

To: Board of County Commissioners
Penny Postoak Ferguson, County Manager
From: Heather McNeive, Housing Services Director
Date: October 17, 2024
Re: HOME-ARP Allocation Plan revision

Issue: Consider approving a revised HOME-ARP Allocation Plan as recommended by the Housing and Community Development Advisory Committee.

Suggested Motion: I move to approve the HOME-ARP Allocation Plan as revised and recommended by the Housing and Community Development Advisory Committee.

Background: HOME-ARP is a special, one-time award of \$3,977,106 in HOME Investment Partnerships Program grant funds from HUD for the benefit of populations who are homeless or at-risk of homelessness. Stakeholder engagement sessions began in July 2022 to complete a Needs and Gaps Analysis to determine which of the eligible activities Johnson County would pursue. The HOME-ARP award was accepted and allocated for development of a non-congregate shelter by the Board of County Commissioners on December 8, 2022. The Board decided to use other funding for the non-congregate shelter project on July 25, 2024. This necessitated changing the HOME-ARP Allocation Plan to other eligible activities.

The Needs and Gaps Analysis identified two other eligible activities: (1) Supportive Services and (2) Development of Affordable Rental Housing. A draft revised Allocation Plan was presented to and approved by the Housing and Community Development Advisory Committee (HCDAC) on August 14, 2024. A public comment period was posted for 30 days, from August 20, 2024 through September 20, 2024. There were 66 public comments received and they are included in the materials for this item.

Feedback included:

- 64 public comments for building supportive housing units for the intellectual and developmental disability (IDD) community;
- 1 public comment for more safe Section 8 housing for seniors and disabled adults;
- 1 public comment requesting use of more current data on homeless needs, a question directed to the Continuum of Care on positive outcomes, a request for prioritization of projects with affordability periods exceeding 30 years, and a request for information on scoring of potential projects.

Analysis: All HOME-ARP funding is restricted to the following qualifying populations (QPs):

1. Homeless;
2. At risk of homelessness – at or below 30% of Area Median Income (AMI) AND meet other specific criteria;
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; or
4. Other populations – previously qualified as homeless, veterans, and at great risk of housing instability including: (1) at or below 30% of AMI and severely cost burdened or (2) at or below 50% of AMI AND meet other specific criteria.

Supportive Services includes two main categories for serving QPs: (1) McKinney-Vento Supportive Services / Homelessness Prevention Services and (2) Housing Counseling. McKinney-Vento Supportive Services and Homelessness Prevention Services eligible costs:

- Childcare, Food, Transportation
- Education, Employment, Life skills
- Housing search and counseling services
- Legal services, Credit repair
- Case management, Outreach services
- Mediation, Landlord/Tenant Liaison
- Financial assistance costs – rental application fees, security deposits, utility deposits, utility payments, moving costs, first and last month rent, rental arrears, late fees
- Short term and medium term rent assistance

Housing Counseling eligible costs:

- Salary and overhead costs for a HUD Certified Housing Counselor
- Direct work with clients on housing counseling goals
- Marketing and outreach

HOME-ARP funds for **Rental Housing** can be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by HOME-ARP QP households (70% of units must be for QPs and 30% for low-income households at or below 80% of Area Median Income). There is a 15-year compliance period, rent restrictions to 30% of household income, and operating assistance.

Applications for new activities will be released in the spring of 2025. Rating and review will be conducted by the Housing and Community Development Advisory Committee using the existing CDBG and HOME processes as a model. The Committee will make funding recommendations to the Board of County Commissioners for final funding awards in the summer or early fall of 2025. Depending on applications received, future funding application rounds could happen in 2026-2029.

Funding Overview: All HOME-ARP funds must be spent by September 30, 2030. The Housing and Community Development Advisory Committee (HCDAC) adopted the revised spending allocations in the chart below on August 14, 2024. Allocations for administration and planning, non-profit operating, and non-profit capacity building did not change and will be used to support both Johnson County’s administration work and build up agencies who apply for HOME-ARP funds in other categories.

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$1,000,000		
Acquisition and Development of Non-Congregate Shelters	\$3,380,546		
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$2,380,546		
Non-Profit Operating	\$198,855	5 %	5%
Non-Profit Capacity Building	\$198,855	5 %	5%
Administration and Planning	\$198,850	4.99 %	15%
Total HOME ARP Allocation	\$ 3,977,106		

Alternatives: (1) Leave HOME-ARP allocated to non-congregate shelter (2) Allocate different amounts to above allowable uses. Note that changing allocations re-starts the 30-day public comment period.

Recommendation: Approve the revised HOME-ARP Allocation Plan as recommended by Housing and Community Development Advisory Committee and submit to HUD.

Purchasing Review: This item does not need Purchasing approval.

Budget Review: Budget and Financial Planning has reviewed this item.

Legal Review: Legal has reviewed this item.