



# RATIFICATION AND ACCEPTANCE OF HOME –ARP FUNDING

RS-22-015

January 18, 2022

# Background

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- The American Rescue Plan Act of 2021 appropriated \$5 billion nationally to provide housing, supportive services and shelter for persons who experience homelessness
- October 25, 2021, the City was notified of the allocation and HUD presented the grant agreement to the City - allocation \$1,778,641
- All HOME-ARP funding must be expended by September 30, 2030

# Background

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- The qualifying populations for HOME-ARP funds include:
  - ▣ Homeless persons
  - ▣ Persons At-risk of homelessness
  - ▣ Persons fleeing/attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking
- HOME-ARP funds can only be used for four eligible activities:
  - ▣ Production or preservation of affordable housing
  - ▣ Tenant-based rental assistance
  - ▣ Supportive Services
  - ▣ Non-congregate shelter

# Requirements of HOME-ARP Funding

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- **Develop an Allocation Plan** that describes how the City intends to distribute HOME-ARP funds and how the funds will address the needs of the qualifying populations
- **Meetings/Consultations** - The City must meet with agencies and service providers whose clientele include the qualifying populations to identify unmet needs and gaps in housing or service delivery systems
- **Public Participation** – The City must provide for and encourage citizen participation in the development of the HOME –ARP Allocation Plan
  - Provide residents notice and opportunity to comment on the allocation plan, and describe the efforts made to broaden that participation
  - Hold at least one public hearing during the development of the plan prior to submitting it to HUD, provide a summary of public comments

# Allocation Plan Requirements

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- ❑ Needs Assessment and Gaps Analysis – evaluate size and demographic composition, identify gaps in current shelter and housing inventory as well as service delivery systems
- ❑ Description of HOME-ARP Activities – how the City will utilize/distribute the funds to meet priority needs
- ❑ HOME-ARP Production Goals – estimate # of affordable housing units
- ❑ Preferences- identify if City intends to give preference to one or more qualifying populations
- ❑ HOME-ARP Refinancing Guidelines –If City intends to use HOME-ARP funds to refinance existing debt on housing that is being rehabbed with HOME-ARP funds
- ❑ Certifications –must submit required federal certifications

# HUD Review of Allocation Plan

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- ❑ HUD has 45 days to determine that Allocation Plan is complete and consistent the purpose of HOME-ARP
- ❑ The City must make the approved HOME-ARP Allocation Plan available to the public
- ❑ City must set up a separate local account for deposit of these federal funds
- ❑ HOME –ARP funds have a September 30, 2030 expenditure deadline.

# Funding & Administrative Costs

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- ❑ The City may immediately use up to 5% of the total grant for administrative and planning costs - \$88,932.05
- ❑ In order to receive the remaining 10% administrative funds \$177,864.10, the City must submit a HOME-ARP Allocation Plan approved by HUD and then all the remaining funds can be made available
- ❑ Total 15% admin/planning funding will allow for the hiring of staff for allocation plan development, project development, grant management, monitoring and compliance with federal requirements
- ❑ Remaining \$1,511,844.85 will go to the eligible projects approved in the Allocation Plan

# Alternatives

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- Return the HOME-ARP funding to HUD
- Ratify and accept the HOME-ARP funding from HUD and begin process for developing and submitting the Allocation Plan

# Recommendation

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- Ratify and accept the HOME-ARP funding from HUD and begin process and requirements for creating the Allocation Plan.