

HOME-ARP OVERVIEW

An overview of HOME - American Rescue Plan
for Affordable Housing Developers

Presented by CARES of NY, Inc.

AGENDA

- Purpose of Presentation
- HOME-ARP Program Overview
- Program Specifics for Affordable Housing Development
- Discussion

PURPOSE OF THIS PRESENTATION

- HOME-ARP funds can be used in many ways to address homelessness/housing instability.
Should funding be targeted to affordable housing development?
 1. Is it needed to accomplish affordable housing development projects?
 2. Is there enough funding to impact your projects? (\$3.8 million available)
 3. Are you interested in utilizing it, given restrictions of the funding? (i.e. populations served)

HOME-ARP PROGRAM OVERVIEW

The American Rescue Plan (ARP) provides \$5 billion nationally to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to **reduce homelessness** and **increase housing stability** across the country.

The Consortium (Cities of Schenectady & Troy, Town of Colonie) has been allocated **\$3.8 million** through this program.

HOME-ARP program activities are funded through
2030



HOME-ARP PROGRAM OVERVIEW

Eligible Activities

Non-congregate shelter

- (i.e., shelters with individual units, dormitory style shelters)

Tenant Based Rental Assistance

- (i.e., rent, security deposits, utility deposits, utility costs) to provide financial rental support.

Affordable Housing Development

- to provide more affordable housing

Support Services

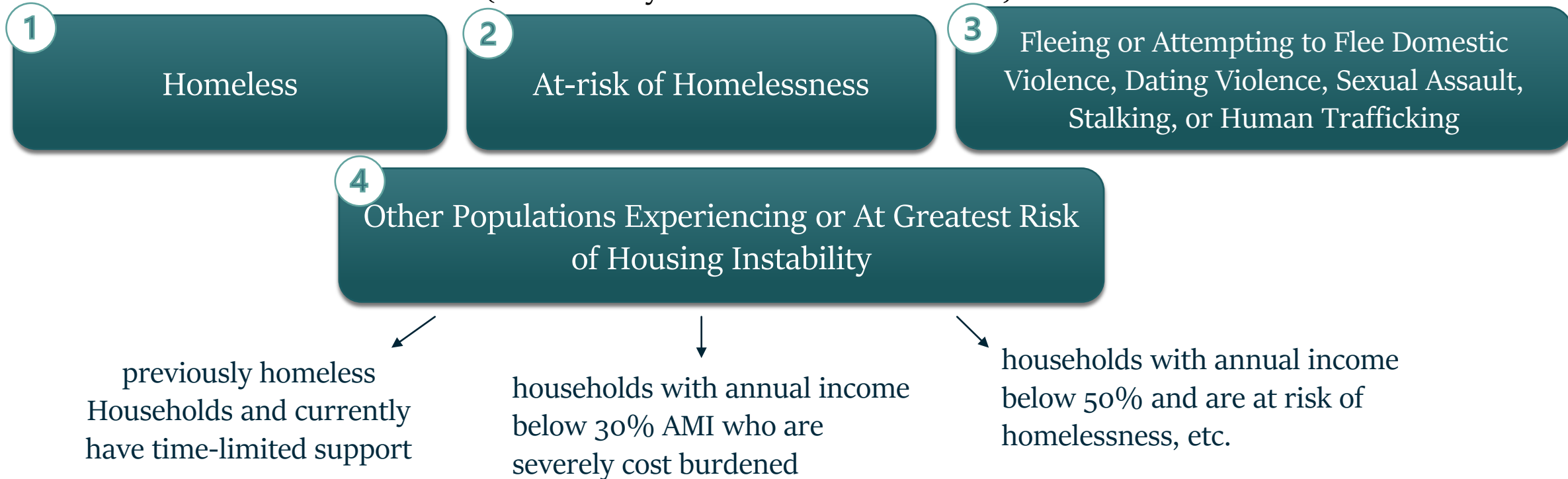
- i.e., prevention, services to ensure ongoing stable housing

HOME-ARP PROGRAM OVERVIEW

Qualifying Populations

HOME-ARP funds can be used to support any of the following qualifying populations

(as defined by HUD in HOME-ARP Notice)



SPECIFICS TO AFFORDABLE HOUSING DEVELOPMENT

What we will cover:

- Eligible uses of funds & eligible costs
- Requirements for occupancy
- Compliance period (length of time affordable)
- Underwriting and subsidy layering
- Referral requirements/expectations

HOME-ARP AFFORDABLE RENTAL HOUSING

Acquisition



Construction



Rehabilitation of
affordable rental
housing, including
reconstruction



ELIGIBLE COSTS

HOME-ARP funds may be used to pay for up to 100% of the following eligible costs associated with the acquisition, development, and operation of HOME-ARP rental units:

The actual cost of constructing or rehabilitating housing

Refinance existing debt secured by a housing project that is being rehabilitated with HOME funds.

Costs of acquiring real property

Pay off a construction loan, bridge financing loan, or guaranteed loan

Costs associated with financing or development (or both)

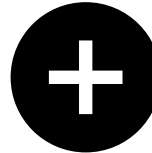
Cost for relocation of persons displaced by the project

Operating costs or reserves for capitalized operating costs

OCCUPANCY REQUIREMENTS & RENT LIMITATIONS

HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households as follows:

No less than **70%** of the **total number of rental units** assisted with HOME-ARP funds must be restricted for occupancy by households that are **qualifying households** at the time of the household's initial occupancy



No more than **30%** of the **total number of rental units** assisted with HOME-ARP funds may **be restricted to low-income households**.

HOME-ARP **rents cannot exceed 30% of the adjusted household income** whose annual income is equal to or less than 50% of the median income for the area

COMPLIANCE PERIOD

A minimum compliance period of **15 years** for all HOME-ARP rental units irrespective of the amount of subsidy per unit or whether the units are acquired, rehabilitated, and/or newly constructed.

UNDERWRITING & SUBSIDY LAYERING

HOME-ARP funds may be invested in different types of projects, including:

permanent supportive housing

mixed-finance affordable housing

market-rate projects

Before the Consortium can commit HOME-ARP funds to a project:

They must evaluate the project to determine the amount of HOME-ARP capital subsidy and operating cost assistance necessary to provide quality affordable housing

and whether the project is financially viable throughout the minimum 15-year compliance period

REFERRAL REQUIREMENTS & EXPECTATIONS

Use of Continuum of Care's (CoC)
Coordinated Entry (CE)
for referrals for projects and activities

or an alternate waitlist decided
upon by the Consortium

EXAMPLE OF PROJECT

- Scenario: Developer is seeking to create 30 units of affordable housing in the City of Schenectady.
- Funding: The developer is applying for 9% LIHTC funds through NYS and will use HOME-ARP funds to show a local commitment to the project.
- Referrals: Those units supported by HOME-ARP will accept referrals from the Schenectady CoC Coordinated Entry process, targeting households that are coming from homelessness.
- Support Services: Partner agencies will provide rental assistance and support services through the CoC program.

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