



# HOME-ARP Rental Housing Development

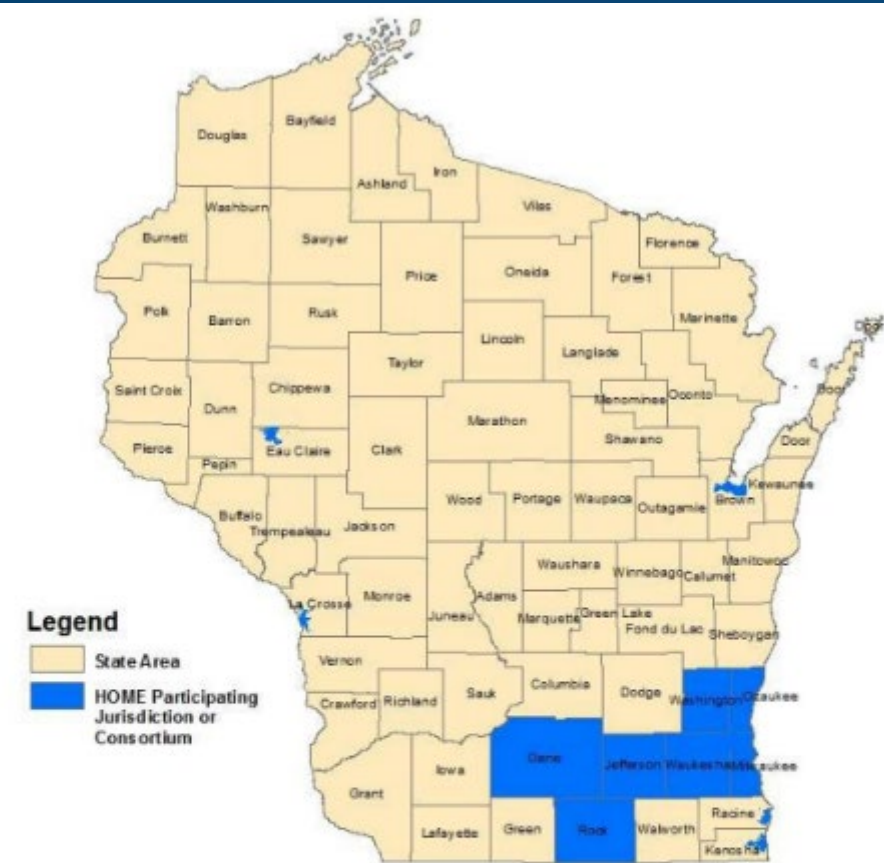
---

## Funding Opportunity



# Source, Amount, & Geography

- HOME-American Rescue Plan (HOME-ARP) provides funds for affordable rental housing development.
- The State has **\$27 Million** set aside, and it **must be spent by 2030**.
- The State is looking for additional partners to take advantage of this funding to increase affordable housing options across Wisconsin in non-participating jurisdiction areas.
  - **Areas highlighted in cream can be supported**, areas in blue have HOME-ARP funding through cities or HOME Consortia.



HOME Participating Jurisdictions and Consortia are cities and urban counties which receive HOME funding directly from HUD. State Areas fall into the "state administered" program, under which HUD provides HOME funds to States to distribute to non HOME PJs and Consortia.

#### HOME Participating Jurisdiction Cities

- Eau Claire
- Green Bay
- Kenosha
- La Crosse
- Madison
- Milwaukee
- Racine

#### HOME Consortia

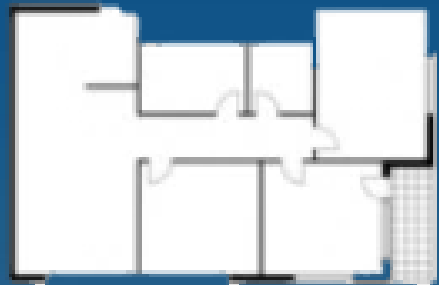
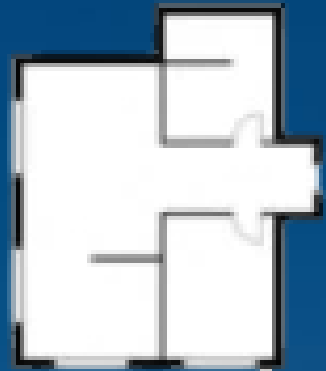
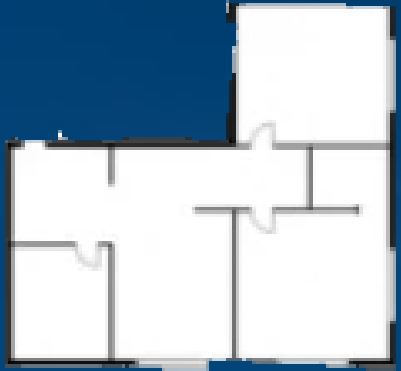
- Dane County
- Janesville Consortium (Rock County)
- Milwaukee County
- Waukesha County Consortium (Waukesha, Jefferson, Washington, Ozaukee Counties)

# Eligible Applicants

- Local governments (county, village, city, town).
- Federally recognized American Indian Tribes or Bands in the State of Wisconsin.
- Public Housing Authorities.
- Private/Not-for-Profit Organizations.
- For-Profit Developers.



# Required Units & Maximum Costs

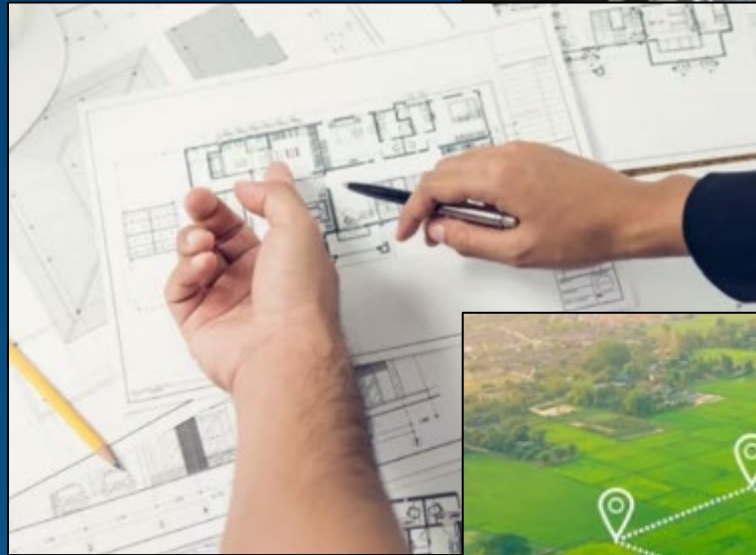


- Projects must have **at least 4 HOME-ARP assisted units**.
  - Projects with a mix of assisted and non-assisted units are ok.
  - Projects with 100% assisted units are ok.
- Assisted units must be comparable in size and amenities to non-assisted units.
- Only the assisted units themselves, plus a limited operating reserve can be funded. Common spaces cannot.
- There is no set maximum unit cost, however the project as a whole needs to conform to WHEDA's Maximum Cost Model.
  - Exceptions will be entertained if there is a strong reason, such as installing systems that are more expensive upfront but will help preserve long-term affordability (example: geo-thermal, solar).



# Eligible Costs

- HOME-ARP can typically fund costs associated with acquisition, construction and rehabilitation including:
  - Development hard costs.
  - Acquisition (of improved or unimproved real property).
  - Related soft costs.
  - Relocation costs.
  - Operating assistance costs.
- The Build America, Buy America (BABA) Act does **not** apply to HOME-ARP funds.



# Types of Projects

- HOME-ARP can be used to build or rehabilitate buildings into the following:
  - Permanent multi-family housing.
  - Single room occupancy (SRO) units.
- Examples include:



Apartments



Townhomes



Triplex/Duplex

- Ineligible housing types: congregate and non-congregate shelters, nursing homes, residential treatment facilities, and housing for students.

# Current Projects & Funding



## Hope Village – Tiny Home Alternatives, Inc.

Chippewa Falls, WI (Chippewa County)

Building Types: 6-Plex, Duplex

10 Units Total (10 Assisted Units: 7 QP Units, 3 LI Units)

Mix of 1-Bedroom, 2-Bedroom, 3-Bedroom Units

HOME-ARP Investment: \$2.5 Million

Other Sources: CDBG-CV Grant, Donations

## Portside Lofts, LLC

Algoma, WI (Kewaunee County)

Building Type: Multifamily, Town Homes

40 Units Total (5 Assisted Units: 4 QP Units, 1 LI Units)

1-Bedroom Units

HOME-ARP Investment: \$1.1 Million

Other Sources: LIHTC, WHEDA TIF, WHEDA HTF,  
WHEDA Capital Magnet Funds





# Funding Parameters

- HOME-ARP can be provided to the **owner of the project as a grant.**
- The compliance period is **15-years.**
- Construction must start within 12-months of the contract with DEHCR being signed.
- Specific application thresholds are detailed in the HOME-ARP Rental Housing Development Program Manual available on [DEHCR's website.](#)



Map is for illustrative purposes only and does not represent the distribution of projects or funds.



# Target Populations

- Out of the total assisted units, HOME-ARP requires the following mix:
  - 70% or more are for HOME-ARP Qualifying Populations (QPs).
  - 30% or less are for Low-Income (LI) households.
  - 50% or more must be 30% County Median Income (CMI) units.
    - Can be a mix of QP units and LI units.
  - Units designated as QP units or LI units can be fixed or floating.
- 50% or more of all assisted units must be visitable.
  - DEHCR defines a visitable units as having 32” clear openings in all interior and bathroom doorways, providing at least one accessible means of egress/ingress for each unit, and having one bathroom on the first floor of the unit.

Example Mix for 10 Units (All Units Are Floating)	
QP 30% CMI Visitable	QP 30% CMI Visitable
QP 30% CMI	QP 30% CMI
QP Visitable	QP
QP	LI 30% CMI Visitable
LI Visitable	LI

# Qualifying Populations (QPs)

- HOME-ARP defines four QPs.

## QP 1: Homeless

(Examples: households staying in place not meant for habitation, or who will lose their housing with 14-days.)

## QP 2: At-Risk of Homelessness

(Example: household with an income below 30% CMI, who doesn't have the resources to prevent homelessness.)

## QP 3: Fleeing Domestic Violence (or Attempting to)

(Examples: household fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking.)

## QP 4: Other Populations

(Examples: households likely to experience a reoccurrence of homelessness, or with a high risk of housing instability.)

- Once a household is defined as belonging to a QP, **even if their circumstances change, their eligibility does not change.** It remains the same as when they entered the HOME-ARP program.



# How QP Units Are Filled

- Households interested in living in the project, will complete an intake to determine if they qualify for a QP status. If qualified, they will be put on the Expanded Coordinated Entry (ECE) list for the project.
- When spots are available in QP units, households will be taken from the ECE list to fill them.
- Projects may select a QP preference of **QP 1** (Homeless), **QP 2** (At-Risk) or **QP 3** (Fleeing/Attempting to Flee).
  - This means households that are in the preferred QP will get priority when filling units. However, if there are no preference QP household on the list, then projects are required to take the next household based on chronological order that meets the project applicant screening criteria.



# Low-Income (LI) Units

- HOME-ARP defines Low-Income as households making **less than 80%** County Median Income (CMI).
- Households who are interested in LI units and who have submitted a successful application must be kept on a list (separate from the ECE list) and then taken off the list in chronological order as units become vacant.
- Projects that have both QP units and LI units will have 2 lists they will pull prospective residents from.

County Median Incomes are typically updated once a year in June and can be found on HUD Exchange at [WI County Median Incomes](#).



# Operating Reserves

- HOME-ARP can fund an operating reserve for QP units (not LI units) that do not have project based rental assistance or an operating reserve already established for the project by the project owner.
- The maximum request is the difference between the expected rental income and the operating costs for the QP units over the compliance period. **Not all awarded projects will receive this funding.**
- The operating reserve must be kept in a separate interest-bearing account. The project must request approval from DEHCR before disbursing the funds, and all funds not used by the end of the compliance period must be returned to DEHCR.

## Use Case Examples:

1. If someone in a QP unit loses their job and cannot pay rent for a period, operating reserves could be used to cover operating costs.
2. Can cover the cost to repair the apartment to rent again.

# Resources

- Additional information can be found on DEHCR's website including:
  - Program manual.
  - Application and instructions.
  - Service area map.
- DEHCR encourages organizations to schedule a meeting to discuss a proposed project and get any questions answered before applying.
- Have questions? Please contact the Grant Specialist.



Emily Bourne

Grant Specialist – Advanced  
[Emily.Bourne@wisconsin.gov](mailto:Emily.Bourne@wisconsin.gov)  
(608) 261-7068



# Thank you

Together we can  
increase affordable  
housing options across  
Wisconsin.