



HOME American Rescue Plan Overview

Minnesota Housing



Our Mission: The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

Background

HOME American Rescue Plan (ARP) is:

- A federal stimulus program established in 2021
- Intended to reduce homelessness and increase housing stability
- 7 Participating Jurisdictions (PJs) in Minnesota received awards directly from the U.S Department of Housing and Urban Development
 - State of Minnesota (through Minnesota Housing)
 - Cities: Minneapolis, St. Paul, Duluth
 - Counties: Hennepin, Dakota, St. Louis
- A one-time award available until 2030

Use of HOME ARP is informed by:

- Community partners across the region
- Local needs and gaps in housing, shelter, and services

Minnesota Housing's HOME ARP allocation is \$31,137,836

HOME-ARP funds can:

- Provide a broad range of housing and supportive services
- Create new standalone projects
- Be used in combination with other HOME-ARP projects and funding programs

Today we will identify:

- Gaps and needs in your community
- Those most in need of HOME ARP services
- Opportunities for addressing needs with HOME ARP funding

Qualifying Populations

Qualifying populations (QPs) include:

- Individuals and families experiencing homelessness (24 CFR 91.5)
- Individuals and families at risk of homelessness (24 CFR 91.5)
- Individuals and families fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking (as defined by HUD)
- Other populations for whom supportive services or assistance would prevent homelessness or who are at greatest risk of housing instability

Eligible Activities

- Affordable rental housing
- Tenant-based rental assistance (TBRA)
- Supportive services
- Acquisition and development of non-congregate shelter
- Nonprofit operating and capacity building assistance

Affordable Rental Housing: Acquisition, Construction, and Rehabilitation

Housing types include:

- Single or multifamily
- Transitional
- Permanent
- Group homes
- Single room occupancy (SRO)
- Manufactured homes

Tenant-Based Rental Assistance

PJs may provide:

- Rental assistance
- Security deposit assistance
 - Up to two months' rent
 - Loan or grant
 - Rental assistance is not required
- Utility deposit assistance
 - With rental assistance or security deposit assistance

Project delivery costs include:

- Inspecting housing units
- Determining eligibility

Supportive Services

Combines and modifies services from three existing programs:

1. Continuum of Care (CoC)
2. Emergency Solutions Grant (ESG) Homelessness Prevention Services
3. Housing counseling
 - Provided by a HUD-certified counselor

Supportive Services projects can operate as standalone programs or in conjunction with other services (such as rental assistance or emergency shelter)

Non-Congregate Shelter (NCS)

Funding:

- Intended to expand and update emergency shelter stock
- Shelter operating costs are not an eligible use of HOME-ARP funds
- Requires PJs to plan for long-term viability of NCS facility
- Ongoing operating costs are not eligible

NCS Eligible Activities and Costs

Acquisition of structures to be converted to NCS

New construction, with or without land acquisition

Rehabilitation of existing structures (such as nursing homes, motels, etc.)

Development hard and soft costs

Replacement reserves (for costs identified in capital needs assessment)

Nonprofit Operating and Capacity Building Assistance

Two Categories of Eligible Costs

Operating Expense Assistance

Reasonable and necessary operating costs, including salaries, training for staff, rent, utilities, insurance, etc.

Capacity Building Assistance

Reasonable and necessary costs used to expand or improve the ability to carry out HOME-ARP activities.

NOTE: Funding for operating and capacity building is capped at 5% of the HOME-ARP allocation.

PJs may establish reasonable preferences for HOME-ARP assistance based on:

- Local housing needs
- Priorities identified in the PJ's HOME-ARP Allocation Plan

Preferences prioritize a QP or subpopulations' admission to HOME-ARP projects or programs

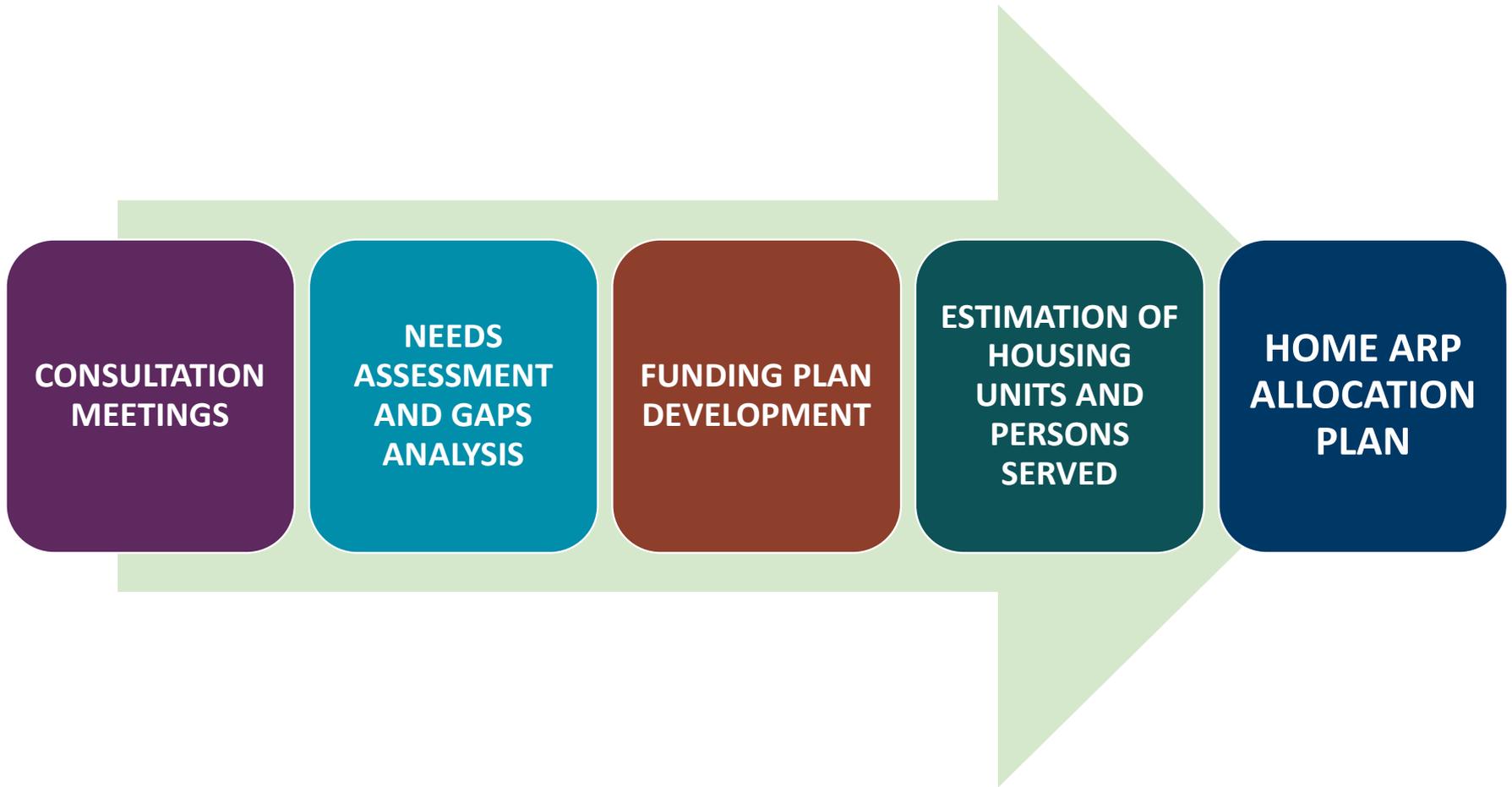
Referral Method Requirements

Referral methods include:

- Expanded coordinated entry*
 - Must accept all HOME-ARP qualifying populations
- Coordinated entry with other referral methods (such as 211 Call Center)
- Project/activity waiting list

*Coordinated entry is a process by which homeless assistance is allocated as effectively as possible and is a requirement of HUD's CoC and ESG Programs.

Planning Process



Consultation Groups

- Minnesota Interagency Council on Homelessness (MICH)
- Minnesota Continuum of Care (CoC) Leadership
- Domestic Violence Service Providers
- Public Housing Authorities
- Veterans Groups
- Organizations that Address Fair Housing and Civil Rights
- Organizations that Serve or Advocate for People with Disabilities
- Homelessness Service Providers
- Housing Developers
- Human Trafficking Survivors Service Providers and Advocacy Groups
- Tribal Nations
- People with Lived Experience

Consultation Meetings

We conducted 10 virtual consultations with impacted communities.

- Time period: December 7, 2022, through January 31, 2023
- Format: Presentation and discussion, using Mentimeter or Jamboard to collect feedback in real time
- Consulted with over 170 organizations and over 400 individuals

Met one-on-one with organizations to gather data on gaps and needs, and to highlight needs of underserved communities.

Top Need: Affordable Rental Housing

Consultation Themes

Affordable Rental Housing

- Need for deeply affordable rental housing that is safe, decent and accessible for those with extremely low income.
- Application processes that are low-barrier, such as flexibility with review of credit history or background.
- Lack of availability affecting voucher lease-ups and spend down of other tenant-based rental assistance, in some areas.
- Need for developments with a variety of unit sizes to meet needs of different household sizes.
- Need for developments in communities that have amenities such as public transportation, grocery stores, community services, etc.
- Increased need to pair supportive services with new developments.

Consultation Themes

Tenant-Based Rental Assistance

- Market rent is rising, and households are struggling to keep up with costs.
- As rent increases, cost per household increases, spending under resourced rental assistance programs more quickly.
- As rent burden continues to increase, rental assistance can help lower the cost.

Supportive Services

- Pairing supportive services with affordable rental units will improve housing stability, especially for those with mental health or substance use challenges.
- Offering culturally specific services across Minnesota to meet the needs of diverse communities, especially overcoming language barriers.
- Services paired with financial assistance to help stabilize households falling behind on rent or facing evictions.

Consultation Themes

Non-Congregate Shelter

- Current shelter capacity not matching the number of individuals experiencing homelessness, especially in Greater Minnesota.
- Low barrier entry into shelters with a clear path to housing is needed.
- Non-congregate shelters provide an alternative safe space for households that have additional needs not best met in congregate settings.

Nonprofit Capacity Building Assistance

- Increased salaries to retain staff.
- Many organizations have reached full capacity and may not have the ability to expand.

Thank you!

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