



HOME-ARP Guide

Acquisition and Development of
Non-Congregate Shelter Housing

Summary

In Accordance with [HUD Notice CPD-21-10, Requirements for the Use of Funds in the HOME-American Rescue Plan Program \(HOME-ARP\)](#), a non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to qualifying households and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may be used to acquire and develop HOME-ARP NCS for qualifying individuals. This activity may include but is not limited to, the acquisition of land and construction of HOME-ARP NCS, or acquisition and/or rehabilitation of existing structures such as motels, hotels, or other facilities, to be used for HOME-ARP NCS. **HOME-ARP funds may not be used to pay the operating costs of HOME-ARP NCS.** ADFA must consider the availability of ongoing operating funds for the HOME-ARP NCS projects, so that the HOME-ARP NCS projects may remain viable through the restricted use period specified in the [HOME-ARP Notice](#).

During the restricted use period, HOME-ARP NCS may:

- Remain as HOME-ARP NCS in compliance with the requirements of the [HOME-ARP Notice](#).
- Be used as a non-congregate emergency shelter under the Emergency Solutions Grants (ESG) Program¹, in which case the non-congregate shelter must be operated in compliance with all requirements at [24 CFR part 576](#) that apply when ESG funds are provided for operating costs or essential services in the shelter. During any period for which ESG funds are provided, the applicable ESG requirements shall govern in the event of any conflict with HOME-ARP requirements.

Restricted Use Period Begins at Project Completion:

- New Construction 15 Years
- Rehabilitation 10 Years
- Acquisition Only 10 Years

ADMISSION AND OCCUPANCY

HOME-ARP NCS units may only be occupied by individuals or families that meet the criteria for one or more of the qualifying populations defined in [Section IV.A. of the HOME-ARP Notice](#) (and listed below). The Non-Profit cannot charge occupancy fees or other charges to occupy a HOME-ARP NCS unit unless at application for NCS housing ADFA determines such fees and charges to be customary and reasonable and the charges comply with 24 CFR 578.77(b).

¹ [Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act - 42 USC 11371 et seq.](#)

Qualifying Populations

1. Homeless²

- A. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - 1) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - 2) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - 3) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- B. An individual or family who will imminently lose their primary nighttime residence, provided that:
 - 1) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - 2) No subsequent residence has been identified; and
 - 3) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
- C. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - 1) Are defined as homeless under section [Federal Register :: Runaway and Homeless Youth, 637 of the Head Start Act \(42 U.S.C. 9832\) section 12471 of Title 34, Crime Control and Law Enforcement, section 41403 of the Violence](#)

² [As defined in 24 CFR 91.5 Homeless \(1\), \(2\), or \(3\)](#)

[Against Women Act of 1994 \(42 U.S.C. 14043e-2\), Section 330\(h\) of the Public Health Service Act \(42 U.S.C. 254b\(h\)\), Section 3 of the Food and Nutrition Act of 2008 \(7 U.S.C. 2012\), Section 17\(b\) of the Child Nutrition Act of 1966 \(42 U.S.C. 1786\(b\)\), or Section 725 of the McKinney-Vento Homeless Assistance Act \(42 U.S.C. 11434a\);](#)

- 2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- 3) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- 4) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

2. At risk of Homelessness³

A. An individual or family who:

- 1) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
- 2) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and
- 3) Meets one of the following conditions:
 - a. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - b. Is living in the home of another because of economic hardship;

[As defined in 24 CFR 91.5 *At risk of Homelessness*](#)³

- c. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - d. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - e. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - f. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
- B. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under [34 U.S.C Section 11279\(2\), Section 637\(11\) of the Head Start Act \(42 U.S.C. 9832\(11\)\), section 41403 of the Violence Against Women Act of 1994 \(42 U.S.C. 14043e-2\), section 12473 of Title 34, Section 330\(h\)\(5\)\(A\) of the Public Health Service Act \(42 U.S.C. 254b\(h\)\(5\)\(A\)\), Section 3\(l\) of the Food and Nutrition Act of 2008 \(7 U.S.C. 2012\(l\)\), or Section 17\(b\)\(15\) of the Child Nutrition Act of 1966 \(42 U.S.C. 1786\(b\)\(15\)\)](#); or
- C. A child or youth who does not qualify as "homeless" under this section but qualifies as "homeless" under section [725\(2\) of the McKinney-Vento Homeless Assistance Act \(42 U.S.C. 11434a\(2\)\)](#), and the parent(s) or guardian(s) of that child or youth if living with her or him.
3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking⁴
 For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual

[As defined by HUD for HOME-ARP in CPD-21-10 page IV.A.3.](#)⁴

assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

Domestic violence⁵

Includes felony or misdemeanor crimes of violence committed by:

- A. current or former spouse or intimate partner of the victim (the term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
- B. A person with whom the victim shares a child in common;
- C. A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- D. A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or
- E. Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating violence⁶

Violence committed by a person:

- A. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- B. Where the existence of such a relationship shall be determined based on consideration of the following factors:
 - 1) The length of the relationship;
 - 2) The type of relationship; and
 - 3) The frequency of interaction between the persons involved in the relationship.

Sexual assault⁷

any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

[Defined in 24 CFR 5.2003](#)⁵

[Defined in 24 CFR 5.2003](#)⁶

[Defined in 24 CFR 5.2003](#)⁷

Stalking⁸

engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- A. Fear for the person's individual safety or the safety of others; or
- B. Suffer substantial emotional distress.

Human Trafficking includes both sex and labor trafficking, as outlined in the [Trafficking Victims Protection Act of 2000 \(TVPA\)](#), as amended ([22 U.S.C. 7102](#)). These are defined as:

- A. Sex trafficking means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- B. Labor trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, using force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

4. Other Populations:

Other populations where providing supportive services or assistance under [Section 212\(a\) of NAHA \(42 U.S.C. 12742\(a\)\)](#) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households 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 is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in [24 CFR 91.5](#), but are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance, to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.
- B. At Greatest Risk of Housing Instability is defined as household who meets either paragraph 1) or 2) below:
 - 1) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e.,

[Defined in 24 CFR 5.2003](#)⁸

is paying more than 50% of monthly household income toward housing costs);

- 2) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the "At risk of homelessness" definition established at [24 CFR 91.5](#):
 - a. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for home-lessness prevention assistance;
 - b. Is living in the home of another because of economic hardship;
 - c. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - d. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - e. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - f. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.
5. Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above. are eligible to receive HOME-ARP assistance.

CLIENT SELECTION

ADFA encourages each HOME-ARP NCS to incorporate the Coordinated Entry (CE) established by the CoC(s) for the area, the entity is funded to serve, provided that the CE is used in accordance with the [HOME-ARP Notice](#). This is to ensure that access to HOME-ARP NCS by qualifying populations is effectively integrated with other assistance and services.

Whether or not packaged with HOME-ARP Support Services funding, HOME-ARP NCS may also provide shelter accommodations as needed to qualifying individuals and families served by HOME-ARP Support Services, in accordance with the requirements contained in the [HOME-ARP Notice](#)⁹.

Use of Funds to Benefit Qualifying Populations

ARP funds must be used to primarily benefit the qualifying populations through these ADFA HOME-ARP eligible activities:

- A. Acquisition and development of non-congregate shelter (NCS) units;
- B. Provision of supportive services; and/or
- C. Operational assistance for non-profit entities serving the qualifying populations.

Recognizing the urgent needs of individuals and families in qualifying populations, HUD is requiring that 100% of HOME-ARP funds utilized for supportive services and acquisition and development of non-congregate shelter units must benefit individuals and families in qualifying populations. Individuals and families in qualifying populations may be assisted by one or more of the HOME-ARP eligible activities, consistent with the requirements of the [HOME-ARP Notice](#).

Referral Methods, and Subpopulations

ADFA recommends HOME-ARP NCS entities utilize referral methods described below to administer HOME-ARP assistance to qualifying individuals and families. Regardless of the referral method used by HOME-ARP NCS, ADFA will hold HOME-ARP NCS entities responsible for determining and documenting beneficiaries meet the definition of a qualifying population.

HOME-ARP NCS entities may use the coordinated entry or coordinated entry process (CE)¹⁰ of a continuum of care (CoC)¹¹ for referrals to services. Coordinated entry (CE) is a centralized or coordinated process designed to coordinate program participant intake assessment and provision of referrals within a defined area. HUD requires each CoC to establish and operate a CE with the goal of increasing the efficiency of local crisis response systems and improving fairness and ease of access to resources, including mainstream resources.

[Section IV.D. & IV.E. of the HOME-ARP Notice](#)⁹
[Detailed more particularly in 24 CFR 578.3](#)¹⁰
[Defined in 24 CFR 578](#)¹¹

ADFA recommends HOME-ARP NCS entities utilize a CoC CE to collect information and documentation required to determine whether an individual or family meets the criteria of a HOME-ARP qualifying population, at any point in the coordinated entry process, (i.e., after or concurrently with the assessment and intake processes) as long as that information is not used to rank a person for HOME-ARP, in such a way that conflicts with requirements detailed in the [HOME-ARP Notice](#).

ADFA does not require HOME-ARP NCS entities sheltering victims to use the CE but does recommend they do so. The service provider must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in [24 CFR 5.105\(a\)](#).

Additionally, HOME-ARP NCS entities may not violate any other applicable fair housing and civil rights laws and requirements when using the following referral methods.

1. Use of Expanded CE in HOME-ARP

Under this referral method, a HOME-ARP NCS may use a CE established by a CoC operating within its boundaries, if the CE accepts all HOME-ARP qualifying populations eligible for its shelter accommodations, in accordance with the [HOME-ARP Notice](#) and ADFA's written agreement with the shelter.

Before using a CoC's CE, the HOME-ARP NCS should consider whether the CE covers the same service area the service provider would serve. At a minimum, the HOME-ARP NCS must establish policies and procedures that describe the relationship of the geographic area(s) it serves to the geographic area(s) covered by the CoC CE, and address how the CE will provide access and implement uniform referral processes in situations where the shelter's geographic area(s) is broader than the geographic area(s) covered by the CE.

ADFA recommends HOME-ARP NCS entities utilize CE along with other referral methods (as provided in section '2' below) or to use only a waiting list (as provided in section '3' below) if:

- A. the CE does not have a sufficient number of qualifying individuals and families in need of shelter to refer to the HOME-ARP NCS;
- B. the CE does not include all HOME-ARP qualifying populations; or,
- C. the CE fails to provide access and implement uniform referral processes in situations where a HOME-ARP NCS geographic area(s) is broader than the geographic area(s) covered by the CE.

2. Use of CE with Other Referral Methods

The HOME-ARP NCS may also choose to utilize a CoC CE with additional referrals from outside organizations, or the HOME-ARP NCS entity's own waiting lists consistent with HOME-ARP requirements. The HOME-ARP NCS may also utilize a waiting list to receive referrals from a CoC CE and other referral agencies for its shelter accommodations, where a CoC CE or referral agency, refers an applicant that is placed on the waiting list, for those accommodations in chronological order.

3. Use of a HOME-ARP NCS' Own Waiting List

The HOME-ARP NCS may choose to establish a waiting list for its shelter provisions. All qualifying individuals or families must have access to apply for placement on the waiting list for those shelter accommodations. Qualifying individuals or families on a waiting list must be accepted in chronological order, insofar as practicable.

Limiting Eligibility to Subpopulations

HOME-ARP NCS must follow all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in [24 CFR 5.105\(a\)](#). This includes, but is not limited to, the [Fair Housing Act](#), [Title VI of the Civil Rights Act](#), [Section 504 of Rehabilitation Act](#), [HUD's Equal Access Rule](#), and the [Americans with Disabilities Act](#), as applicable.

HOME-ARP NCS may be limited to a specific subpopulation of a qualifying population identified in Section IV.A. of this the [HOME-ARP Notice](#), so long as admission does not discriminate against any protected class under federal nondiscrimination laws in [24 CFR 5.105](#) (e.g., the housing may be limited to homeless households and at risk of homelessness households, veterans and their families, victims of domestic violence, dating violence, sexual assault, stalking or human trafficking and their families).

HOME-ARP NCS may limit admission to, or provide a preference for, HOME-ARP NCS to households who may also need the specialized supportive services also provided (e.g., domestic violence services). However, no otherwise eligible individuals with disabilities or families including an individual with a disability who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

ELIGIBLE ACTIVITIES

HOME-ARP funds may be used to acquire and/or rehabilitate or construct HOME-ARP NCS units to serve qualifying populations. Acquisition of vacant land or demolition of existing structures may be undertaken only as part of a HOME-ARP NCS project. HOME-ARP NCS units acquired and/or developed with HOME-ARP

funds must meet the requirements of the [HOME-ARP Notice](#), i.e., be used as HOME-ARP NCS or used as emergency shelter under ESG for the restricted use period established in [Restricted Use Period - Section VI.E.9 of the HOME-ARP Notice](#).

Restricted Use Period

HOME-ARP NCS projects must comply with the requirements and for not less than the restricted use period specified in the [HOME-ARP Notice](#). ADFA must impose the HOME-ARP NCS requirements through a deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanism approved by HUD. The use restriction should not identify that the property is prioritized for victims of domestic violence, dating violence, sexual assault, stalking or human trafficking. This use restriction must require that the property is operated as HOME-ARP NCS or non-congregate emergency shelter under ESG for the required restricted use period.

The restricted use period begins at project completion as defined in [Project Completion - Section VI.E.8 of the HOME-ARP Notice](#) and must be imposed for at least the following periods as detailed below:

- 1. New Construction: Newly constructed HOME-ARP NCS units must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 15 years, regardless of the amount of HOME-ARP funds invested in the project.*
- 2. Rehabilitation: HOME-ARP NCS units which receive any amount of HOME-ARP funds for rehabilitation but are not designated as new construction by ADFA's state or local building code requirements must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 10 years.*
- 3. Acquisition Only: Units acquired for use as HOME-ARP NCS that do not require rehabilitation for occupancy must serve the qualifying populations for a restricted use period of 10 years.*

ELIGIBLE COSTS

HOME-ARP funds may be used for actual costs of acquiring NCS or developing HOME-ARP NCS as follows:

1. Acquisition Costs: Costs to acquire improved or unimproved real property.
2. Demolition Costs: Costs of demolishing existing structures for the purpose of developing HOME-ARP NCS.
3. Development Hard Costs: Costs identified in [24 CFR 92.206\(a\)](#) to rehabilitate or construct HOME-ARP NCS units, except costs must be for meeting the physical standards established in [Property and Habitability Standards - Section VI.E.7 of the HOME-ARP Notice](#).

4. Site Improvements: Costs to make improvements to the project site, including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.
5. Related Soft Costs: Reasonable and necessary costs incurred Applicant and the Non-Profit associated with the financing, acquisition, and development of HOME-ARP NCS projects, including costs identified in [Related Soft Costs - 24 CFR 92.206\(d\)](#) with the following exceptions:
 - A. Costs to provide information services such as affirmative marketing to prospective homeowners and tenants are not eligible.
 - B. Costs of funding an initial operating deficit reserve are not eligible.
 - C. Costs of project-specific assistance to community housing development organizations, including technical assistance and site control loans or seed money loans as specified in [Project-Specific Assistance - 24 CFR 92.301](#) are not eligible.
6. Replacement Reserve: (Rehabilitation Only) Costs to capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the restricted use period. Major systems include structural support, roofing, cladding, and weatherproofing, plumbing, electrical and HVAC. The costs of replacing major systems must be determined through a Capital Needs Assessment, to assess the remaining useful life of major systems expected upon completion of the HOME-ARP NCS project. The costs of a replacement reserve must be included in the project budget in the written agreement along with a list of major systems to be replaced with the reserve and projected replacement schedule during the restricted use period (i.e., reserve for replacement analysis). Rehabilitation planned to be completed with HOME-ARP NCS reserve funds later must be included in IDIS as a rehabilitation activity at initial commitment.

PROHIBITED COSTS

HOME-ARP funds may not be used to:

1. Pay any operating costs of a HOME-ARP NCS project.
2. Provide additional HOME-ARP investment in a HOME-ARP NCS project during the restricted use period, except that additional HOME-ARP funds can be invested in the project up to one year after project completion in IDIS for eligible costs.
3. Pay costs of a conversion of HOME-ARP NCS as described in [Conversion of Non-Congregate Shelter to Rental Housing - Section VI.E.11 of the HOME-ARP Notice](#). **ADFA will not allow for a conversion.**

4. Provide Non-Federal matching contributions required under any other Federal program.
5. Provide assistance for uses authorized under [Section 9 of the U.S. Housing Act of 1937 \(42 U.S.C. 1437g\) \(Public Housing Capital and Operating Funds\)](#).
6. Provide assistance to eligible low-income housing under [24 CFR part 248 \(Prepayment of Low-Income Housing Mortgages\)](#).
7. Pay for the acquisition of property owned by the Applicant, except for property acquired by the Applicant, with HOME-ARP NCS funds, or property acquired in anticipation of carrying out a HOME-ARP NCS project.
8. Pay delinquent taxes, fees, or charges on properties to be assisted with HOME ARP NCS funds.
9. Pay for any cost that is not eligible under the HOME-ARP Notice.

COMMITMENT

ADFA must commit HOME-ARP funds before disbursing funds for a HOME-ARP NCS project. HOME-ARP funds are committed to a HOME-ARP NCS project when ADFA executes a legally binding written agreement that meets the requirements in the [HOME-ARP Notice](#).

If the project is an acquisition-only activity, ADFA may commit HOME-ARP funds if it reasonably expects the project will be operated as HOME-ARP NCS within 6 months of the date of acquisition. Acquisition-only HOME-ARP NCS projects may be performed when ADFA reasonably determines that the units acquired will not require rehabilitation to meet the [Property Standards in Section VI.E.7 of the HOME-ARP Notice](#). If the project is not in active use as HOME-ARP NCS within 6 months of the acquisition, HUD may require ADFA to submit a schedule for placing the project into operation within a period determined by HUD or may require ADFA to repay the funds to its HOME-ARP Treasury Account.

For projects that will involve rehabilitation or new construction with or without acquisition, ADFA may commit HOME-ARP funds if it reasonably expects development to begin within 12 months of the date of commitment.

PROJECT DEVELOPMENT DUE DILIGENCE

HOME-ARP NCS projects must meet the requirements of the [HOME-ARP Notice](#) for the restricted use period. Consequently, before awarding HOME-ARP funds to a

HOME-ARP NCS project, ADFA must determine that acquisition and/or development is financially feasible. ADFA is responsible for maintaining continued operation of the NCS in accordance with the [HOME-ARP Notice](#) throughout the restricted use period. Therefore, ADFA must consider whether the HOME-ARP NCS project has secured or has a high likelihood of securing operating funding because **operating costs cannot be paid with HOME-ARP. ADFA will require a minimum of 6 months of operating cost funding and will need firm commitment letters or a bank account that is designated for the operating costs of the NCS project.**

ADFA must assess HOME-ARP NCS projects, including a review of information from the Non-Profit that demonstrates the project's financial feasibility throughout the restricted use period. Before awarding funds for HOME-ARP NCS, ADFA must:

- Require the Non-Profit submit evidence of appropriate skills and experience related to the development of shelters or similar facilities.
- Require the Non-Profit to submit evidence of prior experience with operating shelters.
- Require an acquisition or development budget, timeline, and sources and uses statement for the acquisition and/or development of the project be submitted for review.
- Require the Non-Profit to submit a proposed operating budget, including secured sources for operating costs and any operating gap that will require additional assistance. If there is a gap in the operating budget, ADFA should require the Non-Profit to submit a plan for securing additional private, local, state, or Federal funding sufficient for successful operation of the project.

PROPERTY AND HABITABILITY STANDARDS

HOME-ARP NCS projects must meet the minimum HOME-ARP property standards along with ADFA's Minimum Design Standards (MDS) (See attachment #32 in application forms) prior to occupancy and the HOME-ARP NCS ongoing property standards throughout the restricted use period as described in the [HOME-ARP Notice](#). An "acquisition only" project must meet the HOME-ARP NCS minimum property standards of the [HOME-ARP Notice](#), at the time of acquisition, and ADFA's MDS Standards.

Minimum HOME-ARP NCS Property Standards

All HOME-ARP NCS units and common areas must meet all applicable State and local codes, ordinances, ADFA' MDS Standards, and requirements and the applicable provisions of HUD's [Lead Safe Housing Rules at 24 CFR Part 35](#). In addition, all HOME-ARP NCS projects must meet the following minimum safety, sanitation, accessibility, and privacy standards:

1. Must be structurally sound to protect occupants from the elements and not pose any threat to health and safety of the occupants.
2. Must be accessible in accordance with Section [504 of the Rehabilitation Act \(29 U.S.C. 794\)](#) and implementing regulations at [24 CFR part 8](#); [the Fair Housing Act \(42 U.S.C. 3601 et seq.\)](#) and implementing regulations at [24 CFR part 100](#); and [Title II of the Americans with Disabilities Act \(42 U.S.C. 12131 et seq.\)](#) and implementing regulations of HUD's [Lead Safe Housing Rule at 24 CFR Part 35](#), all as applicable.
3. Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
4. Must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of occupants.
5. Must have a water supply free of contamination.
6. Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
7. Must provide necessary heating/cooling facilities in proper operating condition.
8. Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances.
9. Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
10. Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector. There must also be a second means of exiting the building in the event of fire or another emergency.

Minimum HOME-ARP NCS Rehabilitation Standards

HOME-ARP NCS rehabilitation projects must meet all applicable State and local codes, ordinances, and requirements. or in the absence of such codes, International Residential Code or the International Building Code (as applicable), ADFA's MDS Standards and must comply with the [Lead Safe Housing Rule at 24 CFR Part 35](#). Additionally, ADFA must consider the remaining useful life of major systems. ADFA will require a Capital Needs Assessment to determine the reasonable and necessary investment of HOME-ARP funding in rehabilitation projects and expected cost of ongoing replacement needs during the restricted use period. If HOME-ARP funding

will capitalize a replacement reserve, ADFA must determine the remaining useful life of major systems through the Capital Needs Assessment in accordance with requirements for capitalized replacement reserve costs in [Eligible Costs - VI.E.3. of the HOME ARP Notice](#), and here within above.

Minimum HOME-ARP NCS New Construction Standards

HOME-ARP NCS projects that are newly constructed must meet all applicable State and local codes, ordinances, and requirements, or in the absence of such codes, the International Residential Code or the International Building Code (as applicable to the type of structure), and ADFA's MDS Standards. **HOME-ARP funds cannot be used to fund a replacement reserve for newly constructed HOME-ARP NCS.**

On-going Property Standards and Inspections

ADFA must develop ongoing inspection procedures to verify that HOME-ARP NCS projects meet the minimum HOME-ARP NCS property standards established in the [HOME-ARP Notice](#) throughout the restricted use period, along with ADFA's MDS Standards. **ADFA's inspection procedures must require annual inspections that are applied consistently to all HOME-ARP NCS projects.** When deficiencies are identified, a follow-up inspection to verify that deficiencies are corrected must occur within 6 months. ADFA may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice or work order) rather than reinspection. If life-threatening deficiencies exist, the Non-Profit or operator of the HOME-ARP NCS must correct such deficiencies immediately. In such instances, ADFA must re-inspect to verify the deficiency has been corrected within 14 days.

PROJECT COMPLETION

Project Completion for HOME-ARP NCS means:

- All necessary title transfer requirements and construction work has been performed;
- The project complies with the requirements of the HOME-ARP Notice, including the HOME-ARP NCS property standards as evidenced by a final inspection;
- The project is actively operating as a HOME-ARP NCS;
- Final drawdown of HOME-ARP funds has been disbursed; and
- Project completion information is entered into IDIS.

All HOME-ARP NCS projects must be completed within 4 years of the date of commitment of the HOME-ARP funds based on the date of the last signature on the written agreement. If ADFA fails to complete a project within 4 years of project completion, it must comply with the terminated project requirements at [24 CFR 92.205\(e\)\(2\)](#). HOME-ARP NCS rehabilitation and new construction projects must begin operating as active shelters within 6 months after the date of completion of

the construction work. If the HOME-ARP NCS project is not in use within 6 months, HUD may require ADFA to submit a schedule for placing the project into operation as an active shelter within a period determined by HUD or may require ADFA to repay the HOME-ARP funds to its HOME-ARP Treasury Account. **The written agreement between the parties will have a 24-month period for completion.**

RESTRICTED USE PERIOD

HOME-ARP NCS projects must comply with the requirements of the HOME-ARP Notice for not less than the restricted use period specified in the HOME-ARP Notice. ADFA must impose the HOME-ARP NCS requirements through a deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanism approved by HUD. The use restriction should not identify that the property is prioritized for victims of domestic violence, dating violence, sexual assault, stalking or human trafficking. This use restriction must require that the property is operated as HOME-ARP NCS or non-congregate emergency shelter under ESG for the required restricted use period.

The restricted use period begins at project completion as defined in [Project Completion - Section VI.E.8 of the HOME-ARP Notice](#) detailed above, and must be imposed for at least the following periods as detailed below:

1. New Construction: Newly constructed HOME-ARP NCS units must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 15 years, regardless of the amount of HOME-ARP funds invested in the project.
2. Rehabilitation: HOME-ARP NCS units which receive any amount of HOME-ARP funds for rehabilitation but are not designated as new construction by ADFA's state or local building code requirements must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 10 years.
3. Acquisition Only: Units acquired for use as HOME-ARP NCS that do not require rehabilitation for occupancy must serve the qualifying populations for a restricted use period of 10 years.

RETURN OF REPLACEMENT RESERVE

HOME-ARP funds may capitalize a replacement reserve for HOME-ARP NCS projects performing rehabilitation as described in [Section VI.E.3 of the HOME-ARP Notice](#). Any unexpended HOME-ARP funds remaining in a project's replacement reserve at the completion of the restricted use period must be used or returned as follows:

If the HOME-ARP NCS grant has expired or is closed out, any remaining HOME ARP funds in the replacement reserve must be deposited in ADFA's local HOME account, recorded as a program income receipt in IDIS and used for eligible costs under [24 CFR part 92](#).

OTHER FEDERAL REQUIREMENTS

HOME-ARP funds are federal financial assistance and, therefore, are subject to requirements applicable to such funds. PJs must comply with the following requirements: [24 CFR part 92, subpart H, 92.352](#) - Environmental review; [92.353](#) - Displacement, relocation, and acquisition; and [92.355](#) - Lead-based paint.

Other Federal Requirements and Nondiscrimination

The requirements in [24 CFR 92.350](#) apply to the HOME-ARP program. PJs must comply with the Federal requirements set forth in [24 CFR part 5, subpart A](#), including: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and housing counseling and the nondiscrimination requirements at section 282 of NAHA. The requirements in section 282 of NAHA are waived in connection with the use of HOME-ARP funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108). PJs must also comply with the Violence Against Women Act (VAWA) requirements set forth in [24 CFR 92.359](#).

Affirmative Marketing and Minority Outreach

The requirements in [24 CFR 92.351](#) apply to HOME-ARP activities.

National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and Related Laws

The environmental requirements in [24 CFR 92.352](#) apply to eligible activities under the [HOME-ARP Notice](#). The environmental effects of each activity carried out with HOME-ARP funds must be assessed in accordance with the provisions of NEPA and the related authorities listed in HUD's implementing regulations at [24 CFR part 58](#). The applicability of the provisions of [24 CFR part 58](#) is based on the HOME-ARP project as a whole (i.e., all individual project activities, such as acquisition and rehabilitation, aggregated according to the requirements at [24 CFR 58.32](#)), not on the type of the cost paid with HOME-ARP funds. In accordance with the provisions in [24 CFR part 58](#), activities undertaken with HOME-ARP funds are subject to environmental review by a PJ. The PJ (referred to as the "Responsible Entity" or "RE") must assume responsibility for environmental review, decision making, and action

for each activity that it carries out with HOME-ARP funds, in accordance with the requirements at [24 CFR Part 58](#).

No funds may be committed to a HOME-ARP activity or project before the completion of the environmental review and approval of the RROF/C, as applicable. Neither a HOME-ARP recipient nor any participant in the development process, including public or private non-profit or for-profit entities, or any of their contractors, may commit HUD assistance on an activity or project until the environmental review has been completed and HUD or the state has approved the recipient's RROF/C from the RE as applicable. In addition, until the RROF/C have been approved, neither a HOME-ARP recipient nor any participant in the development process may commit non-HUD funds on or undertake a HOME-ARP activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Therefore, it is important for REs to begin and complete any required environmental reviews as soon as possible.

HOME-ARP NCS activities are subject to environmental review by the RE under [24 CFR part 58](#). Acquisition of a structure to be used as HOME-ARP NCS is CEST under [24 CFR 58.35\(a\)\(5\)](#) (with the possibility of converting to exempt under [24 CFR 58.34\(a\)\(12\)](#)) if the structure acquired will be retained for the same use (e.g., residential). Rehabilitation of a structure for HOME-ARP NCS is CEST if the project meets the thresholds listed at [24 CFR 58.35\(a\)\(3\)\(i\) or \(ii\)](#). Rehabilitation that does not meet these thresholds requires completion of an Environmental Assessment pursuant to [24 CFR part 58, subpart E](#). An Environmental Assessment is also required for new construction, demolition, acquisition of vacant land for new construction of more than four (4) units, and acquisition of non-residential structures for demolition and new construction.

Labor Standards

The requirements in [24 CFR 92.354](#) apply to HOME-ARP activities.

Lead Hazard Control Requirements

The Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821-4846](#)), the Residential Lead Based Paint Hazard Reduction Act of 1992 ([42 U.S.C. 4851-4856](#)), and implementing regulations at [24 CFR Part 35](#), subparts A, B, J, K, M, and R apply to HOME-ARP-assisted activities.

For HOME-ARP NCS, a project must comply with [24 CFR part 35, Subpart K](#) when the HOME-ARP activity is acquisition only. HOME-ARP NCS projects that involve rehabilitation of pre-1978 facilities, whether the rehabilitation is funded with HOME-ARP or other funds, must comply with the requirements of [24 CFR part 35, Subpart J](#).

Uniform Relocation Assistance and Real Property Acquisition Policies Act, Section 104(d), and HOME-ARP Displacement, Relocation and Acquisition Program Requirements

HOME-ARP funding is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and section 104(d) of the Housing and Community Development Act of 1974, in addition to the Displacement, Relocation and Acquisition regulatory requirements of [24 CFR 92.353](#). The [HOME-ARP Notice](#) also includes HOME-ARP program specific relocation requirements applicable to HOME-ARP-assisted projects. PJs must comply with all applicable requirements, as described in this section.

1. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970:

Costs incurred to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, ([42 U.S.C. § 4601 et seq.](#)) (URA) are eligible HOME-ARP project costs pursuant to the [HOME-ARP Notice](#) and [24 CFR 92.206\(f\)](#). The URA establishes minimum requirements for the acquisition of real property and the displacement of persons from their homes, businesses, or farms as a direct result of acquisition, rehabilitation, or demolition for federally-assisted programs and projects. The URA implementing regulations at [49 CFR part 24](#) establish:

- Requirements for the provision of replacement housing assistance, advisory services, and moving costs to persons displaced as a result of a program or project that receives federal financial assistance;
- Requirements for acquisitions, including the payment of just compensation pursuant to [49 CFR part 24, subpart B](#), and provisions for voluntary acquisitions set forth in [49 CFR 24.101](#); and
- Minimum requirements for temporary relocation of persons, businesses, or farms, as a result of a project or program that receives federal financial assistance. These requirements are found in [Appendix A, Section 24.2\(a\)\(9\)\(ii\)\(D\)](#).

Additional HUD URA policy and guidance is available in HUD Handbook 1378.

2. Section 104(d) of the Housing and Community Development Act of 1974:

HOME-ARP is HOME funding and subject to the requirements in section 104(d) of the Housing and Community Development Act of 1974, as amended, ([42 USC § 5304\(d\)](#)), ("[section 104\(d\)](#)") unless waived, as described in this section and Appendix. Costs incurred to comply with section 104(d) requirements are eligible HOME-ARP project costs under [24 CFR 92.206\(f\)](#). Section 104(d) applies to the demolition or conversion, as defined in [24 CFR 42.305](#), of a lower-income dwelling unit in connection with a HOME or Community Development Block Grant Program (CDBG) assisted activity. Section 104(d) includes the following requirements:

- A Non-Profit must have a residential anti-displacement and relocation assistance plan (RARAP);
- A Non-Profit must provide relocation assistance to displaced lower-income persons; and
- A Non-Profit must perform one-for-one replacement of lower-income dwellings demolished or converted to a use other than a lower-income dwelling unit. A lower-income dwelling unit is defined in [24 CFR 42.305](#) as a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for existing housing, as defined by HUD.

Section 104(d) implementing federal regulations can be found at [24 CFR part 42 Subpart C](#).

HOME-ARP Section 104(d) Waiver / One-for-One Replacement Housing. For purposes of the one-for-one replacement housing requirements of section 104(d)(2)(A)(i) and (ii) and (d)(3) (42 U.S.C. 5304(d)(2)(A)(i) and (ii) and 42 U.S.C. 5304(d)(3)) and [24 CFR 42.375](#), lower-income dwelling units shall not include single-room occupancy (SRO) units or residential hotel or motel units in jurisdictions where those units are considered dwelling units under state or local law. All other section 104(d) requirements, including but not limited to the requirement that the PJ have and follow a RARAP, remain in effect. (See [24 CFR 92.353\(e\)](#) and [24 CFR part 42, subpart C](#)).

3. **HOME Program Displacement, Relocation and Acquisition Regulations:** In addition to the URA and section 104(d) requirement described above, the HOME program's Displacement, Relocation and Acquisition regulations at [24 CFR 92.353](#) also apply to projects funded with HOME-ARP funds. Some of these requirements differ from those of the URA and section 104(d), including but not limited to the expanded temporary relocation protections at [24 CFR 92.353\(b\)](#) and (c); optional relocation assistance policies in [24 CFR 92.353\(d\)](#); and the right to return to a building or complex, if feasible, upon completion of a HOME project, in accordance with [24 CFR 92.353\(a\)](#). PJs must follow these program-specific requirements in HOME-ARP assisted projects.

4. **Additional HOME-ARP Program Relocation Related Requirements:**

The following additional HOME-ARP program relocation requirements apply:

- a. Acquisition and/or rehabilitation of hotels, motels, and other non-residential property: In states where hotels and motels are not considered dwelling units or residential property, the acquisition of non-residential property such as hotels and motels for the production of HOME-ARP NCS units or HOME-ARP rental housing will not make a person occupying those properties eligible for relocation assistance under the URA, section 104(d) or

[24 CFR 92.353](#). HOME PJs may provide HOME-ARP assistance, as defined by the HOME-ARP Notice, including the provision of HOME-ARP supportive services, HOME-ARP TBRA, the ability to stay in HOME-ARP NCS units, or the ability to rent a HOME-ARP rental unit, if the individuals or families can demonstrate that-

- i. they have been in continuous residence at the property for 30 or more calendar days, and
- ii. they are a qualifying household, as defined by the HOME-ARP Notice.

Any assistance provided pursuant to this section may be provided without regard to any preferences, project-specific waiting lists, or any other form of prioritization the PJ has developed pursuant to the [HOME-ARP Notice](#). For purposes of HOME-ARP, costs associated with activities under this provision of the HOME-ARP Notice may be charged as either project delivery costs or relocation costs eligible under [24 CFR 92.206\(f\)](#).

5. **Persons Ineligible for HOME-ARP Assistance and Ineligible for URA, Section 104(d), or assistance pursuant to 24 CFR 92.353:** If a person is required to move as a direct result of a HOME-ARP project and is determined ineligible for HOME-ARP housing assistance under the [HOME-ARP Notice's Section VII.F.4](#) and also determined ineligible as a displaced person under the URA, section 104(d) or HOME program rules, the PJ may provide such persons advisory services as an eligible HOME-ARP administrative cost, as the PJ determines to be reasonable and necessary.

Section 3 Economic Opportunities for Low- and Very Low-Income Persons

Section 3 requirements established at [24 CFR Part 75](#) apply to HOME-ARP-assisted projects.

Conflicts of Interest

HOME-ARP is subject to the following conflicts of interest requirements:

1. **Conflicts of Interest:**
PJs, and subrecipients engaging in any of the activities defined in the HOME-ARP Notice shall be subject to the conflicts of interest provisions at [24 CFR 92.356](#), including but not limited to the conflicts of interest exception process defined in [24 CFR 92.356\(d\)-\(e\)](#). Non-Profits of HOME-ARP NCS housing shall be subject to [24 CFR 92.356\(f\)](#).
2. **Written Standards of Conduct:**
PJs and subrecipients must maintain written standards of conduct covering the conflicts of interest and organizational conflicts of interest requirements under the [HOME-ARP Notice](#) and [2 CFR 200.318](#). The written standards of conduct must also provide for internal controls and procedures to require a fair and open selection

process for awarding HOME-ARP funds pursuant to the [HOME-ARP Notice](#). These standards must include provisions on if and how Continuum of Care board members may participate in and/or influence discussions or resulting decisions concerning the competition or selection of an award or other financial benefits made pursuant to the [HOME-ARP Notice](#), including internal controls on when funds may be awarded to the organization that the member represents.

3. Requesting Exceptions to Organizational Conflicts of Interest:

Any request for an exception to the organizational conflicts of interest provisions in the [HOME-ARP Notice](#) shall be in writing and shall be considered by HUD only after the PJ has provided the following:

- a. A written disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- b. An opinion of the PJ's attorney that the interest for which the exception is sought would not violate State or local law.

4. Granting Exceptions to Organizational Conflicts of Interest:

HUD shall determine whether to grant an exception to the organizational conflicts of interest on a case-by-case basis when it determines that the exception will serve to further the purposes of HOME-ARP. HUD shall consider the following factors, as applicable, in determining whether to grant such an exception:

- c. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- d. Whether undue hardship will result to the PJ, State recipient, subrecipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- e. Whether conditioning approval on changes to the PJ, State recipient, or subrecipient's policies or procedures can adequately address the organizational conflict of interest; and
- f. Any other factors relevant to HUD's determination, including the timing of the requested exception.

PROGRAM ADMINISTRATION

Written Agreement Requirements

Before disbursing any HOME-ARP funds to any entity, the PJ must enter into a written agreement with the Non-Profit pursuant to [24 CFR 92.504](#). Similarly, before disbursing any HOME funds, the PJ must enter into a written agreement with the Non-Profit that complies with [24 CFR 92.504](#) and the requirements described below. A written agreement cannot commit to providing HOME-ARP funds after the end of the HOME-ARP budget period.

The written agreement must require compliance with the requirements of the [HOME-ARP Notice](#).

HOME-ARP Non-Congregate Shelter (Non-Profit):

Written agreements must be executed between the PJ and the Non-Profit for all HOME-ARP NCS projects. A legally binding HOME-ARP NCS written agreement must include the date of the signature of each person signing the agreement. PJs are responsible for entering into written agreements before disbursing HOME-ARP funding. Contents of written agreements can vary based on specific needs of the PJ, the Non-Profit, and the project. Agreements for the acquisition, development, and rehabilitation of HOME-ARP NCS units must contain the following provisions:

- a. Use of HOME-ARP funds: The agreement between the PJ and the Non-Profit must include the address of the project or legal description of the property if a street address has not been assigned to the property; the use of the HOME-ARP NCS funds and other funds for the project, including the tasks to be performed for the project; a schedule for completing the tasks and the project; and a complete budget. These items must be in sufficient detail to provide a sound basis for the PJ to effectively monitor performance under the agreement to achieve project completion and compliance with HOME-ARP requirements. The written agreement cannot agree to provide HOME-ARP funds after the end of the HOME-ARP budget period.
- b. Habitability and Property Standards: The agreement must require the HOME-ARP NCS project to meet the habitability and property standards based on the type of project completed.
- c. Request for disbursement of funds: The agreement must specify that the Non-Profit may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to eligible costs in the amount needed.

Project Records

Non-Profits are required to retain the following records for HOME-ARP-assisted projects, as specified by activity type.

- a. A full description of each project assisted with HOME-ARP funds, including the location (address of project), form of HOME-ARP assistance, and the units, families, or qualifying households assisted with HOME-ARP funds, subject to confidentiality requirements in the [HOME-ARP Notice](#).
- b. The source and application of funds for each project, including supporting documentation in accordance with [2 CFR 200.302](#); and records to document the eligibility and permissibility of the project costs, including the documentation of the actual HOME-ARP-eligible development costs of each HOME-ARP-assisted unit as defined in the [HOME-ARP Notice](#).

- c. Records (i.e., written agreements) demonstrating compliance with the written agreement requirements.
- d. Records (e.g., inspection reports) demonstrating that each NCS project meets the property and habitability standards of [HOME-ARP Notice](#) at project completion and throughout the applicable restricted use period.
- e. Records demonstrating that each qualifying household is eligible for HOME-ARP assistance based on the requirements of the ARP.
- f. Records demonstrating that each household qualifying as homeless, records that meet the requirements in [24 CFR 576.500\(b\)\(1\)](#), (2), (3), or (4), as applicable (except that youth aged 24 and under must not be required to provide third-party documentation to show they are homeless to receive any shelter, housing, or services for which ESG or CoC Program funds may be used to supplement the HOME-ARP assistance).
- g. Records demonstrating that the NCS project meets the minimum compliance period or restricted use period.
- h. Records demonstrating that the NCS project meets the underwriting and subsidy layering or due diligence requirements.
- i. For all HOME-ARP NCS projects the following documents must be maintained, as applicable:
 - i. Purchase contract, closing documents, settlement statement and title work for acquisitions;
 - ii. Appraisal or other estimation of value to justify acquisition expenditure;
 - iii. Architectural and engineering contracts and completed designs, plans, and specifications for rehabilitation and new construction activities;
 - iv. Invoices, pay requests, and proof of payment for all project expenditures;
 - v. Proof of insurance; and
 - vi. Project and program audits.
- j. Records demonstrating compliance with the requirements of [24 CFR 92.353](#) regarding displacement, relocation, and real property acquisition, including but not limited to:
 - i. project occupancy lists identifying the name and address of all persons occupying the real property on the date described in [24 CFR 92.353\(c\)\(2\)\(i\)\(A\)](#), moving into the property on or after the date described in [24 CFR 92.353\(c\)\(2\)\(i\)\(A\)](#), and occupying the property upon completion of the project;

- ii. lists of all individuals or families occupying hotels and motels and other nonresidential properties acquired, rehabilitated, and/or demolished and newly constructed to become HOME-ARP NCS that qualify for assistance under the [HOME-ARP Notice](#) as members of a qualifying population, as well as records indicating whether such persons were assisted by the HOME-ARP program by the PJ following the closure of the nonresidential properties because of HOME-ARP activities; and
 - iii. Documentation that the Non-Profit has and followed a RARAP in accordance with [24 CFR 92.353](#) and [24 CFR 42.325](#).
- k. Records demonstrating compliance with the labor requirements of [24 CFR 92.354](#), including contract provisions and payroll records.
- l. Records demonstrating compliance with the lead-based paint requirements of [24 CFR part 35a](#), subparts A, B, J, K, M and R, as applicable.
- m. Records supporting compliance with conflict-of-interest requirements in [24 CFR 92.356](#), as revised by [Section VII.H of the HOME-ARP Notice](#), as well as documentation of any exceptions granted by HUD or a state PJ, as applicable, to the conflict of interest provisions in [24 CFR 92.356](#).
- n. Records demonstrating compliance with debarment and suspension requirements in [2 CFR part 2424](#).
- o. Records concerning intergovernmental review, as required by [24 CFR 92.357](#).
- p. Records of emergency transfers requested under [24 CFR 5.200a5\(e\)](#) and [24 CFR 92.359](#) pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests.
- q. Records of actions undertaken to meet the requirements of [24 CFR part 75](#) which implements Section 3 of the Housing Development Act of 1968, as amended ([12 U.S.C. 1701u](#)).

Period of record retention: All records pertaining to HOME-ARP funds must be retained for five years, except as provided below.

Written agreements must be retained for five years after the agreement terminates.

- Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with [24 CFR 92.353](#).
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

Program Income: Program Income means gross income received by the PJ generated from the use of HOME-ARP funds during the grant period of performance. This includes, but is not limited to, principal and interest payments from a loan made with HOME-ARP funds, or other income or fees received from project owners in connection with HOME-ARP funds, and interest earned by the PJ on program income before its disposition.

Program income earned, as a result of the use of HOME-ARP funds, is HOME program income and must be used in accordance with the requirements of [24 CFR part 92](#). All program income must be recorded in IDIS. Program income must be deposited in the PJ's HOME-ARP local account. The PJ is responsible to report on the use of its program income in IDIS.

Records concerning other Federal requirements:

Equal opportunity and fair housing records.

- i. Data on the extent to which each racial and ethnic group, and single-headed households by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME-ARP funds.
- ii. Documentation that the PJ submitted a certification that it will affirmatively further fair housing consistent with HUD's Interim Final Rule entitled Restoring Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021) (codified at [24 CFR 5.151](#) and [5.152](#));, available at <https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications>.
- iii. Records demonstrating compliance with the nondiscrimination and equal opportunity requirements of [24 CFR 92, Subpart H](#).

Applicability of Uniform Administrative Requirements.

The requirements of [2 CFR part 200](#), as amended apply to PJs and subrecipients receiving HOME-ARP funds, except for the following provisions: [2 CFR 200.306](#), [200.307](#), [200.308](#) (not applicable to participating jurisdictions), [200.311](#) (except as provided in [24 CFR 92.257](#)), [200.312](#), [200.329](#), [200.333](#), and [200.334](#). The provisions of [2 CFR 200.305](#) apply as modified by [24 CFR 92.502\(c\)](#) and this Notice. If there is a conflict between definitions in [2 CFR part 200](#) and [24 CFR part 92](#), the definitions in [24 CFR part 92](#), govern. Moreover, if there is a conflict between the provisions of [2 CFR part 200](#) and the provisions of this Notice, the provisions of this Notice govern.

Where regulations in [24 CFR part 92](#) refer to specific regulations of [2 CFR part 200](#) that were or are renumbered or revised by amendments to [2 CFR part 200](#), the requirements that apply to the use of HOME-ARP funds are the applicable requirements in [2 CFR part 200](#), as amended, notwithstanding the renumbered regulatory reference.

Confidentiality Requirements

1. All entities assisted by HOME-ARP funds must develop, implement, and maintain written procedures to require that -

a. All records containing personally identifying information of any individual or family who applies for and/or receives HOME-ARP assistance will be kept secure and confidential;

b. The address or location of any NCS housing exclusively for individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public, except as necessary where making the address or location public does not identify occupancy of the NCS housing, when necessary to record use restrictions or restrictive covenants in accordance with [Section VI.B](#) or [VI.E](#), or with written authorization of the person or entity responsible for the operation of the NCS housing; and

c. The address or location of any program participant that is a fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public, except as provided under a privacy policy of the PJ consistent with state and local laws and any other grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.

2. Documenting status of a qualifying population that is fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault, or human trafficking:

a. If an individual or family qualifies because the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking then acceptable evidence includes an oral or written statement by the qualifying individual or head of household seeking assistance that they are fleeing that situation. An oral statement may be documented by either -

- i. a written certification by the individual or head of household; or
- ii. a written certification by a victim service provider, intake worker, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or an intake worker in any other organization from whom the individual or family sought assistance.

The written documentation need only include the minimum amount of information indicating that the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking and need not include any additional details about the conditions that prompted the individual or family to seek assistance.

Access to records: The PJ must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws and any other applicable grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.

Audit: Audits of the subrecipients must be conducted in accordance with [2 CFR part 200, subpart F](#).

Integrated Disbursement and Information System (IDIS): The PJ will use IDIS to administer its HOME-ARP funds. The PJ will request disbursements of HOME-ARP funds from its Treasury account and collect and report information on the use of HOME-ARP funds through IDIS. (For purposes of reporting in IDIS, a HOME-ARP project is an activity.) The PJ must report all program income in IDIS.

The requirements of [24 CFR 92.502\(c\)\(3\)](#) do not apply to HOME-ARP funds.

In accordance with this Notice, a HOME-ARP written agreement providing HOME-ARP funds to a project, or the CHDO/nonprofit must be signed and dated by the PJ and project owner for HOME-ARP NCS.

This must occur before any HOME-ARP funds are disbursed. Federal funds cannot be drawn from the Treasury account in advance of the need to pay an eligible cost.

Consequently, HOME-ARP funds cannot be drawn from the U.S. Treasury and placed in escrow or advanced in lump sums to subrecipients, project owners, or service providers.

Once funds are drawn from the PJ's Treasury account, they must be expended for an eligible HOME-ARP cost within 15 days.

Additional HOME-ARP funds may be committed to a project up to one year after project completion.