

## HOME-ARP Program Fact Sheet: HOME-ARP Allocation Plan

### Overview:

As described in the Getting Your HOME-ARP Grant Fact Sheet, HUD began obligating HOME-ARP grants upon publication of the *CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program* (“the Notice”) to provide PJs with access to 5 percent of the grant for eligible program administration and planning activities. However, to be provided access to the balance of its HOME-ARP funds, a PJ must engage in consultation and public participation processes and develop a HOME-ARP allocation plan. The plan must describe how the PJ intends to distribute HOME-ARP funds, including how it will use these funds to address the needs of HOME-ARP qualifying populations. PJs will submit the HOME-ARP allocation plan to HUD as a substantial amendment to the Fiscal Year 2021 annual action plan for HUD review and acceptance.

### Consultation and Public Participation:

- **Consultation**: A PJ must consult with agencies and service providers whose clientele include the HOME-ARP qualifying populations to identify unmet needs and gaps in housing or service delivery systems. In its plan, a PJ must describe its consultation process, list the organizations consulted, and summarize the feedback received from these entities. At a minimum, a PJ must consult with:
  - CoC(s) serving the jurisdiction’s geographic area (Note: State PJs are not required to consult with every CoC);
  - Homeless and domestic violence service providers;
  - Veterans’ groups;
  - Public housing agencies (PHAs) (Note: State PJs are not required to consult with every PHA);
  - Public agencies that address the needs of the qualifying populations; and,
  - Public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.
- **Public Participation**: PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. At a minimum a PJ must:
  - Provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of no less than 15 calendar days.
  - Follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan.
  - Hold at least one public hearing during the development of the HOME-ARP allocation plan prior to submitting the plan to HUD.

- Follow applicable fair housing and civil rights requirements and procedures for effective communication, accessibility, and reasonable accommodation for persons with disabilities and providing meaningful access to participation by limited English proficient (LEP) residents that are in its current citizen participation plan.
- Describe in the plan the public participation process, efforts made to broaden public participation, and a summary of public comments and recommendations accepted or not accepted and the reasons why.

#### HOME-ARP Allocation Plan Requirements:

- Needs Assessment and Gap Analysis: A PJ must evaluate the size and demographic composition of its qualifying populations and assess their unmet needs. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. In addition, the plan must:
  - Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions under HUD’s definition of “other populations.”
  - Identify priority needs for qualifying populations; and,
  - Explain how level of need and gaps in its shelter and housing inventory and service delivery systems was determined.
- HOME-ARP Activities: The plan must:
  - Describe how a PJ will distribute HOME-ARP funds in accordance with its priority needs including the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly.
  - Indicate the amount of HOME-ARP planned for each eligible activity type.
  - Demonstrate that planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits.
  - Include a narrative about how the characteristics of its shelter and housing inventory, service delivery system, and the needs identified in the PJ’s gap analysis provided a rationale for the plan to fund eligible activities.
- HOME-ARP Production Goals: The plan must estimate the number of affordable rental housing units for qualifying populations that the PJ will produce and describe a specific affordable rental housing production goal and how it will address the PJ’s priority needs.
- Preferences: The plan must identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.
- HOME-ARP Refinancing Guidelines: If a PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, it must state its refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#).

- *Certifications and SF-424:* A PJ must submit the SF-424, SF-424B, and SF-424D and the required certifications with the HOME-ARP allocation plan, including the following:
  - Affirmatively Further Fair Housing;
  - Uniform Relocation Assistance and Real Property Acquisition Policies Act and Anti-displacement and Relocation Assistance Plan;
  - Anti-Lobbying;
  - Authority of Jurisdiction;
  - Section 3; and,
  - HOME-ARP specific certification that a PJ will only use HOME-ARP funds consistent with ARP and the HOME-ARP Notice for eligible activities and eligible costs.

### Submission Process:

To submit the plan, a PJ must upload a Microsoft Word or PDF version of the plan as a Grantee Unique Appendix on either the AD-26 screen (for PJs whose Fiscal Year (FY) 2021 annual action plan is a Year 2-5 annual action Plan) or the AD-25 screen (for PJs whose FY 2021 annual action plan is a Year 1 annual action plan that is part of the 2021 consolidated plan), unless instructed by HUD to follow a different submission procedure.

### HUD Review of the HOME-ARP Allocation Plan:

- HUD will review a PJ's HOME-ARP allocation plan to determine that it is substantially complete and consistent with the purposes of ARP. If a plan is not disapproved, then the plan is deemed approved 45 days after HUD receives the plan.
- HUD may disapprove a plan in accordance with [24 CFR 91.500\(b\)](#), or if HUD determines that the plan is inconsistent with the purposes of ARP or substantially incomplete.
  - A PJ's plan is inconsistent with ARP if it allocates HOME-ARP funds for uses other than a HOME-ARP eligible activity, as described in the Notice.
  - A PJ's HOME-ARP allocation plan is substantially incomplete if:
    - The PJ does not complete the required public participation or consultation or fails to describe those efforts in the plan;
    - The PJ fails to include the required elements outlined in the Notice, including the amount of HOME-ARP funds for each eligible HOME-ARP activity type;
    - The PJ fails to identify and describe the responsibilities of the subrecipient or contractor administering all of a its HOME-ARP award, if applicable; and/or,
    - HUD rejects the PJ's HOME-ARP certification as inaccurate
- HUD will notify a PJ in writing with the reasons for disapproval and the PJ may revise and resubmit the plan within 45 days after the first notification of disapproval. HUD will respond to accept or disapprove the resubmitted plan within 30 days of receipt.
- The PJ must make the final accepted HOME-ARP allocation plan available to the public in accordance with the same requirements in the PJ's current citizen participation plan.