

NYS HOME-ARP Program

Funding Opportunity Presentation
December 12, 2023

<https://hcr.ny.gov/nys-home-arp>

HOME_ARP@hcr.ny.gov

The following slides are intended as a summary of the program. For full guidance, please refer to the RFA, referenced materials, plans & the HUD Notice.



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NYS HOME-ARP Program Overview

The New York State HOME American Rescue Plan Program (NYS HOME-ARP) is a federally funded program allocated to New York State by the Department of Housing and Urban Development (HUD).

The main purpose of HOME-ARP is to reduce homelessness and increase housing stability.

The NYS HOME-ARP program is designed to create and preserve Rental Housing, Non-Congregate Shelter (NCS), and enhance Supportive Services for the Qualifying Populations residing in the units developed. HOME-ARP will be provided as a source of financing, generally as a 0% interest loan with the potential to be declining balance.

HOME-ARP funding expires on [September 30, 2030](#)



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NYS HOME-ARP Qualifying Populations

HOME-ARP funds must primarily benefit Qualifying Populations (QP) as defined by HUD in Section IV of the [HUD HOME-ARP Notice](#)

1

Homeless

previously homeless households currently with time-limited support

2

At-risk of Homelessness

Other Populations Experiencing or at Greatest Risk of Housing Instability

households below 50% AMI and are at risk of homelessness

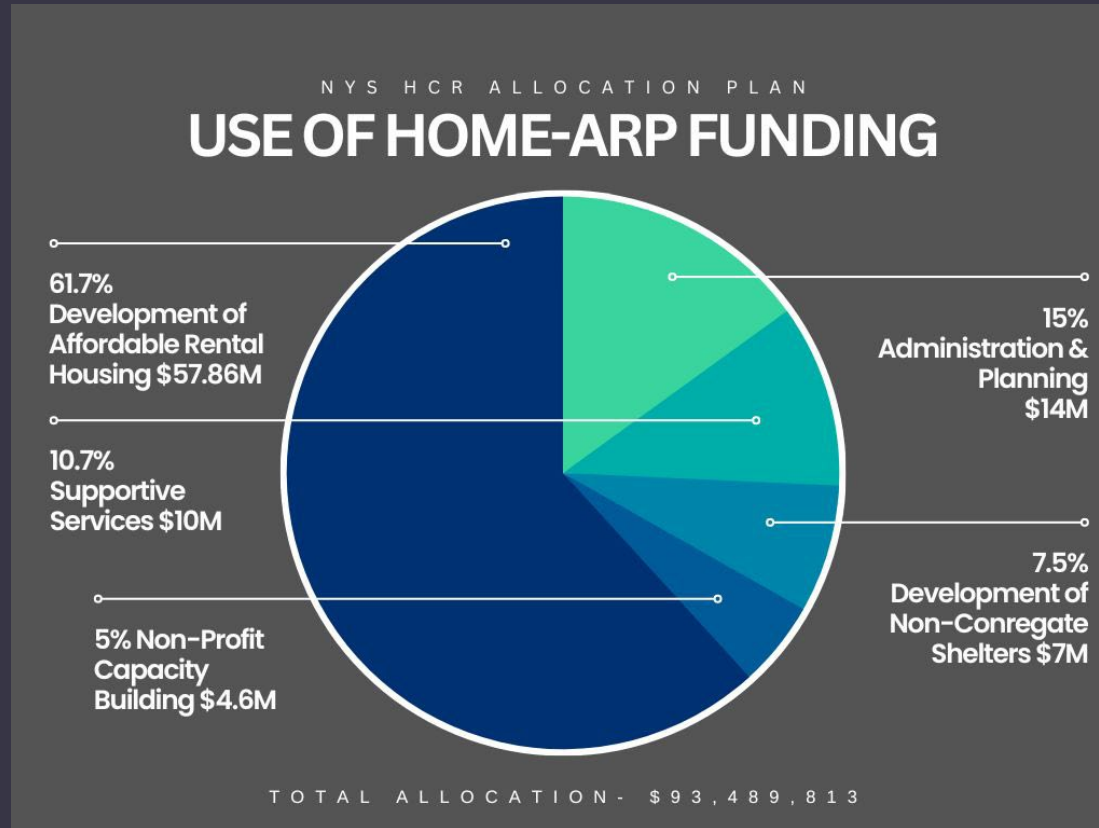
3

Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking

households below 30% AMI who are severely cost-burdened



NYS HOME-ARP Allocation Plan



The Needs Assessment, Gap Analysis & consultations done as part of the Allocation Plan process demonstrate the severe lack of affordable housing units. Specifically for households under 30% AMI and persisting for those between 30-50% AMI.

Even with access to resources such as rental assistance, homeless or at-risk households face barriers to finding available apartments that are affordable or issues with landlord willingness to accept the subsidies.

Majority of NYS HOME-ARP funding has been allocated to the development of rental housing to primarily serve the Qualifying Populations identified.

[Access NYS HOME-ARP Allocation Plan for More Details Here](#)



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NYS HOME-ARP Eligible Applicants

- Non-profit Corporations
- For-Profit Housing Developers
- Public Housing Authorities

The applicant must be the entity developing and/or owning the project.

Applicants must demonstrate relevant experience & capacity to develop and operate HOME-ARP projects.

Projects located within another HOME-ARP Participating Jurisdiction (PJ) should provide evidence of funding commitments or efforts to secure funding from the local HOME-ARP PJ to leverage additional funds for the project as applicable.

Applicants must have been in existence for at least one year prior to application and providing recent and relevant residential housing services to the community.



NYS HOME-ARP Eligible Uses

HOME-ARP Available Funding	
Rental Housing	\$57,866,341
Supportive Services	\$10,000,000
Non-Congregate Shelters (NCS)	\$7,000,000
Not-for-Profit Capacity Building	\$4,600,000

- Projects must adhere to the [NYS HOME-ARP Allocation Plan](#) and the [HUD HOME-ARP Notice CPD-21-10](#).
- Proposals may request funds for a portion, or all of the units in a development project.
- While the preservation of existing affordable units is an eligible expense with HOME ARP, priority may be given to projects that prioritize the creation of new affordable units.
- Applicants may request funding for multiple of the HOME-ARP eligible uses based on the project's needs.
- **Supportive Services and Capacity Building funding through HOME-ARP will only be awarded in conjunction with HOME-ARP Rental Housing or Non-Congregate Shelter development projects and will be based on demonstrated needs.**
- Award amounts will be based on actual project costs and need. Maximum award amounts should not be considered "as of right".
- All projects are subject to subsidy layering review.



NYS HOME-ARP Eligible Uses

Development of Affordable Rental Housing - \$57,866,341

See Section VI.B.5 of HUD Notice CPD-21-10 for eligible costs.

Eligible HOME-ARP rental housing includes “housing” as defined at 24 CFR 92.2, including but not limited to, manufactured housing, single room occupancy (SRO) units, permanent supportive housing, single-family or multi-family housing.

At least 70% of HOME-ARP assisted rental units must be restricted for occupancy by **Qualifying Population (QP) households.**

&

Up to 30% of HOME-ARP assisted units may be restricted for occupancy by **low-income households** earning under 80% of AMI.

In cases where HOME-ARP is proposed as gap funding in a larger development, HCR may require 100% of HOME-ARP assisted units to be restricted for QP households.



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NYS HOME-ARP Eligible Uses

Development of Affordable Rental Housing - \$57,866,341

Challenge - HOME-ARP qualifying households are extremely cost-burdened with inability to pay sufficient rent that would cover operating costs

- HOME-ARP offers a higher capital investment to reduce/eliminate the need for long-term debt and can cover up to 100% of eligible costs for each HOME-ARP unit.
- Project-Based Rental Assistance (PBRA) may be needed. Applicants interested in applying for HCR Project Based Vouchers (PBVs) must apply through the HCR PBV RFA.
- Reflect any rental assistance acquired for proposed HOME-ARP units in underwriting application.
- Rental project Operating Cost Assistance may be used to cover deficits remaining after rental revenue is applied to the project operating costs. This is only eligible for QP units. Income from unit rents must be accounted for prior to drawing from the reserve.

Funding Limits: Up to \$400,000 per unit. Maximum Award: \$20 million
Minimum Award: \$1 million



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NYS HOME-ARP Eligible Uses

Development of Non-Congregate Shelter - \$7M

See Section VI.E.3 of HUD Notice CPD-21-10 for eligible costs.

A non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may be used to acquire and develop HOME-ARP NCS for individuals and families in qualifying populations.

- 100% of units must be restricted for occupancy by Qualifying Population (QP) households.
- NCS projects are not eligible for operating subsidy. Emergency Solutions Grant (ESG) through HUD is a potential source that can fund NCS operations.
- Funding for NCS will be prioritized in areas of NYS without an existing shelter system as consistent with the NYS HOME-ARP Allocation Plan.
- Capitalized Replacement Reserves may fund the reasonable and expected cost of ongoing replacement needs of an NCS's major systems during the restricted use period. Operating costs for NCS are not eligible through HOME-ARP.

Funding Limits: Up to \$200,000 per unit. Maximum Award: \$7 million.
Minimum Award: \$1 million.



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NYS HOME-ARP NCS Property Standards

Refer to **NCS Property & Habitability Standards** in Section VI.E.7 of Notice CPD-21-10. NCS minimum safety, sanitation, accessibility and privacy standards include, but are not limited to, the following:

- ▶ Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
- ▶ Must have a natural or mechanical means of ventilation. Must have a water supply free of contamination.
- ▶ Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
- ▶ Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- ▶ Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents.
- ▶ All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector.
- ▶ There must also be a second means of exiting the building in the event of fire or another emergency.
- ▶ Must meet accessibility standards according to all applicable regulations outlined in the Notice.



NYS HOME-ARP Eligible Uses

Supportive Services - \$10M

See Section VI.D.4 of HUD Notice CPD-21-10 for eligible costs.

- McKinney-Vento defined Supportive Services, Homelessness Prevention Services, and limited Housing Counseling Services.
- Supportive services must be connected to a site-specific HOME-ARP project.
- Funding is not eligible for standalone services.
- Supportive services are not considered operating costs under NYS HOME-ARP
- 100% of recipients of supportive services must be Qualifying Populations (QP) who are not already receiving the services outlined through another program.

Funding Limits: Up to \$50,000 per unit prefunded for use over 15 years of service provision.

Funds not intended as sole source for Supportive Services.



NYS HOME-ARP Eligible Uses

Non-Profit Capacity Building \$4.6M

See Section VI.F.1b of HUD Notice CPD-21-10 for eligible costs.

- Funds may be used to procure technical assistance, training, staffing, materials, supplies, or contracts through professional service providers needed to ensure the successful development and operation of a site-specific project eligible under the HOME-ARP program.

Funding Limits: Must be based on documented organizational & project needs to develop a HOME-ARP project. In any fiscal year, assistance cannot exceed the greater of 50 percent of the general operating expenses of the organization, or \$50,000.



NYS HOME-ARP Significant Deadlines

RFA Release	November 29, 2023
Funding Round Presentation	December 12, 2023
Deadline to Submit Initial Application for Threshold Review	December 22, 2023
Deadline to request Application Support	February 2, 2024
Deadline to Submit Application for Funding	February 16, 2024 at 4pm

NOTE: NYS Homes & Community Renewal intends to release additional HOME-ARP application dates & deadlines in 2024 under this RFA based on funding availability.

Applications will involve two steps:

1. Initial Application submitted for threshold review.
2. Upon meeting the HOME-ARP threshold, applicants will be invited to submit a full application for HOME-ARP funds.

Applications submitted to: HOME_ARP@hcr.ny.gov



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NYS HOME-ARP Threshold Review

Initial Applications are due by Friday, December 22, 2023, at 4pm

Projects funded must adhere to the NYS HOME-ARP Allocation Plan approved by HUD. Proposals must demonstrate need and viability. The following considerations must be met during the initial threshold level of review for projects to be invited to submit a final application to the HOME-ARP Program:

- Proposals meet the minimum HOME-ARP regulations and requirements outlined in Notice CPD-21-10 and the RFA: eligible applicant proposing eligible activities for eligible occupants / beneficiaries of the NYS HOME-ARP Program.
- Applicant must not have current or past unresolved performance, compliance, monitoring and/or audit issues with HCR and cannot be included on any federal or state debarment lists.
- Applicant must demonstrate at least one year experience providing recent and relevant residential housing services in the proposed service area.
- The Vendor Responsibility Questionnaire must indicate that an applicant is in good standing with no concerns that would prohibit funding the application.



NYS HOME-ARP Final Application Review

Final Applications are due by Friday, February 16, 2024, at 4pm

Scoring criteria is derived from statutory, regulatory, and policy considerations of the NYS HOME-ARP Program and based on a 100-point scale summarized below:

1. Proposal & Program Design (50 points)
2. Organizational Capacity (30 points)
3. Budget & Financing Plan (15 points)
4. Success Metrics & Partnerships (5 points)

Applicants may request technical assistance before or during the application process by submitting questions via email to HOME_ARP@hcr.ny.gov

Please see HCR's website at www.hcr.ny.gov/nys-home-arp for more information including webinar(s) regarding the HOME-ARP program.



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NYS HOME-ARP Developer Fee

The applicant may receive up to 12% of the total HOME-ARP award (generally excluding acquisition, developer fee, reserves, and contingencies) as a developer fee to develop and operate the units in compliance with HOME & HOME-ARP regulations, provided that the project is within budget and on schedule.

For developments under 15 units, the developer fee may be up to 15% on a case-by-case basis.

The project owner must manage or hire a property manager to oversee the long-term management responsibilities of the rental housing throughout the required restricted use period or Minimum Compliance Period. A management plan will be required as part of the due diligence review of any award.



NYS HOME-ARP Regulatory Requirements

Awardees will be required to execute a Regulatory Agreement prior to start of construction. The agreement will ensure compliance with occupancy, income and rent restrictions, sale and transfer restrictions and general asset management obligations for the regulatory period.

Rental Housing: Minimum Compliance Period is 15 years

Construction must begin within 12 months of funding commitment date

Non-Congregate Shelter Restricted Use Period:

- **New Construction: 15 years** – construction must begin within 12 months of commitment
- **Rehabilitation: 10 years** – construction must begin within 12 months of commitment
- **Acquisition Only: 10 years** – NCS must be in active use within 6 months of acquisition

Supportive Services must coincide with the HOME-ARP Minimum Compliance Period or restricted use period on the site-specific project developed by the applicant.

Contract Term: If awarded, the contract term shall not exceed 36 months (3 years).
Proposals must demonstrate that the proposed project can be completed within the 3-year contract and will be monitored for progress & compliance.



NYS HOME-ARP Loan Terms & Underwriting

- ▶ HOME-ARP funding will generally be provided as 0% interest loan, with potential to be declining balance.
- ▶ Expected minimum term of 15 years following construction/rehabilitation completions starting on the date completed in HUD's Integrated Disbursement and Information System (IDIS).
- ▶ Loan terms maybe be tailored to specific project needs on a case-by-case basis by NYS HCR.
- ▶ HOME-ARP Projects must comply with the Underwriting & Subsidy Layering guidelines established in Section VI.B.10 of the HUD HOME-ARP Notice CPD-21-10.



NYS HOME-ARP Tenant Selection

- ▶ Determination must be made on Tenant Selection Method(s):
 - ▶ Continuum of Care (CoC) Coordinated Entry (CE),
 - ▶ CoC's CE and other referral sources
 - ▶ project-specific waitlist
- ▶ A project-specific waitlist must be used when selecting households to occupy units restricted for occupancy by low-income households that do not fit with the definition of qualifying populations.
- ▶ NYS has not mandated prioritization for any one or more qualifying populations or subpopulations with HOME-ARP. Any potential prioritization would need to be proposed based on local need, ensuring no violations occur regarding fair housing or civil rights.
- ▶ HOME-ARP projects must work with HCR's Fair and Equitable Housing Office (FEHO) to submit an approved Affirmative Fair Housing Marketing Plan (AFHMP) that includes a suitable Tenant Selection Plan (TSP).



NYS HOME-ARP Rent Limits QP

Rent Limits for Qualified Populations under HOME-ARP:

For any HOME-ARP household that meets criteria as a "qualified population" as defined in Section IV.A of the HUD HOME-ARP Notice CPD-21-10, the rent must meet the following requirements:

- ▶ The rent may not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD annually provides the HOME Rent Limits, these are also applicable to HOME-ARP, which include average occupancy per unit and adjusted income assumptions. This is also known as the low HOME rent limit.
- ▶ If the unit receives federal or state project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
- ▶ If a household receives Tenant-Based Rental Assistance (TBRA), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).

The rent limits for HOME-ARP units for qualifying households include the rent plus the utility allowance established pursuant to Section VI.B.13.d of Notice CPD-21-10.



NYS HOME-ARP Rent Limits Low-Income

For any HOME-ARP units occupied by "low-income households," the rent must comply with the rent limitations in CFR Part 92.252(a). The maximum rents are the lesser of:

- ▶ The fair market rent (FMR) for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- ▶ A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME-ARP rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions. This is also known as the high HOME rent limit.
- ▶ If a household receives a form of federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).

The rent limits for low-income households apply to the rent plus the utility allowance established pursuant to Section VI.B.13.d of Notice CPD-21-10.



NYS HOME-ARP Rent Limits SRO

Rent Limits for Single Room Occupancy Units under HOME-ARP:

- ▶ If the single room occupancy (SRO) unit has both sanitary and food preparation facilities, the maximum HOME-ARP rent is based on the zero-bedroom FMR.
- ▶ If the SRO unit has only sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of the zero-bedroom FMR. The rent limits for SRO units must also include the utility allowance established pursuant to Section VI.B.13.d of Notice CPD-21-10.



NYS HOME-ARP Relocation - URA

The HOME-ARP Program is subject to an overall policy of minimizing displacement and is subject to the **Uniform Relocation Act** and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

- ▶ NYS HOME-ARP programs must provide reasonable benefits and relocation assistance to any person involuntarily and permanently displaced as a result of the use of NYS HOME-ARP Program funds. Any purchase of property meeting the requirements of the URA must be documented, including provision of notices to the seller identifying the transaction as a voluntary sale not under the threat of eminent domain.
- ▶ Any legal occupant of a property at the time of application for federal funds is entitled to protections, including the initial notice that is due on the initial application for funds by the applicant. While it is preferred and expected that only temporary relocation will be needed, projects triggering permanent relocation requirements must enlist the assistance of a project specific certified relocation specialist versed in HUD requirements. This specialist will be primarily responsible for meeting URA regulation and also working with HCR for reporting purposes.
- ▶ Relocation costs eligible through HOME-ARP are defined in 24 CFR 92.206(f), 24 CFR 92.353 of the Federal Code of Regulations as described in Notice CPD-21-10 and, if applicable, must be reflected in the project's proposed budget.



NYS HOME-ARP Environmental Review

HOME-ARP is subject to the National Environmental Policy Act (NEPA) regulations outlined in 24 CFR Part 58 in the Code of Federal Regulations.

NYS HCR as the Responsible Entity (RE) for all HOME-ARP projects will oversee the environmental review process and approve the Request for Release of Funds (RROF). All projects will obtain final environmental approval in coordination with the HCR Environmental Analysis Unit.

HOME-ARP awardees must take no choice limiting actions until after the Environmental Analysis Unit (EAU) environmental approval by HCR.

NYS HOME-ARP is further subject to the provisions of the State Environmental Quality Review Act (SEQRA) State Environmental Quality Review Act (SEQRA).



NYS HOME-ARP Lead Based Paint Regs

- ▶ HOME-ARP projects must comply with the lead-based paint requirements implemented at [eCFR :: 24 CFR Part 35 -- Lead-Based Paint Poisoning Prevention](#) in certain residential structures and are expected to trigger abatement in most cases.
- ▶ Under no circumstances will the HTFC approve the release of funds for a project where lead safe practices and lead safe clearance were not conducted in accordance with all applicable rules and regulations.



NYS HOME-ARP Fair Housing & Section 3

- ▶ The NYS HOME-ARP Program must comply with all federal, New York State, and local laws, executive orders and regulations pertaining to Fair Housing and Equal Opportunity
- ▶ All applications must comply with all HCR marketing guidelines and meet the mission and requirements of HCR's Fair and Equitable Housing Office (FEHO), including but not limited to the submission of an Affirmative Fair Housing Marketing Plan.
- ▶ Any preferences proposed in tenant selection for rental housing may require a waiver from FEHO.
- ▶ HOME-ARP projects must comply with Section 3 requirements of the Housing and Urban Development Act of 1968 and work with the HCR's FEHO to submit a Section 3 Participation Plan and subsequent reporting.
- ▶ Section 3 requires that economic opportunities generated by HUD funds be prioritized for low-income individuals and the businesses that hire or are owned by them, particularly in the neighborhood surrounding the project.



NYS HOME-ARP M/WBE & Davis Bacon

- ▶ All applications must comply with and meet the requirements of HCR's Office of Economic Opportunity and Partnership Development (OEOPD), including but not limited to the participation of Minority and Women-Owned Business Enterprises (MWBES).
- ▶ Programs that undertake construction or rehabilitation activities on 12 or more HOME/HOME-ARP assisted units within the same construction contract must comply with the Federal Labor Standards requirements (Davis Bacon Related Acts).
- ▶ Outlined in 40 USC 276 [Office of Davis-Bacon and Labor Standards | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#). This regulation requires that workers receive no less than the prevailing wages being paid for similar work in their locality.



NYS HOME-ARP Property Standards

- ▶ All construction must follow State and Local housing codes and HUD HOME regulations at 24 CFR 92.251 in addition to property standards pursuant to Section VI.B.11 of Notice CPD-21-10.
- ▶ New construction proposals are expected to incorporate HCR's most current Design Guidelines in the design and development of the NYS HOME-ARP project. Any variation from these standards requires review and approval of HCR, in its sole discretion.
- ▶ Rehabilitation proposals are also encouraged to incorporate the Design Guidelines. If the proposed project does not adhere to HCR's Design Guidelines, the application must include justification and provide an alternate approach for confirming code compliant, healthy, energy efficient design choices.
- ▶ The applicant must submit architectural plans and specifications to the HTFC for approval prior to the start of construction.



NYS HOME-ARP Funding Commitment

All HOME-ARP awards must be approved by the HTFC Board of Directors.

Award Letters

- Award Letters are sent to all successful applicants. This letter notifies the applicant that the project has been selected for funding and sets forth the activities funded, number of units and award amount(s).
- Application Disqualification Letters are sent to unsuccessful applicants whose submissions did not pass Completeness, Threshold or Final Application reviews.
- Application Review Letters are sent to unsuccessful applicants whose projects are ineligible for funding.

Project Development Meeting

- The project development team for each awarded project will be required to participate in a Project Development Meeting with HCR staff. The meeting provides a forum for the awardee's development team and HCR to discuss the project's development timetable, the roles and responsibilities of the development team members and HCR, and the deliverables required prior to issuance of a HOME-ARP Reservation Letter and/or Funding Commitment.

Funding Commitment

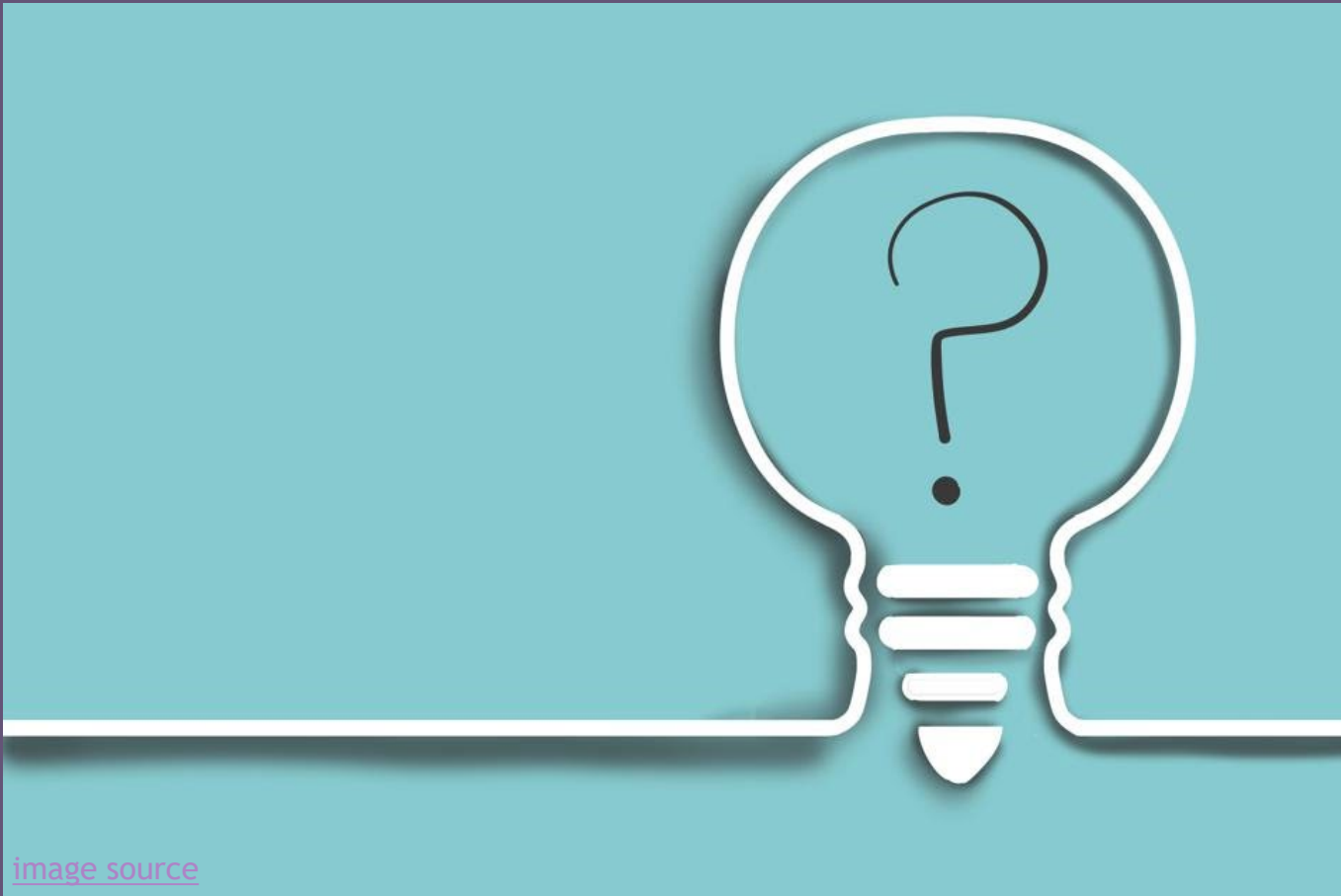
- HCR sends Funding Commitment Letters (FCL) to successful applicants who were awarded HTFC financing. The FCL sets forth the terms and conditions under which HTFC will provide financing to the project, including some of HTFC's requirements for the project's ongoing operations during the regulatory period, and is considered a binding agreement when signed and returned by the applicant.

Processing Timeframes

- Successful applicants will be required to agree to a development timetable outlining the timing of critical development milestones and establishing a schedule for the delivery of key documents for HCR staff review.



NYS HOME-ARP Questions ?



[image source](#)

Website:

<https://hcr.ny.gov/nys-home-arp>

Email:

HOME_ARP@hcr.ny.gov



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