



## Legislation Text

---

File #: 23-038, Version: 1

---

*Report Prepared by: Leah Brown, Management Analyst, Development Services*

**SUBJECT: Public Hearing - Home Investment Partnership Program - American Rescue Plan Act (HOME-ARP) Draft Allocation Plan and Adopt a Resolution Approving a Substantial Amendment to the 2021-2022 Annual Action Plan to Allocate Additional Home Investment Partnerships Program Funds Appropriated Through the American Rescue Plan of 2021**

### REPORT IN BRIEF

Hold a Public Hearing to take comments on the HOME-ARP Draft Allocation Plan and to Adopt a Resolution Approving a Substantial Amendment to the 2021-2022 Annual Action Plan, to allocate additional Home Investment Partnerships Program funds made available through the American Rescue Plan of 2021 and Approve the HOME-ARP Draft Plan for submission to the U.S. Department of Housing and Urban Development by March 30, 2023.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Holding a Public Hearing and Approve the HOME-ARP Draft Allocation Plan; and,
- B. Adopting **Resolution 2023-21**, a Resolution of the City Council of the City of Merced, California, approving Substantial Amendment # 1 to the Program Year 2021-2022 Annual Action Plan and the HOME-ARP allocation plan for the additional Home Investment Partnership Program (HOME) funds made available through the American Rescue Plan Act of 2021; Accepting and Appropriating the HOME-ARP funds awarded to the City by the U.S. Department of Housing and Urban Development ; Authorizing the City Manager or Deputy City Manager to execute any all related documents, certifications, and/or agreements resulting from this allocation; and authorizing staff to submit all approved documents to the U.S. Department of Housing and Urban Development; by the March 30, 2023 deadline; and,
- C. Authorizing the Finance Officer to make any necessary budget adjustments.

### ALTERNATIVES

1. Approve the Draft HOME-ARP Plan; or,
2. Approve the Draft HOME-ARP Plan with the inclusion of Public and Council comments; or,
3. Deny.

### AUTHORITY

City of Merced Charter, Section 200; et. seq.; and, Title 24 of the Code of Federal Regulations (CFR) 91.105, requiring that Participating Jurisdictions involve citizens in the development of the HOME-ARP Allocation Plan in accordance with the City's Adopted Citizen Participation Plan.

## CITY COUNCIL PRIORITIES

As provided for in the 2022-23 Adopted Budget, under the Council Priorities for Housing and Homelessness, and the City Council's Prohousing Policies.

## DISCUSSION

The City of Merced has been awarded \$1,988,778 of HOME-ARP funding from the U.S. Department of Housing and Urban Development (HUD). To receive the HOME-ARP allocation, the City must develop a HOME-ARP Allocation Plan as a Substantial Amendment to the Program Year (PY) 2021 Annual Action Plan.

The HOME-ARP funds are required to be utilized to benefit individuals or families that meet the requirements for one or more "Qualifying Populations" (QPs). CPD Notice 21-10, "Requirements for the Use of Funds in the HOME-American Rescue Plan Program" defines the following QPs as:

1. Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act; and,
2. At Risk of Homelessness, as defined in section 401 of the McKinney-Vento Homeless Assistance Act; and,
3. Fleeing, or attempting to flee domestic violence, dating violence, sexual assault, or stalking (as defined by HUD in 24 CFR 5.2003) or human trafficking (as outlined in the Trafficking Victims Protection Act of 2000 as amended [22 USC 7102]; and,
4. Part of other populations, where providing supportive services or assistance under section 212(a) of the National Affordable Housing Act 42 USC 12472(a) would:
  - a. Prevent a family's homelessness.
  - b. Serve those with the greatest risk of housing instability.

The eligible activities for HOME-ARP funds, as defined in CPD Notice 21-10, may be used to benefit qualifying populations through: Tenant-based Rental Assistance (TBRA), the development and support of affordable housing, the provision of supportive services, and the acquisition and development of non-congregate shelters.

As part of the HUD guidance for completing the plan, before developing its HOME-ARP allocation plan, the City needed to consult with:

- CoC(s) serving the jurisdiction's geographic area,
- Homeless Service Providers,
- Domestic Violence Service Providers,
- Veterans' groups,
- Public Housing Agencies (PHAs),
- Public agencies that address the needs of the qualifying populations, and
- Public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

The City received feedback and consultation from these Service Providers in a variety of ways. All of

the Service Providers were invited to a series of community outreach and input meetings related to the 2023 Annual Action Plan that included discussion on HOME-ARP funding. The City also sent them a Service Provider Consultation Survey, fliers, and various email communications to garner their input. Any that were not able to reply in writing were called on the phone. In addition, more direct input was needed from certain Service Providers, so consultation discussions were held via MS Teams meetings and/or in person meetings. The details of the outreach and various responses can be found within the attached Draft HOME-ARP Allocation Plan.

The Needs Assessment and Gap Analysis that was performed in preparation for this plan utilized a variety of data resources, Continuum of Care collaboration, service provider data, census data, and it identified the following needs and gaps that may be addressed using HOME-ARP funds:

- Increased affordable rental housing with supportive services for all QPs

HUD's issued Memorandum entitled "Waivers and Alternative Requirements for Implementation of the HOME American Rescue Plan (HOME-ARP) Program", allows a minimum 15-day public comment period and requires only one public hearing. The public comment period began on March 3<sup>rd</sup> and concludes on March 20<sup>th</sup>. A public hearing is scheduled for March 20, 2023. Notices of the public hearing and public review/opportunity to comment were published in the local papers on March 2, 2023; March 8, 2023; and March 9, 2023. Notices were published in English, Spanish, and Hmong, outlined instructions on how to review the draft plan and submit public comment, and directed the public on how to request translation services if needed, as well as for the public hearing.

In addition to the minimal required outreach, in December 2022, the City held three Public Input Meetings for the concurrent Annual Action Plan process that included HOME-ARP discussions. Those meetings were advertised on the City Website, on Flyers, in newspaper ads, and via the City's social media platforms (Facebook and Instagram). Each meeting was broadcast live via Microsoft Teams to allow the public to participate remotely and with social distancing. The meetings were also recorded and posted afterwards on the City's Facebook page. Spanish and Hmong translators attended each meeting to be available to our significant Spanish and Hmong speaking population. Several Service Providers also attended and robust discussion was held.

Staff created a HOME-ARP Resident Survey that was provided in three languages (English, Spanish, and Hmong), posted on the City's Housing webpage with QR Codes and weblinks that pointed to the survey. The HOME-ARP QR codes and links were also included in the December 2022 and January 2023 utility bill newsletters to reach as many residents as possible. Survey flyers were distributed at the Merced County Library, Boys and Girls Club, local DMV, and emailed to student services offices for Merced College and UC Merced. The survey included questions directly related to determining which of the eligible activities HOME-ARP funds should be used for and prioritizing the Qualifying Populations.

The City looks forward to incorporating the comments and needs expressed by the public into the plan prior to submission. To receive the allocated funding of \$1,988,778.00 the City must submit its adopted plan and Resolution to HUD by March 30, 2023.

The City places an overall priority on the housing needs of our community and seeks to leverage the HOME-ARP funds along with other affordable housing grants to encourage and support the

development of as many units as possible of affordable housing with supportive services. Each of the four qualifying populations seemed equally in need of affordable housing opportunities and therefore no preference was noted in the plan.

### **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed at this time. Appropriations to a specific project will be necessary at a later time when a suitable housing project has been determined and related agreements approved by Council.

### **ATTACHMENTS**

1. HOME-ARP Allocation Plan
2. HOME-ARP Resolution 2023-21
3. Presentation