



HOME-ARP Applicant Orientation

HOME Investment Partnerships American Rescue Plan Program

HOME ARP: The Basics



Overview



Available Funding



Subrecipient Requirements



Program Guidelines



Application Criteria



Timeline

Available Funding

- The City of Norfolk was allocated \$4,517,686 in HOME ARP funds.
- The City of Norfolk will receive funds upon submission and approval of our HOME ARP Allocation Plan.
- The period of performance for the City's HOME ARP grant is through September 30, 2030.

Subrecipient Requirements

- Be a 501(c)3 organization or unit of local government for service provision; quasi-government agency such as a housing authority; or for-profit developer
- Must have capacity to meet requirements of HOME ARP grant
- Subrecipient agencies must maintain compliance with the Uniform Administrative Requirements for Federal Awards (2 CFR 200)
 - Strong Administrative and Financial Systems and Internal controls
 - Policies and Procedures (procurement, confidentiality, non-discrimination, etc)
 - *See checklist of required documentation in the application*
- If awarded, make continuous progress toward outcomes, report regularly, spend timely, and meet program requirements
 - The application window will open June 17 for two weeks. It will close July 1.

Program Guidelines and Requirements

- HOME ARP vs. HOME
- Qualifying Populations
- Preferences
- Limitations
- Referral Methods
- Eligible Activities
- Allocation Plan

HOME-ARP vs HOME

HOME-ARP provides funds for homelessness and supportive services assistance under the HOME statute, but certain requirements are waived:

- No matching requirements
- No 24-month commitment deadline
- No maximum per unit subsidy limit (aka, 221(3) limit)
- No set-aside for housing developed, sponsored, or owned by community housing development organizations (CHDOs)

Qualifying Populations (QPs)

- Homeless
- At-risk of homelessness
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking
- Other populations where assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability

**Veteran status alone does not qualify as a QP*

Qualifying Population: Homeless



QP: Homeless

Homeless as defined by the McKinney Act definition 24 CFR 91.5, paragraphs 1, 2, 3*

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence
- (2) An individual or family who will imminently lose their primary nighttime residence
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition but who meet other criteria under the statute

** Paragraph 4 of CFR 91.5, which includes individuals and families fleeing domestic violence, is omitted from the QP definition for the HOME ARP Program*

Qualifying Population: At Risk of Homelessness



QP: At Risk of Homelessness

At Risk of Homelessness as defined by the McKinney Act definition 24 CFR 91.5

- (1) An individual or family
 - I. That has an annual income below 30 percent of median family income for the area, as determined by HUD
 - II. Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or becoming homeless
 - III. Meets one of several conditions:
 - A. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - B. Is living in the home of another because of economic hardship;
 - C. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - D. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - E. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - F. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - G. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan

QP: At Risk of Homelessness

At Risk of Homelessness as defined by the McKinney Act definition 24 CFR 91.5*

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under

- section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)),
- section 637(11) of the Head Start Act (42 U.S.C. 9832(11)),
- section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)),
- section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)),
- section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or
- section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under

- section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)),
- and the parent(s) or guardian(s) of that child or youth if living with her or him

** This definition is the same as in the ConPlan and for the CoC*

Qualifying Population: Fleeing or Attempting to Flee Domestic Violence



QP: Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For purposes of HOME ARP, this definition has been broadened from 24 CFR 91.5 to include:

- Definitions of Domestic Violence, Dating Violence, Sexual Assault, and Stalking from Violence Against Women Act regulation at 24 CFR 5.2003
- Definition of Human Trafficking from Trafficking Victims Protection Act of 2000, which includes both sex trafficking and labor trafficking

The definition also eliminates the requirement that individuals or families in this QP have no other residence and lack resources or support networks.

Qualifying Population: Other Populations



QP: Other Populations

Other populations (or households) where assistance:

- would prevent the family's homelessness, or
- serve those with the greatest risk of housing instability

The statutory language for “other populations” is not the same as the definition Congress established for Emergency Housing Vouchers (EHV)

“Other populations” is a single definition with multiple parts and the city must implement the entire definition in its HOME ARP Program

QP: Other Populations

Other populations requiring services or housing assistance to prevent the family's homelessness:

- previously qualified as “homeless” as defined in 24 CFR 91.5 (the same as the Consolidated Plan and CoC definition)
- 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

QP: Other Populations

Other populations where assistance would serve those with the greatest risk of housing instability:

- Those with an 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)
- Those with an annual income $\leq 50\%$ of AMI and meets one of the conditions in paragraph (iii) of “At risk of homelessness” definition at CFR 91.5 (see slide 9 for this list)

Preferences



Preferences: Implementation

HOME-ARP funding will be in alignment with the CoC that includes Norfolk, therefore a preference will be given to chronically homeless and homeless veteran households.

Preferences: Method of Prioritization

Definition: A process by which the city, CoC Coordinated Entry (CE), subrecipient, or project owner determines how two or more eligible QP applicants who qualify for the same or different preferences are selected for HOME-ARP assistance.

For prioritization for referrals to housing programs, the CE prioritization list is sorted dynamically by the recommended program (i.e., Rapid Re-housing (RRH), Transitional Housing (TH), and Permanent Supportive Housing (PSH). After households are recommended for a housing program, households are prioritized by length of time homeless and score on the housing needs assessment. Additionally, the CoC prioritizes chronically homeless and veteran households.

- *Chronically Homeless Veteran households*
- *Homeless Veteran Households*
- *Chronically Homeless Households*
- *Other Homeless Households*

If the target qualifying population of your project does not fit the preference and method of prioritization of CE, then you must state this in your application.

Limitations



Limitations

- Limitations exclude certain QPs or subpopulations of QPs from eligibility for a project or activity (unlike preferences, which provide priority to a QP or a subpopulation).
- Providers may not exclude any qualifying populations from services.
- Norfolk will comply with all nondiscrimination and equal opportunity requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements.

Referral Methods



Referral Methods

- The standard (or typical) referral method for families and individuals at-risk of or experiencing homelessness is through the Continuum of Care (CoC) Coordinated Entry (CE) process. CE is a centralized process designed to facilitate program participant intake assessment and provision of referrals within a defined area.
- CE does not capture all QPs required for HOME ARP Program consideration. Therefore, we must expand CE to include all QPs or look to other referral methods.
- The City of Norfolk will use Coordinated Entry for certain QPs and supplement with referrals from other agencies or project-specific waiting lists to ensure access to all QPs.

Eligible Activities

- Affordable rental housing
- Supportive services

Affordable Rental Housing



Affordable Rental Housing: Overview

- There are many challenges to developing financially viable affordable housing to HOME ARP populations.
- HOME-ARP funds for affordable housing will be provided as a grant to eligible project owners.
- HOME-ARP will help reduce debt service and cover operating costs to make projects financially viable over the compliance period.
- Minimum 15 years compliance period, regardless of amount of investment or activity.
- For affordable rental assistance only, expanded beneficiaries to include low-income (LI) households in addition to targeted QPs.
- HOME-ARP funds may not be used for home buyer housing or homeowner rehab.

Affordable Rental Housing: Activities

Eligible Activities:

- Acquisition / construction / rehabilitation (includes conversion of nonresidential buildings to housing) of standard rental housing
- Acquisition of vacant land or demolition permitted only with respect to specific HOME-ARP project with construction expected to begin within 12 months of commitment
- May assist one or more HOME ARP units in a project, so it does not have to be the entire building

Please note:

- After project* completion, the number of HOME ARP units cannot decrease
- Additional HOME ARP investment permitted for operating cost assistance only during compliance period and period to end of HOME ARP budget period (Sept 2030)
- Additional HOME ARP investment for capital costs are prohibited except within 12 months of project completion

** Must meet definition of “project” in 24 CFR 92.2 (HOME definition)*

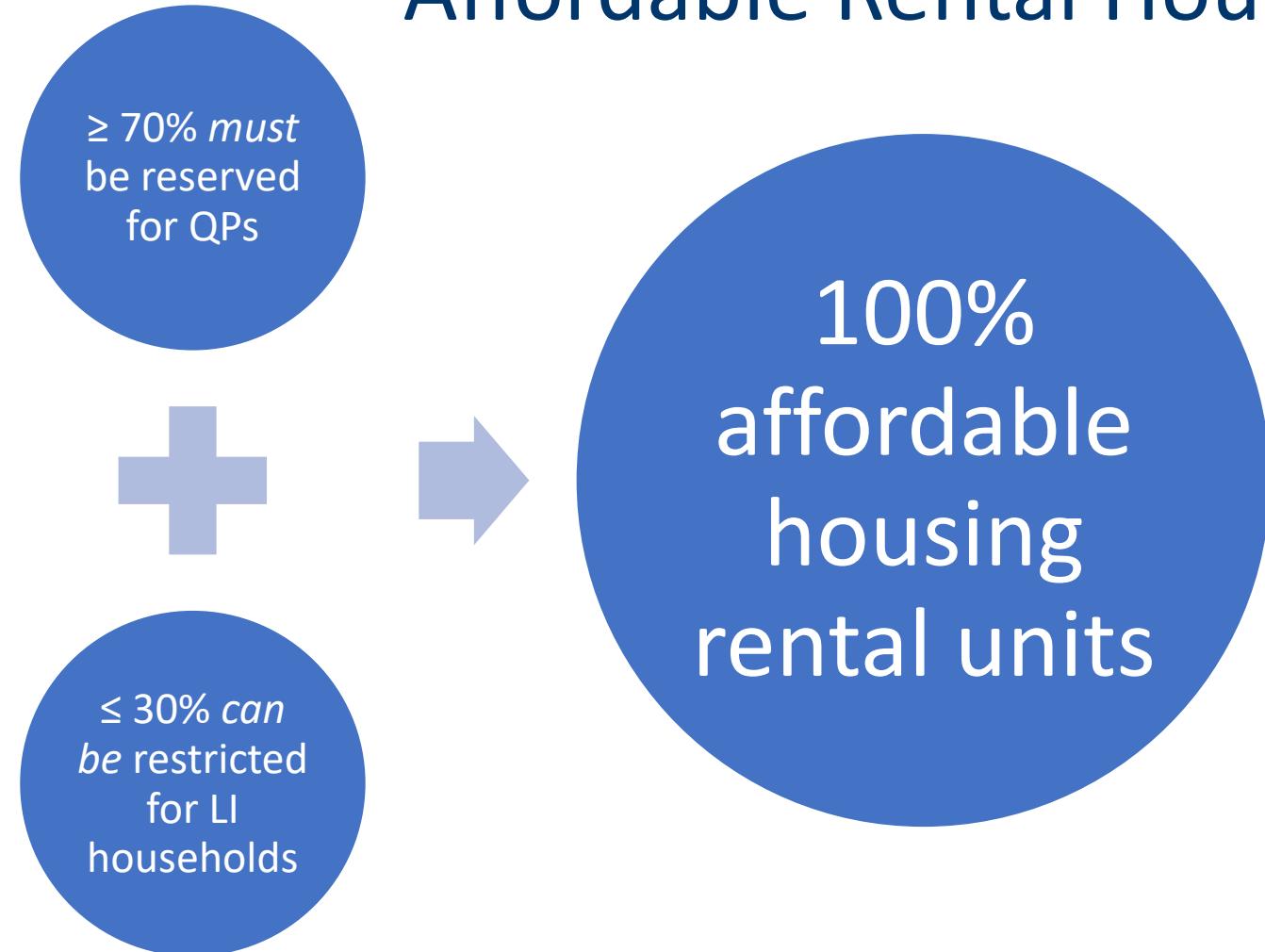
Affordable Rental Housing: Costs

Eligible costs:

- Development hard costs (24 CFR 92.206 (a))
- Acquisition costs of improved or unimproved real property
- Refinancing of existing debt secured by rental project rehabilitated with HOME ARP (24 CFR 92.206 (b)(2))
- Soft costs (24 CFR 92.206 (d))
- Relocation (24 CFR 92.206 (f)), 92.235)
- Costs related to payment of construction loans, bridge loans, or guarantee loans
- Operating cost assistance/reserves for QP units

Ineligible costs are the same as those in the regular HOME Program (24 CFR 92.214). Except HOME-ARP costs can be used for operating costs assistance/reserve only for units restricted for occupancy by QPs.

Affordable Rental Housing: Target QPs



- Rental housing targeting permits cities to use HOME ARP funds for low-income households. *But it must primarily benefit QPs.*
- Percentages apply to the overall number of affordable rental housing units paid for with the City's HOME ARP funds.

Affordable Rental Housing: Requirements

Requirements (same as HOME program) Requirements (new)

- Maximum rent levels
- Initial/Ongoing occupancy req
- 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
- QPs vs. income qualification
- Operating assistance/reserves
- Multiple methods for tenant admission
- Master leases
- Single compliance period

Supportive Services



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

Three different categories of supportive services:

- Supportive Services
 - adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act
- Homelessness Prevention Services
 - adapted from Emergency Solutions Grant (ESG) regulations. For HOME ARP they are revised, supplemented, and streamlined
- Housing Counseling Services
 - as defined in Part 5 of HUD's Housing Counseling Regulations, includes requirement that counseling only be provided by HUD-certified housing counselors

Supportive Services

Eligible Costs associated with McKinney Vento Supportive Services and Homeless Prevention Services:

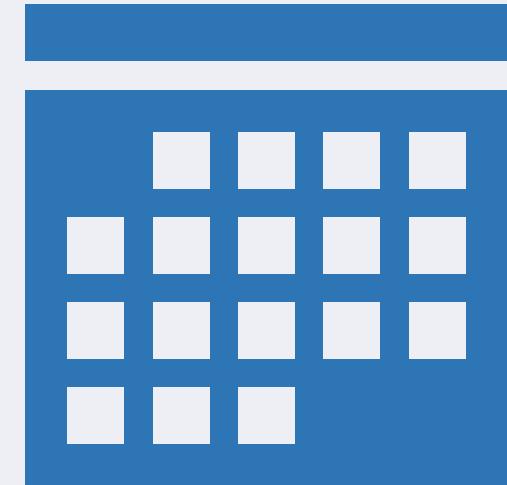
- Childcare
- Education services
- Food
- Legal Services
- Life skills training
- Mental Health Services
- Outpatient Health Services
- Employment assistance and job training
- Housing search and counseling services
- Outreach Services
- Substance Abuse Treatment Services
- Transportation
- Case Management
- Mediation
- Credit Repair
- Landlord/Tenant Liaison
- Services for Special Populations
- Financial Assistance Costs

Supportive Services

Eligible Costs associated with 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

Allocation Plan



Allocation Plan

- Must consult with all required agencies and service providers listed in the Notice
- Must make public the amount of HOME ARP funds received, hold a public hearing, and provide 15 calendar days for public comment on the plan
- Must draft the Allocation Plan, which will describe consultations, public participation, and needs assessment and gaps analysis
- Must submit the Allocation Plan to HUD and, upon approval, publish it publicly
- Norfolk's Allocation Plan was submitted in March and approved April 2023

Application Criteria

- Must meet minimum qualifications
- Must be submitted on time (June 2024)
- All sections must be completed thoroughly

Application Criteria

- Funding requests (budget and cost effectiveness; includes underwriting for housing development projects)
- HOME ARP-specific eligibility
- Program description and scope
- Administrative and financial capacity (demonstrated capacity to manage large grants for individual projects)

Links to HOME ARP Program Information

- Notice CPD-21-10 and Appendix: Requirements for the Use of Funds in the HOME-ARP Program
- Uniform Administrative Guidance for Federal Awards (Code of Federal Regulations – CFR)
- HOME-ARP Policy Brief: Preferences, Methods of Prioritization, and Limitations
- HUD Exchange main page hosts additional HOME ARP information and webinars



Contact Us!

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Questions or Comments?