


## COUNCIL COMMUNICATION

	Number:	<b>22-182</b>	Meeting:	<b>April 18, 2022</b>
	Agenda Item:	<b>54</b>	Roll Call:	[ ]
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Public hearing for approval of the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program-American Rescue Plan (HOME-ARP) allocation plan.

### SYNOPSIS:

In 2021, the City received an allocation of HOME-ARP funds as part of the American Rescue Plan Act of 2021, which addresses the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. The allocated amount is \$3,556,317 and is in addition to the regular 2021 HOME allocation. The HOME-ARP grant agreement with HUD was approved last fall (Roll Call No. 21-1563).

As a condition of the HOME-ARP funds, awarded communities must prepare an allocation plan detailing how the City intends to use the funds to best serve the qualifying populations meant to benefit from the HOME-ARP program. These qualifying populations include individuals and families who are homeless, at risk of homelessness, homeless veterans, households or individuals fleeing domestic violence, and other populations at risk of housing instability. Eligible activities include the production or preservation of affordable housing; tenant-based rental assistance; standalone supportive services, and the purchase or development of non-congregate shelter.

HUD also requires the City to publish the plan and allow the public to comment on the allocation plan. The plan was published on the City website on April 1, 2022, available at Des Moines Public Library branches, and notice given in the Des Moines Register. After the public hearing, the HOME-ARP allocation plan will be submitted to HUD for final review and approval. The plan itself details the needs of the community as described by consultation partners and publicly available data.

### FISCAL IMPACT:

Amount: \$3,556,317

Funding Source: HUD provided funding through the entitlement HOME-ARP. Funds will be available for expenditure until September, 2030.

### ADDITIONAL INFORMATION:

- The primary difference between the City's regular HOME allocation and the HOME-ARP allocation is that the HOME-ARP funds are specifically meant to address the need for

homelessness assistance and supportive services, whereas the regular HOME funds can be used for more general affordable housing efforts and are not necessarily targeted directly for homelessness.

- The HOME-ARP funds, awarded through HUD to help to address and end homelessness in entitlement communities, is not to be confused with the sizable ARPA funds, awarded through the US Department of Treasury for a variety of uses at the City’s discretion.
- HOME-ARP is a one-time HUD funding source allocated to participating jurisdictions who also receive a HOME Program allocation. HOME-ARP closely follows the model of the existing HOME program, with slight differences in program administration due to the targeted populations and activities.
- Consultation partners for the development of the HOME-ARP allocation plan included the following: Polk County Continuum of Care (CoC, recently renamed to Homeward), Des Moines Municipal Housing Agency (DMMHA), Children and Families of Iowa, Des Moines Veterans Administration, IMPACT Communication Action Partnership, United Way of Central Iowa, and HOME, Inc. Publicly available data from the Homeward, Homeless Management Information System (HMIS), and the U.S. Census were also used to the plan.
- The development of affordable housing was continually identified as the best use of the HOME-ARP funds to fill current gaps in the homelessness system (lack of truly affordable and supportive housing) and the best fit for Housing First goals of partner organizations. This activity includes preservation and new construction of affordable housing set-aside for homeless households, at very low income (<30% Area Median Income, or AMI), or other at-risk populations such as those fleeing domestic violence, veterans, or refugees. While supportive services were an eligible activity, affordable housing development is assumed to include supportive services as part of the development or through partnership with housing service providers.
- An updated Request for Proposals (RFP) to include HOME-ARP eligible activities is currently being developed by Neighborhood Services Department staff and will further reflect the desired projects the City and its partners expect to meet HOME-ARP goals.
- Included in the HOME-ARP allocation are 15% for the administration of planning of the program and 5% for non-profit operating costs. Both are set at the statutory limit to ensure programmatic efficiency of the program.
- See below for the proposed allocation of HOME-ARP funds:

	Funding Amount	% of the Grant	Statutory Limit
Supportive Services			
Acquisition and Development of Non-Congregate Shelters			
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$2,885,053.60	80%	
Non-Profit Operating	\$177,815.85	5%	5%
Non-Profit Capacity Building			5%
Administration and Planning	\$553,447.55	15%	15%
Total HOME-ARP Allocation	\$3,556,317.00		

**PREVIOUS COUNCIL ACTION(S):**

Date: March 22, 2022

Roll Call Number: [22-0416](#)

Action: [On](#) approval of the U.S. Department of Housing and Urban Development (HUD) Home Investment Partnerships Program – American Rescue Plan Allocation Plan (HOME-ARP), (4-18-22). Moved by Boesen to adopt. Seconded by Gatto. Motion Carried 7-0.

Date: October 18, 2021

Roll Call Number: [21-1563](#)

Action: [2021](#) Home Investment Partnerships Program Supplemental Funding, as authorized under the American Rescue Plan (HOME-ARP), Grant Agreement with U.S. Department of Housing and Urban Development (HUD). ([Council Communication No. 21-446](#)) Moved by Boesen to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

HOME-ARP awards made using this program and funding will be brought to Council for approval.

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