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Welcome and thank you for joining today's conference, Understanding the HOME-ARP Allocation Plan, Submission Deadline and Fund Reallocations. Before we begin, please ensure you've opened the WebEx chat panel using the associated icon on the bottom right corner of your screen. Please note that all audio connections are muted at this time. You are, however, welcome to submit written questions throughout the presentation and these will be addressed during Q and A. To submit your questions in writing, select all panelists from the dropdown menu in the chat panel, enter your question in the message box provided and send. As a reminder, this conference is being recorded. If you require technical assistance, please send a chat to the event producer. With that, I'll turn the conference over to Peter Huber, Deputy Director Office of Affordable Housing Programs. Please go ahead.

Peter Huber:

Hey, good afternoon everyone. Welcome to our office hours webinar about Understanding the HOME-ARP Allocation Plan, Submission Deadline and Fund Reallocations. We are glad to be here with all of you today to talk about our new HOME-ARP Notice, which is CPD Notice 22-13. My name is Peter Huber. I'm the Deputy Director of the Office of Affordable Housing Programs. I'm here with Caitlin Renner, Assistant Director of the Program Policy Division in the Office of Affordable Housing Programs. And we also have our Director Ginny Sardone and our Program Policy Division Director Henrietta Owusu on with us today to help with any questions that come in during today's presentation.

So today we're going to cover CPD Notice 22-13, which is called Revisions to HOME-ARP Allocation Plan Requirements and Final Submission Deadline for all HOME-ARP Allocation Plans. We are going to review CPD Notice 22-13, which revises CPD notice 21-10, which is what we call the HOME-ARP Implementing Notice to add HOME-ARP Allocation Plan Submission Deadline. We'll review the guidance and tools we have out there to help HOME-ARP participating jurisdictions or PJs. PJ is the statutory term for grantees of HOME-ARP funds. We'll review the guidance and tools that we have out there to help PJs develop and submit an acceptable HOME-ARP Allocation Plan. We'll also review the training that we've done on this topic and we'll cover how a PJ can get its HOME-ARP Allocation Plan questions answered, and request technical assistance for development of its Allocation Plan. We'll talk about what happens to the allocation of jurisdictions that are not participating in HOME-ARP. And finally we'll go over the relocation of HOME-ARP funds if there are funds available to reallocate.

So with that, first let's talk about where we are with HOME-ARP. So back on September 13th, 2021, HUD issued CPD notice 21-10, which as I stated is the HOME-ARP Implementing Notice. HUD then obligated all HOME-ARP grants back on September 20th, 2021. So it's been over a year since those two things happened. PJs that have signed and returned their HOME-ARP grant agreements have had access to 5% of their HOME-ARP grants for administration and planning costs. And this is even before the Allocation Plans have been submitted or accepted. So HUD did this to provide PJs with funds to use to

develop their Allocation Plans because regular HOME funds cannot be used for that purpose.

So once HUD accepts a PJ's Allocation Plan, the PJ will have access to its entire grant and can commit HOME-ARP funds to eligible activities and projects. So as of today, HUD has received 221 Allocation Plans for review. That's about 33% of all PJs that have submitted plans, representing about 49% of the HOME-ARP funds allocated to PJs. Of those 221 Allocation Plans, HUD has accepted 130 of those plans, which is about 20% of all PJs' plans.

So as you may know, slow submission of HOME-ARP Allocation Plans is really the number one HOME-ARP issue for CPD leadership, the department's leadership and the administration. So back in September, the principal Deputy Assistant Secretary of HUD's Office of Community Planning and Development, Marion McFadden sent a letter out to PJs that hadn't yet submitted their HOME-ARP Allocation Plans, reminding them of the importance of HOME-ARP funds and offering support and assistance in developing their plans. Currently there are 20 HOME-ARP projects and activities underway in 12 different PJs. And as a reminder, all HOME-ARP grants expire on September 30th, 2030. So we have some time before HOME-ARP grants expire.

So that brings us to the purpose of today's presentation, HUD Notice CPD 22-13 Revisions to HOME-ARP Allocation Plan Requirements and Final Submission Deadline for all HOME-ARP Allocation Plans. That notice was issued on October 31st, 2022. You can find that on our HOME-ARP website. The notice revises the original HOME-ARP Implementing Notice, which was CPD 21-10. It establishes a March 31st, 2023 deadline for PJs to submit their HOME-ARP Allocation Plans to HUD for review. The notice describes the reallocation of HOME-ARP funds when a PJ does not submit an Allocation Plan by the March 31st, 2023 deadline. The notice also discusses the annual Action Plan amendment that's required for PJs to receive reallocated HOME-ARP funds. And finally, the notice reviews repayment scenarios when a PJ has expended HOME-ARP funds without an approved Allocation Plan. So I want to point out that we also posted a separate FAQ document, so a frequently asked questions document, along with the notice. Hopefully that will help address the questions that we anticipated about the notice. So please take a look at that document as well when you're looking at the notice.

So regarding the submission deadline for submitting HOME-ARP Allocation Plan, CPD Notice 22-13 establishes a March 31st, 2023 submission deadline for all HOME-ARP Allocation Plans. So PJs must submit a HOME-ARP Allocation Plan to HUD for review on or before March 31st, 2023. The Notice, 22-13, amends section V.C of the HOME-ARP Implementing Notice, which again is CPD Notice 21-10. It revises the HOME-ARP Allocation Plan requirements including establishing that submission deadline. The notice states that failure to submit a HOME-ARP Allocation Plan results in the automatic loss of the PJs HOME-ARP allocation. And if a PJ fails to submit a plan by the March 31st, 2023 deadline,

HUD will automatically recapture the PJs HOME-ARP funds without an opportunity for a hearing.

So with all that scariness, there is some good news. We have a ton of help out there to help get PJs to the place where they can submit an acceptable HOME-ARP Allocation Plan for HUD's review. So I'm going to turn things over to Caitlin for a few minutes just to walk you through some of that help that's available.

Caitlin Renner:

Thanks, Peter. Okay, so like Peter said, HUD has posted a number of resources for PJs in any stage of their planning process over the last year or so. And I'm going to walk through the guidance, the tools, trainings, and other types of technical assistance that's available to ensure that you're aware while you're developing your plans that there is support out there for you. So this first slide lists the guidance that's posted on the HOME-ARP webpages. The primary resource is always going to be the HOME-ARP Implementing Notice CPD 21-10, specifically pages 12 through 18 establish the requirements for the HOME-ARP Allocation Plan as well as the submission requirements and the review and approval process. In addition, HUD published a HOME-ARP policy brief on preferences, methods of prioritization limitations in May to explain and clarify the HOME-ARP requirements for establishing preferences and limitations in the plan, and then how those preferences and limitations do affect permissible referral methods that can be used by PJs and their HOME-ARP projects and activities.

And HUD has found that inconsistent or conflicting language regarding preferences in the plans that have been submitted thus far or even non-compliant preferences in the plans have often been the reason for plan disapproval. So this policy brief was developed specifically to ensure that PJs understood the requirements and could develop and submit compliant plans that could be approved. So this policy brief is really key if you're currently in the process of drafting your plan.

Next, we put out a list of common issues with the HOME-ARP Allocation Plans, which was actually compiled from HUD's review of the first Allocation Plans that came in over the first six months or so since the notice was published. And obviously the purpose of this is to let PJs know what issues we've been seeing and help you to avoid those problems with your own submissions. So I definitely recommend if you've got a draft plan available and ready for submission, take a look at the common issues and make sure that none of them occur in your own plan.

There's a series of HOME-ARP Allocation Plan FAQs on the hud.gov website covering subtopics of the Allocation Plan like consultation, public participation preferences and plan submission requirements among other HOME-ARP topics. And then finally, for a very concise overview of Allocation Plan requirements HUD did initially publish a series of fact sheets, including a HOME-ARP Allocation Plan fact sheet, right after the notice was published. So if you're looking for a concise overview of the requirements, perhaps to help educate your partners

about the plan requirements or even any of the HOME-ARP eligible activities, you can take a look at those fact sheets on the webpage.

So most PJs are likely familiar that HUD provided an optional HOME-ARP Allocation Plan template. It was updated in May. So the newest template is available now on the webpage. The original template was compliant with the notice, and this current one just is really an update to be a little bit more specific in breaking out certain questions into multiple parts to really help guide PJs through the submission requirements. Therefore, even though it's not required, if PJs use this template, they're very likely to be providing all of the required information in the notice for their plan to be more likely to have their plan approved. So it's just a tool that PJs can use.

And in May HUD also published a PDF version of the template, which is annotated with additional guidance to clarify certain requirements, to provide tips and to advise against certain common mistakes. So that's another tool to use as you're walking through the template and actually filling it in with responses.

HUD also posted the HOME-ARP Allocation Plan Field Office review checklist, which is the actual checklist that your HUD field office staff will use to review your submitted Allocation Plan. So it allows you to consider how the plan's going to be reviewed and evaluated by HUD, and you could go ahead and use that checklist on your own plan to make sure that you've met all the requirements.

And then in April HUD posted a HOME-ARP Housing Production Goal Calculation Worksheet and FAQ, which is fairly self-explanatory. It's just a worksheet that PJs can use to help estimate the number of affordable housing units for QPs that PJs will produce or support with their HOME funds, HOME-ARP funds, excuse me.

So these trainings are the recorded trainings that are currently available on the website. The first Understanding HOME-ARP Preferences, Referral Methods and Allocation Plan Requirements was originally delivered by HUD staff last spring after that policy brief was published. So during the training we explained the HOME-ARP requirements for establishing preferences, limitations and referral methods, and also walked through the required information that PJs need to submit in their plan if they intend to use preferences and limitations.

Next, the HOME-ARP notice webinar was the first in a series of webinars directly after the notice was published to explain the requirements. In this particular session, HUD reviewed the QP definitions and explained the requirements for developing an Allocation Plan. So if you haven't gotten started yet with your plan and you're not familiar yet, haven't read up on the requirements, this could be a good place to start. It's really like an intro level training on the requirements for the plan.

Then there is the HOME-ARP Planning Process webinar, and this was a webinar hosted by a HUD TA provider that really went a little bit more in depth into the consultation and public participation processes in the planning process and explained how consultation in particular is critical to developing a needs and gaps assessment and identifying a PJs funding strategy for HOME-ARP eligible activities. So if you're focused on consultation or public participation, you may want to take a look at this webinar or the next resource, which is the Public Participation Video FAQ, which is just a little bit more of a detailed summary of the public participation requirements, but a bit shorter if you're wanting just to learn a little bit more about public participation and don't need the full HOME-ARP Allocation Plan webinar or even the Planning Process webinar.

And then finally, a more recent resource, an e-tutorial on how to submit your HOME-ARP Allocation Plan in IDIS. It's a demonstration for PJs about how to upload and attach their completed HOME-ARP Allocation Plan to their 2021 annual Action Plan, which is the submission requirement within the econ planning suite in IDIS.

So regarding additional technical assistance, HUD is currently in the process of organizing a series of problem solving clinics for PJs in the planning process or for PJs, as well, who have submitted plans which have not been approved by HUD or have actually been disapproved and so they're working on edits. Or even PJs working on substantial amendments. So there's two parts to this. The first is a series of virtual clinics, which are beginning on December 1st. The first five clinics will take place throughout December. They'll provide an overview of Allocation Plan requirements and an opportunity for PJs to participate in topical breakout sessions. These first clinics are organized by PJ cohort, which is going to include states, consortia, and then we've broken up PJs into small, medium, and large size. PJs can select into these groups.

HUD exchange was used to send a save the date on November 7th. And then registration announcements for each of these sessions will be forthcoming again through the HUD exchange listserv. The initial clinic on December 1st is limited to state and insular area PJs, and so you won't all be seeing registration announcements for that particular clinic, but subsequent clinics will be open to all PJs. And although the material covered may be tailored to the specific PJ cohort listed for that date, PJs are welcome to attend whatever date they're available for and are not limited.

And then HUD will be scheduling additional virtual clinics in January and early February as well that we intend to be topic specific based on the required elements of the plan. So for example, there may be clinics focused just on public participation or on assessing the needs of QPs to help PJs with the specific topic areas that they really would like to discuss and have the most questions about. So keep an eye out for a save the date announcements for those future clinics.

And then the second part of our problem solving clinics is that we're in the process of scheduling in-person clinics throughout the country beginning in

January. So PJs attending those in person clinics will be encouraged to bring along their draft plan to discuss their specific questions and issues with HUD TA providers. We're still working through the logistics for these in-person clinics, but registration will likely be coming through the CPD office in your local HUD field office, and that'll be forthcoming over the next couple weeks to a month. We are diligently putting the logistics together for that.

In addition, we do have direct technical assistance available to assist PJs with the development of their plans. So HUD will consider PJ specific needs and then assign a TA provider to work one on one with the PJ or perhaps in a small cohort, if that makes sense, based on PJ needs. TA assignments can be comprehensive, which would look like a TA provider reviewing an entire draft plan and discussing questions. Or they could be specific and focused on just one part of the planning process or one element of the plan. The types of assistance that TA providers can provide to PJ include training, explaining requirements, providing guidance, and reviewing and commenting on draft Allocation Plans.

So if any PJs are interested in this type of direct assistance, you can request this assistance at any time, including today, through the HUD exchange portal or by contacting your local HUD field office. We do request that if you put a request in, please be specific about where you are in the planning process. Have you started yet? Do you have a draft plan? Are you preparing for submission and you want some sort of review before that happens? And then describe the specific needs or questions you have so that we can create a scope of work for a TA engagement and assign a TA provider to assist you in a way that's useful to you.

And then finally, any other questions you might have that don't require a larger engagement. You have several ways to send them to us that we will be responsive to. So for any Allocation Plan questions, we do have an ask a question portal set up on the HUD exchange, and we are only answering Allocation Plan related questions through that portal. So do know that if you send other HOME-ARP policy questions through that portal, they will get redirected. However, you can always send questions to your CPD representative in your local HUD field office and also directly to HOMEARP@hud.gov, which is a mailbox that's administered by HUD's Office of Affordable Housing Programs here in headquarters. With that, I will turn it back over to Peter.

Peter Huber:

Thanks Caitlin. So back to the new CPD notice. Let's talk for a few minutes about PJs that are not participating in HOME-ARP. So why would a PJ not be participating in HOME-ARP? So obviously, if a PJ doesn't submit an Allocation Plan by March 31st, 2023, it is not participating in HOME-ARP. A PJ may also decline or return its HOME-ARP allocation before March 31st, 2023. So if the PJ decides that it does not want to participate, it doesn't have to wait until March 31st, it can decline its allocation or return its allocation. And to do that, the PJ would notify its field office in writing of its intent not to accept its HOME-ARP allocation or to return its allocation. The PJ's declined allocation amount would then be included in the amount available for reallocation and those funds would

be reallocated according to the requirements of CPD Notice 22-13. So we'll get into the specifics about reallocation here in a few seconds.

So remember the 5% for administration and planning costs to help a PJ develop its HOME-ARP Allocation Plan that I mentioned a few minutes ago? So what happens if a PJ expends its HOME-ARP funds for administration and planning costs, but doesn't submit a plan? So any funds expended for admin and planning costs must be repaid if the PJ does not submit an Allocation Plan by March 31st, 2023, or if the PJ's Allocation Plan is never accepted by HUD. The repayment must be made with non-federal funds to the PJ's HOME-ARP treasury account. And that repayment must be made on or before May 30th, 2023 if the PJ doesn't submit a plan before the deadline or the repayment must be made within 60 days of HUD's final disapproval of the PJ's Allocation Plan if the Allocation Plan is never accepted by HUD. HUD will then recapture the repaid funds from the PJ's Treasury account without an opportunity for a hearing and then HUD would reallocate those funds according to the requirements of CPD Notice 22-13, which we're going to dive into right now.

So let's talk about reallocation of HOME-ARP funds when there are funds available to reallocate. So if a local participating jurisdiction, so think of city, county, consortium, fails to submit a HOME-ARP Allocation Plan before the deadline or if it declines or returns its allocation, or if HUD never accepts its Allocation Plan as being substantially complete and consistent with the purposes of ARP, how are those funds reallocated? Again, a local PJ. If the local PJ is in a state that's submitted a HOME-ARP Allocation Plan, then those funds would be directly reallocated to the state dollar for dollar.

So in these cases, the state must give preference to the use of the reallocated funds within the boundaries of the local PJ that lost the funds. And then if the state did not submit a HOME-ARP Allocation Plan, meaning that it is not participating in HOME-ARP, HUD would reallocate the local PJ's funds by formula to all of the local PJs within the state that have submitted HOME-ARP Allocation Plans and agreed to accept the funds, the reallocated funds.

So in the unlikely event that a state PJ fails to submit a HOME-ARP Allocation Plan before the deadline, or if the state declines or returns its allocation, or if HUD never accepts the state's Allocation Plan as being substantially complete and consistent with the purposes of ARP, then the state PJ's HOME-ARP allocation would be reallocated by formula to all of the local PJs within the state that have submitted HOME-ARP Allocation Plans and that agree to accept the funds, the reallocated funds.

If it's an insular area that fails to submit a HOME-ARP Allocation Plan before the deadline, or if the insular area declines or returns its allocation, or if HUD never accepts the Allocation Plan as being substantially complete and consistent with the purposes of HOME-ARP, then the insular area's allocation would be reallocated proportionately to the remaining insular areas that are participating

in the HOME-ARP program and have submitted HOME-ARP Allocation Plans and agree to accept the reallocated funds.

So I want to talk a little bit about the process of reallocation. So if there are funds available to reallocate, HUD will notify PJs in writing if they're eligible to receive reallocated HOME-ARP funds. Once the PJ is notified, the PJ must accept or decline the reallocated funds in writing within 30 days. HUD will reallocate HOME-ARP funds when it determines there are sufficient funds available to reallocate. So our goal would be to minimize the number of reallocations because we don't want to be amending grant agreements over and over again as reallocations are added to ARP grants.

So our goal is to minimize the number of reallocations, but if there are funds available to reallocate, HUD will reallocate funds at least one time during the period of availability for obligation. The period of availability for obligation for HOME-ARP funds ends on September 30th, 2025. So if you remember many slides back, I said HOME-ARP funds were available to expend until September 30th, 2030, but those funds have to be obligated by HUD to a PJ by September 30th, 2025.

Okay, so the most likely reallocation scenario that we're thinking is that a state PJ will receive reallocated funds from one or more local PJs within the state that either fail to submit a HOME-ARP Allocation Plan before that March 31st, 2023 deadline, or a local PJ that declines or returns its allocation. So in the case of a state that receives reallocated funds from a local PJ, after HUD reconciles all of the available HOME-ARP funds from local PJs in the state that either did not submit a HOME-ARP Allocation Plan before the deadline or that declined or returned their allocation, HUD will notify the state in writing of the amount of reallocated funds and then the state would have to accept or decline the reallocated funds in writing within 30 days. If the state accepts the reallocated funds, HUD would amend the state's HOME-ARP grant agreement to add the reallocated funds and send the amended grant agreement to the state for execution. And once that executed grant agreement's returned to HUD and processed, then the state would have access to those reallocated funds.

So if in the case that a state PJ does not accept the reallocated HOME-ARP funds from one or more of its local PJs within the state that either declined their grant or didn't meet the submission deadline. So what happens in that case if the state doesn't accept the reallocated funds? So in that case, HUD would develop a proposed formula, a proposed formula allocation, for all HOME-ARP local PJs in the state. HUD would notify the local PJs in writing of the amount of the relocation. And again, the local PJ would have to accept or decline the reallocated amount in writing within 30 days. Once HUD reconciles all of the HOME-ARP local PJs within the state that will accept reallocated funds, then we would run the formula again if it's necessary to exclude any PJs that declined reallocated funds. And then once that's done, HUD would draft the amended HOME-ARP grant agreements for the local PJs that accepted the reallocated funds. We would send the amended grant agreement including the amount of

the reallocated funds to the local PJ for execution. And then once the PJ executes that grant agreement returns to HUD and HUD processes the grant agreements then the local PJs would have access to those reallocated funds in their HOME-ARP Treasury account.

So what are a PJ's responsibilities for reallocated HOME-ARP funds? So once HUD notifies a PJ in writing of the amount of the reallocated funds it will receive, the PJ must notify HUD in writing within 30 days whether or not it will accept or decline the reallocated funds. Next, the PJ must amend its HOME-ARP Allocation Plan to include reallocated funds in accordance with the HOME-ARP Implementing Notice and the PJ's Citizen Participation Plan.

The PJ is required to submit its amended HOME-ARP Allocation Plan to HUD. And if the amount of the reallocated HOME-ARP funds triggers a substantial amendment under the PJ Citizen Participation Plan, then the PJ must follow the substantial amendment process described in the HOME-ARP Implementing Notice. If the amount of the reallocation of HOME-ARP funds does not constitute a substantial amendment, then the PJ is encouraged but not required to carry out public participation for that amendment, that not substantial amendment.

So that was short and sweet. That's all we have for you today, overview of CPD notice 22-13, and all of the resources available to PJs to help them submit acceptable Allocation Plans. So hopefully you found this information helpful and since this is an office hours webinar, with that, we can address any questions that have come in. Thank you.

Ginny Sardone: Thank you Peter. We're culling through the questions and we have a bunch. We've answered some privately that we thought were not of general interest, but I think we've gotten the ones that we think are of general applicability. So the first one is, can a PJ use their 5% admin prior to submitting a plan to pay for consultants to help with the development of the HOME-ARP plan?

Peter Huber: So I think we've answered this question maybe in an FAQ or somewhere else. We did get a lot of questions about using consultants to develop the plan and the PJ is not prohibited from using consultants, or a consultant, to develop its HOME-ARP Allocation Plan. And the consultant can incur costs for development of the plan, but the PJ cannot draw down those funds until it has an approved HOME-ARP Allocation Plan.

Ginny Sardone: Right. So in other words, they, a PJ, would have to use its own funds and then reimburse itself. And that is really just an unfortunate drafting sort of situation that we caused. So we won't try and rationalize that as a great policy, but sort of just the way that the notice was written. Next question. Approximately how long has the review process been for HUD to complete the review of Allocation Plans?

Peter Huber: So Allocation Plans are submitted and then the CPD field office reviews the Allocation Plan once it's been submitted, the regulatory requirement is 45 days. So HUD has 45 days to review the plan. And so you should be hearing, if you're a PJ that was asking this question and submitted your plan, you should be hearing something from HUD within that 45 day window.

Ginny Sardone: Right. And then we had a sort a related question from a different participant asking how many times can a PJ resubmit its plan and how long does it have? Do you want to take that one Peter, or you want me to answer?

Peter Huber: Yeah, I mean I can certainly answer it. I don't think there is an answer is the answer. I mean, there's nothing in the notice that says how many times participating jurisdiction can revise and resubmit its plan for HUD acceptance. Ultimately, I think HUD and the PJ will get to the point where there will have to be a determination made, whether or not the plan can ultimately ever be accepted. I just don't think we know what that point is at this point.

Ginny Sardone: Right. Okay. So next question also tied into the same topic. Am I understanding correctly that a PJ must have an accepted HUD Allocation Plan, or excuse me, a HUD accepted Allocation Plan no later than September 30th, 2025?

Peter Huber: No, that is not correct. So the September 30th, 2025 date is for HUD to obligate HOME-ARP grants to PJs. So if a PJ decided to decline its allocation, those grant funds would become un-obligated and then we would be able to reallocate them as described in the notice and throughout this presentation and then reobligate those grant funds. So the deadline for re-obligation, for obligation or re-obligation is September 30th, 2025. And then again all HOME-ARP funds have to be expended by September 30th, 2030. So there is no deadline for having, per se, there is no deadline for having an approved HOME-ARP Allocation Plan. The deadline is for submission of the HOME-ARP Allocation Plan.

Ginny Sardone: Which does not sort of mean that HUD might not at some point in time notify a PJ that sort of, we've determined they cannot achieve an approvable plan. But that's a long way off. Next question, and I'll try and answer this one, and maybe Henrietta wants to jump in. If we want to engage with the TA provider to review our plan prior to submission by what date should we A, contact HUD to request the TA and B, have that plan ready for review given the March 31st HUD deadline? And I guess my answer would be as soon as possible on both A and B, but Henrietta, did you want to add anything to that?

Henrietta Owusu: Absolutely right.

Ginny Sardone: So as soon as possible is the answer. Okay. So the next question, can you explain the admin allowance? I've seen both 5% allowed and 10% allowed.

Peter Huber: Yeah, so both of those are wrong. Really, the HOME-ARP statute allows for 15%. So HOME-ARP has a 15% administrative allowance. What HUD did was early on

we allowed PJs 5% of their grant for administration and planning so that they could develop their Allocation Plans. And so all PJs that have obligated, HUDs obligated all grants, all PJs who have executed their grant agreements and return them to HUD have access right now to 5% of their grant. That's before their Allocation Plan is submitted or approved. And once that happens, so once you have an accepted Allocation Plan, your entire grant gets contracted and is available in your HOME-ARP Treasury account, and then that administrative allowance jumps up to 15% of the grant. So it's 5% initially, and then ultimately it's 15%.

Ginny Sardone: Great, thank you. We got a couple more just submitted. Let's see. Is there a way to, for a local PJ to know if reallocations will be distributed to them from those who decline their allocations, or will HUD just reach out as funds are deemed sufficient?

Peter Huber: Yeah, I would say, you will not hear anything until after that March 31st, 2023 deadline just because we want to give all PJs an opportunity to submit their plans before the deadline. Even if a local PJ decides to decline its grant, I don't think we would make that known to other local PJs in the state before the March 31st deadline. The earliest that you're going to hear is sometime next spring that there are funds available for reallocation, but we will give you 30 days in order to decide if you want to accept or decline those additional funds.

Ginny Sardone: I also think it's worth pointing out that the only way that a local PJ would receive reallocations is if another local PJ in the state declined its allocation and the state PJ itself was not accepting their allocation. And sort of at this point in time, significantly more than half of states have already submitted their plan. So I think it's unlikely that you'll see a state... It's possible, but unlikely that a state might, it's going to decline its HOME-ARP allocation. And so as long as the state is taking its HOME-ARP allocation, any funds that are declined by a local PJ are going to go to the state.

And so if you're a state PJ, I think there's always a possibility that you're going to get some reallocated funds. If you're a local PJ, it's I think much less likely that you would expect to get anything. So I'm going to ask, let's see. I'm trying to see what other questions have been put in before. We've got a bunch of questions on preferences, which I want to address, but I want to see what are there other of technical questions that we haven't addressed yet. Henrietta or Caitlin, are there things that you're seeing coming in the chat that we should address before we talk about preferences?

Here's one. Let's see. Since we are required to submit the Allocation Plan as a substantial amendment to our 2021 Action Plan, if our Citizen Participation Plan requires a hearing and comment period for an AP substantial amendment, do we wait until the required Citizen Participation for HOME-ARP Allocation Plan is complete before we begin our CP related to the 2021 Action Plan amendment? This is very complicated. Or Due to short timeline to meet the March 31st deadline can these periods processes overlap? I think there might be a typo in

this question. I'm wondering if they're talking about their 2022 Action, sort of the 2022 Action Plan, if the person who submitted this can clarify, maybe we can come back to it.

Caitlin Renner: We can make one comment about this Ginny.

Ginny Sardone: Okay good.

Caitlin Renner: And I do think that maybe a clarification will be useful. But if this person is talking about just a 2021 amendment and the only amendment is the HOME-ARP Allocation Plan for 2021 and not other things being changed in the plan, then the Citizen Participation requirements in the notice sort of supersede what's in your current Citizen Participation Plan to the extent they differ. So I'm not sure if that helps, but we have shortened some of the timeframes. There would be no requirement for two different public participation processes if the only changes you were making in that 2021 amendment were to submit your HOME-ARP Allocation Plan. If you are making other changes, and so you're following your normal Citizen Participation Plan for a regular substantial amendment process, I don't see any reason why you couldn't either do those two processes at the same time or separate times, whatever works best for you.

Ginny Sardone: Okay, thank you. Peter, we're getting a lot of continuing questions about, there's confusion I think among the participants about the whether or not they can draw the 5% before their plan is approved. And I think it's sort of the consultant question. Can you just review the whole thing about the 5% for everyone so that everybody sort of leaves today with a clear understanding?

Peter Huber: Yeah, sure. So again, HUD made available to mostly every participating jurisdiction, 5% of its HOME-ARP grant for administration and planning costs. This was done in order to help PJs develop their Allocation Plan. So yes, if those funds are available to commit and disperse in IDIS, then yes you can draw down those funds. And again, for most PJs that is the case. I think there are only a handful of PJs that then did not return their HOME-ARP grant agreements.

Okay. So with that said, it's a little bit different for PJs that are using consultants to develop their plans. So for a PJ that's using a consultant to develop its plan, the PJ can incur the costs, the cost of the consultant, to develop its plan and then it cannot draw those funds from IDIS until the plan's accepted. So as Ginny mentioned earlier, the PJ could pay those costs out of its general fund account and then reimburse itself after the HOME-ARP Allocation Plan is approved. But if the PJ is not using a consultant to develop its plan, if it's developing its plan on its own, then those HOME-ARP admin funds are available to draw.

Ginny Sardone: Thank you. So we've also gotten a couple questions about the public participation or public hearings on HOME-ARP and whether or not they can be combined with other public participation processes, so for instance, your HOME-ARP 2021 amendment and your 2022 Action Plan or your 2023 Action

Plan. And yes you can. There's no requirement that the HOME-ARP public participation be standalone and not combined with other public participation, particularly around your CPD funds. But please be really careful if you're going to do that to make sure that it is clear that this hearing that you're doing is going to cover HOME-ARP as well as whatever other topics you're covering. We actually had to reject a plan because the PJ had not made, not in its public notification of hearing, let the public know that they would be discussing HOME-ARP at the hearing. So they wouldn't have gotten anyone sort who was interested specifically in that. So you can combine it but just be really very particular about making sure that it's clear that this is a HOME-ARP hearing in addition to whatever else you may have going on.

Someone says my mic is breaking up, I hope that's not the case.

Peter Huber:

Sounds better now.

Ginny Sardone:

Okay, good. Thank you. I'm wearing a headset to try and stop that from happening, but sometimes just doesn't help. I just want to really quickly respond to one person who's telling me that or telling us that their state has passed a law that requires them to use their affordable housing funds for camping facilities and how would this affect HOME-ARP? And so we've not heard of this before, we've not discussed it before. However, state law cannot preempt federal law. So if in fact this bill has passed or will pass, the fact that the state passes a law does not mean that HOME or HOME-ARP or HTF funds can be used for camping facilities.

So, okay, let's see. I'm going to go back to the other list of questions to see if we have anything else. So I guess I want to, we had one question. Someone is asking whether a consortium is treated the same way as a state and no, a consortium is a local PJ and so the consortium decides whether or not it's going to accept its allocation and submit an Allocation Plan. And if they decided not to do that, the funds would go first to the state, not to any of the other members of the consortium. So I hope that that answers that question. Henrietta and Caitlin, are there any other questions that you see in here before I sort of start talking a little bit more about preferences?

Caitlin Renner:

I just wanted to mention submission requirements because I think I've seen a lot of confusion around the submission requirement to submit the HOME-ARP Allocation Plan as a substantial amendment. So we do have a number of FAQs on this and I think that we also have one FAQ that actually has specific steps. Essentially PJs just need to create an amendment to their FY 2021 Action Plan and attach their HOME-ARP Allocation Plan in the admin section, the AD 25 or 26 screen, there is an attachment point called HOME-ARP Allocation Plan and that is how the plan is submitted. So I think some of the questions that refer to both HOME-ARP and a substantial amendment, maybe there's some confusion. The process of submitting your HOME-ARP Allocation Plan is via a substantial amendment to your Allocation Plan. And then hopefully that clears that up.

Ginny Sardone: Okay, thank you. So I'm still getting messages that I'm breaking up as, is that still the case?

Caitlin Renner: It's intermittent.

Ginny Sardone: All right, I'm going to take my headset off and hope for the best. Hold on. Just a... Is it? So I'm going to assume that you can hear me okay. So we had two or three questions, maybe four questions on preferences. And so I did just want to briefly address those because preferences has been a really hot topic in HOME-ARP, it's sort of in spite of the policy brief that we put out and the webinar that we did on May 17th. And if you haven't seen that, I'd really recommend that you take a look at it. It still is something that is tripping PJs up. Sometimes they don't necessarily recognize that they're a preference or one [inaudible 00:53:44]. So sometimes we, and you'll see this if look at the document that to vote common issues, [inaudible 00:54:01] plans, issues that in the [inaudible 00:54:03] is that PJ? [inaudible 00:54:06].

Caitlin Renner: Ginny, your headset was a lot better.

Ginny Sardone: Okay, hold on. Apologize. Okay, can people hear me? Can you all hear me?

Henrietta Owusu: Yes.

Ginny Sardone: Okay, thank you. So one of the problems that we have seen is that PJs will submit a plan and it [inaudible 00:54:49] Have preferences and it is permissible to have preferences in the HOME-ARP program. But when they get to the part of the template that asks whether they have any preferences, they'll say that they have none and sometimes sort of its of preference, sometimes it's a limitation. And so to the extent that you are interested in establishing preferences, if you're confused about how you can establish preferences or what those preferences can be and how they operate, you can always reach out to us through the HOMEARP@hud.gov mailbox or we can arrange some technical assistance for you or you can attend one of our problem solving clinics for some help in this area because it is a little bit tricky. But I would start by looking at our policy brief and the webinar from May 17th.

And so the first question is can you establish multiple preferences in one project? Absolutely you can. And so you would probably want to get a little bit of help or guidance from HUD or one of our TA providers about how to do that. We've also been asked whether we'll be providing more specific guidance on the use of preferences and limitations for HOME-ARP. And I think that we will be doing some technical assistance products and also we're happy to deal with these issues in the HOME-ARP clinics. The question goes on to ask if we're going to do this specifically in reference to how preferences and limitations work with referral agencies and implementation. Absolutely we be providing guidance and doing technical assistance on that. But I do really, whoever submitted this

question, I really do refer you back to that May 17th webinar to give you sort of an overview of exactly how of how that works.

We got a question asking if a state accepts a local PJs reallocated funds and it needs to give preference for the funds to be expended in that PJ, does the state need to amend the HOME-ARP Allocation Plan to reflect the jurisdictional preference tied to the reallocated funds? So if the state PJ would have to do either an amendment or a substantial amendment to its HOME-ARP Allocation Plan and certainly that would reflect that they had to give preference to activities within that jurisdiction. But that's not exactly the same kind of preference that we're talking about here in terms of preferences for specific populations. But yes, you would want to say that you're going to give preference to activities in the area that decline the funds. That does not mean however that you are prohibited from using any of those funds anywhere else. It's a preference and you need to make a good faith effort to use the funds in that area. But it's not an absolute requirement if there aren't projects for instance, that you can fund there.

And then we got one other question that I wanted to answer. It's not really a preference question, but somebody asked can we use HOME funds in addition to HOME-ARP in order to have affordable rental housing new construction? And we definitely will be doing some technical assistance around this particularly for rental projects. And so one of the things that I just wanted to mention is that if you go back and look at the original HOME-ARP notice CPD 21-10, you'll see that there's about 70 pages of waivers and alternative requirements that we did in order to eliminate a lot of particularly the statutory requirements HOME.

And so I just do want to mention to people who are giving consideration to combining regular HOME with HOME-ARP that to the extent that do that, and it's not prohibited for sure, in this project you're basically sort of taking all of the HOME requirements that we waived back. And so I think you should really think about that before you decide to combine HOME and HOME-ARP in the same project. And then I would also say that I think that there's some significant issues and we'll certainly try and do some guidance around this in trying to combine HOME funds and HOME-ARP in the same unit.

So I think the same project is one thing, the same unit would be problematic because one is income based and the other is based upon the qualifying population. So you can look forward to HUD putting out more information about combining HOME-ARP with other regular sort of traditional affordable housing sources including regular HOME. But I did want to at least mention that before we sign off. Do we have other questions that we wanted to take? I'm sure people have been looking as they've been popping up. Anyone?

Peter Huber:

Yeah, Ginny, I think I saw a question, I can't find it now, but I think I saw a question about how long a PJ has to resubmit if HUD disapproves its Allocation Plan.

Ginny Sardone:

Yeah, so I can go over that. So the Consolidated Plan and the HOME-ARP Allocation Plan are basically, they come out of the Title One of the of the same statute that authorized the HOME Program, NAHA, National Affordable Housing Act. And so basically what that law says is that the PJ submits the plan, HUD has 45 days to review the plan and either accept it or disapprove it. And if HUD does not accept your plan, if we disapprove it, we'll give you information about what you have to do to make the plan acceptable.

Now the statute and therefore the regulations and all also the HOME-ARP Notice basically says that the PJ may resubmit within 30 days. So that is a suggestion because it does not say must resubmit. But then it also says that once you do resubmit, HUD must review your plan within 30 days. So we have the initial submission, the 45 days sort of hard deadline for HUD, the 30 day suggestion by Congress for getting your plan resubmitted. And that may be perfectly sort of something that is absolutely doable or perhaps it's not. Then HUD has the 30 days to do the second review. After that the statute is silent and the regulations are silent, therefore the Notice is silent. So it's really the only hard deadlines in there are for HUDs review of the plan and then obviously the deadline that we established in the Notice.

Are there any other questions that we should pick up and answer? Someone is asking can HOME-ARP funds be used for rental projects already in development but are facing gap funding as long as the project includes HOME-ARP units moving forward. So I think if I were in your shoes, I probably would be reaching out to HUD maybe for some technical assistance. I think that HOME-ARP funds are so particular with respect to qualifying populations and the way that rents have to be set and the requirements around what the tenant sort of is permitted to pay, that it is not a source of funds, excuse me, that I would suggest that you consider putting into a project that was never intended to be a HOME Project for these qualifying populations and just has a gap. That sounds like a recipe for not good things.

Here's another question. Are preferences required or can a PJ choose not to have preferences in the plan? Preferences are absolutely not required. Once again, I really recommend looking at the guide, the policy brief, on preferences. It Goes through of preferences, limitations and referral methods. It's only six pages long. And also listen to the May 17th webinar. Actually Caitlin and I did that webinar and I did qualifying populations and preferences and then Caitlin went through a lot of valuable information about doing your Allocation Plan, what to make sure that you cover and what pitfalls to avoid. But you're not required to preferences. But the choice of whether you have preference or not is directly impacts what referral methods you can use. So if you look at the Notice, which I also highly recommend, 21-10, sort of the section on referral methods, there's three different referral methods that can possibly be used. And having preferences or not having preferences sort will affect that.

And so if you have no preferences in your HOME-ARP Allocation Plan, basically you will be admitting applicants to your HOME-ARP projects or your supportive

services or TBRA programs or NCS in the order in which they apply. So as long as someone is in one of the qualifying populations, you're going to be using waiting lists, and this is what's the HOME statute requires, and just admitting people on a first come serve basis in terms of when they went onto the waiting list. That may be something that works very well in your community. On the other hand, if you're going to be sort of partnering with the COC Coordinated Entry System, you definitely are going to need to have preferences because the coordinated entry is all about preferences. So please do go back if you have questions about this, go back, look at the policy brief, watch that webinar, it's only about an hour and 15 minutes long and then reach back out to us if you have additional questions about that, we can either help you answer those questions or even get some TA.

Are there any other questions that people that sort of OHP folks feel like we should be answering the half? About two or three? I think they're about three minutes left.

Henrietta Owusu: There's a question in there about...

Ginny Sardone: Henrietta, we can't hear you. We seem to be having a lot of audio problems today.

Henrietta Owusu: Hear me now? I was just saying there's a question about repeating the TA resource.

Ginny Sardone: The TA?

Henrietta Owusu: Yes, for technical assistance.

Ginny Sardone: I'm sorry, we can barely hear you.

Henrietta Owusu: Okay, I'll go back on...

Caitlin Renner: I think I know which question Henrietta is referring to. So we got a question about how to request direct TA and that can be done through the HUD exchange website under program support, request program assistance or through your local HUD field office.

Ginny Sardone: And I think it also, since we're getting close to the end of our time, it probably makes sense to just go over once again the different ways for folks to get help. We have, in addition to the direct TA portal, which is for sort of more intensive TA, we have an Allocation Plan ask a question desk that is staffed by community compass TA providers and then there is also the HOMEARP@hud.gov mailbox. That mailbox is staffed and answers are provided by our staff, the Office of Affordable Housing Program staff. So if you don't know where else to go with something, I guess I would suggest to go with the HOMEARP@hud.gov as a first step.

And then somebody is asking me, I keep referencing this May 17th training and I wish I could remember the name of that training. So this is a training, you can find it on the HUD exchange. I think it was called Understanding Qualifying Populations Preferences, Limitations and Referral Methods in the HOME Program, in HOME-ARP. It was May 17th. There's not that many webinars up there. So if you go to the HUD exchange page for HOME-ARP, it won't be that difficult to find. Oh, thank you. Caitlin just put it into the chat. So I think in that training we tried to put some of this into plain English for folks and so while certainly there's, I'm sure, a lot of questions that you're going to need to have answered, I think that's a really good first step to just look at our six page policy brief and then watch that webinar. I think we'll make things much clearer.

Somebody's asking will this recording be available and we've had a couple people ask about the slides. Once we get the recording of this office hours webinar, we will post the slides and the recording of the webinar on the HUD exchange and there'll be a HUD HOME-ARP listserv message that goes out letting you know that it's been posted. And that usually takes, by the time we get the recording and get it up, it might take about five business days. Peter, do you want to close it out?

- Peter Huber: Sure. Thanks everyone for tuning in this afternoon and hopefully this information was helpful. As Ginny said, the materials, the slides and the recording will be posted in the next few days to our HOME-ARP webpage. And that's all we have for today. So thank you.
- Ginny Sardone: Thanks everyone.
- Automated: That concludes our conference. Thank you for using event services. You may now disconnect.