

April 26, 2021

Arthur Jemison
Principal Deputy Assistant Secretary
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Mr. Jemison,

The American Rescue Plan Act of 2021 was signed into law on March 11, and includes \$5 billion for homelessness assistance and supportive services. Available through the HOME Investment Partnerships program (HOME), resources will be instrumental to aiding persons experiencing homelessness and at-risk of becoming homeless. The statute directs any program requirements can be waived with the exception of those related to labor, environmental, discrimination, and fair housing. COSCDA encourages HUD to maximize this ability and allow flexibilities supporting grantees with streamlined administration, improved targeting of resources, and accelerated application of funds. As states are underway in program preparations, COSCDA requests assistance from the Office of Affordable Housing in issuance of waivers and related accommodations for program activities.

COSCDA offers the following waiver recommendations for consideration:

Change of use during the affordability period

A waiver allowing for change of use during the affordability period is critical to funding sustainable projects applicable to target populations. As an emergency resource in pandemic response, supplemental funds for homelessness assistance via HOME should be designated to meet immediate needs. The need for a different project or expansion of existing development may be evident in subsequent months and years. Affordability periods as current would prevent projects from being adapted for this purpose. If HOME-eligible activities and beneficiaries are served, a change in the affordability period should be a reasonable accommodation.

PJ ability to determine affordability timelines

Shorter periods of affordability would also be helpful to promote additional projects and services. If allowed to determine affordability timelines, participating jurisdictions can redirect funds to further housing opportunities and related support. For example, HOME funds are provided as loans in some jurisdictions. Funding is

returned as program income and can be reutilized by the PJ for additional housing developments. This type of flexibility is welcomed in order to promote various use of funds for different projects and activities.

Suspension of the per unit subsidy limit

COSCOA also requests a suspension of the per unit subsidy limit. HUD provided this suspension due to the impacts of COVID-19 allowing PJs the ability to use funding for preservation and construction of additional units of affordable housing. Similarly, a suspension of the subsidy limit is needed to ensure available funds can support costs associated with project development and be invested in eligible project opportunities.

Match waivers and flexibilities of APRA HOME to formula funding

The ability to use formula HOME funds in combination with ARPA program resources would support further assistance to eligible populations. In combining annual funds with the supplemental aid under ARPA, PJs can improve access to services and projects for targeted populations. We recommend existing limitations be removed on formula funds which would prevent these resources from coming together to support activities.

Waiving requirement on properties to invest further HOME funds

A waiver is also recommended removing the requirement for PJs to demonstrate troubled property in order for a project to access additional HOME funding during its affordability period. Currently, there are regulatory limits to providing additional HOME funding to projects during the affordability period. A conversion, for instance, from non-congregate shelter to permanent housing could be accomplished if PJs have the flexibility to award additional HOME funds to projects during the affordability period. By removing the regulatory requirement that projects must be considered troubled before this occurs, conversions can be accomplished.

Suspend Section 3 requirements on APRA HOME projects

As compliance with the latest Section 3 Rule is new, we request a waiver on projects supported by ARPA HOME funding. HOME through APRA is intended for pandemic recovery. In order to expedite resources in response to emergency needs, a streamlined approach with fewer administrative hurdles is warranted. Furthermore, grantees will need to navigate all eligible activities available to fund. As HOME administrators may invest in activities traditionally supported by homeless assistance providers, additional administrative practices will be required. Time and resources should be prioritized towards essential actions serving beneficiaries in the near term. The application of Section 3 especially in its new form may divert grantees from this goal.

Extend eligibility period on rental assistance and use of funds on operating costs

Additionally, we request extending the eligibility period for rental assistance as well as use of funds for operating costs. As needs have multiplied around homelessness services, further support is required in housing access and availability. An extension of the eligibility period for rental assistance is warranted to keep people housed and remaining in their homes. Additionally, operating costs will be necessary to ensure housing and homelessness programs can remain active and relevant. Further support to both extends housing and supportive services while additional resources are made available such as housing vouchers.

Further clarification and support is requested regarding the following:

COSCDAs asks for guidance and support from HUD on promoting collaboration between housing and homelessness program managers in applying APRA funding. The supplemental aid presents an opportunity for this connection however many HOME PJs may have limited ability to interact with corresponding homelessness program contacts at the state and local level. Any ability from the agency to promote partnerships would better facilitate delivery of resources.

Further directive is requested on eligible beneficiaries under the new HOME program. Clarification would be helpful to grantees in determining how individuals and families can qualify for assistance. Specifically, does eligibility only extend to those persons at or below 30% area median income? Or, for those determined to be at-risk of homelessness, can individuals and families access assistance if their incomes are above this level?

Information highlighting eligible projects and services would also assist PJs in program implementation. Since both McKinney-Vento and HOME activities are qualifying investments, related examples would offer guidance to benefit PJs in determining forthcoming plans and actions.

States are dedicated to ensuring new funding is responsive to housing and related needs for vulnerable populations. Collaboration is key and COSCDA will continue to share related information, guidance, and resources from various jurisdictions. HUD guidance and technical assistance will aid grantees in navigating administrative issues, identifying eligible activities and beneficiaries, and facilitating project implementation. Further, if available, our aforementioned recommendations will enhance program development and enhance PJs capabilities in meeting the needs of homeless and at-risk populations. Thank you for your consideration and attention to this new resource and opportunity.

Sincerely,



Dianne E. Taylor
Executive Director