



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: February 21, 2022

Re: Consider Amendment #1 to the FY 2021 CDBG and HOME Annual Action Plan Incorporating HOME-ARP Funds (HOME-ARP Allocation Plan).

## Executive Summary

HUD guidance has directed cities to develop a HOME-ARP Allocation Plan and submit for HUD approval as a substantial amendment to the FY2021 Annual Action Plan. HUD identifies these funds as HOME-ARP. Funds must be used to primarily benefit individuals and families that meet a qualifying population definition. This Council action is to consider Amendment #1 to the FY2021 CBDG and HOME Annual Action Plan incorporating the HOME-ARP Allocation Plan for \$2,161,654 in HOME-ARP funding.

## Discussion

The City of Columbia was awarded \$2,161,654 in HOME-ARP funds through the American Rescue Plan. The American Rescue Plan was signed into law on March 11, 2021 and provides relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. HOME-ARP funding must primarily benefit individuals and families meeting a qualifying population definition. Eligible activities include tenant based rental assistance, non-congregate shelters, supportive services, and development of rental housing.

The Housing and Community Development Commission (HCDC) held a public meeting on November 3, 2021 to hear from local agencies and organizations that work with qualifying populations. Qualifying populations are families and individuals who are experiencing homelessness or at risk for homelessness. The HCDC were updated with information regarding eligible HOME-ARP projects as well.

A Request for Proposals was released November 8, 2021, seeking eligible HOME-ARP projects. There was one project proposal received and the Commission has recommended funding the affordable housing development project. The recommended project is from the Columbia Housing Authority for \$2,000,000 to construct a 24-unit affordable rental housing development.

HOME-ARP guidelines allow for the use of up to 15% of the grant to be used as administrative funds. The HCDC recommended \$161,654 to be used for administrative funds. This represents 7.4% of the grant, below the 15% limit. Administrative funds are used for staffing, record-keeping, environmental review, and compliance monitoring. HUD requires monitoring of HOME-ARP affordable rental housing projects for a 15 year period. HCDC funding recommendations to Council for use of HOME-ARP funds are as follows:



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

- \$2,000,000- Columbia Housing Authority – 24 unit affordable rental housing development
- \$161,654- Administration

## Fiscal Impact

Short-Term Impact: Allocates \$2,161,654 in HOME-ARP funds

Long-Term Impact: Enter the cost of proposed legislation to the city for years **beyond two**.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive Community, Tertiary Impact: Safe Neighborhoods

### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Economic Development, Tertiary Impact: Tertiary

## Legislative History

Date	Action
10/7/2019	City Council adopted the 2020-2024 CDBG and HOME Consolidated Plan and 2020 Annual Action Plan.
4/19/2021	Council approved the FY 2021 Annual Action Plan.
1/18/2022	City Council approved a resolution setting a public hearing for February 21, 2022

## Suggested Council Action

Approve the Amendment #1 to the FY 2021 CDBG & HOME Annual Action Plan allocating the HOME-ARP funding.