



Administrative Services Committee Meeting

Meeting Date: 02/28/2023

HCD Request to Approve Augusta, Georgia's Submission of HUD's HOME ARP Cost Allocation Plan

Department: Housing and Community Development

Presenter: Hawthorne E. Welcher, Jr., Director, and/or Staff

Caption: Motion to approve Augusta, Georgia's submission to HUD of the HOME Investment Partnership Program– American Rescue Plan Cost Allocation Plan and request the following:

- a) Authority for the Mayor to execute 1) Standard Form 424, 2) Standard Form 424 D, and 3) Certifications and Assurances required by HUD for HOME ARP funds;
- b) Allow HCD to move forward with implementation of Cost Allocation Plan activities;
- c) Allow HCD to hire one (1) additional FT staff person (concurrent with the term of grant)/provide supplemental pay (where applicable) for all affected employees;
- d) Instruct Finance department to add available funding to HCD's budget for immediate use and implementation.

Background: The American Rescue Plan Act of 2021, Section 3025, appropriated \$5 billion to provide housing, services, and shelter to individuals experiencing homeless and other vulnerable populations, under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) ("NAHA") for the HOME Investment Partnerships Program. The Act designated these funds to be allocated by formula to jurisdictions that qualified for HOME Investment Partnerships Program allocations in Fiscal Year 2021.

The United States Department of Housing and Urban Development (HUD) issued regulatory guidance on HOME Investment Partnership – American Rescue Plan cost allocation plan requirements for funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) ("ARP") to provide homelessness assistance and supportive services. The program established for the use of ARP funds is the HOME-American Rescue Plan or "HOME-ARP" program. The revised HOME-ARP allocation plan requirements include establishing a final deadline of March 31, 2023 for the submission of all HOME-ARP allocation plans.

The Augusta Commission approved receipt of HOME ARP funds in the amount of \$3,483,201 at the March 30, 2022 Commission Meeting. Subsequently, HUD published Notice CPD-21-10 entitled, “Requirements for the Use of Funds in the HOME-American Rescue Plan Program,” (the “HOME-ARP Notice”) which establishes the requirements for the use of HOME-ARP funds, including the requirement that each recipient of HOME ARP funds submit to HUD a “HOME ARP Cost Allocation Plan” outlining the intended uses of the funds to address housing instability in the local community. This agenda item represents Augusta’s HOME ARP Cost Allocation Plan to move forward with the construction and rehabilitation of residential dwelling units for the purpose of providing decent, safe and sanitary permanent housing options for residents experiencing, or at-risk of experiencing, homelessness, as defined by Federal statute. With the growing need for more affordable housing across the local community, Augusta is proposing, through HCD, to utilize these grant funds to construct affordable residential dwelling units to be occupied by persons experiencing or at-risk of experiencing homelessness in Augusta, Georgia. Augusta’s Cost Allocation Plan proposes advancing these efforts through a combination of new construction and rehabilitation of existing units to maximize impact and unit diversity in meeting the needs of the local citizenry for affordable housing options for single adults and families experiencing chronic homelessness and other barriers to housing stability.

Analysis:

If approved by the Augusta, Georgia Commission, the submission of Augusta’s HOME ARP Cost Allocation Plan will allow HCD to move forward with the development of residential dwelling units occupied by low-income households that are experiencing, or have recently experienced, homelessness in Augusta, Georgia (annual household income restrictions apply, as determined by HUD).

Financial Impact:

HOME ARP Program Grant funding from HUD requires no Matching Funds and the full allocation is dedicated to the project and administrative costs outlined in the plan.

Alternatives:

Do not approve Augusta, Georgia’s submission of HUD’s HOME ARP Cost Allocation Plan and forfeit \$3,483,201 in funding to support the development of affordable permanent housing for residents facing homelessness.

Recommendation:

Approve Augusta, Georgia’s submission to HUD of the HOME Investment Partnership Program– American Rescue Plan Cost Allocation Plan and request approval for the following:

- a) Authority for the Mayor to execute 1) Standard Form 424, 2) Standard Form 424 D, and 3) Certifications and Assurances required by HUD for HOME ARP funds;

- b) Allow HCD to move forward with implementation of Cost Allocation Plan activities;
- c) Allow HCD to hire one (1) additional FT staff persons (concurrent with the term of grant)/provide supplemental pay (where applicable) for all affected employees;
- d) Instruct Finance department to add available funding to HCD's budget for immediate use and implementation.

Funds are available in the following accounts:

The HUD HOME ARP Program Grant Agreement represents an allocation of \$3,483,201 to Augusta, Georgia.
New grant proposal/application has been submitted to Finance.

REVIEWED AND APPROVED BY:

Procurement
Finance
Law
Administrator
Clerk of Commission