Understanding HOME-ARP Preferences, Referral Methods, and Allocation Plan Requirements

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Today’s Presenters

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Agenda

• Qualifying Populations Review
• Preferences, Methods of Prioritization, and Limitations
• Permissible Referral Methods With or Without Preferences
• Allocation Plan Requirements and Compliance Tips

New Resources:
  • Policy Brief: Preferences, Limitations, Methods of Prioritization
  • Revised Allocation Plan Template
  • Tips for HOME Allocation Plans
HOME-ARP Program Background

The American Rescue Plan Act of 2021 (ARP):

• Created HOME-ARP Program, appropriating $5 billion under Title II of Cranston-Gonzalez National Affordable Housing Act of 1990 and establishing requirements for HOME-ARP Program
• Authorized four eligible activities for HOME-ARP funding
• Required HOME-ARP funds to be used to “primarily benefit” specific populations identified within the program statute
  • These are the four “Qualifying Populations” defined in CPD Notice 21-10: Requirements for the Use of HOME-ARP Funds
HOME-ARP Qualifying Populations
Qualifying Populations

• ARP established four “qualifying populations,” referred to as “QPs”
  • Unlike the regular HOME Program, individuals and families are eligible for assistance based on status as a QP, not income
• Congress defined 3 of the four QPs in statute
  • PJs and providers must understand these definitions and how they differ from those in other HUD programs
  • For example, some HOME-ARP QP definitions differ from definitions used in the Continuum of Care (CoC) program and the Emergency Housing Voucher (EHV) programs.
Assisting Qualifying Populations

- Congress intended that all four QPs be served with HOME-ARP
  - Allocation plan must address needs & housing/shelter/service gaps of each QP
- A PJ may establish reasonable preferences for HOME-ARP projects and activities
  - Preferences must be identified in allocation plan
Assisting Qualifying Populations

• ARP requires a PJ provide all four QPs with access to its HOME-ARP projects and activities
  • This means that all four QPs must be eligible to apply for/be referred to HOME-ARP projects and activities
  • Implementation of preferences may not exclude or remove eligibility of any QP from its HOME-ARP program

• PJs must design and administer its HOME-ARP program to ensure that all QPs have access to their programs
1) QP – Homeless (24 CFR 91.5 - (1), (2), (3)

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
   (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
   (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, [transitional housing], and hotels and motels paid for by charitable organizations or by federal, [state], or local government programs for low-income individuals); or
   (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an [emergency shelter] or place not [meant] for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:
   (i) The primary nighttime residence will be lost within 14 days of the date of application for [homeless] assistance;
   (ii) No subsequent residence has been identified; and
   (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
1) QP – Homeless (24 CFR 91.5 - (1) (2) (3))

(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:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act, section 637 of the Head Start Act, section 41403 of the Violence Against Women Act of 1994, section 330(h) of the Public Health Service Act, section 3 of the Food and Nutrition Act of 2008, section 17(b) of the Child Nutrition Act of 1966, or section 725 of the McKinney-Vento Homeless Assistance Act;

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;
Not Part of Homeless QP (24 CFR 91.5 - (4))

(4) Any individual or family who:

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

(ii) Has no other residence; and

(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

This component of HUD “homeless” definition is not part of the HOME-ARP “homeless” QP
2) QP – At Risk of Homelessness (24 CFR 91.5)

(1) An individual or family who:

(i) Has an annual income below 30% of median family income for the area, as determined by HUD;

(ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and

(iii) Meets one of the following 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;
2) QP – At Risk of Homelessness (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, section 637(11) of the Head Start Act, section 41403(6) of the Violence Against Women Act of 1994, section 330(h)(5)(A) of the Public Health Service Act, section 3(l) of the Food and Nutrition Act of 2008, or section 17(b)(15) of the Child Nutrition Act of 1966, 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, and the parent(s) or guardian(s) of that child or youth if living with her or him.

Con Plan/CoC definition of At Risk of Homelessness is the same as the HOME-ARP definition.
3) QP – DV/Sexual Assault/Trafficking

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

- 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
  - Includes both sex trafficking and labor trafficking

*For brevity, HUD will sometime use “Domestic Violence/Sexual Assault/Trafficking” as a designation for this population, but intends it to include all populations in ARP definition*
3) QP – DV/Sexual Assault/Trafficking

- For HOME-ARP, these populations are NOT part of the homeless population
  - Adds Human Trafficking population
  - Eliminates requirement that individual or family:
    - 1) have no other household; and
    - 2) lacks resources or support network
- PJs must consider this a separate population from homeless population, for HOME-ARP program (developing allocation plan, adopting preferences, implementing referral methods, etc.)
- Housing/shelter/service providers and referring agencies must ensure they are using HOME-ARP QP definitions and not relying on definitions established for other programs.
4) QP – Other Populations

Other Families Requiring Services or Housing Assistance to Prevent Homelessness OR At Greatest Risk of Housing Instability

- Congress provided HUD discretion to define this population
- Statutory language for this population is not the same as Congress established for Emergency Housing Vouchers (EHV)
  - Use of EHV definition in HOME-ARP is not permissible
- Other Populations is a single definition with multiple parts.
  - The PJ must implement the entire definition in its HOME-ARP program
Other Families Requiring Services or Housing Assistance to Prevent Homelessness:

Households (i.e., individuals and families) who:

• have previously been qualified as “homeless” as defined in 24 CFR 91.5

• 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

• need additional housing assistance or supportive services to avoid a return to homelessness
At Greatest Risk of Housing Instability means a household that has:

• Annual income ≤ 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);

  OR

• Annual income ≤ 50% of area median income and meets one of the conditions in paragraph (iii) of “At risk of homelessness” definition at §91.5
Veterans and Veteran Families

- ARP includes an additional population:
  - Veterans or Families that include a Veteran Family Member that meeting the criteria for one of the QPs
- HUD did not implement this as a fifth QP, since veterans or families that include a veteran would have to meet one of the four QPs
  - Keep in mind that congressional intent was that veterans in any of the four QPs be served with HOME-ARP funds
Preferences, Methods of Prioritization, and Limitations in HOME-ARP
What is a Preference?

- Preferences are used to establish order in which applicants are admitted to HOME-ARP housing or shelter/ provided with HOME-ARP TBRA or services
  - Permit an eligible QP applicant that qualifies for preference to be selected for HOME-ARP assistance before another eligible QP applicant that does not qualify for a preference.
  - Does not make anyone eligible who was not otherwise eligible for HOME-ARP assistance (i.e., a member of a QP)
What is a Preference?

• In HOME-ARP, PJs are permitted to establish reasonable preferences:
  • Among the four QPs (e.g., Homeless QP, Other Populations QP); or
  • For a subpopulation of QP(s) to prioritize applicants within one or more QPs (e.g., elderly who are in the At-Risk of Homelessness QP)

• Preferences must comply with all applicable fair housing, civil rights, and nondiscrimination requirements, (e.g., Fair Housing Act, Title VI of the Civil Rights Act, section 504 of Rehabilitation Act, HUD’s Equal Access Rule, and Americans with Disabilities Act).

• If preferences are not adopted, QP applicants are selected from a project- or activity-specific waiting list in chronological order to the extent practicable
Implementing Preferences

• Preferences can be implemented in several ways:
  • Projects or activities that will target assistance to a certain QP (e.g., Homeless QP) or subpopulations (e.g., persons in the Homeless QP who are veterans)
  • Project selection processes (e.g., RFP, NOFO, etc.) that apply a preference in the award of funds (e.g., rank projects higher or award bonus points for serving a certain QP or a subpopulation of a QP).
  • Referral methods that prioritize certain QPs or subpopulations of a QP.
Implementing Preferences - Project/Activity

• Projects or activities that target assistance to a QP (e.g., Homeless QP) or subpopulation (e.g., veterans in Homeless QP)

Example: HOME-ARP non-congregate shelter (NCS) prioritizes admission of individuals or households in the homeless QP or domestic violence/sexual assault/trafficking QP over the other QPs (i.e., at risk of homelessness and other populations). Members of all four QPs are eligible to apply for and be admitted to the NCS.

Example: HOME-ARP supportive services activity prioritizes homeless veterans (a subpopulation of the Homeless QP) over those in Homeless QP who are not veterans and those in the other HOME-ARP QPs.
Preference Implementation—Projection Selection

- Project selection processes (e.g., RFP, NOFO, etc.) that apply a preference in the award of funds (e.g., rank projects higher or award bonus points for serving a certain QP or a subpopulation of a QP)

Example: A PJ issues HOME-ARP NOFO for projects that will serve all QPs, but provides additional points to projects that will implement a preference for individuals or families in the Homeless QP.
Preference Implementation – Referral Methods

• Referral methods that prioritize certain QPs/subpopulations of a QP

Example: A PJ enters into a written agreement with the local CoC to use its CE system to accept applicants from all QPs for its HOME-ARP projects and activities. The CE selects individuals and families in the Homeless QP for referrals for HOME-ARP assistance before those in other QPs, in accordance with its written agreement with the PJ.
What is a Method of Prioritization?

- **Method of prioritization** is process by which PJ, 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.
  - A PJ cannot implement a method of prioritization if it does not also establish preference/preferences (without a preference, PJ admits applicants to HOME-ARP projects or activities in chronological order).
  - CEs routinely implement methods of prioritization for CoC programs.
What is a Method of Prioritization?

Example: A PJ adopts a preference for chronically homeless (CH) individuals and families for a HOME-ARP rental project. The preference gives CH Homeless QP applicants priority for admission to the project. All other eligible QP applicants (including Homeless QP applicants who do not qualify as CH) are selected in chronological order for any units not occupied by CH Homeless QP applicants. Chronically homeless QP applicants are prioritized for admission for occupancy based on length of time they have been homeless.

• *Preference* is for a subpopulation of a single QP (chronologically homeless members of the HOME-ARP Homeless QP), who will be admitted before all other QP applicants

• *Method of Prioritization* applies to CH Homeless QP applicants, who are prioritized for admission based on length of homelessness
What are 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)

- Some limitations violate fair housing and civil rights laws (including protections for disabled)
- Limitations can make it difficult for PJ to meet ARP requirement that all four QPs have access to its HOME-ARP program

- PJs should not impose a limitation on eligibility unless:
  - It is necessary to address a **greater gap** in effective housing, aid, benefit, or services in the PJ’s geographic area; and
  - Project or activity cannot address the gap through the use of a preference
What is a Limitation?

Example: A HOME-ARP non-congregate shelter (NCS) will limit admission to individuals or families that qualify under the domestic violence/sexual assault/trafficking QP.

Example: A HOME-ARP rental project will limit occupancy to homeless veterans, a subpopulation of the homeless QP.

Example: A PJ issues a HOME-ARP NOFO that will only fund projects that will exclusively serve individuals or families that are members of the homeless QP.
Impermissible Limitations

Example: A PJ will provide HOME-ARP funds to a rental project that limits occupancy to women who meet the Homeless QP.

Example: A HOME NCS project will be limited to adults that qualify for the Homeless QP.

Example: A rental project will be limited to individuals (or families with a member) who have developmental disabilities and qualify for any of the four QPs.
Considerations Related to Limitations/Preferences

• Before adopting a limitation – particularly one that relates directly or indirectly to a protected class – HUD strongly recommends conferring with the Fair Housing and Equal Opportunity (FHEO) Division in your HUD FO
  • Same advice holds for preferences
• If a PJ implements a limitation on a HOME-ARP project or activity, it must fund at least one other project or activity that provides access to all other QPs of subpopulations of QPs
  • Use of a preference does not limit access to all HOME-ARP QPs
• If establishing preferences or limitations, pay close attention to related allocation plan requirements
Projects and Activities without Preferences

• If PJ does not establish a preference in its HOME-ARP allocation plan, it cannot implement a preference in any project or activity
  • Limitations and Methods of Prioritization must also be identified in the plan

• If PJ does not adopt preferences, it must admit all QP applicants for HOME-ARP project or activities in chronological order of their application (without any preference or prioritization)
  • This also has the effect of limiting the use of CoC CEs as a referral method in HOME-ARP
Referral Methods
Determining HOME-ARP Referral Methods

- PJ’s decisions re: preferences, methods of prioritization, and limitations will have an effect on the referral methods it uses for projects and activities.
- PJs must also take the differences between HOME ARP QP definitions and similar definitions used in other HUD programs into account.
  - CoC CE cannot be used without being expanded /augmented because:
    - CEs don’t include all QPs; all QPs must have access to HOME-ARP
    - CEs employ methods of prioritization which: 1) implement preferences; and 2) may not be the preferences or methods of prioritization the PJ adopted for HOME-ARP

For additional discussion of referral methods, see Section IV of the HOME-ARP Notice (CPD 21-10)
HOME-ARP Referral Methods

- **Expanded Coordinated Entry** - PJ can contract with CE or CEs operating within its boundaries to accept applications and refer clients to HOME-ARP projects/activities only if:
  - CE expands to accept all HOME-ARP QPs
  - It applies preferences and prioritization in accordance with the preferences and prioritization established in the PJ’s HOME-ARP allocation plan

- **Coordinated Entry with Other Referral Methods** – PJ can use CE for certain QPs and supplement with referrals from other agencies or project-specific waiting lists to ensure access to all QPs
HOME-ARP Referral Methods

• **Project/Activity-Specific Waiting Lists**—established for each HOME-ARP project or activity
  • Can be used with or without preferences
  • Can be used with limitations
  • All qualifying households that apply are placed on the list. Applicants:
    • Selected in accordance with any preference or method of prioritization established for project and adopted in allocation plan: OR
    • Selected in chronological order, to the extent practicable.

• If a PJ does not have preferences, this is default referral method and applicants are selected in chronological order
  • CE and other agencies can refer clients to the waiting list
HOME-ARP Allocation Plan
Consultation Requirements

• **Before** developing its plan, at minimum a PJ **must** consult with:
  - CoC(s) serving the jurisdiction’s geographic area;
  - Homeless and domestic violence service providers;
  - Veterans’ groups;
  - Public housing agencies (PHAs);
  - Public agencies that address the needs of the qualifying populations; and,
  - Public/private organizations that address fair housing, civil rights, and the needs of persons with disabilities

• **In the plan, a PJ must:**
  - Describe the consultation process;
  - List the organizations consulted; and,
  - Summarize the feedback received
Consultation – Compliance Tips

• Requirement to consult with “public agencies that address the needs of the qualifying populations” means all of the QPs.
• PJs must list all of the organizations consulted and should identify organizational type based on the list in the Notice.
• Failure to consult with any of the required organizational types listed in the Notice will result in a plan that is substantially incomplete.
• Best practice is to explain how feedback led to decisions about preferences and referral methods.
Public Participation

• Before submitting the plan, a PJ must:
  • Provide notice and a public comment period of no less than 15 calendar days;
  • Follow requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan;
  • Hold at least one public hearing during development of the plan; and,
  • Comply with fair housing and civil rights requirements.

• PJs must make the following available to the public:
  • Amount of HOME-ARP funds the PJ will receive, and
  • Range of activities the PJ may undertake.
Public Participation – Compliance Tips

- PJs must provide the public with information on the “range of activities that the PJ may undertake,” which means providing information on all eligible activities.
- Required HOME-ARP allocation plan information must be available to the public for the entire public comment period.
- Public notice must make clear how the public can request reasonable accommodations and meaningful access to the plan.
- Best practice is to post the draft plan for public comment.
- Best practice is to include a screenshot of the public notice in the plan.
Needs Assessment and Gap Analysis

- Use current data and consultations to:
  - Quantify each of the QPs, including size and demographic composition;
  - Assess the unmet needs of those populations;
  - Consider current resources available to assist QPs; and,
  - Identify any gaps in the shelter and housing inventory as well as the service delivery system.

- A PJ must consider housing and service needs of all four QPs.
Needs Assessment and Gap Analysis

• The plan must include a narrative description that:
  • Identifies characteristics of housing associated with instability and increased risk of homelessness if the PJ will include such conditions under HUD’s definition of “other populations”;
  • Identifies gaps within PJ’s shelter and housing inventory and service delivery system;
  • Identifies PJ’s priority needs for QP; and,
  • Explains how PJ determined the level of need and gaps in its shelter and housing inventory and service delivery systems.
Needs Assessment – Compliance Tips

• Use CoC consultation to ensure that homeless data reflects the PJ’s geographic area. Estimations may be necessary.

• It may be challenging to identify data for “Other Populations” QP. Use data obtained through consultation (PHA waitlists, number of persons receiving rapid rehousing assistance, etc.) to estimate and acknowledge shortcomings of the data.

• Data alone does not satisfy the requirement to describe all four QPs, the PJ must include a narrative for each QP.

• Failure to describe all four QP will result in a plan that lacks a required element and therefore, is substantially incomplete.
HOME-ARP Activities

• The plan must describe:
  • PJ’s method for soliciting applications for funding and/or selecting developers, service providers, subrecipients, and/or contractors; and
  • Whether PJ will administer eligible activities directly.

• If PJ will provide HOME-ARP admin funds to a subrecipient/contractor before HUD’s acceptance of the plan, the plan must identify the subrecipient/contractor and describe role and responsibilities.
HOME-ARP Activities

• The plan must:
  • Indicate the amount of HOME-ARP funding planned for each eligible activity, including admin and planning;
  • Demonstrate that use of HOME-ARP for nonprofit operating assistance, nonprofit capacity building, and admin costs will be within HOME-ARP limits;
  • Describe how PJ will distribute HOME-ARP funds in accordance with its priority needs; and
  • Describe how the shelter/housing inventory, service delivery system, and the needs identified in the gap analysis provide a rationale for funding planned activities.
Activities – Compliance Tips

• Identify planned funding based on HOME-ARP eligible activities in addition to any project names listed.

• Project selection processes that rank projects based on whether the project will serve a certain QP/subpopulation constitute the use of a preference. If planned activities indicate use of a preference but the PJ does not identify it in the Preferences section, the plan is substantially incomplete.

• HOME-ARP activities and projects may not violate fair housing and civil rights requirements. A plan that describes an ineligible project (including projects that violate fair housing requirements) is inconsistent with the ARP.

• A PJ may not adopt limitations that make any of the four QP ineligible for the PJ’s overall HOME-ARP program. A plan that excludes any of the four QP is inconsistent with the ARP.
HOME-ARP Production Goals

• The plan must estimate the number of affordable rental housing units for QPs that a PJ will produce or support;
• The plan must describe the specific affordable rental housing production goal that the PJ hopes to achieve;
• The plan must explain how the PJ’s goal will address the PJ’s priority needs.
Production Goals – Compliance Tips

• Narrative discussion is required to describe how the goal will address the PJ’s priority needs.

• Spreadsheet and FAQ on the HUD Exchange: https://www.hudexchange.info/resource/6605/homearp-housing-production-goal-calculation-worksheet-and-faq

• Considerations for estimating a HOME-ARP production goal
  • The amount of HOME-ARP allocated to the rental housing activity
  • Availability of other funding sources to finance rental housing projects
  • Housing characteristics required by QP (e.g., size, amenities, etc.)
  • Amount of HOME-ARP funds required for operating assistance reserves to achieve project sustainability
Preferences

• The plan must identify whether preference will be given to one or more QPs or a subpopulation of a QP.
  • If a PJ intends to use a CE with a method of prioritization, then a PJ has preferences.
  • PJs are not required to describe specific projects to which the preferences will apply.
  • Preferences may not violate any applicable fair housing, civil rights and nondiscrimination requirements.

• The plan must explain how the preference will address unmet need or gap in benefits/services.
Preferences – Compliance Tip

• Project selection processes that rank projects based on whether the project will serve a certain QP/subpopulation constitute the use of a preference.

• A plan that includes narrative about a preference that violates fair housing and civil rights requirements is inconsistent with the purposes of the ARP.

• If a plan includes narrative that indicates the use of a preference, but the PJ does not identify and describe the preference the plan is substantially incomplete.
Referral Methods

• PJs are not required to describe referral methods in the plan – this is a best practice.

• However, a PJ may only use the CoC CE for direct referrals if the CE meets HOME-ARP requirements, including:
  • Expanding to accept all four QP; and
  • Only using preferences and method(s) of prioritization adopted by the PJ.

• The plan must specify any method of prioritization to be used for HOME-ARP, including those used by a CE.

• The plan should describe whether the PJ will expand the CE, if applicable.
Referral Methods – Compliance Tips

• Because CEs are used in the CoC, Emergency Solutions Grant (ESG), and Emergency Housing Voucher (EHV) programs, they may have inherent preferences/method(s) of prioritization.
• If a PJ intends to use the CE for direct referrals and the PJ will use the CE’s method of prioritizing applicants, the PJ must establish that method of prioritization in the plan.
• If the plan does not establish preferences/method(s) of prioritization to be used by the CE for HOME-ARP, the PJ may only use the CE for intake in order to add QP to a HOME-ARP project or activity waiting list.
Limitations in a HOME-ARP Rental or NCS Project

• The plan must describe whether a PJ will impose any limitations on eligibility for HOME-ARP rental housing or NCS projects.
• The plan must justify the limitation based on the PJ’s priority needs in its needs and gaps analysis.
• If a limitation is identified, the plan must describe how the PJ will address the unmet need of QP not included in the limitation.
• Limitations may not violate any applicable fair housing, civil rights and nondiscrimination requirements.
Limitations – Compliance Tips

• A plan that excludes any of the four QP from its overall HOME-ARP program is inconsistent with the ARP.
  • A PJ that imposes a limitation must fund other HOME-ARP activities or projects that provide access to the QPs not included in the limitation.
  • A PJ undertaking only one HOME-ARP project or activity may not impose a limitation because doing so would violate the statue.

• To avoid fair housing violations, HUD recommends that a PJ not impose a limitation if a preference would accomplish the PJ’s goal.

• HUD also strongly suggests that PJs consult with the FHEO division in their local HUD field office.
HOME-ARP Refinancing Guidelines

• If PJ intends to use HOME-ARP to refinance existing debt secured by multifamily rental housing being rehabilitated with HOME-ARP, the plan must include HOME-ARP refinancing guidelines.

• At a minimum, the guidelines must:
  • Establish a minimum level of rehabilitation/unit or a required ratio between rehabilitation and refinancing.
  • Require a review of management practices.
  • State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  • Specify the required compliance period (15 years or longer).
  • State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
HUD Review Standard

• 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.
Substantial Amendments to HOME-ARP Allocation Plan

• 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 not 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.
Resources

• HOME-ARP Implementation Notice CPD 21-10
• HOME-ARP Implementation Notice Appendix
• HOME-ARP Policy Brief – Preferences, Methods of Prioritization, and Limitations
• Tips for using the HOME-ARP Allocation Plan Template
• HOME-ARP Allocation Plan Template
• HOME-ARP FAQ
• Training
  • HOME-ARP Notice Review Webinar Series – Fall 2021
  • HOME-ARP Planning Process Webinar – November 17, 2021
• Field Office CPD Rep. or HOMEARP@hud.gov
• HOME-ARP Ask A Question portal – for allocation plan questions
Questions?