

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Beth Rosen, Grants Compliance and Policy Manager  
Ted Hewitt, Assistant City Attorney

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## SUBJECT

**Public Hearing and Resolution 2023-096 Approving \$1.2 Million in HOME Investment Partnership Act American Rescue Plan Act Funding to the Heartside Hill Affordable Housing Development.**

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## EXECUTIVE SUMMARY

The purpose of this item is to approve the funding recommendations of \$1.2 Million in HOME Investment Partnership Act-American Rescue Plan Act funding (HOME-ARP) to the Heartside Hill affordable housing development.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

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## BACKGROUND / DISCUSSION

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law, enabling 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.

The American Rescue Plan Act appropriated \$5.0 billion to help communities provide housing, shelter and services for people experiencing homelessness and other qualifying populations. These funds are administered by the Department of Housing and Urban Development (HUD) through HOME-ARP to be used by HOME participating jurisdictions to address housing instability and homelessness.

As a HOME program participating jurisdiction, the City of Fort Collins received a HOME-ARP Award of \$2,628,410 to benefit qualifying populations in our community, including:

- homeless and those at-risk of homelessness;
- people fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking;
- other populations where provision of assistance would prevent homelessness or would serve those with the greatest risk of housing instability.

On November 15, 2022, Council passed Ordinance No. 126, 2022, which appropriated the funds to the City budget and allowed staff to begin the work needed to successfully deploy and administer the funding in accordance with the HOME-ARP Allocation Plan approved by HUD. This allocation plan outlined the distribution of funds as follows:

Development of Rental Housing	\$2,000,000
Supportive Services	\$ 400,000
Administration & Planning	\$ 228,410
TOTAL	\$2,628,410

On June 6, 2023, Council passed Resolution 2023-050, approving \$800,000 in HOME-ARP funding to Heartside Hill as part of the funding recommendations from the Competitive Process, leaving a remaining HOME-ARP balance of \$1.2 Million for development of rental housing. The remaining funds were then made available to all eligible housing developments through a rolling application that was deployed in July 2023. The intent of the rolling application was to receive applications any given month, as needed, and quickly have them reviewed by the Human Services and Housing Funding Board and forwarded to Council for recommendation.

The application criteria for these funds were as follows:

1. The request must be for final gap funding needed for a project that is anticipated to commence construction within 6 months.
2. Total HOME-ARP investment must provide 8 rental units for qualifying populations.
3. Multifamily developments that provide additional affordable housing units in support of the Housing Strategic Plan goals would be prioritized.
4. The applicant must have capacity and experience with compliance with HUD-assisted housing developments.

Heartside Hill submitted a request for the balance of funding needed to fill their financing gap and allow the project to commence as planned in early 2024. The proposed development will provide a total of 72 rental units serving households below 60% of Area Median Income and is expected to start construction in February 2023.

Staff is currently unaware of any other projects in development that would meet the HOME-ARP funding eligibility requirements.

**CITY FINANCIAL IMPACTS**

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The HOME-ARP funding represents one-time funding of \$2.6 Million from HUD to the City of Fort Collins which can be used to address some of our most critical housing needs, thereby reducing the demand on the City’s General Fund budget to address such needs.

Through the provision of affordable housing, more of Fort Collins’ workforce can reside within the community. This means there is an available labor pool within the City, which is a positive benefit to economic sustainability.

**BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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The Human Services and Housing Funding Board unanimously voted to recommend this request for funding on September 13, 2023.

## **PUBLIC OUTREACH**

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The Human Services and Housing Funding Board reviewed the proposal and deliberated the request at its regular meeting held on September 13, 2023. The meeting was open to the public and added to the City calendar.

The City of Fort Collins Citizen Participation Plan for HUD funds requires a 30-day public comment period on the proposed allocation of all HUD funds prior to Council's final decision. Staff placed an ad in the Coloradoan newspaper on October 19, 2023, detailing the proposed funding and that the public comment period would start on October 20, 2023, and end on November 21, 2023. The Council meeting on November 21, 2023, will serve as a Public Hearing and comments will be recorded and reported to HUD.

The public notice of funding recommendation was placed on the Social Sustainability Department's website.

## **ATTACHMENTS**

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1. Resolution for Consideration
2. HSHF Board Minutes, September 13, 2023