Critical Issues for HOME-ARP Implementation

2023 COSCDA Program Managers Training Conference

Today's Presenters

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Today's Topics

- You're in the HOME-ARP session
- High-level overview
- Current status and challenges
- Program implementation
- Available and upcoming guidance and TA
- Questions

HOME-American Rescue Plan (HOME-ARP)

- The American Rescue Plan includes $5 billion of supplemental HOME funds to provide housing, shelter, and supportive services qualifying populations.
- Funds allocated via HOME formula to all FY 2021 HOME participating jurisdictions
  - Formula allocations published April 8, 2021
  - https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP.pdf
- Funds available for expenditure until September 30, 2030
- Implemented by CPD Notice 21-10
  - *Requirements for the Use of Funds in the HOME-American Rescue Plan Program*
- Appendix to CPD Notice 21-10 outlines waivers and alternative requirements
  - *HOME-ARP Appendix – Waivers and Alternative Requirements*

Qualifying Populations

Funds must primarily benefit eligible "qualifying populations:"

- Homeless
- At-risk of homelessness
- Fleeing or attempting to flee domestic violence, dating violence, sexual violence, stalking, or human trafficking
- Other populations for whom supportive services or assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability
- Veterans and families that include a veteran member that meet one of the preceding criteria

Eligible Activities

1. Tenant-based rental assistance

2. Development of affordable rental housing

3. Supportive services to qualifying individuals or families not already receiving such supportive services

4. Acquisition and development of non-congregate shelters

Program Administration

- Statutory suspension and alternative requirement authority
    - Match, commitment requirement, community housing development organization (CHDO) set-aside, and max per-unit subsidy limits suspended in HOME-ARP Statute
- Up to 15% administration and planning set-aside
    - 5% provided for development of the allocation plan
- Up to 5% operating assistance to CHDOs and other nonprofits carrying out activities
    - Up to an additional 5% for capacity building

HOME-ARP Allocation Plans*

- 648 PJs eligible for HOME-ARP allocation
  - 382 submitted (59%) / 260 not submitted (40%)
  - 249 accepted (38%)
  - 6 declined (<1%)
- Planned use of funds based on accepted plans:
  - 64% rental
  - 18% non-congregate shelter
  - 13% supportive services
  - 5% TBRA

*as of March 16th

Plan Status in the Room

- How many submitted plan to HUD?
- How many plans are under HUD review?
- How many have an accepted plan?
- How many have started project/activity selection?
- How many have committed funds to projects/activities?

HOME-ARP States PJs with no Plan Submission

- California
- Massachusetts
- Oregon
- Oklahoma
- Minnesota
- South Carolina
- Maryland
- Washington
- Puerto Rico

Use of Funds in the Room

- How many are using funds for rental projects?
- How many are using funds for non-congregate shelter projects?
- How many are using funds for supportive services activities?
- How many are using funds for TBRA activities?

HOME-ARP Activity*

- 70 activities set up in IDIS

- 2 completed (1 NCS; 1 rental)

- 68 open (states: FL, HI, AK, NM)

- Current open activities by type:
  - 18 (26%) rental
  - 6 (9%) non-congregate shelter
  - 38 (56%) supportive services
  - 6 (9%) TBRA

*As of March 13th

HOME-ARP Allocation Plan Deadline

- CPD Notice 22-13: *Revisions to HOME-ARP Allocation Plan Requirements and Final Submission Deadline for all HOME-ARP Allocation Plans*
  - Establishes March 31, 2023, submission deadline
  - Failure to submit results in PJ forfeiting HOME-ARP allocation
  - Establishes reallocation procedures
- FAQs on Notice
- Guidance and other resources available on HUD Exchange

Allocation Plan Questions

- Participating jurisdictions may send HOME-ARP allocation plan questions to:
  - CPD in local HUD Field Office
  - [Ask A Question (AAQ) portal](#) on the HUD Exchange
  - [HOMEARP@hud.gov](#) (HUD's Office of Affordable Housing Programs)

HUD Review Standard for Allocation Plans

- 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.
- 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.

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Common Issues in Disapproved Plans

- Failure to describe the needs of all four QP
- Needs/gaps and activity narrative indicates a preference but PJ fails to establish preferences
- Preferences are not described based on QP definitions
- Failure to justify proposed limitation/explain why a preference is not sufficient to accomplish the PJ's goal
- Descriptions of projects or activities that violate fair housing, civil rights and nondiscrimination requirements
  - Disability-specific housing projects or preferences
  - Single-sex shelters to serve the domestic violence/sexual assault/trafficking QP
  - Shelters limited to single individuals (families not permitted)
  - Possible violations of the Age Discrimination Act – housing or shelter for youth
- Description of the use of Coordinated Entry, however the plan does not establish preferences or a method of prioritization

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.
  - PJ is not required to conduct public participation unless the PJ's original public participation is determined to be deficient.
- 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.

Substantial Amendments

- 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 <u>not</u> 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 for review.

Reallocation After the Submission Deadline

- CPD Notice 22-13 also discussed reallocation of HOME-ARP funds when:
  - PJ does not submit an allocation plan by March 31, 2023
  - PJ declines / returns its HOME-ARP allocation before March 31, 2023
  - PJ never gets to an accepted plan

Reallocation After the Submission Deadline

- State PJ that receives reallocated funds from a local PJ
  - After HUD reconciles available HOME-ARP funds from local PJs in state that did not submit HOME-ARP allocation plans
  - HUD will notify State of amount of reallocation
  - State must accept or decline reallocated funds
  - If State accepts, HUD amends State's HOME-ARP grant agreement to add reallocated funds and sends to State for execution

Reallocation After the Submission Deadline

- If State PJ <u>does</u> <u>not</u> accept reallocated HOME-ARP funds
  - HUD develop proposed formula allocations for all HOME-ARP local PJs in state
  - Notify HOME-ARP local PJs of amount of reallocation
  - HOME-ARP local PJ must accept or decline the reallocated amount
  - HUD reconcile HOME-ARP local PJs that accept reallocations and runs formula again (if necessary)
  - HUD amend local PJs HOME-ARP grant agreement to add reallocated funds / sends to HOME-ARP local PJs for execution

Reallocation After the Submission Deadline

- HUD notifies PJ of the amount of reallocated funds it will receive
- PJ notifies HUD to accept / decline reallocated funds
- PJ amends HOME-ARP allocation plan to include reallocated funds in accordance with HOME-ARP Notice (CPD 21-10) and citizen participation plan
- PJ submits amended HOME-ARP allocation plan to HUD
- If amount triggers substantial amendment under the participating jurisdiction's citizen participation plan, PJ must follow the substantial amendment process described in section V.C.6. of HOME-ARP Notice (CPD 21-10)
- If amount does not constitute substantial amendment, PJs are encouraged, but not required, to carry out public participation

What Happens After Plan Approval?

- CPD Field Office:
  1. Changes the status of your plan in IDIS to "review complete"
  2. Contacts you that your plan has been accepted by HUD
  3. Contacts CFO Accounting to provide you access to your full grant amount in IDIS

- Participating jurisdiction:
  1. Begins program implementation
  2. Draft policies and procedures; RFPs
  3. Selects projects and activities based on allocation plan
  4. Commits funds to projects and activities

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

EQUAL HOUSING OPPORTUNITY

Implementation Tips & Reminders

- Amend plan when projects/activities are not reflected in the plan
- Proceed with monitoring in mind
- Oversee subrecipient / state recipient activities
- Report timely
- Direct TA is available

IDIS for HOME-ARP

- PJs will use IDIS to:
  - Submit HOME-ARP Allocation Plan (as an attachment)
  - Set up HOME-ARP activities
  - Subgrant funds to subrecipients
  - Fund activities with HOME-ARP
  - Drawdown HOME-ARP funds from the Treasury account
  - Report HOME-ARP accomplishments
- There are no HOME-ARP receipt fund types (e.g., PI, HP, IU)
- HOME privileges in IDIS = same for HOME-ARP

HOME-ARP Reporting

- <u>Rental</u>: Similar to HOME with some differences…
  - Reporting on # of HOME-ARP assisted units
  - Report household characteristics of units occupied by qualified populations and low-income households
  - Report rental operating as a separate but connected activity
    - Accomplishment data transferred from rental activity

- <u>Non-Congregate Shelter</u>: This is new!
  - Report on # of HOME-ARP assisted units
  - No beneficiary reporting
  - Must report disposition of NCS converted to another eligible use
    - Annual reporting during restricted use period or until converted to permanent housing

HOME-ARP Reporting

- <u>TBRA</u>: Similar to HOME with some differences…
  - Reporting on # of HOME-ARP assisted households
  - Report household characteristics of units occupied by qualified populations
  - Funding limited to amount committed for assistance to households
- <u>Supportive Services</u>: This is also new!
  - Quarterly reporting on aggregate number of homeless and not homeless households
    - Household level data not required to be entered in IDIS
    - PJ must begin reporting when funds are committed to the activity
    - Must report by 30 days after the end of each quarter until completion

HOME-ARP Guidance/Training/Tools

- [Allocation Plan Template](#) (including annotated version)

- [Field Office Review Checklist](#)

- [Common Issues in PJ Allocation Plans](#)

- [FAQs](#)

- [Allocation Plan Clinic Handouts](#)

- [Office Hours: Understanding the HOME_ARP Allocation Plan Submission Deadline and Fund Reallocations](#)

- [Public Participation Video FAQ](#)

- [Housing Production Goal Worksheet and Video FAQ](#)

- Webinar - [HOME-ARP Planning Process](#)

HOME-ARP Guidance/Training/Tools

- Webinar - [Understanding HOME-ARP Preferences Referral Methods, and Allocation Plan Requirements](#)

- [Preferences, Limitations, and Referral Methods Policy Brief](#)

- Introduction to the Homeless Service System for HOME-ARP PJs
  - Webinar - [HOME-ARP: Introduction to Coordinated Entry and HMIS](#)
  - Webinar - [HOME-ARP: Introduction to Systems Service People Experiencing Homelessness & At Risk of Homelessness](#)
  - [HOME-ARP Eligible Activities-CoC/ESG Housing and Services Crosswalk](#)
  - [HOME-ARP Qualifying Populations-CoC/ESG Eligible Participants Crosswalk](#)
  - [HOME-ARP Project & Activity Funding – Homeless Housing and Services Funding Crosswalk](#)

HOME-ARP Guidance/Training/Tools

- Webinar - [HOME-ARP 101: Non-Congregate Shelter Basics](#)
- [HOME-ARP Guide to ESG for PJs developing NCS](#)
- Webinar - [HOME-ARP 101: Understanding URA, Section 104(d), and Program Acquisition and Relocation Requirements](#)
- [HOME-ARP Policy Brief: URA and Section 104(d)](#)

HOME-ARP IDIS Training

- [Submitting Your HOME-ARP Allocation Plan in IDIS Tutorial](#)
- HOME-ARP IDIS Tutorials:
  - [HOME-ARP Subgrants and Subfunds](#)
  - [Elements of HOME-ARP Administration and Planning Activities](#)
  - [HOME-ARP NCS Activities](#)
  - [HOME-ARP TBRA](#)
  - [HOME-ARP Supportive Services](#)
  - [IDIS for HOME-ARP Rental and Rental Operating Activities](#) (3/15/23) - materials to be posted

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HOME-ARP Technical Assistance

- HOME-ARP Allocation Plan Virtual Clinics
  - 5 clinics held in December 2022 based on PJ cohort (States, consortia, small, medium and large PJs) – 174 PJs
  - 2 clinics and 1 office hours held in February 2023 – 142 PJs
- HOME-ARP Allocation Plan In-Person Problem Solving Clinics
  - 17 in-person clinics held in January 2023 – 192 PJs
  - 5 handouts describing allocation plan requirements (available on the HUD Exchange)
- One-on-One PJ Problem-Solving Consultations
  - Appointments were available Tuesdays and Thursdays from February 16-March 14 – 119 PJs
- Direct Technical Assistance (HUD Exchange TA Portal)
  - 21 active or completed engagements for allocation plan
  - Available for allocation plan or implementation needs

HOME-ARP Technical Assistance

- How many in the room were able to participate in Allocation Plan Virtual Clinics, Allocation Plan In-Person Problem Solving Clinics, One-on-One PJ Problem-Solving Consultations, or Direct Technical Assistance (HUD Exchange TA Portal)?

Upcoming HOME-ARP Technical Assistance

Coming soon:

- Two primers on Coordinated Entry and HOME-ARP Referral Methods
- Webinar - Implementing Preferences and Referral Methods in HOME-ARP
- HOME-ARP Rental Underwriting Template and webinar
- HOME-ARP Non-Congregate Shelter Costs Guide
- HOME-ARP TBRA and CoC Rapid Rehousing Crosswalk
- HOME-ARP TBRA Sponsor Role Factsheet and Checklist
- HOME-ARP Non-profit Operating and Capacity Building Costs Handbook
- HOME-ARP Supportive Services Workshop – Partnering with service providers
- Integrated Supportive Housing webinar

Upcoming HOME-ARP Technical Assistance

New assignments for 2023:

- Sample written agreement for each HOME-ARP eligible activity
- Compliance in HOME-ARP Rental Projects: A Guide for PJs
- Training and factsheet on operating cost assistance and replacement reserves
- Training for California PJs on HOME-ARP and Project Homekey
- HOME-ARP Cost Allocation tool
- Factsheet and training on HOME-ARP NCS due diligence requirements
- HOME-ARP TBRA Model Guide
- Policies and procedures for HOME-ARP supportive services activities
- Guide and webinar on tenant selection requirements
- Guide and webinar on HOME-ARP Part 5 Housing Counseling services

Upcoming HOME-ARP Technical Assistance

- Environmental Review TA:
  - Part 58 Environmental Review Checklist for Rental and NCS activities
  - CENST video FAQ for TBRA and Supportive Services
- Relocation and lead-based paint requirements for HOME-ARP TA

Future Assignments:
- Qualifying populations definitions checklist and forms
- Project file recordkeeping checklists by HOME-ARP eligible activity
- HOME-ARP project profiles
- Using HOME-ARP with LIHTC other financing sources in rental projects
- Capitalizing reserves in HOME-ARP rental projects
- HOME-ARP NCS conversion best practices
- NCS Minimum habitability standards checklist
- Combining HOME-ARP Supportive Services with other eligible activities
- HOME-ARP Supportive Services eligible costs

Questions?