background to cover the Housing Counseling certification rule.

So we thought, just like yesterday in the community development session that our colleagues did, we have another scenario here that we thought we would provide to you. We thought that the Tennessee Housing Development Authority, THDA, they're unique in terms of their Housing Counseling agency and they're also a HOME PJ. They have an entire home ownership section.

And, so, they are funding community housing development organizations, which is required in the HOME program. And CHDOs develop, they create, they rehab properties for ownership or rental. In this case Clinch-Powell, and we'll hear from them later today and Tennessee, they got together and so these CHDOs are creating the unit like Clinch-Powell and then also there's Housing Counseling that's delivered.

In this case, the homeowners are getting an affordable home but they are paying for their own Housing Counseling service. They really feel like that's the best scenario for them in their

jurisdiction. So their partnership and how they kind of came together is going to be discussed in the partnership session at the end of today. So that's our example here.

And I'm going to turn it back to Carrie to talk about HOME-ARP supportive services. Carrie.

Carrie Kornberg: Thank you, Shawna. Could go on to the slides.

So as we've talked about HOME-ARP is available to fund supportive services. This is a difference from the HOME program and HTF program. These services must be provided to qualifying populations, I'll probably reiterate that a few times. Remember all HOME-ARP activities must serve them except for rental housing development, must serve them exclusively except for rental housing development.

So supportive services include Housing Counseling and they may be provided as a stand alone program. So for instance, a Housing Counseling program could be run by the HOME-ARP participating jurisdiction itself. Other HOME-ARP funded housing shelters or services are not required to be part of that equation. Supportive services can also be provided in combination with other HOME-ARP activities such as non-congregate shelter or rental housing.

To be eligible, individuals and families have to meet one of those qualifying population definitions that we went over and they can't already be receiving these services through another program. So no double dipping.

There are three categories of eligible supportive services under HOME-ARP and those are the services adopted from the services listed in the Kinney-Vento so that includes housing search and counseling services, homeless prevention services adopted from eligible homeless prevention services under ESG if you're familiar with that program. So things like rapid rehousing for instance. And then Housing Counseling is also called out specifically as an eligible supportive services activity as defined in Part 5.100.

So Shawna, I'm going to toss it back to her to review how Housing Counseling sits with HOME-ARP over the next several slides. Keep in mind, HOME-ARP funded Housing Counseling has to be provided by HUD certified housing counselors.

Shawna LaRue Moraille: Okay, thanks Carrie.

And again, if you joined us yesterday you learned all about Part 5.100. This is the definition of Housing Counseling and for this to be provided you have to be doing five elements: Intake; you have to be looking at the financial and affordability analysis for that individual client; you have to develop a client action plan; and you have follow-up that you are also providing. So there's lots of different steps in terms of Housing Counseling and when it is required by the program and home ownership then all five elements have to be in place.

So for HOME-ARP and Housing Counseling, just a little bit more of a deeper dive. So these are examples that were in the notice that the Office of Affordable Housing published in the fall. And, so, these are eligible. So these should look familiar to those Housing Counseling agencies on the

call. So staff salaries and overhead costs for HUD certified housing counselors doing that direct service work.

It might be for developing the Housing Counseling work plan. Marketing and outreach that Housing Counseling services are available and helpful. The entire intake process, the financial affordability analysis that I mentioned, trying to figure out like what somebody can afford to pay for their rent, whether or not they might need a rent subsidy or something like that. But basically overall financial and affordability analysis.

Those client action plans are really where the rubber hits the road in terms of what the client needs to do, what steps they need to take. It might be credit repair; it might be looking at their credit statements. It might be saving some funds like for the security deposits, things like that. Or whenever they need additional assistance. And then they'll also be next steps not just for the client but also for the housing counselor to assist with anything that the client might need.

And then certainly that follow-up communication to program participants. There's a 60-day requirement to follow up with the client. So there's a few things about all the Housing Counseling eligible activities and what's going on. I have a couple slides about specifically where to find those in the Housing Counseling reg that I'll save for in the next coming slides but I will not be remiss to say this does not include Housing Counseling related to home ownership assistance. Okay. So we cannot pay for Housing Counseling related to that.

So in terms of the Housing Counseling requirements, this is the deep dive in terms of the Housing Counseling regulation. Just like in the HOME program it's 24 CFR Part 92, so for the Housing Counseling program, it's 24 CFR Part 214 and various elements. So it's a fairly short regulation, about 14 pages, and then an accompanying handbook that also is helpful. It's 7610.1. All those links are provided at the end of the presentation in terms of where to find them on the HUD Exchange.

But in terms of Housing Counseling, they have to make sure they establish that specific action plan for each qualifying family and then underneath the qualifying family. And then additionally counselors must make reasonable efforts to do that follow up. Like I said, it's 60 days in the reg.

So how are they progressing toward their housing goals? Have they met their credit requirements that they were supposed to meet. Maybe they needed to work with their landlord in terms of a rent payout or a work out with them to make sure they're paying their rent. So all those things for somebody that might be at risk of homelessness.

And so they might need to modify their Housing Counseling services depending upon what's happening with them. So they might be in a homeless situation, they might be getting into a shelter and then looking for rental. So things could change over time. And at the end of the presentation, I'll show you that graphic again that we showed yesterday about there are many different places in which clients can be served and Housing Counseling from homeless to rental housing etcetera.

And then finally you have to make sure that there are outcomes provided for that client. The Housing Counseling program has a number of outcomes or impacts that must be recorded and reported out on a quarterly basis.

So in terms of Housing Counseling for the homeless, so if you're a Housing Counseling agency delivering homeless Housing Counseling you know this list, it's in the handbook as well as the regs. This is homeless assistance regarding anything that they might need on an emergency basis. So it might be emergency housing, it might be helping them with transitional housing. It might be helping those, again if we take an example of those that might be fleeing domestic violence who are homeless, they might be looking at getting into some type of domestic violence shelter or transitional housing.

There might be just other state, local, federal resources that they might need, like rental assistance from the Housing Authority or tenant based rental assistance through the HOME program. All of those things are helpful in terms of referrals for the family that might be served. And when I say family, I also mean individuals.

These rental topics should also be familiar to you if you're a Housing Counseling agency. So a lot of people were asking yesterday about do you have to do all the topics. You don't have to do all the topics necessarily. Some are required and some are options to the housing counselor. But we have rental and rental assistance type programs that are very helpful to cover with any client in terms of what they need to know and what the rental subsidy pays for versus what they will be paid directly to the landlord.

And I already mentioned other local assistance that might be provided but they may need a legal referral for example because they are working it out with their landlord and might want to make sure that they're working with the Legal Air Society or something like that outside of the housing counselor's scope of work. Sometimes Housing Counseling agencies have a separate section that are those Legal Air Societies. Sometimes they're two different organizations.

Every housing counselor covers the Fair Housing Act ins and outs, which is something that is, again, part of the exam that the certified housing counselor covers to make sure that your clients are getting the best information possible if they needed to file a complaint or just know what their rights are and responsibilities.

They are knowledgeable and have to cover tenant and landlord law which differs across the country. Sometimes you have to know what is requirement underneath the state or locality, depending upon where you live, just like with other things. And those counselors will do that for you.

So what is the lease term related to the particular unit. For assisted units those are particular things they need to know about that lease and other sort of non-assisted and what it needs to have a different lease on the market. If you're rent delinquent, what are your options. How can you work out with that particular landlord, etcetera, so all these topics are typically what's covered by the housing counselor.

And then while I mentioned the home ownership assistance is not eligible in terms of providing Housing Counseling, we could see an example where there might be somebody, although it's probably rare where the housing counselor could go through some pre-purchase housing topics where they might want to help them with sort of getting ready for a purchase at some point in the future. And it might be that they, and I hate to use the credit example again, but it's one of the better ones, so just to help them repair any type of credit, say for a down payment, things like that.

And also just what are some different financing options underneath, not just HUD's FHA, which is the Federal Housing Administration, but also other first mortgage lenders out there and what they require. So it's always helpful to take a look at that. It might be housing search assistance, looking out for not just for housing but predatory lending, all of those good things.

And then all of these again are certainly eligible in that notice on HOME-ARP and again are just listed from the Housing Counseling regulation. There's a lot more information about this in terms of eligible topics on the HUD Exchange.

And Carrie wanted to cover non-profit operating capacity building assistance, so I'm going to turn it back to Carrie.

Carrie Kornberg: Thank you Shawna, looking for my buttons as I'm researching people's questions. So this is one last eligible HOME-ARP activity that we wanted to talk about that could be a source of funding and capacity building for Housing Counseling agencies. I understand yesterday maybe there were some questions about funding. So this is flexibility with an eligible activity within HOME-ARP that you may want to think about and talk to the PJs in your jurisdiction about.

So some of you may work for Community Housing Development Organizations or CHDOs, or at least be familiar with that concept under the annual HOME program. And under that program, they're non-profits. They have to meet very specific criteria and there typically aren't very many CHDOs within the PJ's jurisdiction relative to other non-profits and entities that can carry out HOME projects and programs. So when I was at the County level at the time we didn't have any eligible CHDOs within our jurisdiction.

But PJs can award funds as operating support to CHDOs to build their ability to carry out HOME funded development activities. With HOME-ARP HUD has expanded that eligibility for this kind of support. So CHDOs are still eligible but other non-profit organizations that may be expected to or are currently undertaking HOME-ARP activities are eligible for this operating support.

So the operating support is general operating costs, of course reasonable and necessary, but not directly tied to delivery of a HOME-ARP blended service. So that can be employee salaries, wages and other compensation or benefits, office rent and utilities, equipment, among other expenses.

So PJ can set aside up to 5 percent of its allocation to pay for those operating expenses and then an additional 5 percent could be set aside for capacity building. Now, there's some cross over between the list of eligible expenses with the operating costs but the caveat is that capacity building expenses should result in an expansion or improvement of an organization's ability to carry out HOME-ARP activities.

So maybe to carry out HOME-ARP funded Housing Counseling you need to hire and train a couple of staff members. So this assistance could potentially be used to support that paying the salary of new hires, some of the training.

You know there are limitations on the amount of funding a PJ can provide to a particular non-profit for this type of support. So for both operating and capacity building assistance individually that amount can exceed the greater of 50 percent of the organization's operating budget or \$50,000. If the PJ is providing both to a non-profit, that dollar figure increases to \$75,000.

So Housing Counseling agencies interested in this kind of support should connect with the PJ or the PJs in your service area to determine whether they're intending to provide this or thinking about it. As Shawna mentioned, not too many plans have been submitted yet so there are many PJs that are still in the planning phases. So you may want to get engaged in that process. There are consultation requirements where PJs have to ask stakeholders about their opinions on how the funds should be targeted.

So you could be a part of that process. So if they are willing to support it you'd also want to find out what the application process and timeline might look like.

Shawna LaRue Moraille: Yeah, I totally agree Carrie and I'm glad that we just shone a spotlight on this just because we know that there hasn't been a lot of capacity building and non-profit operating assistance available. So it's nice to see this carve out and may help a lot of agencies who are on the line not realizing that this was an opportunity here.

So with that, we're going to move along. And I know I want to show some resources but also we want to go ahead and make sure that we have questions in the queue. So I just want to cover quickly a couple things that if you want to find a HOME PJ for the HOME program or for HOME-ARP, or a Housing Trust Fund grantee, we provided the link here and also where to go on the HUD Exchange. It's underneath the grantee section. You can search there for CDBG as well.

And then we also wanted to make sure that you knew that there were a couple of different pages here including the HUD programs that are affected by the Housing Counseling rule. There's a flow chart there, there's some scenarios, including updated scenarios for HOME-ARP, for example. And then two of the long standing HOME FAQs about home buyer and Housing Counseling that we thought would be helpful.

And then finally this HOME-ARP program notice that I mentioned earlier that goes through the ins and outs of the HOME-ARP program.

So while we're queuing this up, and thanks for everyone participating in the world cloud, I also wanted to mention this graphic that we went over yesterday that is a part of the meeting materials. Want to make sure that you could take a look at that.

And then also we have a couple more here on the HUD Exchange as well in terms of rental assistance. And also Housing Counseling assistance as well that I can show toward the end. I'm going to stop my share and see what kind of questions we have in the questions box.

Carrie Kronberg: Sure. We've had a few comments on the acronym soup which understand with these programs so just a few reminders.

A PJ is a participating jurisdiction and that is a state or local government entity that is a direct recipient of HOME or HOME-ARP funds from HUD. So many other programs call those HUD grantees. For HOME and HOME-ARP they're called participating jurisdictions, or PJs.

So ARP is another one. American Rescue Plan. So that is the act that was passed a little over a year ago already that provided a lot of additional funding to support recovery from COVID-19.

And let's see. CHDO is the Community Housing Development Organization. A very specific type of non-profit under the HOME program that is really tied to the community and the low income population. And is specifically intended to do housing development for that group.

Okay. So let's see. So we had a question about federal procurement ramifications under 2CFR Part 200 for HOME state recipients. If they want to use a certain Housing Counseling provider or want to give a finite list from which down payment assistance applicants could call to obtain the required Housing Counseling. So in the event that they're procuring contractors, there's an important distinction between the type of arrangement, I guess. The legal arrangement between the entity and the recipient of the contract or written agreement.

So if they are a contractor, they need to be procured, but a subrecipient can have a different selection process. And they aren't subject to the procurement requirements of Part 200. It's really helpful; it can be a difficult distinction.

So I would point you to this is where I was doing some research, 2CFR 200 331 where it describes how to make that determination between whether an entity is a contractor, whether that's going to be the relationship or whether they're going to be a subrecipient. So I would point you to that, is it really a contractor. Do we really have to procure them or is it a subrecipient relationship where they're carrying out a portion of the program on behalf of the PJ or the PJ's subrecipient or state recipient.

Anything to add on that Shawna?

Shawna LaRue Moraille: No, I think that was perfect. I saw here one of the questions was just about whether or not we're going to see HOME-ARP funding. So I guess I just want to mention that this funding came out in 2021 and we've got 5 years in terms of the \$5 billion. So it was part

the American Rescue Plan act, so I would consider this to be a one-time only allocation. But thanks for that question.

Carrie Kronberg: All right. And it may have been answered in the Q&A but I did see a couple of questions about the 60 percent AMI. Wait a minute I thought it was 65 percent AMI for HOME.

So the HOME program rule requires that 90 percent of funds for rental housing activities, TBRA and rental housing development, serve households at or below 60 percent. The high HOME rent limits are based off of the 65 percent AMI income level. So that's kind of the distinction there. You're serving people at or below 60 percent, those rents may go up to the 65 percent, a calculation based on the 65 percent limit.

Anything to clarify on that, Shawna?

Shawna LaRue Moraille: No. I would just say that the limits are published as is that folks don't need to feel like they have to calculate things --

Carrie Kronberg: Yeah, that's a good point.

Shawna LaRue Moraille: -- to be honest.

And then I apologize, I dismissed the one question that was asked, so I'm going to put this in the chat box. To find a list of Housing Counseling agencies in the state of California. HUD just launched this HUD locator tool that you can use that is to find Housing Counseling agencies in your area and you can also put in if there's a preferred language because one thing about housing counselors is some of them are delivering counseling in language, so you can put a preference there. And that's again the added value having these folks at your disposal for your clients.

Carrie Kronberg: Another just quick clarification question someone asked if developers under HOME, I'm presuming, are also not procured like a contractor, that's correct. So a developer is another type of entity under the HOME program with a different selection process but of course lot's of due diligence underwriting required.

Shawna LaRue Moraille: Yeah, that's a really good point. So again these folks are certified and they have already been trained on front end, back end ratios and doing all of that, which I know many of you have as well if you're sitting in a HOME PJ running your HOME ownership program but just know you can lean on these counselors.

So I mean I'm seeing a few more questions in here about just different scenarios in terms of reporting on outcomes. So and this is probably is for the housing counselors out there that are with us today, Carrie, that are just wondering how do they report those outcomes when they haven't fully reached the client and they've been following up a couple times.

There are 10 plus areas of outcomes on the quarterly report that Housing Counseling agencies fill out which is called the 9-9-0-2. And, so, almost every single counselor can say that the outcome is they achieved a sustainable budget and there's other outcomes as well. So but short of like they

didn't want to go through the entire process of purchasing a home or something like that, there are many different options in terms of outcomes.

So and then somebody asked, does it have to be like written down that somebody achieved the service or can they use the client verbally providing their outcome. You can rely upon verbal but certainly make sure that you're documenting that in your file because just like when HUD comes to visit in any program, a verbal response is one thing but to have it documented in the files is incredibly important.

Here's a great question. Thank you and it just slid in. We've gotten this question for years, actually, Carrie, you'll remember this from the neighborhood stabilization program or NSPI. So distant Housing Counseling is totally fine. You can provide one-on-one Housing Counseling just like we are right now on a Zoom platform or through Teams or telephonic. All of those have been fine. And it's something that is delivered from a lot of Housing Counseling agencies out there including rural California. So thanks for asking that question.

Okay. What are you seeing Carrie in terms of something --

Carrie Kronberg: I'm seeing other questions related to Housing Counseling. So we got the Housing Counseling near you. There's one that's full counseling all of the elements and all of the paperwork required for providing counseling to people experiencing homelessness.

Shawna LaRue Moraille: So I think possibly, so there's five required elements underneath Part 5.100. That's the intake, client action plan, substantial affordability analysis, follow-up, all five of those things. And I know I didn't say five.

So those are elements that are required if it is Housing Counseling. The pick list that we showed of topics that might be covered with that homeless person, those are just examples of topics. Okay. So don't feel like all of those topics have to be covered.

Termination is the fifth thing, okay. Possibly. I just need to go back and check my notes.

Carrie Kronberg: So I'm not sure who asked this or what type of agency represent, but there's a question, is the link to the details on how to submit a plan and request funding for additional funds under HOME-ARP on the Whova platform. So I think this is probably maybe someone looking for HOME-ARP funding to provide services or maybe it's operating support.

And so I think there we would refer you to the participating jurisdictions so we can get a link in there on how to identify who the participating jurisdictions are in your area. So you'd probably be looking at the state and then depending on where you are and how broad of an area you serve, maybe one or more local participating jurisdictions.

Shawna LaRue Moraille: Okay, great. And it is client budget and I'm so sorry to my Housing Counseling client that I missed client budget. I provided all five and also the reg citation in the chat box to everyone. But thanks for asking that question.

Somebody asked about the action plan format. I'm not sure if we provided an answer but I think what's interesting about this entire two days together is that we have a couple different action plans. So the PJs in this case, or HTF grantees have their annual action plan, which is the update to the consolidated plan. And there's a lot of guidance on the HUD Exchange around that but if you're talking about the agency work plan, the agency work plan we have a link that we can provide you in the chat box to the template for that. That might be really helpful to add. There's a ton of training on that, Housing Counseling agency work plan. So we can help you with that.

The client action plan is then another one and there's some templates there as well. So I know we have at the end of our PowerPoint presentation a link to the Housing Counseling website but there's just a lot of great information there that folks just might want to take a look and get to know Housing Counseling a little bit further.

There's just like in the HOME program, if you're used to that interface, this is very similar in terms of the Housing Counseling program where there is an intro to Housing Counseling, there's a basics on the requirements. There's one on the agency work plan. There's a bunch of different options, so just take a look there, self-paced online training, etcetera. Okay.

Carrie Kronberg: We have a couple of what if scenarios maybe when the client isn't willing to go through a budget review or for home buyers they don't want to look at their credit scores. What if they're refusing to do that, how do housing counselors ensure they're in compliance with HUD?

Shawna LaRue Moraille: That kind of goes back to that outcomes that I was saying, Carrie, is that they start working with the clients, hopefully they've been able to at least achieve one outcome or impact. They're now called impacts on the updated 9-9-0-2 form and there is lots to choose from. So I would just take a look at that list and there's a lot of options there.

We do have an entire toolkit on that quarterly reporting for the 9-9-0-2 so please take a look at that. And I will see if I can get that to you.

So somebody asked about the materials for today's presentation. So you can download the materials today actually. And so, I want to make sure that folks see that, that they can download all of the PowerPoints and then all of that is available to you right now. Just the script and the recording are not going to be available until later.

Okay, maybe let's take one more, Carrie.

Carrie Kornberg: Let's see. As a PJ we are already using a HUD approved counseling agency to provide counseling for the required certificate for the potential home buyer. Are we saying now that potential home buyer has to go again and obtain a second tier of counseling for other areas that are provided or could it be done all together as a cumulative counseling session?

Shawna LaRue Moraille: Such a great question. So if you're a PJ there's only one time in which Housing Counseling is required and that's in the home buyer program. So if they've already received their counseling through that Housing Counseling agency that has certified housing

counselors, okay, then they do not need to go back through and do it again if they have a certificate that says that they have received Housing Counseling.

I think when I see other areas, I'm wondering if they're thinking because of the options we talked about here, Carrie, around rental housing counseling or something else, or post-purchase, is something that is on our graphic but there's no requirement in the HOME program to do post-purchase. But certainly chat in with us either here or on Whova if there's something that we're missing in terms of your question. I definitely want to make sure that you're getting everything answered.

Carrie Kornberg: I think we've gotten to just about all of the questions. Do you see any more that you want to address Shawna?

Shawna LaRue Moria: Only that somebody slid in just needed to ask a quick question, which is awesome, about permanent supportive housing in terms of getting their folks certified. So if it's currently underneath the homeless programs let's go ahead and invite you to come back to the session that we're going to do right after this to really unpack homeless Housing Counseling in a nutshell for the [inaudible] ESG.

If you're talking about HOME-ARP and the potential future of having Housing Counseling as a supportive service, or as a stand alone activity as you've learned in this session, if you are going to do either of those, the notices is clear that in those cases for serving those under the HOME-ARP program that Housing Counseling is a requirement.

So in this case your counselor would probably need to go back and get certified and your agency would need to get HUD approved. So if you're paying for Housing Counseling and it meets the definition of Housing Counseling as we discussed in Part 5.100 then it definitely needs to be certified.

So I just want to make sure that I drew your attention to these resources that I had couldn't pull up before. We went ahead and put together CPD rental assistance cheat sheets and we also did the same thing with the Housing Counseling as well and this just gives you a lot of additional resources.

So want to make sure that you saw those. They're all on the Housing Counseling serving communities webpage. They just happen to be on underneath yesterday's session that if you missed, please go back about what CPDG grantees need to know about Housing Counseling. It'll be about invaluable to you.

So we just want to thank you so much for being here with us but we can continue the conversation on Whova. We will still be answering questions and having HUD staff also engaged with us there as well for anything that you might need.

I just showed you the event webpage and I also showed you those two resources that you can take a look, as well as you can take a look as well as the HUD Exchange Counseling Website.

And then if you ever want to touch base with HUD directly, you can always email them at housing.counseling@HUD.gov.

And then we have the session on homeless housing and service enriched housing just in 30 minutes from now. Then you get a break and then please come back at the end to hear about from others like Tennessee and Clinch-Powell for example and their CHDO and Housing Counseling agency partnership in the later session today. And then we will have a closing with folks from field policy management as well as the SNAP's office with David Berenbaum with some next steps in terms of creating more partnerships among all the programs.

So thank you so much for attending. And we'll see you back here for the homeless session. If you are interested in that topic. Thank you so much.

(END)