

**COUNCIL ACTION FORM**

**SUBJECT: GRANT AGREEMENT WITH THE DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD) FOR HOME AMERICAN RESCUE PLAN FUNDS (HOME-ARP).**

**BACKGROUND:**

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) Act into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic. As of part of this Act, Congress appropriated \$5 billion to provide housing, services, and shelter to individuals experiencing homeless and other vulnerable populations across the country. This supplemental funding is being allocated by formula to 651 jurisdictions, long with local governments that qualified for HOME Investment Partnerships Program (PJs) allocations for fiscal year 2021.

**On April 8, 2021, the City of Ames was notified that we would be receiving \$1,269,248 of the HOME-ARP funding. This funding is in addition to the City's regular 2021-22 HOME funding of \$350,543.** Six other entitlements in Iowa will received just over a combined \$10,000,000 and the State of Iowa will receive just over \$29,000,000.

HOME-ARP funding gives jurisdictions significant new resources to address their homeless assistance needs by creating affordable housing or non-congregate shelter units and providing tenant-based rental assistance or supportive services. HOME-ARP funds must be used for individual or families from the following qualifying populations: homeless; at-risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; other populations where providing assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability; and veterans and families that include a veteran family members that meet one of the preceding criteria.

HOME-ARP funds can be used for four-eligible activities:

- including the production or preservation of affordable housing.
- tenant-based rental assistance; supportive services,
- including homeless prevention services and housing counseling services; and
- the purchase or development of non-congregate shelter for individuals and families experiencing homelessness.

Additionally, HOME-ARP provides for up to 15 percent of the allocation for administrative and planning cost of the participating jurisdiction (PJ) and for subrecipients administering all or a portion of the grant. ARP can provide up to 5 percent of the grant for operating cost of Community Housing Development Organizations (CHDO's) and other non-profit

organizations, including homeless providers. Funds are also available to these organizations for administrative capacity building.

At the time of this notification in April, HUD had not issued an implementation notice nor provided any detailed program guidelines and/or program training. **On September 22, 2021, the City of Ames received its official notification along with the HOME-ARP Grant Agreement.** As a Participating Jurisdiction (PJ), the City may use up to five percent of its total award, approximately \$63,462, for administrative and planning costs once the grant agreement has been signed and returned to our designated field office. **Once the City has completed a HOME-ARP Allocation Plan, that is approved by HUD, the additional administrative funds of the award will become available.**

During April to September time period, HUD has published very detailed and very restrictive program regulations, and requirements. To date staff has participated in four HOME-ARP Webinars to try and gain knowledge and expertise in the complexities of the program requirements. More is likely to be needed and required before implementing any new programs. In addition to these requirements, the City will be required to amend its 2021-2022 CDBG/HOME Annual Action Plan to include all activities to be implemented.

Over the next several weeks staff will be meeting with our Legal, Finance, Purchasing, Inspections, Public Works, and other Departments to seek their support and assistance in the possible implementation of this program. Additionally, staff will contact the ASSET Team and other community partners (not eligible for funding) for their possible assistance in developing an Allocation Plan. **Due the variety of potential eligible activities, it is very likely that staff will need to create a competitive grant application process for these funds.**

For your review is the HOME Investment Partnerships-American Rescue Plan (HOME-ARP) Grant Agreement (see Attachment A). HUD as outlined in the transmittal letter to the City of Ames, that the Grant Agreement does not constitute approval of the activities that will be described in the HOME-ARP Allocation Plan.

**With approval of the Grant Agreement, the City as the PJ is responsible for ensuring that all grant funds are used in accordance with all program requirements,** and an executed Grant Agreement is a legally binding agreement between the Department of Housing and Urban Development and the City of Ames. PJs will have until September 30, 2030, to access these funds, any remaining funds will be returned to the US Treasury.

#### **ALTERNATIVES:**

1. City Council can adopt a resolution authorizing the Mayor to sign the 2021 HOME Investment Partnerships-American Rescue Plan (HOME-ARP) Grant Agreement with HUD to receive \$1,269,248 in funding to address homelessness and supportive services needs for the Ames community. And direct staff to proceed with next steps to create a HOME Allocation Plan and an amendment to the City 2021-22 CDBG/HOME Annual Action Plan.
2. City Council reject adoption of a resolution authorizing the Mayor to sign the 2021

HOME Investment Partnerships-American Rescue Plan (HOME-ARP) Grant Agreement with HUD to receive \$1,269,248 in funding to address homelessness and supportive services needs for the Ames community.

**CITY MANAGER'S RECOMMENDED ACTION:**

This is another funding opportunity for the City of Ames to help address the continued impact of the COVID-19 pandemic, specifically for the homelessness, and other vulnerable populations in our community. **Due the variety of potential eligible activities, it is very likely that staff will need to create a competitive grant application process for these funds.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

# ATTACHMENT A

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

## HOME ARP Grant Agreement

Title II of the Cranston-Gonzalez National Affordable Housing Act  
Assistance Listings #14.239 – HOME Investment Partnerships Program

1. Grantee Name and Address Ames 515 Clark Avenue Ames, IA 50010-0811		2. Grant Number (Federal Award Identification Number (FAIN)) M21-MP190010																
		3a. Tax Identification Number 426004218	3b. Unique Entity Identifier (formerly DUNS) 061320917															
		4. Appropriation Number 861/50205	5. Budget Period Start and End Date FY 2021 – 09/30/2030															
6. Previous Obligation (Enter "0" for initial FY allocation)			\$0															
a. Formula Funds		\$																
7. Current Transaction (+ or -)			\$1,269,248.00															
a. Administrative and Planning Funds Available on Federal Award Date		\$63,462.40																
b. Balance of Administrative and Planning Funds		\$126,924.80																
c. Balance of Formula Funds		\$1,078,860.80																
8. Revised Obligation			\$															
a. Formula Funds		\$																
9. Special Conditions (check applicable box) <input type="checkbox"/> Not applicable <input type="checkbox"/> Attached		10. Federal Award Date (HUD Official's Signature Date) 09/20/2021																
11. Indirect Cost Rate* <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Administering Agency/Dept.</th> <th style="text-align: left; border-bottom: 1px solid black;">Indirect Cost Rate</th> <th style="text-align: left; border-bottom: 1px solid black;">Direct Cost Base</th> </tr> </thead> <tbody> <tr><td>—</td><td>—%</td><td></td></tr> <tr><td>—</td><td>—%</td><td></td></tr> <tr><td>—</td><td>—%</td><td></td></tr> <tr><td>—</td><td>—%</td><td></td></tr> </tbody> </table>		Administering Agency/Dept.	Indirect Cost Rate	Direct Cost Base	—	—%		—	—%		—	—%		—	—%		12. Period of Performance Date in Box #10 - 09/30/2030	
Administering Agency/Dept.	Indirect Cost Rate	Direct Cost Base																
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\* If funding assistance will be used for payment of indirect costs pursuant to 2 CFR 200, Subpart E-Cost Principles, provide the name of the department/agency, its indirect cost rate (including if the de minimis rate is charged per 2 § CFR 200.414), and the direct cost base to which the rate will be applied. Do not include cost rates for subrecipients.

The HOME-ARP Grant Agreement (the "Agreement") between the Department of Housing and Urban Development (HUD) and the Grantee is made pursuant to the authority of the HOME Investment Partnerships Act (42 U.S.C. 12701 et seq.) and Section 3205 of the American Rescue Plan (P.L. 117-2) (ARP). HUD regulations at 24 CFR part 92 (as may be amended from time to time), the CPD Notice entitled "Requirements for the Use of Funds in the HOME-American Rescue Plan Program" (HOME-ARP Implementation Notice), the Grantee's HOME-ARP allocation plan (as of the date of HUD's approval), and this HOME-ARP Grant Agreement, form HUD-40093a, including any special conditions (in accordance with 2 CFR 200.208), constitute part of this Agreement. HUD's payment of funds under this Agreement is subject to the Grantee's compliance with HUD's electronic funds transfer and information reporting procedures issued pursuant to 24 CFR 92.502 and the HOME-ARP Implementation Notice. To the extent authorized by HUD regulations at 24 CFR part 92, HUD may, by its execution of an amendment, deobligate funds previously awarded to the Grantee without the Grantee's execution of the amendment or other consent. The Grantee agrees that funds invested in HOME-ARP activities under the HOME-ARP Implementation Notice are repayable in accordance with the requirements of the HOME-ARP Implementation Notice. The Grantee agrees to assume all of the responsibility for environmental review, decision making, and actions, as specified and required in regulation at 24 CFR 92.352 and 24 CFR Part 58, as well as the HOME-ARP Implementation Notice.

The Grantee must comply with the applicable requirements at 2 CFR part 200, as amended, that are incorporated by the program regulations and the HOME-ARP Implementation Notice, as may be amended from time to time. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in the program regulations or HOME-ARP Implementation Notice, activities carried out under the grant after the effective date of the 2 CFR part 200 amendments will be governed by the 2 CFR part 200 requirements, as replaced or renumbered by the part 200 amendments.

The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Universal Numbering System and System for Award Management (SAM) requirements in Appendix I to 2 CFR part 200, and the Federal Funding Accountability and Transparency Act (FFATA) in Appendix A to 2 CFR part 170.

Funds remaining in the grantee's Treasury account after the end of the budget period will be cancelled and thereafter not available for obligation or expenditure for any purpose. Per 31 U.S.C. 1552, the Grantee shall not incur any obligations to be paid with such assistance after the end of the Budget Period.

13. For the U.S. Department of HUD (Name and Title of Authorized Official) Tim Severin, CPD Director	14. Signature 	15. Date 09/22/2021
16. For the Grantee (Name and Title of Authorized Official)	17. Signature	18. Date

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19. Check one:     Initial Agreement     Amendment #

20. Funding Information:    *HOME ARP*

Source of Funds	Appropriation Code	PAS Code	Amount
2021	861/50205	HMX	\$1,269,248.00

21. Additional Requirements: These additional requirements are attached and incorporated into this Agreement. The Grantee agrees to these additional requirements on the use of the funds in 7., as may be amended from time to time by the Secretary.

- a) As of the Federal Award Date, the Grantee may use up to the amount identified in 7.a. of this Agreement for eligible administrative and planning costs in accordance with the HOME-ARP Implementation Notice.
- b) Until the date of HUD's acceptance of the Grantee's HOME-ARP allocation plan, the Grantee agrees that it will not obligate or expend any funds for non-administrative and planning costs, in accordance with the HOME-ARP Implementation Notice.
- c) In accordance with the HOME-ARP Implementation Notice, as of the date of acceptance by HUD of the Grantee's HOME-ARP allocation plan, HUD shall make the amount identified in line 7. of this Agreement available to the Grantee.
- d) If the Grantee does not submit a HOME-ARP allocation plan or if the Grantee's HOME-ARP allocation plan is not accepted within a reasonable period of time, as determined by HUD, the Grantee agrees that all costs incurred and HOME-ARP funds expended by the Grantee will be ineligible costs and will be repaid with non-Federal funds.

22. Special Conditions