



Lee County

Human &  
Veteran Services

# HOME AMERICAN RESCUE PLAN ALLOCATION PLAN

October 10, 2021

## II. Plan summary

This plan outlines Lee County's plan for allocating HOME American Rescue Plan (HOME-ARP) funding. Lee County received an allocation of \$3,802,106 in HOME-ARP funds as a result of the American Rescue Plan Act. The unique allocation of HOME American Rescue Plan funds is to be used to help communities across the country create affordable housing and services for people experiencing or at risk of experiencing homelessness. This allocation was authorized by the American Rescue Plan, Public Law 117-2, which was passed on March 11, 2021, to respond to the growing effects of this historic public health crisis. HUD immediately allocated \$4.925 billion for HOME-ARP funding. Lee County is a recipient of entitlement resources from HUD in accordance with 24 CFR 576.3, and Section 106 of the Housing and Community Development Act of 1974. Funding from HUD will be available to Lee County pursuant to that same formula in fiscal year 2021. HOME-ARP allocations were made by HUD on April 8, 2021.

In September of 2021, HUD released Community Planning and Development (CPD) Notice 21-10, that established the requirement for Lee County to draft this implementation plan, consult with local stakeholders, and gather public comment regarding the allocation of HOME-ARP funds. The details of those efforts and the allocation plan are found below.

## III. Consultation and Public Input Efforts

Lee County Human and Veteran Services provided opportunities for the public and interested stakeholders to provide input regarding the HOME American Rescue Plan (HOME-ARP) Allocation Plan. Such opportunities were made available through meetings with the CoC, a public meeting, and direct consultation via email.

### A. Consultation

Consultation with Lee County Continuum of Care occurred during a virtual meeting held on October 6, 2021. The following stakeholders were represented during that meeting:

- The Housing Authority of the City of Fort Myers
- United Way
- The Administration of Veteran's Affairs
- Local Non-profit Homeless Service Providers
- SOAR and Mainstream Benefits Providers
- Local Government
- Behavioral Health Providers
- Homeless Advocates

### B. Summary of Consultation Comments Received

Comments received during the CoC consultation included discussing the need to balance the development of affordable housing and provision of rental assisting using exist stock. The CoC Governing Board agreed that both new construction and acquisition/rehabilitation of new affordable rental units should be prioritized in the allocation plan, along with Tenant Based Rental Assistance.

## C. Public Participation

- Input from the public will be gathered during a public meeting held on October 28, 2021.
- Public comment was solicited during a 30 days public comment period beginning on October 15, 2021 and ending November 15, 2021. Notice of the public comment period was published in the NewsPress.

## D. Summary of Public Participation Comments Received

During the meeting, a question was raised regarding which agency would be administering the programs in the HOME ARP Plan. Lee County anticipates to pair with additional agencies for housing development and administer tenant based rental assistance through the Department of Human and Veteran Services.

## E. Comments Accepted or Rejected

All comments received during the consultation and public input efforts will be considered during the development of this plan. All comments will be summarized as part of this plan, and submitted to U.S. Department of Housing and Urban Development (HUD).

# IV. HOME ARP QUALIFYING POPULATIONS

Community Planning and Development Notice 21-10, published by the U.S. Department of Housing and Urban Development (HUD) on September 13, 2021, indicates that qualifying populations for HOME-ARP funds are:

- persons who are homeless, as defined in [24 CFR 91.5](#) (1), (2), or (3); persons at risk of homelessness, as defined in [24 CFR 91.5](#);
- persons who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD; or
- other populations where providing supportive services or assistance under [section 212\(a\) of NAHA \(42 U.S.C. 12742\(a\)\)](#) would prevent the household's homelessness or would serve those with the greatest risk of housing instability.

Locally Lee County has elected to allow for only persons who are homeless, as defined in [24 CFR 91.5](#) (1), (2), or (3), and those who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD to be served through HOME-ARP funds.

Local prioritization of qualifying populations will comply with all requirements of [24 CFR 5.105\(a\)](#). The Lee County CoC operates the Coordinated Entry system in accordance with all federal statutes including, but not limited to: the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and Title II and Title III of the Americans with Disabilities Act.

All service providers, where assistance is provided through Community Planning and Development (CPD) programs, including assistance under the: HOME Investment Partnerships program, Housing Trust Fund program, Community Development Block Grant program, Housing Opportunities for Persons With AIDS program, Emergency Solutions Grants program, Continuum of Care program, or Rural Housing Stability Assistance Program, must ensure equal access to the HUD-assisted program in accordance with all general HUD program requirements as specified in [24 CFR Part 5](#).

Lee County CoC requires service providers to practice a person-centered model that incorporates participant choice and inclusion of all homeless subpopulations present in Lee County, including homeless veterans, youth, and families with children, individual adults, seniors, victims of domestic violence, and Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex (LGBTQI+) individuals and families.

All funded service providers must ensure that all persons have fair and equal access to the Coordinated Entry process and all forms of assistance regardless of race, ethnicity, national origin, age, sex, familial status, religious preference, disability type, or amount of disability, gender identity, perceived gender identity, marital status, sexual orientation, or perceived sexual orientation.

Additionally, service providers must maintain compliance with the HEARTH Act's involuntary family separation provision, which ensures that emergency shelters, transitional housing, and permanent housing (PSH and RRH) providers within the CoC do not deny admission to or separate any family members from other members of their family based on age, sex, marital status, gender, gender identity, perceived gender identity, sexual orientation, or disability, when entering shelter or housing.

For HOME-ARP funded projects, qualifying populations will be prioritized based on the Lee County CoC's Coordinated Entry System. The Coordinated Entry system identifies and prioritizes service needs as follows:

**(1) Tri-Morbidity:** The first prioritization criteria will expedite placement into supportive housing for individuals with severe physical, mental health, and substance abuse issues. This score is based on questions 15-20, 21-22, and 23-24 of the vulnerability analysis, or 28 of the family vulnerability analysis

**(2) Chronic Homelessness:** The second prioritization factor targets individuals and households who have experienced chronic homelessness, per HUD's definition of chronic homelessness. This score is based on questions 1-3 of the vulnerability analysis, or 5-7 of the family vulnerability analysis.

**(3) Physical Health:** The third prioritization criteria will expedite placement into housing for individuals and households with severe medical needs who are at greater risk of death. This score is based on questions 15-20 of the vulnerability analysis, or 19-23 of the family vulnerability analysis.

**(4) Abuse and Trauma:** The fourth prioritization factor targets individuals and households whose current period of homeless was caused by an experience of

emotional, physical, psychological, sexual, or other type of abuse or by any other trauma that they have experienced. This score is based on questions 27 of the vulnerability analysis, or 31 of the family vulnerability analysis.

**(5) Mental Health:** The fifth prioritization factor targets individuals and households with behavioral health conditions, traumatic head injuries, learning disabilities, developmental disabilities, or other mental health impairments. This score is based on questions 23-24 of the vulnerability analysis, or 26-27 of the family vulnerability analysis.

**(6) COVID-19 Vulnerability due to age:** The sixth prioritization factor targets individuals and households who are at an elevated risk of suffering serious illness or death from COVID-19 due to advanced age. This score is based on the Pre-Survey question in each version of VI-SPDAT that asks if any head of household is 60 years old or older.

**(7) COVID-19 Vulnerability due to chronic health condition:** The seventh prioritization factor targets individuals and households who are at an elevated risk of suffering serious illness or death from COVID19 due to chronic health conditions. This score is based on question 16 of the vulnerability analysis, or question 20 of the family vulnerability analysis.

Notwithstanding the prioritization system above, the Coordinated Entry System will accept referrals for justice-involved individuals from Lee County's High Need High Utilizer Task Force (HNHU) without requiring the completion of a VI-SPDAT. The number of referrals accepted from the HNHU will not exceed five households per calendar year.

In all programs, priority shall be given for eligible individuals and families who are relocating as per the Emergency Transfer Plan, and in accordance with [24 CFR 576.409](#). All CoC funded transitional housing, rapid re-housing, and permanent supportive housing programs will ensure that applicants are prioritized according to the emergency transfer priority required under [24 CFR 578.99\(j\)\(8\)](#).

## V. GAPS ANALYSIS

### A. Population Unmet needs

As of October 7, 2021, there were 601 households on the Lee County CoC's Connect List (By-Name List). The Connect List is the community-wide prioritization and waiting list for persons who are experiencing homelessness. Of those households 238 indicated that they have zero income. Among the 363 that do have income, the average monthly amount is \$1,103.89 per month. Data provided by Shimberg Center for Housing Studies <sup>1</sup>, indicates that the median gross rent in Lee County is \$1,154 per month. The income of those households who are experiencing homelessness, as compared to average rental prices demonstrate substantial need for subsidized rental housing and an increase in the number of affordable rental units.

Beyond those who are experiencing homelessness, estimates and projections completed by Shimberg Center for Housing Studies <sup>2</sup> indicates that approximately 45,153 households in Lee County pay between 30.1 and 50% of their household income toward housing expenses, and another 40,935 households pay more than 50% of their household income for housing. Of the more than 86,000 households who are housing cost burdened, 36,487 (42.4%) are renters. Of the 75,968 renters in Lee County, approximately 16,567 (21.8%) pay more than \$1,500 per month for rent. The number of households who are paying more than 30.1% of their household income toward housing costs in Lee County indicate a significant need for affordable rental units.

---

<sup>1</sup> <http://flhousingdata.shimberg.ufl.edu/affordability/results?nid=3500>

<sup>2</sup> <http://flhousingdata.shimberg.ufl.edu/affordability/results?nid=3500>

A rent and wage comparison by industry was completed by the Shimberg Center for Housing Studies <sup>3</sup> in 2020, and indicates that approximately 210,979 workers across 10 industries make a wage that is less than what is required to maintain a 2 bedroom apartment, if that apartment were rented for the fair market rental (FMR) rate established by the U.S. Department of Housing and Urban Development (HUD).

### Lee County Wage and Rent Comparison by Industry, 2020

Industry	HUD 2BR FMR	# of Workers in 2020	Average Hourly Wage	Maximum Affordable Rent (30% of Income)	% Income Needed for 2 BR FMR
<b>Accommodation and Food Services</b>	<b>\$1182</b>	<b>29559</b>	<b>\$11.99</b>	<b>\$599</b>	<b>59%</b>
<b>Leisure and Hospitality</b>	<b>\$1182</b>	<b>36887</b>	<b>\$13.91</b>	<b>\$696</b>	<b>51%</b>
<b>Agriculture, Forestry, Fishing and Hunting</b>	<b>\$1182</b>	<b>1469</b>	<b>\$16.90</b>	<b>\$845</b>	<b>42%</b>
<b>Retail Trade</b>	<b>\$1182</b>	<b>38841</b>	<b>\$17.42</b>	<b>\$871</b>	<b>41%</b>
<b>Other Services</b>	<b>\$1182</b>	<b>8376</b>	<b>\$18.88</b>	<b>\$944</b>	<b>38%</b>
<b>Administrative and Waste Services</b>	<b>\$1182</b>	<b>16749</b>	<b>\$18.97</b>	<b>\$948</b>	<b>37%</b>
<b>Natural Resources and Mining</b>	<b>\$1182</b>	<b>1737</b>	<b>\$19.10</b>	<b>\$955</b>	<b>37%</b>
<b>Trade, Transportation, and Utilities</b>	<b>\$1182</b>	<b>53607</b>	<b>\$21.02</b>	<b>\$1051</b>	<b>34%</b>
<b>Arts, Entertainment, and Recreation</b>	<b>\$1182</b>	<b>7328</b>	<b>\$21.68</b>	<b>\$1084</b>	<b>33%</b>
<b>Educational Services</b>	<b>\$1182</b>	<b>16426</b>	<b>\$22.85</b>	<b>\$1143</b>	<b>31%</b>
Transportation and Warehousing	\$1182	6876	\$24.35	\$1217	29%
Nondurable Goods Manufacturing	\$1182	1402	\$24.43	\$1222	29%
Service-Providing	\$1182	218189	\$24.66	\$1233	29%
Construction	\$1182	31960	\$26.07	\$1304	27%
Goods-Producing	\$1182	40025	\$26.10	\$1305	27%
Manufacturing	\$1182	6329	\$28.15	\$1407	25%
Education and Health Services	\$1182	57567	\$28.83	\$1441	25%
Durable Goods Manufacturing	\$1182	4926	\$29.20	\$1460	24%
Professional and Business Services	\$1182	33631	\$29.56	\$1478	24%
Public Administration	\$1182	12423	\$29.82	\$1491	24%
Real Estate and Rental and Leasing	\$1182	6824	\$30.43	\$1521	23%
Mining, Quarrying, and Oil and Gas Extraction	\$1182	268	\$31.21	\$1560	23%
Health Care and Social Assistance	\$1182	41141	\$31.22	\$1561	23%
Wholesale Trade	\$1182	7061	\$34.58	\$1729	21%
Financial Activities	\$1182	12945	\$35.36	\$1768	20%
Information	\$1182	2613	\$36.75	\$1838	19%
Professional and Technical Services	\$1182	14556	\$38.19	\$1909	19%
Finance and Insurance	\$1182	6121	\$40.87	\$2044	17%
Utilities	\$1182	828	\$46.33	\$2317	15%
Management of Companies and Enterprises	\$1182	2326	\$51.91	\$2595	14%

<sup>3</sup> <http://filhousingdata.shimberg.ufl.edu/affordability/results?nid=3500>

## B. Housing and Shelter Inventory

The Shimberg Center for Housing Studies <sup>4</sup> indicates that Lee County has a deficit of affordable housing all households whose income is less than 80% of the area median income.

Surplus/Deficit of Affordable/Available Units by Income, Florida Regions, 2019							
Geography	County	0-30% AMI	0-40% AMI	0-50% AMI	0-60% AMI	0-80% AMI	0-120% AMI
Cape Coral-Fort Myers, FL MSA	Lee	-10,000	-13,169	-14,630	-13,449	-4,778	3,479

**Notes:** Affordable units are those for which a household at the given income limit (% AMI) would pay no more than 30% of income for gross rent. Affordable/available units are affordable at that income level and either vacant or occupied by a household below the income threshold. Surplus/Deficit of Affordable/Available Units for a particular income range shows the number of affordable/available units in the range minus the number of renter households in that range. For additional explanation of affordable/available methods, see the [2019 Rental Market Study](#), pp. 32-48

**Sources:** Shimberg Center for Housing Studies analysis of 2019 American Community Survey PUMS

The 2015-2019 American Community Survey 5-Year <sup>5</sup> estimates indicate that of the total 394,047 existing housing units only 6,705 (1.7%) are available for year round rental, and only 5,715 (1.45%) are available for sale.

Outside of regular rental and owner occupied housing stock, there is also a deficit in the number of housing units available for persons who have significant service needs and are experiencing homelessness, often known as permanent supportive housing units. During the 2021 Housing Inventory Count (HIC), Lee County indicated a total of 103 permanent supportive housing units that are not prioritized for veterans, all of which had an occupancy rate of greater than 90% throughout the program year. There are currently 162 non-veteran households that are prioritized for permanent supportive housing, but low vacancy rates and a limited number of units leads to households remaining homeless for longer periods of time.

Emergency shelter in Lee County is available to individuals and families with children, the 2021 HIC. Through the pandemic Lee County utilized non-congregate sheltering models to shelter those who tested positive for the Covid-19 virus, and multi-person households where shelter availability was limited due to CDC guidelines. While shelter is essential, housing is the ultimate solution to homelessness, therefor permanent housing solutions will be to the focus of activities supported by HOME-ARP funding.

<sup>4</sup> <http://flhousingdata.shimberg.ufl.edu/affordability/results?nid=3500>

<sup>5</sup> <http://flhousingdata.shimberg.ufl.edu/affordability/results?nid=3500>

## C. Homeless Assistance and Services

Supportive services are an essential part of the Continuum of Care's approach to resolving housing crisis. In Lee County, all rapid re-housing programs provide case management and referrals to community based supportive services in addition to rental assistance. Case managers are required to meet with client's at least one time per month, develop and monitor progress toward individualized case plans, and provide case management for up to six months after the conclusion of rental assistance to increase the chances of long term housing stability. All services and plans are designed to be centered around the client's needs and goals, and housing is never dependent on service participation.

The Covid-19 Pandemic has had significant impacts on staffing levels across all service providers, including those that provide behavioral health, job skills, life skills, basic necessities, shelter, and mainstream services. Reducing in staff has led to slower housing processes and longer wait times to access services. Dramatic increases in the housing market has also reduced the ability of housing providers to quickly place persons into permanent housing. Lee County began to recognize this gap in early 2021, and has prioritized U.S. Treasury Coronavirus State and Local Fiscal Recovery Funds to provide additional case management and supportive services staff across the Continuum of Care. HOME-ARP funds will be leveraged with this State and Local Fiscal Recovery Funds to ensure that these additional case management and supportive services staff have access to the resources needed to house clients.

## D. Prevention Service Delivery Systems

Homelessness prevention services are available in Lee County through a variety of resources. Lee County Human and Veteran Services is utilizing Community Development Block Grant – Cares (CDBG-CV) and Community Services Block Grant (CSBG) to assist persons who are at risk of homelessness to remain stably housed. Low Income Home Energy Assistance (LIHEAP) and Low Income Water Assistance Programs (LIWAP) are available to reduce utility burdens and support stable housing for low income households. Lee County is also administering a substantial Emergency Rental Assistance program, as authorized by the Consolidated Appropriations Act 2021. The Our Florida program is also offering rental and utility assistance to households whose income was impacted by the Covid-19 pandemic.

The wide array of homelessness prevention programs available have demonstrated to be effective in preventing homelessness for more than 20,000 households in Lee County. These programs continue to be administered and provide prevention services, thus HOME-ARP funds will not be prioritized for this use.

## VI. Planned HOME-ARP Activities

### A. Planned Eligible Activities

Proposed funding allocation for HOME-ARP Eligible Activities is as follows:

HOME-ARP Tenant Based Rental Assistance	\$ 2,002,106
HOME-ARP Rental Housing Development	\$ 1,500,000
HOME-ARP Administration	\$ 300,000
<b>Total HOME-ARP Allocation</b>	<b>\$3,802,106</b>

The HOME-ARP Tenant Based Rental Assistance program will be administered directly by Lee County Human and Veteran Services. HOME-ARP Rental Housing Development funding will be made available to qualifying non-profits who wish to develop affordable rental housing through a Notice of Funding Availability. HOME-ARP Administration funds will be used

#### 1. Tenant Based Rental Assistance

HOME-ARP funds may be used to provide tenant-based rental assistance to qualifying households (“HOME-ARP TBRA”). In HOME-ARP TBRA, Lee County plans to assist qualifying households with payments to cover the entire or insufficient amounts that the qualifying household cannot pay for housing and housing-related costs, such as rental assistance, security deposits, and utility deposits. Lee County has established a maximum rental assistance term of 24 months using HOME-ARP funds. The TBRA program, like all CoC rental assistance programs, will operate on the “just enough assistance” principles, which evaluates the client’s income and housing stability every three months to ensure that rental assistance is reduced or ends as quickly as possible to promote long term self-sufficiency and maintenance of housing after the maximum assistance term is reached.

HOME-ARP TBRA assisted households may choose to rent a unit in a HOME-ARP rental project or any other eligible rental unit. HOME-ARP TBRA is a form of rental assistance that is attached to the household and not a particular rental unit. Therefore, the HOME-ARP TBRA assisted household may choose to move to another unit with continued HOME-ARP TBRA as long as the new unit meets the applicable property standards of [Community Planning and Development Notice 2021-10](#).

If a HOME-ARP TBRA assisted household chooses to move, the rental assistance contract terminates and a new rental assistance contract for the new unit will be executed according to HOME-ARP TBRA requirements. The HOME-ARP TBRA assisted household must notify the Lee County before moving in order to receive continued HOME-ARP TBRA.

Lee County intends to undertake tenant based rental assistance (TBRA) activities to assist persons who are experiencing homelessness and those who are fleeing or attempting to flee domestic violence to locate, obtain, and maintain permanent housing. Households will be prioritized for TBRA through the Lee County CoC’s

Coordinated Entry System, as specified in Section IV above. HOME-ARP TBRA activities must comply with all CoC Written Standards and Coordinated Entry Policies and Procedures.

## 2. Rental Housing Development

HOME-ARP funds may be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by households of individuals and families that meet the definition of one or more of the qualifying populations

Eligible HOME-ARP rental housing includes “housing” as defined at 24 CFR 92.2, including but not limited to manufactured housing, single room occupancy (SRO) units, and permanent supportive housing. Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories do not constitute housing in the HOME-ARP program. However, HOME-ARP funds may be used to acquire and rehabilitate such structures into HOME-ARP rental housing.

For permanent housing development, qualifying populations will be prioritized based on the Lee County CoC’s Coordinated Entry System. Housing that is developed through HOME funds must be rented to persons who are homeless, as defined in [24 CFR 91.5](#) (1), (2), or (3), and those who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD.

HOME-ARP funds may be used to assist one or more units in a rental housing project. Only the eligible development costs of the HOME-ARP units may be charged to the HOME-ARP program. Cost allocation in accordance with [24 CFR 92.205\(d\)\(1\)](#) is required if the assisted and non-assisted units are not comparable.

After project completion, the number of HOME-ARP units in a project cannot be reduced. During the HOME-ARP minimum compliance period and prior to the end of the HOME-ARP budget period, Lee County may invest additional HOME-ARP funds to provide operating cost assistance, but is prohibited from investing additional HOME-ARP funds for capital costs except within the 12 months after project completion. A qualifying household admitted to a HOME-ARP rental unit may still receive HOME-ARP supportive services or TBRA in accordance with the requirements in [Community Planning and Development Notice 2021-10](#).

Lee County intends to undertake rental housing development activities using HOME-ARP funds. Priority will be given to projects that develop rental housing for persons who are experiencing homelessness and those who are fleeing or attempting to flee domestic violence through acquisition and rehabilitation of existing structures.

HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households as follows:

1. Not less than 70 percent of the total number of rental units assisted with HOME-ARP funds must be restricted for occupancy by households that are qualifying households at the time of the household's initial occupancy; and,
2. Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds may be restricted to low-income households. These rental units do not have to be restricted for occupancy by qualifying households, however rental units restricted to low-income households are only permitted in projects that include HOME-ARP units for qualifying households.

### Qualifying Households

Units restricted for occupancy by qualifying households must be occupied by households that meet the definition of a qualifying population at the time of admission to the HOME-ARP unit. A qualifying household after admission retains its eligibility to occupy a HOME-ARP rental unit restricted for qualifying populations, irrespective of the qualifying household's changes in income or whether the household continues to meet the definition of a qualifying population. As such, a unit restricted for a qualifying household remains in compliance with the HOME-ARP unit restriction as long as the unit is occupied by a qualifying household that met the definition of a qualifying population at the time of admission.

### Low-Income Households

At initial occupancy, units restricted for low-income households must be occupied by households that meet the definition of low-income in [24 CFR 92.2](#). If a tenant's income increases above the applicable low-income limit during the compliance period, the unit will be considered temporarily out of compliance. Noncompliance requires the Lee County to take action in accordance with the rent and unit mix requirements in [Community Planning and Development Notice 2021-10](#), Sections VI.B.15 and VI.B.17, respectively.

### Underwriting Requirements

Developing financially feasible rental housing for qualifying households is challenging in the absence of project-based rental assistance. Most HOME-assisted rental projects rely on tenant rents to cover all or a portion of the debt service and project operating costs. Most HOME-ARP qualifying households will be unable to pay a rent that covers allocated debt service or operating costs, requiring owners/developers to use other techniques to determine that HOME-ARP units are affordable and that projects containing HOME-ARP units are sustainable throughout the minimum compliance period.

Owners/developers are encouraged to work with local PHAs and other state or local agencies to obtain project-based rental assistance for units funded with HOME-ARP. In the absence of such project-based rental assistance, the HOME-ARP units for qualifying households may require substantial capital investment through HOME-ARP and other Federal, state, local, or private sources to eliminate debt service on the units.

ARP suspended the maximum per-unit subsidy limit for HOME-ARP units, enabling HOME-ARP funds to pay the entire cost to acquire, rehabilitate and/or construct the HOME-ARP rental units, eliminating the need for the HOME-ARP units to support debt. In mixed-income developments, revenue from market rate or higher income-restricted units may also provide an internal subsidy to cover a portion of the operating costs of HOME-ARP units.

To address these challenges and maintain affordability, HUD is using its HOME-ARP statutory authority to:

- Establish alternative rent requirements to 24 CFR 92.252(b) and extend an owner's ability to charge the maximum rent permissible under a rental assistance program (to units occupied by recipients of tenant-based rental assistance (e.g., Housing Choice Vouchers, HOME TBRA, HOME-ARP TBRA).
- Establish a minimum compliance period of 15 years for all HOME-ARP rental units irrespective of the amount of subsidy per unit or whether the units are acquired, rehabilitated, and/or newly constructed.
- Permit the use of HOME-ARP funds to provide ongoing operating cost assistance or capitalize a project operating cost assistance reserve to address operating deficits of the HOME-ARP units restricted for qualifying households during the compliance period.
- Allow not more than 30 percent of the total number of rental units assisted with HOME-ARP funds to be restricted to households that are low-income as defined in 24 CFR 92.2 ("low-income households"). These units may only be located in projects containing HOME-ARP units restricted for qualifying households. The HOME-ARP rental units occupied by low-income households must operate under the regulations applicable to HOME rental units at 24 CFR 92.252 (i.e., be occupied by low-income households and bearing a rent not greater than the lesser of a. the Fair Market Rent for existing housing for comparable units in the area, as established by HUD, or b. a rent equal to 30 percent of the adjusted income of a family with annual income at 65 percent of median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit).

### 3. Administration

Administration funds will be used to support the implementation and delivery of services and programs funded through HOME-ARP funds.

## B. Estimated Outcomes

### 1. Tenant Based Rental Assistance

Tenant based rental assistance activities are anticipated to assist approximately 150 households to locate, obtain, and maintain permanent housing.

### 2. Rental Housing Development

Rental housing development activities are anticipated to facilitate the development of at least 10 affordable rental housing units.

## C. Population Preferences

All households assisted through HOME-ARP funds will be prioritized through the Lee County CoC's Coordinated Entry System, as specified in Section IV above. HOME-ARP TBRA activities must comply with all CoC Written Standards and Coordinated Entry Policies and Procedures.

*Additional guidance and information related to the HOME-ARP allocation can be found here:*  
<https://www.hudexchange.info/programs/home-arp/>