



Leveraging HOME-ARP for Supportive Housing

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What is HOME-ARP?

HOME-ARP, issued through HUD as part of ARPA, provides \$5 billion to states and local jurisdictions for individuals and families who are

1. **Homeless or at risk of homelessness,**
2. **Fleeing or attempting to flee domestic/dating violence or human trafficking, or**
3. **When additional supportive services or assistance would prevent homelessness or help those at risk of housing instability.**

Participating jurisdictions and each jurisdiction's allocation are available from HUD located here: <https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP.pdf>

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How can HOME-ARP be used?

HOME- ARP can be used for all three legs of the supportive housing stool!

- 1. Capital - acquisition, construction, and rehabilitation expenses**
- 2. Operating - rental subsidy costs as well as expenses associated with operating and/or maintaining the housing**
- 3. Services - costs associated with child care, skill building, mental health services, outpatient health services, substance use treatment services, case management, and housing retention**

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Recommended uses of HOME-ARP for Capital

1. Supplement 9% LIHTC projects to finance more applicants during the 2022 cycle and beyond,
2. Finance 9% LIHTC projects that did not receive awards in previous years due to limited funding amounts,
3. Pair with State and Local Fiscal Recovery Funds to finance the acquisition or construction of a development,
4. Pair with 4% LIHTC and tax-exempt bonds for the cost of construction and/or the permanent financing of a project

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Recommended uses of HOME-ARP for Operating

Create a capitalized operating reserve that is held in an interest-bearing account that can be drawn down to cover operating deficits of the supportive housing units in the development.

The capitalized account can be maintained for a period of up to 15 years, allowing the ability to drawdown these funds over the minimum affordability compliance period.

Can only be used for developments that also financed construction cost, at least in part, with HOME-ARP as well

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Recommended uses of HOME-ARP for Services

The services funding timeline is shorter (2030) than the affordability compliance period and the period from which capitalized operating reserve can be draw down (15 years).

HOME-ARP should be viewed as a supplementary resource for supportive services that can bridge to Medicaid in the next several years.

It's important to examine the current state Medicaid plan and the services covered. For states that already have some form of tenancy support services covered under Medicaid, HOME-ARP may also be used for training and capacity building for service providers responsible for the services and Medicaid billing.

HOME-ARP Plan Approval

Participating jurisdictions must get their plan approved from HUD in order to use their funds

Process Steps -

- 1. determine needs and gaps – which should include an analysis of racial and other disparities in need;**
- 2. consult with Continuums of Care Public Housing Authorities and Veteran Serving Organizations – review needs, priorities and potential resources to leverage;**
- 3. develop an allocation plan – a new allocation plan specific to HOME-ARP that states how the fund will be spent by each activity type including supportive housing and the populations served; and**
- 4. post for a minimum 15-day public comment period.**

Questions