THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting: November 9, 2021

Subject: HUD HOME-ARP Award and Administrative Funding

Staff Resource(s): Nikki Reid, Interim CED Director
Paul D'Angelo, CD Program Director

Action Requested: Recommend acceptance of and a budget amendment in the amount of $4,699,882 in the City's HOME Fund for HOME-ARP funds to be allocated in a future amendment to the 2021-22 Annual Action Plan (AAP); and to designate the use of $234,993.10 for HUD eligible administrative and planning costs necessary for the development of a local HOME-ARP allocation plan.

Review:

- The City of Asheville has received notification from HUD, the Department of Housing & Urban Development, that the City, as Participating Jurisdiction for HOME Investment Partnership Program (HOME) funds, will be receiving $4,699,862 in a special funding allocation.
- Annual HOME funds provide formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income individuals and families.
- This special allocation of HUD HOME-ARP funds, from the American Rescue Plan Act, is to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country.
- These grant funds will be administered through the HUD HOME program.
- HUD HOME ARP is providing up to 15% of the allocation for administrative and planning costs of the participating jurisdiction and subrecipients administering all or a portion of the grant.
- One-third of these administrative funds, or $234,993.10, are available to the City now to get started with the eligible planning process around these funds, similar to but more in depth and comprehensive than the CDBG COVID-19 funding received last year.
- HUD requires that the City engage in consultation and public participation processes to develop a local HOME-ARP funding allocation plan that is data driven.
- The plan must describe how funds will be distributed within the four counties of the Asheville Regional Housing Consortium / ARHC (Buncombe, Henderson, Madison and Transyvania).
- The plan must include a needs assessment and gap analysis across the 4 counties to justify the use of funds that best addresses the needs of qualifying populations.
- The draft HOME-ARP allocation plan will be reviewed by the ARHC and then submitted to Council for consideration at a future public hearing.
- An adopted plan must also be added to the FY21-22 Annual Action Plan as a substantial amendment subject to public notice and HUD approval.

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):

- None

Pro(s):

- Unique funding source available to assist people experiencing homlessness, to reduce homelessness and to increase housing stability across the Consortium Counties.
- Assistance with Administrative funding, including staffing and planning, from HUD.

Con(s):

- None

Fiscal Impact:

- This special allocation is fully funded from HUD and authorized by the American Rescue Plan Act.
- Staff costs to administer the program are also fully paid from federal sources.
- Timeline of Funding - HUD published the HOME-ARP funding notice on September 13, 2021, and began releasing guidance on planning and use requirements for the new funds.
- Per HUD instructions, a local allocation plan must be submitted as an amendment to the FY21-22 Annual Action Plan.
- All funds must be spent before September 30, 2030.
- Council action includes a budget amendment to fully budget the $4,699,882 of HOME-ARP funds in the City's HOME Fund.
- Specific allocation of those funds will occur at a later date.

Suggested Motion:

- Recommend acceptance of and a budget amendment in the amount of $4,699,882 in the City's HOME Fund for HOME-ARP funds to be allocated in a future amendment to the 2021-22 Annual Action Plan (AAP); and designate the use of $234,993.10 for eligible administrative and planning cost necessary for the development of the comprehensive HOME-ARP allocation plan.

Attachment(s)

- Resolution
- Budget Amendment
- Award Letter from HUD
- Presentation about HOME ARP

RESOLUTION NO. 21-_____

RESOLUTION ACCEPTING FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOME-ARP PROGRAM TO DEVELOP AND MANAGE THE LOCAL HOME-ARP ALLOCATION PLAN

WHEREAS, the City of Asheville is the Participating Jurisdiction for the federal HOME Investment Partnerships (HOME) program; and

WHEREAS, a Special Allocation of HOME funds (HUD HOME ARP) has been allocated to the City of Asheville as part of the federal American Rescue Plan Act of 2021; and

WHEREAS, this allocation in the amount of $4,699,862 is to to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter; and

WHEREAS, 5% of these funds, $234,993.10, can be used for upfront planning and administration costs and have been received by HUD to prepare for a plan

WHEREAS, the Community Development staff, in partnership with the Asheville Regional Housing Coalition (ARHC), must submit a plan to HUD to be fully awarded this special allocation; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

1. City Council approves acceptance of $4,699,882 from the HOME-ARP Program.
2. City Council designates the use of $234,993.10 for eligible administrative and planning costs necessary for the development of a local HOME-ARP allocation plan to be submitted to HUD as a future amendment to the FY21-22 Annual Action Plan.
3. City Council authorizes the City Manager to sign all contracts and agreements, after approval by the City attorney, for the acceptance and use of these funds.

Read, approved and adopted this 9th day of November, 2021.

_____ _____

CITY CLERK MAYOR

Approved as to form:

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CITY ATTORNEY

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2021-22 Budget Ordinance Section 2 be amended in the HOME Fund as follows:

HOME FUND

Revenues:

Restricted Intergov Fed Grants	$4,699,882.00
Total Revenues	$4,699,882.00

Appropriations:

HOME-ARP Contingencies	$4,464,888.90
HOME-ARP Administration	$234,993.10
Total Appropriations	$4,699,882.00

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this the 9th day of November, 2021.

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City Clerk Mayor

Approved as to form:

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City Attorney