



HOME-ARP Draft Program Statement

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include: (1) development of affordable rental housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units. The program described in this notice for the use of the \$5 billion in ARP funds is the HOME-American Rescue Plan or “HOME-ARP.”

The Michigan State Housing Development Authority (MSHDA) was allocated \$63,793,681 of HOME-ARP. The following plan describes how MSHDA will utilize the HOME-ARP resource throughout the state of Michigan. HUD Notice CPD-21-10 as well as HOME-ARP Fact Sheets on the HUD Exchange should be referenced for specific HUD guidelines and requirements related to this funding. MSHDA will issue specific guidance regarding implementation of HOME-ARP in conjunction with the specific Notices of Funding Availability (NOFA) for each program.

HOME-ARP Qualifying Populations

The American Rescue Plan requires that funds be used to primarily benefit individuals and families in the following specified “qualifying populations.”

1. Homeless as defined in 24 CFR 91.5;
2. At risk of Homelessness as defined in 24 CFR 91.5;
3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking and,
4. Other populations who do not qualify under any of the populations above but meet one of the following criteria:
 - A. Other Families Requiring Services or Housing Assistance to Prevent Homelessness
 - B. Those At Greatest Risk of Housing Instability

Regional Allocation Methodology

HOME-ARP funds were allocated to 19 different cities and counties across the state for a total of \$89,849,402. To achieve an equitable distribution of funds statewide, MSHDA will consider these local funding amounts when determining regional allocations for MSHDA HOME-ARP.

MSHDA will use the percentage of the population at 40% Area Median Income level to establish the regional need. MSHDA will allocate 85% of its HOME-ARP, less MSHDA Administrative costs, to regions across the state and 15% can be used in any region (statewide pool). If the regional minimums are not met with commitments to specific projects by June 30, 2023 they will be moved to the statewide pool. All uses of HOME-ARP, except MSHDA Admin, will count towards the minimum regional allocation.

Prosperity Region	% Statewide Population Below 40% AMI	Local HOME-ARP Allocations	MSHDA HOME-ARP Minimum	Regional % of minimum state and local funds	Regional % of only MSHDA funds
Region 1	3.27%		\$3,950,000	2.6%	6.4%
Region 2	2.58%		\$3,120,000	2.1%	5.1%
Region 3	2.24%		\$2,700,000	1.8%	4.4%
Region 4	13.20%	\$9,201,683	\$8,910,000	12.0%	14.5%
Region 5	5.98%	\$2,389,364	\$5,400,000	5.2%	8.8%
Region 6	8.55%	\$7,226,566	\$4,810,000	8.0%	7.8%
Region 7	4.78%	\$2,784,822	\$3,650,000	4.3%	6.0%
Region 8	7.12%	\$2,976,006	\$6,330,000	6.2%	10.3%
Region 9	9.40%	\$5,699,628	\$7,000,000	8.4%	11.4%
Region 10	42.87%	\$59,571,333	\$6,230,000	43.5%	10.2%
		\$89,849,402	\$52,100,000	Fixed to Region	
			\$9,193,681	Floating Statewide	

Proposed HOME-ARP Activities

1. Development of Affordable Rental Housing: MSHDA intends to allocate a total of \$43,293,681 in HOME-ARP for the development of affordable rental housing. The HOME-ARP funds will be used in conjunction with MSHDA's 4% Low Income Housing Tax Credit (LIHTC) program and tax-exempt bonds financing program.

Owners applying for financing in this activity will be required to designate at least 35% of the total units in the project for HOME-ARP qualifying populations. The HOME-ARP units can be targeted as Permanent Supportive Housing (PSH) for persons/families experiencing literal homelessness or general HOME-ARP qualifying populations. MSHDA will allow for 100% of the units to be HOME-ARP. HOME-ARP units must have rents restricted at 30% AMI to ensure affordability for qualifying individuals and families; PSH units can have project-based vouchers (PBVs) from MSHDA or another Public Housing Agency to ensure the projects remain both affordable and financially viable. It is anticipated that a total of 1,000-1,200 new units will be developed with at approximately 275-300 designated as PSH.

Tenants for HOME-ARP units must be within the identified qualified populations as outlines in HUD Notice CPD-21-10. Any units supported by MSHDA Project Based

Vouchers will be preferenced for those experiencing literal (category 1) homelessness as defined at 24 CFR 91.5.

2. Supportive Services: MSHDA intends to allocate a total of \$12,000,000 in HOME-ARP to fund the following supportive services activities (\$10.8 million in Supportive Services and \$1.2 million in Admin).
 - \$5,000,000 (\$4.5 million Supportive Services and \$500,000 Admin): Eviction Prevention financial assistance of up to six months of rental arrears for qualifying individuals as outlined in HUD Notice CPD-21-10. MSHDA may potentially leverage funding from the Housing and Community Development Fund (HCDF) to provide for up to 3 months of future rent assistance.
 - \$4,000,000 (\$3.6 million in Supportive Services and \$400,000 Admin): Supportive Services funding for PSH units created under the Development of Affordable Rental Housing activity. Services will vary depending on the individual/family's need. MSHDA anticipates \$2,000-\$2,500 per unit for six years (2025-2030). Total service funding per unit will be dependent upon the total number of PSH units created.
 - \$3,000,000 (3 years at \$1,000,000 per year) (\$2.7 million Supportive Services and \$300,000 Admin): Funding to support local homeless service agencies in providing housing navigation services for qualifying individuals and families that are searching for housing/newly housed with MSHDA's Homeless Preference Housing Choice Voucher Program or other CoC or ESG funded housing programs. Services will include but not be limited to assistance with eligibility paperwork; robust housing search assistance; assistance with the annual recertification paperwork; landlord mediation and housing retention and stabilization services.
 - MSHDA will issue a Notice of Funding Availability (NOFA) for eligible applicants to apply for these funds.
3. Acquisition and Development of Non-congregate Shelter: MSHDA intends to allocate \$6,000,000 in HOME-ARP for the acquisition and/or rehabilitation of existing structures for non-congregate sheltering. \$5.7 million will be dedicated for related hard and soft costs and \$300,000 for administrative costs. The maximum award per project under this category will be \$1.5 million. The funds will be preferenced for counties that do not currently have emergency shelter facilities. MSHDA will issue a Notice of Funding Availability (NOFA) for selection of projects under this category. Projects must show adequate operating cost funding from another program/funding source as HOME-ARP funds cannot be used for operating costs. Projects without dedicated operating cost funding will not be feasible. If these funds are not committed to feasible projects by June 30, 2023, they will be moved into the Development of Affordable Rental Housing category.
4. Administrative and Planning: MSHDA intends to allocate \$2,500,000 in HOME-ARP to support the hiring of six staff for the planning and development of the activities outlined in this plan, ensuring compliance with federal regulations, monitoring spending, and evaluating program results.

Use of HOME-ARP Funds

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 10,800,000		
Acquisition and Development of Non-Congregate Shelters	\$ 5,700,000		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 43,293,681		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 4,000,000	6.3 %	15%
Total HOME ARP Allocation	\$ 63,793,681		