

ITEM #: 36
DATE: 01-24-23
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: PROVIDERS/PUBLIC INPUT FOLLOW-UP REGARDING HOME AMERICAN RESCUE PROGRAM (HOME-ARP) ALLOCATION PLAN

BACKGROUND:

In September 2021, the City of Ames was officially notified that we would receive \$1,269,248 of the HOME-ARP funding. This funding is in addition to the City's regular HOME funding. Congress appropriated HOME-ARP funding as part of the American Rescue Plan (ARP) Act to give qualified participating jurisdictions (PJs) significant new resources to address their homeless assistance needs by creating various affordable housing options. In October 2021, the City signed and returned the HOME-ARP Grant Agreement with HUD for this **special one-time** round of funding.

With the approval of the HOME-ARP Grant Agreement, the City as the PJ is responsible for ensuring that all grant funds are used in accordance with all program requirements and is a legally binding agreement between the Department of Housing and Urban Development and the City of Ames.

HOME-ARP funds must be used for individuals or families from the following qualifying populations (QPs):

- 1) homeless;
- 2) at risk of homelessness;
- 3) fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- 4) other populations where providing assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability including veterans and families their veteran families.

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

1. the production or preservation of affordable rental housing.
2. tenant-based rental assistance (TBRA);
3. supportive services (including homeless prevention services and housing counseling services); and
4. the purchase or development of non-congregate shelters for individuals and families experiencing homelessness.

ARP can provide up to 5 percent of the grant for the operating cost of Community Housing Development Organizations (CHDOs) and other non-profit organizations, including homeless providers. Five percent of the funds are also available to these organizations for administrative capacity building. Additionally, HOME-ARP provides up to 15 percent

of the allocation for the administrative and planning cost of the participating jurisdiction (PJ) and sub-recipients administering all or a portion of the grant.

HUD has published very detailed and very restrictive program regulations and requirements. There are four (4) very specific requirements:

- 1) The Allocation Plan must be submitted to HUD by March 31, 2023;
- 2) All funds must be expended by September 30, 2030, and any remaining funds will be returned to the US Treasury;
- 3) PJs must conduct stakeholder consultations to gain feedback on the community needs of the funding, and
- 4) HUD must approve the Allocation Plan before funds are made available.

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.

To date, the staff has participated in several HOME-ARP Webinars and has contacted PJs across the country to gain knowledge and expertise in the complexities of the program requirements and processes.

PUBLIC OUTREACH:

As part of the HOME-ARP consultation outreach process (# 3 requirement above), the staff notified and invited through email and postcard mailings approximately fifty-two (52) local agencies that included: Continuum of Care Agencies, Veteran Groups, Domestic Violence-Human trafficking, Homeless Providers, Churches, Low-Income Housing Providers, and other various human service agencies to attend one special stakeholder public forum on January 9th.

Additionally, through emails and social media announcements, staff invited the general public, neighborhood groups, and other activist groups to two public forums held on January 12th. All three forums were held at the Ames Public Library. Additionally, staff sought input through online surveys for both stakeholder agencies and the general public from through January 18th.

The following agenda was presented, and the forum attendees were given the opportunity to participate in a group discussion regarding the agenda items:

1. Welcome, Introductions, and Meeting Purpose
2. Overview of the HOME-ARP Program
3. HOME-APR Qualifying Populations and Eligible Uses
4. Discussion of Needs and Priorities /Group feedback
5. Tentative Timeline for next steps

The stakeholders' forum was videotaped and is available on the Housing Division's website at www.cityofames.org/housing.

Stakeholder Feedback

At the January 9th stakeholder public forum, 25 persons attend. Twenty-two (22) stakeholder agencies: CFR, YSS, Martha's House of Hope, Good Neighborhood, The Bridge, Story County General Assistance, Story County Public Health, Salvation Army, ACCESS, Central Iowa Regional Authority (CIRHA), MICA, Legal Aid Society and Wings

of Refuge. Three were from “Other groups”: Ames Chamber of Commerce, Story County Housing Trust Fund, and Home Allies. **Due to the limited amount of HOME-ARP funding (approximately \$1,078,861, after administration), the two main conversations of the forums were to gain feedback on prioritizing the top qualifying populations (QPs) and the top eligible activities that should be addressed.**

1. The top QPs were:
 - #1 was Individuals experiencing homelessness (sheltered and unsheltered)
 - #2 was Supportive Services (legal, job training, mental health services, etc.)
2. The top eligible activities were:
 - #1 was Non-Congregate Shelters
 - #2 was the Production of Affordable rental housing
 - #3 was Supportive Services.

General Public Feedback

At the January 12th general public forums, 4 persons attended (3 at mid-day and 1 in the evening) representing: AMOS, and The Bridge Home.

1. The top QPs were:
 - #1 was individuals experiencing homelessness (sheltered and unsheltered) and individuals at risk of homelessness
 - #2 was persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.
2. The top eligible activities were:
 - #1 was non-congregate shelters
 - #2 was a split between the Production of affordable rental housing and TBRA
 - #3 was supportive services.

On-Line Public Survey Feedback

From the online surveys, there were sixty-one (61) responses (55-Public and 6 Stakeholders). The online Public Survey asked respondents to 1) rank the most important needs for HOME-ARP funds for the community and; 2) list their top five supportive service needs to support housing needs in Ames.

1. The top eligible activities were:
 - #1 was the production of and preservation of affordable rental housing
 - #2 was TBRA
 - #3 was non-congregate shelter
 - #4 was Supportive Services
2. The top five Support Services needs were:
 - #1 mental health services;
 - #2 childcare;
 - #3 employment assistance and job training;
 - #4 housing search assistance, and counseling
 - #5 was a tie of the following: Food Assistance, Case Management, Transportation, and Life Skills training.

On-Line Stakeholders Feedback

1. The eligible activities were:

- #1 was Non-Congregate Shelter,
- #2 was the Production of and Preservation of Affordable Rental Housing, and
- #3 was TBRA.

Summary of Feedback From Stakeholders and Public

The feedback from stakeholders and the public seems to indicate that the primary QPs focus is homeless populations and at-risk homelessness populations, while the primary activities are Non-Congregate Shelter, Production and Preservation of Affordable Rental Housing. TBRA and Supportive Services were next in priority.

Staff Comments:

After reviewing the housing needs data in the City's current 2019-2023 Consolidated Plan, the most current projects and programs in our 2021-2023 Annual Actions Plans, and feedback from the City's ASSET Team; staff believes the HOME- ARP funding should be used to address the following:

1. Qualifying Populations:

- #1 Homeless individuals and families, individuals, and families at risk of homelessness,
- #2 Persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking

2. Eligible Activities:

- #1 Non-Congregate Shelter (for both Homeless and Persons fleeing violence)

Staff's rationale for proposing these QPs priorities and eligible activities are as follows:

- These activities are consistent with the goals and priorities in the City's 2019-2023 5-Year Consolidate Plan.
- Since the City is currently using our regular HOME allocation to partner with a developer to increase the supply of low-income multi-family units in the Baker Subdivision, the focus of this ARP funding can be directed toward providing Non-Congregate Shelters to include populations fleeing violence.
- The City's future regular HOME allocations can be used for Tenant Based Rental Assistance (TBRA) for needy individuals and families at the very low and low-income levels.
- The use of one-time funds should be used for one-time expenditures, such as for capital improvements. If used for operating costs, there will be a challenge identifying future funding to continue the services once the HOME ARP funds are depleted.
- The ASSET Team is providing the necessary funds for Supportive Services and adding this would be a duplication of benefits.
- To meet HUD's timeline for the expenditure of the grant funds, the top focus should be Brick and Mortar activities and activities that the City has expertise and experience in implementing in a timely manner .

ALTERNATIVES:

1. The City Council can approve the proposed populations and activities for the HOME-ARP Allocation Plan Program and proposed estimated budget (Attachment A), direct staff to prepare the draft allocation plan, and set March 28, 2023, as the date of the public hearing for approval of submitting the plan to HUD on or by March 31, 2023.
2. The City Council can approve the proposed populations and activities for the HOME-ARP Allocation Plan Program and proposed estimated budget (Attachment A), direct staff to prepare the draft allocation plan **with modifications**, and set March 28, 2023, as the date of the public hearing for approval of submitting the plan to HUD on or by March 31, 2023.
3. The City Council can decide not to submit a HOME-ARP Allocation Plan at this time.

CITY MANAGER'S RECOMMENDED ACTION:

This is another funding opportunity for the City of Ames to help address the continued impact of the pandemic, specifically for the homeless, and other vulnerable populations in our community. Using the HOME-APR funding to focus on Brick and Mortar activities will also help to spend all of the designated funds in a timely and impactful manner. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ATTACHMENT A

Proposed 2021-2022 Amended Action Plan HOME-ARP Activities and Expenditure Budget:	
Activities	Budget
Acquisition/ Demolition/Rehabilitation for Non-Congregate Housing	\$1,078,861
General Administration for HOME-ARP	\$190,387
Total	\$1,269,248
APPROVED AMENDED 2021 Action Plan Revenue Budget:	
2021 HOME-APR Allocation	\$1,269,248
Grand Total CDBG & HOME	\$1,269,248

