



DEHCR

Division of Energy, Housing and Community Resources

HOME-ARP Rental Housing Program Guide

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Chapter 1: Program Overview

1. Introduction

This Program Summary provides applicants with the information necessary to understand how to apply for and comply with the requirements of the US Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program American Recovery Plan (HOME-ARP) funding administered by the State of Wisconsin's Division of Energy, Housing, and Community Resources (DEHCR).

The information in this Program Summary is current based on guidance issued by HUD as of September 2023. This document will be updated when additional information and guidance are issued. Additional HUD guidance is anticipated in the future, so the following information is subject to change. Interested applicants and recipients are encouraged to visit <https://www.hudexchange.info/programs/home-arp/> for additional updates and guidance on the HOME-ARP program.

Persons with disabilities or with limited English proficiency who need the information contained in this Program Summary in an alternate format may contact DEHCR (Division) to make their needs known. Requests should be made as soon as possible to allow sufficient time to arrange for the accommodation.

HOME-ARP Application Materials issued by DEHCR will specify eligible uses of HOME-ARP funds from DEHCR. Applicants and recipients of HOME-ARP funding are encouraged to become familiar with the HOME regulations, Notice CPD-21-10, and the accompanying waivers and alternative requirements.

2. Background

The HOME program was created by the National Affordable Housing Act of 1990. The statutory purpose of the HOME program is "to increase the number of families served with decent, safe, sanitary, and affordable housing and expand the long-term supply of affordable housing". Regulations governing HOME are published in 24 CFR Part 92 (Final Rule, published July 24, 2013 as amended (effective August 23, 2013)).

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law and on September 13, 2021 the HUD Community Planning and Development Division issued [Notice CPD-21-10](#). Notice CPD-21-10 establishes requirements for HOME-ARP funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2). In addition to Notice CPD-21-10, HUD has issued a memorandum describing waivers and alternative requirements for the HOME-ARP Program. A link to that memorandum can be found [here](#).

3. Geographic Distribution of HOME-ARP Funds

DEHCR does not award HOME-ARP funds in participating jurisdictions or consortia regions that receive HOME funds directly from HUD. For reference, State HOME-ARP funding may not be distributed in the following areas:

| Participating Jurisdiction Cities: | HOME/HOME-ARP Consortia |
|------------------------------------|--|
| Eau Claire | Dane County |
| Green Bay | Janesville Consortium (Rock County) |
| Kenosha | Milwaukee County Consortium |
| La Crosse | Waukesha County Consortium (Waukesha, Jefferson, Washington, Ozaukee Counties) |
| Madison | |
| Milwaukee | |
| Racine | |

DEHCR may fund activities in the tan areas highlighted on the map found on page 113 of the Division’s [2020 to 2024 Fair Housing Plan](#). Please contact the HOME-ARP Grants Specialist if there are any concerns or questions about the proper participating jurisdiction that will administer HOME-ARP funds within the State of Wisconsin.

4. Eligible Applicants

Eligible applicants are limited to:

1. Elected governing body of a federally recognized American Indian tribe or band in the state of Wisconsin.
2. Governing body of a county/village/city/or town
3. Public Housing Authority
4. Private/not-for-profit organization
5. Religious Society
6. For-Profit Developer

For the purposes of the HOME-ARP program, the applicant is the entity that will:

1. Submit the application for HOME-ARP funds;
2. Receive DEHCR communications;
3. Exercise sole authority to make decisions regarding the HOME-ARP project; and
4. Execute the DEHCR funding agreement, if the application is approved for HOME-ARP funding.

5. Application Process and Thresholds

Before committing HOME-ARP funds to a rental housing project, DEHCR will require that all necessary financing has been secured, a budget and schedule have been established, underwriting has been completed, and construction will start within 12 months of entering into an agreement with a project owner.

1. Process

Applications for DEHCR HOME-ARP funds will be considered on a case-by-case basis. Applications are evaluated on the basis that they meet the threshold requirements outlined below. Applications will be accepted until funding is fully disbursed or accepted projects are viable to be completed and operational by the 2030 deadline or four-year completion deadline, whichever comes first.

Upon receipt of a completed application package, DEHCR staff will perform a technical overview to determine the completeness of the application and adherence to threshold requirements. To complete the HOME-ARP application, applicants must complete the DEHCR HOME-ARP application in excel and submit all required attachments. Applications submitted with missing responses and/or missing materials will be considered incomplete.

DEHCR staff will score the application, perform underwriting and conduct a subsidy layering review per 24 CFR § 92.250 and respond to the applicant with comments and recommendations accordingly. DEHCR staff will contact applicants if portions of the application need clarification or additional information is needed prior to DEHCR's application determination. A limited amount of time to respond will be provided to resolve any clarifying questions.

There is an estimated 90-day turnaround time from the date of the application submission until funding determinations are made by DEHCR.

Following DEHCR's application determination, either a conditional commitment letter or denial letter will be provided to the applicant. In the event funding is approved for a given applicant, any and all contingencies must be satisfied prior to a funding agreement being issued by DEHCR to the applicant for execution.

The actual terms of any funding will be set forth in a funding agreement to be negotiated between the Wisconsin Department of Administration (DOA) and the applicant. A limited amount of time will be provided from the date of the conditional commitment letter to satisfy outstanding contingencies and submit any additional documents and information needed to draft the funding agreement. In the event of conflict between the language specified in the

funding agreement and this Program Summary or other supporting documents, the provisions in the funding agreement shall take precedence.

No acquisition, relocation of occupants, rehabilitation or construction of HOME-ARP related units may begin prior to the execution of a funding agreement without written authorization from DEHCR, nor prior to the completion of the environmental review process. The conditional commitment letter does not serve as an authorization to begin project activity. The proposed development must be shovel-ready at the time of application and construction must begin within 12 months of the date of the signed funding agreement with DOA. Additionally, the first Request for Payment under a funding agreement must be submitted to DEHCR within 6 months of execution of the funding agreement.

Note: Most projects will require a federally mandated public comment period of 28 to 32 days. No work that includes ground disturbance may begin and funds cannot be released until this period has been completed.

Specific application instructions are included below. The HOME-ARP Rental Development application is in excel form. DEHCR will only accept electronic or digital copies of this application. Paper submissions will not be considered. Additional funding for HOME-ARP Supportive Services and Nonprofit Operating and Capacity Building may be submitted under a separate application.

2. Thresholds

Each applicant must meet the following applicable thresholds:

A. Long Term Financial Viability

- i. Applications must establish that the project will be financially sound, with a 1.05 minimum Debt Coverage Ratio (DCR) for a minimum of the HOME-ARP affordability period. Long term financial viability must be documented in a 15-year operating pro forma, including the following assumptions:
 - i. revenues with a maximum 2% annual escalator; expenses with a minimum 3.0% annual escalator;
 - ii. reasonable vacancy rates;
 - iii. 4-6 months of operating reserve demonstrated for HOME-ARP assisted Low-Income or Market Rate Units
 - iv. For HOME-ARP Qualifying Population units: Operating Reserve, capitalized by HOME-ARP or otherwise, which sustains through the 15-year affordability period is required or Project Based Rental Assistance/Voucher
- ii. a minimum of 4 months' rent per unit for marketing and lease-up reserve, and
- iii. annual per-unit replacement reserves in the operating budget.

**On a case-by-case basis projects that warrant going below 1.05 DCR in years 1-10

may still be considered financially sound if applicant can establish how and why the project will return to a >1.05 DCR within 5 years

- iv. Development Budget: documents construction costs for new construction, or acquisition/rehab.
- v. Operating Budget: documents costs of operating project, including costs for administrative expenses, property management fees, insurance, utilities, property taxes, and maintenance of units.
- vi. Capital Needs Assessment (CNA): Acquisition/rehab projects must submit a CNA, or detailed inspection with specifications to document needed rehab (bring all systems up to reasonable useful life and meet HUD Uniform Physical Condition Standards). The scope of work must ensure property standards and useful life for at least the compliance affordability period.
- vii. Maximum Cost Model: Provide documentation that project costs meet the cost guidelines set by WHEDA's Multifamily Maximum Cost Model. Use WHEDA's Appendix F - Maximum Cost Model: <https://www.wheda.com/>
- viii. Audited Financials: Developer and any co-developers must submit the most recent year's audited financials.

B. Development Team Experience

The development team must demonstrate experience on a similar activity in the prior 5 years. Use Developer Team Experience found on the [DEHCR's HOME-ARP page](#). This includes:

- i. Developer
- ii. General Contractor
- iii. Management Company
- iv. Supportive Services Provider for projects providing Supportive Services.

C. Letter of Support from local Continuum of Care or Homeless Coalition

D. Unique Entity Identifier

The entity that receives the funds must be registered on the SAM system with a current UEI number.

E. Debarment Certification

Certification of no debarment for each entity (not individuals) involved must accompany the application. Print out page from <https://www.sam.gov/> showing the entity is not debarred.

F. W-9

The entity that receives funds must complete a W-9.

G. Market Demand

A market study provided by a WHEDA-approved analyst is required to demonstrate project demand for all Low-Income HOME-ARP assisted and Market Rate units. **Demand for HOME-ARP units for Qualifying Populations must be demonstrated using data analysis described in a separate report.** The scope of the assessment should be relative to the project scope.

At a minimum the assessment should contain:

- i. Analysis of local market trends, current neighborhood information
- ii. A clear definition of the market area from which the buyers or renters can reasonably be expected to be drawn.
- iii. Analysis of the demand, supply, and competition.
- iv. Assessment must be performed less than 12 months prior to the commitment of HOME-ARP funds.

For Units reserved for Qualifying Households:

For HOME-ARP units for qualifying households, a traditional market assessment is not required. Rather, the applicant can demonstrate that there is unmet need among qualifying populations for the type of housing proposed through their gap analysis, CoC data, public housing and affordable housing waiting lists, point-in-time surveys, housing inventory count, or other relevant data on the need for permanent housing for the qualifying populations.

H. DFI Documentation

Documentation of Wisconsin Department of Financial Institution's certification of good standing required with application.

I. Readiness to Proceed

Documentation of executed option or accepted offer to purchase; zoning appropriate to proposed development; Letter of Intent (LOI) or commitment documentation for all financing/equity.

J. HOME-ARP Assisted Unit Mix

- 50% of all HOME-ARP assisted units must be designated as 30% County Median Income (CMI).
- No less than 70% of HOME-ARP-assisted units in project must be reserved for Qualifying Populations. Qualifying Population HOME-ARP Units (QP units) may not exceed the LOW HOME rent limit.
- Therefore, no more than 30% of HOME-ARP assisted units in a project may be for non-QP Low-Income households, with a HIGH HOME rent and income limit.

K. Visitable

A project is considered visitable if more than 50% of the HOME units are visitable. Architect certification is required to be submitted with the application concerning this threshold.

DEHCR defines a visitable unit as having all three items below:

- 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.

L. Energy Efficiency and Sustainability

Green Building Standards

- Projects built to meet existing green building standards, e.g.: LEED-Certified, Enterprise Green Communities Program, Wisconsin Environmental Initiative’s Green Built Home, etc. Architect certification is required to be submitted with the application concerning this threshold.

Energy Star

- Developments using Energy Star-labeled bathroom fans (exhausted to the outdoors and equipped with humidistat sensor or timer) and using Energy Star-labeled power vented fans or range hoods (exhausted to the outdoors). Architect certification is required to be submitted with the application concerning this threshold.

Resource Conservation

- Minimum of 20% recycled content material – excluding mechanical equipment and electrical equipment. Architect certification is required to be submitted with the application concerning this threshold.
- Minimum of 35% of wood products that are either salvaged wood, engineered materials, and/or Forest Stewardship Council-certified wood products and materials. Architect certification is required to be submitted with the application concerning this threshold.

M. Installation of Broadband Infrastructure

Applies to HUD-Funded Rental Housing projects that are newly constructed or substantially rehabilitated.

- i. Requires the installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD, including all activities and awards funded by the State’s HOME-ARP program.
- ii. HOME-ARP funds may not be used for furniture/equipment for a computer room, even as part of a multifamily assisted rental property.

6. Roles and Eligible Activities

HOME-ARP Rental Housing development and operating assistance activities may be implemented by a HOME-ARP project owner, as defined below.

An owner is a nonprofit or for-profit entity that has executed a legally-binding written agreement with DEHCR under which HOME-ARP assistance will be provided for an identified rental housing project. The



owner may be the developer or an agency/organization consulting with a developer. The owner is responsible for ensuring compliance with HOME-ARP requirements during the development period and 15-year rental housing minimum compliance period. This includes but is not limited to:

1. Assembling and managing the development team.
2. Submitting the HOME-ARP application to DEHCR and, if approved, implementing and overseeing the project in accordance with HOME-ARP program requirements.
3. Ensuring that direct supportive services and/or information relating to accessing supportive services are available to eligible Qualifying Populations either directly or through a subrecipient or contractor.
4. Complying with and maintaining records of compliance with HOME-ARP regulatory requirements and related laws and authorities.

7. Eligible Activities

HOME-ARP eligible activities must serve HOME-ARP qualifying populations. The following HOME-ARP eligible activities are described in greater detail in this guide: Rental housing development, including new construction, acquisition, and/or rehabilitation. HOME-ARP Supportive Services and Nonprofit Operating and Capacity Building funding are included in separate guides, [available on the HOME-ARP page of DEHCR's website](#).

Chapter 2: Qualifying Populations and Expanded Coordinated Entry

1. Expanded Coordinated Entry – State of Wisconsin HOME-American Rescue Plan Assisted Units
All HOME-ARP assisted Rental Developments must use the Continuum of Care’s (CoCs) Expanded Coordinated Entry (CE) system to screen and identify households for HOME-ARP assisted-units for Qualifying Populations. The HOME-ARP CE process is expanded from typical CE to specifically include the Qualifying Populations described in this Program Summary and CPD Notice 21-10.

a. Establishing Coordinated Entry List

Each HOME-ARP assisted rental housing project will be required to establish an Expanded Coordinated Entry (ECE) list in coordination with the local CoC. A written agreement between the project and CoC must be established and maintained throughout the affordability period which shall be no less than 15 years.

b. Screening

Households will be screened by the CoC staff to ensure qualification as a HOME-ARP Qualifying Population, then enter the ECE list for that project.

c. Expanded Coordinated Entry Process for Qualifying Population Units

Qualified applicants will then be pulled from the ECE list based on preference.

- a. A preference for specific Qualifying Populations may be identified, but this preference does not act as a limitation. Specific Qualifying Populations may be prioritized in a list of qualified applicants, but if there are no households from that population eligible for the unit, Qualifying Population units must be made available to the next qualifying household that submitted their completed application from the project waitlist, in chronological order.
- b. The State of Wisconsin’s HOME-ARP allocation allows for the adoption of the following preferences for HOME-ARP Rental Housing and Supportive Service Activities:
 - Preference #1: Individuals experiencing homelessness, as defined under 24 CFR § 91.5.
 - Preference #2: Individuals at risk of homelessness, as defined under 24 CFR § 91.5.
 - Preference #3: Persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD
- c. Projects with preferences will select individuals and families from the ECE system using the prioritization process established by the CoC.

- d. In the case that there are no households from preferred Qualifying Population, all other Qualifying Population households become eligible to apply for units.
- e. Members of the “Other” Qualifying Population will still be able to apply for all HOME-ARP funded projects, including those that have stated preferences. Additionally, all Qualifying Populations may be referred to and apply for any HOME-ARP project.

d. HOME-ARP Low-Income Units

Preferences and ECE do not apply to Low-Income HOME-ARP units not reserved for the Qualifying Populations. All low-income HOME-ARP units will be filled by income qualified households who have submitted complete, successful applications in chronological order by time of submission.

2. HOME-ARP Qualifying Populations

HOME-ARP funds must be used to benefit individuals and families who meet the definition of a Qualifying Population (QP), including veterans and families that include a veteran family member. HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households. The percentage of QP units or individuals and families served will depend on the HOME-ARP activity. For Rental Housing – not less than 70% of HOME-ARP units must be occupied by a HOME-ARP QP. No more than 30% of HOME-ARP assisted units may be occupied by low-income households making less than 80% of the county median income.

Qualifying Population Definitions

To meet the definition of a HOME-ARP QP under the HOME-ARP program, an individual or family must be homeless or a vulnerable population as defined by HUD as follows:

1. Homeless;
2. At risk of homelessness;
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; or
4. An “other” qualifying population.

Homeless

For the purposes of the HOME-ARP program, “homeless” means meeting one of the following three definitions:

1. An individual or family who:
 - a. Has 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; or
 - b. Is 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

- c. 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.
2. An individual or family who will imminently lose their primary nighttime residence, provided that:
 - a. The primary nighttime residence will be lost within 14 days of the date of application for assistance; and
 - b. No subsequent residence has been identified; and
 - c. 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.
 3. Families with children and youth, or unaccompanied youth under 25 years of age, who do not otherwise qualify as homeless as defined in 1 or 2 above, but who:
 - a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. § 5732a), section 637 of the Head Start Act (42 U.S.C. § 9832), section 41403 of the Violence Against Women Act of 1994 (34 U.S.C. § 12473), 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);
 - b. 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;
 - c. 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
 - d. Can be expected to continue in such status for an extended period of time because of:
 - i. Chronic disabilities;
 - ii. Chronic physical health or mental health conditions;
 - iii. Substance addiction;
 - iv. Histories of domestic violence or childhood abuse or neglect;
 - v. The presence of a child or youth with a disability; or
 - vi. Two or more of the following barriers to employment:

1. Lack of a high school degree or General Educational Development (GED);
2. Illiteracy;
3. Low English proficiency;
4. History of incarceration or detention for criminal activity;
5. A history of unstable employment.

At Risk of Homelessness

For the purposes of the HOME-ARP program, “at risk of homelessness” means meeting one of the following two definitions:

1. An individual or family who:
 - a. Has an annual income below 30 percent of median family income, adjusted for household size, for the area, as determined by HUD; and
 - b. 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 a public or private place not meant for use as a regular sleeping accommodation by human beings; and
 - c. Meets one of the following conditions:
 - i. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homeless assistance;
 - ii. Is living in the home of another because of economic hardship;
 - iii. 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;
 - iv. 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;
 - v. 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; or
 - vi. 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).
2. A child or youth who does not qualify as homeless as defined above, but qualifies as homeless because they are:

- a. An individual under 18 years of age who cannot live safely with a parent, legal guardian, or relative, and has no other safe alternative living arrangement.
- b. An individual who has a primary nighttime residence that provides a temporary residence for individuals intended to be institutionalized, or has a temporary accommodation for not more than 90 days in the residence of another individual.

Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For the HOME-ARP program, this QP includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. *There is no requirement that individuals and families also meet the HOME-ARP definition of homeless, at risk of homelessness, or “other” QP.*

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 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 assistance.

Domestic Violence

Domestic violence includes felony or misdemeanor crimes of violence committed by:

1. 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);
2. A person with whom the victim shares a child in common;
3. A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
4. A person similarly situated to a spouse of the victim under the domestic or family violence laws of the State of Wisconsin; or
5. 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 State of Wisconsin.

Dating Violence

Dating violence means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of the relationship is determined considering:

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 Assault

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

Stalking

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

1. Fear for the person's individual safety or the safety of others; or
2. Suffer substantial emotional distress.

Human Trafficking

For the purposes of the HOME-ARP program, human trafficking includes both sex and labor trafficking, defined as:

1. For sex trafficking, 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.
2. For labor trafficking, the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

"Other" Qualifying Population

For the purposes of the HOME-ARP program, "other" QP means individuals and families who do not meet the definition of homeless, at-risk of homelessness, or fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking as defined above and:

1. Require services or housing assistance to prevent repeat homelessness; or
2. At greatest risk of housing instability.

Households Requiring Services or Housing Assistance to Prevent Repeat Homelessness

Households may receive HOME-ARP supportive services or housing assistance as a HOME-ARP QP if they:

1. Previously qualified as homeless as defined above, or previously qualified as homeless because:
 - a. The individual or family was fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or 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 to their primary nighttime residence; and
 - b. Have no other residence; and
 - c. Lack the resources or support networks, such as family, friends, faith-based or other social networks, to obtain other permanent housing; and
2. Are currently housed with 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
3. Need additional housing assistance or supportive services to avoid a return to homelessness.

Households at Greatest Risk of Housing Instability

Households are at greatest risk of housing instability and a HOME-ARP QP when they meet one of the following two definitions:

1. Have an annual income that is less than or equal to 30% of the County Median Income (CMI) and paying more than 50% of monthly household income toward housing costs (are severely cost burdened); or
2. Have annual income that is less than or equal to 50% of the CMI, **and** meet one of the following conditions:
 - a. Moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - b. Living in the home of another because of economic hardship;
 - c. Have 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; or

- 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).

Chapter 3: Project Requirements

HOME-ARP funds may be used to acquire, rehabilitate, or construct rental housing, including transitional housing. HOME-ARP rental housing is primarily for occupancy by households of individuals and families that meet the definition of a QP. All projects developed using HOME-ARP funding must include the provision of Supportive Services for residents which meet the definition of QP. These services may be funded by HOME-ARP or another source.

1. Eligible Property Types

HOME-ARP rental housing eligible property types are:

1. Transitional multi-family housing;
2. Permanent multi-family housing; and
3. Single Room Occupancy (SRO) units.

2. Ineligible Property Types

HOME-ARP funds may not be used to rehabilitate public housing units. In addition, unless acquired and rehabilitated to HOME-ARP rental housing, the following property types are ineligible as HOME-ARP rental housing:

1. Emergency shelters;
2. Hotels and motels;
3. Facilities such as nursing homes;
4. Residential treatment facilities;
5. Correctional facilities;
6. Halfway houses; and
7. Housing for students or dormitories.

3. Forms of Assistance

HOME-ARP rental housing funds will be distributed as grants unless otherwise specified in the HOME-ARP funding agreement.

4. Minimum and Maximum HOME-ARP Development Investment

The minimum HOME-ARP investment is \$1,000.00 per HOME-ARP unit. Unlike the traditional HOME program, there is no maximum per-unit HOME-ARP subsidy. HOME-ARP funds may pay the entire reasonable and necessary cost to acquire, rehabilitate and/or construct HOME-ARP rental units subject to any restrictions specified in the application, the HOME-ARP notice CPD 21-10, and the cost principles under 2 CFR Part 200, Subpart E.

5. Eligible Costs

HOME-ARP rental housing funds may be used for the following project hard and soft costs, and project-specific costs associated with and allocable to the acquisition, construction, and rehabilitation of HOME-ARP units.

- a. Development hard costs – defined in [24 CFR § 92.206\(a\)](#).
- b. Acquisition – the costs of acquiring improved or unimproved real property.
- c. Related soft costs – defined in [24 CFR § 92.206\(d\)](#).
- d. Relocation costs – as defined in [24 CFR § 92.206\(f\)](#), [24 CFR § 92.353](#), and described in [CPD Notice 21-10](#).
- e. Operating Cost Assistance – defined below.

6. Capitalized Operating Cost Assistance Reserve for HOME-ARP QP Units

DEHCR may capitalize an operating cost reserve for units that are restricted for occupancy by qualifying populations (HOME-ARP QP units) without project based rental assistance only if an operating reserve is not already established for the project by the project owner. This funding is not included for all HOME-ARP assisted projects.

Capitalization of a HOME-ARP operating reserve is subject to the following:

- a. The capitalized reserve must be held by the project owner in a separate interest-bearing account;
- b. The project owner must request written approval from DEHCR prior to disbursing funds from the reserve;
- c. funds in the capitalized reserve can only be drawn to address operating deficits associated with HOME-ARP QP units;
- d. Unexpended operating cost reserve amounts remaining at the end of the minimum compliance period must be returned to DEHCR.

7. Calculating the Capitalized Operating Reserve

When calculating a capitalized operating reserve, DEHCR will apply the following criteria to determine projected deficits remaining after expected payments toward rent by qualifying households

- a. The reserve will not exceed the amount determined necessary to provide operating cost assistance during the 15-year HOME-ARP compliance period.
- b. Operating costs must be reasonable and appropriate for the geographic area, project size, population(s) served, and type of project.

- c. HOME-ARP QP units with project-based rental assistance will not be included in the capitalized reserve calculation;
- d. Unit operating costs will be equal to the HOME-ARP QP units' share of project operating costs based on unit size and will include the following:
 - i. Project administrative expenses, limited to:
 - a. Gross salaries and wages paid to employees assigned to the property, including payroll taxes, employee compensation, and employee benefits;
 - b. Employee education, training, and travel;
 - c. Project advertising;
 - d. Costs for goods and services required for administration of the housing, including rental or purchase of equipment, supplies, legal charges, bank charges, utilities, telephone services, internet service, insurance; and
 - e. Other administrative costs that may be approved by DEHCR on a project-by-project basis.
 - ii. Property management fees paid to a third-party management agent for day-to-day management;
 - iii. Insurance;
 - iv. Utilities;
 - v. Property taxes;
 - vi. Maintenance and repairs
 - vii. Replacement reserves for HOME-ARP QP Units

8. Ineligible Costs

Ineligible costs are outlined under 24 CFR § 92.214 and in the Appendix of CPD Notice 21-10. They include but are not limited to:

- a. Any activity not explicitly deemed eligible by the Notice and;
- b. Costs relating to homeownership and owner-occupied activities, including assistance to homebuyers, development of affordable housing for homeownership, and homeowner rehabilitation.
- c. Public housing modernization, maintenance, and operation

9. Minimum Compliance Period

HOME-ARP rental housing units must meet HOME-ARP requirements for not less than 15 years. When a project is also receiving project-based rental assistance, the HOME-ARP units must meet HOME-ARP requirements for the term of the Housing Assistance Payments contract. Project owners may propose a longer compliance period, however, no HOME-ARP funds will be available for operating cost assistance to cover deficits during the extended period.

10. Land Use Restriction Agreement

The affordability period requirements shall be enforced through deed restriction of the assisted property for rental activities. Repayment of HOME-ARP funds is required if the housing does not meet the affordability requirements as defined in the Land Use Restriction Agreement (LURA). Rental project repayment is not prorated, all funds are returned if project is deemed ineligible.

11. Minimum Number of HOME-ARP Units

HOME-ARP funds may be used to assist four or more units in a project. Only the eligible development costs of the HOME-ARP units (assisted units) may be charged to the HOME-ARP program. Newly constructed HOME-ARP assisted units must be substantially comparable in size and amenities to units not assisted with HOME-ARP funds. The minimum number of HOME-ARP units is calculated as follows:

| | |
|--|-------------------------|
| All Project Units are Comparable in Size and Amenities | |
| Total development cost (minus ineligible costs) | \$7,500,000.00 |
| Divided by the total number of units in project | Forty (40) units |
| Equals the average per unit investment (all units) | \$187,500.00 |
| | |
| DEHCR HOME-ARP Investment | \$5,000,000.00 |
| Divided by average per unit investment (all units) | \$187,500.00 |
| Equals the number of HOME-ARP units (rounded up from 26.67) | Twenty-seven (27) units |
| | |
| HOME-ARP Qualifying Population Units (not less than 70% of total units rounded up from 18.9) | Nineteen (19) units |
| HOME-ARP Low-income Units | Eight (8) units |

Unit data should reflect such calculations. After project completion, the number of HOME-ARP units in a project cannot be reduced, nor can DEHCR provide additional HOME-ARP funds for capital costs.

Chapter 4: Tenant Income, Rent Limits, and Occupancy Requirements

1. Eligible Tenants

Eligible HOME-ARP rental housing tenants are based on the number of HOME-ARP units in a property as follows:

1. Not less than 70% of households, regardless of household income, must be a QP upon the household's initial occupancy, and
2. If necessary to ensure project feasibility and viability, up to 30% of households may have household income less than 80% of the AMI, adjusted for household size upon the household's initial occupancy.
3. When calculating the minimum number of HOME-ARP units set-aside for QP, any fraction or decimal must be rounded up, for example:
 - 4 HOME-ARP units x 70% = 2.8 units – 3 units must be set-aside for QP.
 - 6 HOME-ARP units x 70% = 4.2 units – 5 units must be set-aside for QP.
 - 12 HOME-ARP units x 70% = 8.4 units – 9 units must be set-aside for QP
 - 24 HOME-ARP units x 70% = 16.8 units – 17 units must be set-aside for QP

2. Fixed or Floating HOME-ARP Units

HOME-ARP units must be designated as either fixed or floating:

- a. Fixed Units are specified units that are designated as either QP or low-income household units for the entire compliance period. This designation cannot change during the compliance period. If other units within project are not comparable, the HOME-ARP unit designations must be fixed.
- b. Floating Units are initially designated for either QP or low-income households and may lose their designation and be replaced by comparable units in the project during the compliance period when the income of the household occupying the unit changes.

3. Occupancy and Compliance Requirements

The mix of HOME-ARP QP and low-income household units must be maintained throughout the entire compliance period. The method of maintaining this mix and remaining in compliance will depend on the unit designation and whether the unit is fixed or floating.

4. Fixed Qualifying Population Units

Fixed HOME-ARP QP units retain their designation as compliant HOME-ARP QP units regardless of changes in tenant income. When a fixed QP unit is vacated, it must be rented to another household that is a QP.

Regardless of changes in tenant income or status as a QP, the project owner remains in compliance as long as the unit is occupied by a household that was a QP at initial occupancy.

5. Floating Qualifying Population Units

Floating HOME-ARP QP units retain their designation as compliant HOME- ARP QP units regardless of changes in tenant income. When a floating QP unit is vacated, that unit or the first available comparable unit in the property must be rented to another household that is a QP. When the income of a household occupying a floating QP unit exceeds 80% CMI, the property owner is encouraged, but not required to, rent the next available unit in the project to a QP.

Regardless of changes in tenant income or status as a QP, the project owner remains in compliance as long as the next available unit in the project is leased to a household that is a QP.

6. Fixed Low-income Household Units

Fixed low-income household units must be initially occupied by low-income households. When the annual income of households occupying fixed low-income units exceeds 80% CMI for the household size:

1. The household may not be evicted or terminated except for cause, may stay in the unit, and must pay a minimum of 30% of adjusted household income for rent and utilities; and
2. The next available HOME-ARP low-income household unit must be rented to a low- income household.

7. Floating Low-income Household Units

Floating low-income household units must be initially occupied by low-income households. When the annual income of households occupying floating low-income units exceeds 80% CMI for the household size:

1. The household may not be evicted or terminated except for cause, may stay in the unit, and must pay a minimum of 30% of adjusted household income for rent and utilities, up to the prevailing market rent; and
2. The next available comparable unit in the project must be rented to a low-income household.

The owner will be considered temporarily out of compliance until the next available comparable unit in the project is rented to a low-income household.

8. Household Income Determination

Household income of HOME-ARP rental unit tenants must be determined following the requirements at 24 CFR 5.609 (Section 8/HCV income calculation) unless the household is assisted by a state or federal project-based rental subsidy or receiving federal tenant-based rental assistance. When a unit is assisted by a state or federal project-based rental subsidy or a household is receiving a federal tenant-based subsidy (e.g., Housing Choice Voucher), then the income determination of the public housing agency, Section 8 project owner, or CoC subrecipient's determination of income must be accepted.

9. Qualifying Populations Income Certification

For QPs, household income:

1. Is not a factor in initial occupancy of a unit (but may impact classification as a QP household);
2. Must be calculated at initial occupancy to determine the tenant's total contribution to rent, including utilities, or to determine eligibility for dual-subsidy (e.g., LIHTC) units; and
3. Must be calculated annually starting 1 year after initial occupancy to determine the tenant's total contribution to rent, including utilities.

10. Low-income Households Income Certification

For low-income households, household income:

1. Must be determined prior to occupancy to ensure the household meets the definition of low-income; and
2. Must be calculated annually starting 1 year after initial occupancy to determine the tenant's ongoing income eligibility and applicable rental contribution.

11. Maximum HOME-ARP Rents

When a HOME-ARP unit is receiving federal or state project-based assistance and the qualifying household is paying no more than 30% of adjusted income for rent including utilities, the maximum rent (including the tenant contribution) is the rent permissible under the project-based assistance program.

The HOME-ARP program guidelines and restrictions stipulated by HUD regulations include rent and income limits. HUD annually publishes HIGH and LOW rent limits, as well as income limits per county or Metropolitan Statistical Area. The HUD published or calculated HOME-ARP rent limits are defined to include unit rent and utilities. HOME and HOME-ARP rent and income limits are the same. Rent limits are published on the HUD Exchange as follows: <https://www.hudexchange.info/programs/home/home-rent-limits/>

Income limits are published on the HUD Exchange as follows:

<https://www.hudexchange.info/programs/home/home-income-limits/>

12. Unit Designations

The HOME-ARP Program allows for three Unit Category Designations targeted to different income groups. Unit Designation Categories are described as follows:

a. HIGH

- Household gross income not to exceed 60% CMI at initial occupancy. After initial occupant has moved, these units may allow for residents with up to 80% CMI.
- **Income Limit:** The “60% Limits” from the adjusted HOME-ARP Income Limits.
- **Rent Limit:** The rent with utility allowance may not exceed the “HIGH HOME-ARP Rent Limit” from HOME-ARP program rents.
- HIGH HOME-ARP Units may only be occupied by Low-Income Households.

b. LOW

- Household gross income not to exceed 50% CMI at initial occupancy.
- **Income Limit:** The “Very Low Income” limit from the adjusted HOME-ARP Income Limits.
- **Rent Limit:** The rent with utility allowance may not exceed the “LOW HOME-ARP Rent Limit” from HOME-ARP program rents.
- QP Units may not exceed LOW HOME rent designations.

c. SUB

- Household gross income not to exceed 30% CMI at initial occupancy.
- **Income Limit:** The “30% Limits” from the adjusted HOME Income Limits.
- **Rent Limit:** The rent with utility allowance may not exceed half of the “65% Rent Limit” from HOME program rents.

d. SRO (Single Room Occupancy)

- **Income Limit:** The “30% Limits” from the adjusted HOME Income Limits.
- **Rent Limit:** The rent with utility allowance may not exceed 75% of “Fair Market Rent” of the Efficiency (0-bedroom unit) from HOME-ARP program rents.
- Single Room Occupancy (SRO) housing means housing consisting of single room dwelling units. SRO units are required to contain either food preparation or sanitary facilities, however it may contain both facilities, if the project activity is new construction, conversion of non-residential space, or reconstruction. Exceptions for acquisition or rehabilitation of an existing residential structure may allow for neither food preparation nor sanitary facilities to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. SRO does not include facilities for students.

13. Utility Allowance

If utilities are paid individually by the tenant, the project must determine a utility allowance for each unit size. The maximum rent that a tenant can pay is the HOME maximum minus the utility allowance. The written lease should indicate the utilities that the tenant and owner are each individually responsible for. Use local Public Housing Agency’s (PHA) HUD Voucher Program Utility Schedule to determine Utility Allowance amounts for HOME-ARP units. Applicants must submit the source documentation of the local PHA with application.

14. HOME-ARP Qualifying Population Unit Rent Limits

The rent for a HOME-ARP QP unit may not exceed the lesser of the Low- HOME-ARP or Fair Market Rent (FMR) as published annually by HUD. This is equal to 30% of income of a family at 50% of the CMI for the area with adjustments for bedroom size. The rental expectations for QP units must be factored appropriately to include individuals who may be making zero income.

15. HOME-ARP Low-income Units

The rent for a HOME-ARP low-income unit may not exceed the lesser of the High-HOME-ARP rent or FMR as published annually by HUD. This is equal to 30% of income of a family at 65% of the CMI for the area with adjustments for bedroom size.

Please note: no less than 70% of HOME-ARP assisted units in any project may be designated for those who meet the income designations below and the definition of QP. No more than 30% of HOME-ARP assisted units may be reserved for low-income individuals and families who meet the income designations below but do not meet the definition of QP.

16. Project or Tenant-based Rental Assistance

When a tenant is receiving non-HOME-ARP federal tenant-based rental assistance, the maximum rent is the rent permissible under the rental assistance program.

17. Qualifying Household Contribution to Rent

Qualifying households must pay 30% of adjusted household income towards rent, including utilities, but not more than the Low-HOME-ARP rent as published by HUD, unless the unit is receiving project-based assistance or the household is receiving tenant-based rental assistance. When a unit is receiving project-based assistance or a household is receiving tenant-based rental assistance, the household contribution is the contribution required by the applicable assistance program.

If the qualifying household's contribution to rent does not generate sufficient rental revenue to cover the operating costs of the unit, the project owner may draw from the project operating cost reserve, with the approval of DEHCR, to cover the deficit.

18. Changes in Qualifying Household Income

A household that was a QP household at initial occupancy and whose annual income at the time of income re-certification is above 50% CMI and below 80% CMI must pay the FMR or High-HOME-ARP rent as published annually by HUD, whichever is less.

A household that was a qualifying population household at initial occupancy and whose annual income at the time of income re-certification is above 80% CMI must pay 30% of adjusted household income for rent or the prevailing market rent, whichever is less.

19. Low-income Household Contribution to Rent

A low-income household must pay the lesser of the FMR or High-HOME rent, including utilities, as published annually by HUD.

20. Changes in Low-income Household Income

A household that was a low-income household at initial occupancy and whose annual income at the time of income re-certification is above 80% CMI must pay 30% of adjusted household income for rent or the prevailing market rent, whichever is less.

Chapter 5: HOME-ARP Lease Requirements and Tenant Protections

1. Lease Requirements

DEHCR requires that one-year leases be utilized unless a request for a shorter term is submitted and approved in advance. Leases must include the most recent language related to abandonment of personal property.

2. Prohibited Lease Items

Tenant leases may not include federally prohibited lease clauses that are outlined at [24 CFR § 92.253\(b\)](#).

3. Application and Late Fees

It is DEHCR policy, per HUD Final Rule and [24 CFR § 92.214 \(b\)\(1\)\(ii\)](#), that “nominal” application fees may be charged to prospective tenants to cover costs associated with background checks and other processes necessary to determine a household’s eligibility and incurring a cost. Reasonable late fees may be charged beginning on the 5th of the month. Questions regarding what is reasonable may be directed to DEHCR staff.

4. Transitional Housing Lease and Supportive Services

Per HUD Final Rule transitional housing project leases may include requirements that tenants accept and utilize support services offered as a condition of tenancy. Transitional housing projects are identified within the application and placed into service as such. Conversion to transitional housing within the affordability period is not permitted unless permitted exclusively by DEHCR in writing.

5. Termination of Tenancy

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME- ARP unit except for:

1. Serious or repeated violation of the terms and conditions of the lease;
2. Violation of applicable Federal, State of Wisconsin (State), or local laws;
3. Other good cause. An increase in the tenant’s income does not constitute good cause.

6. Tenant Selection:

Owners/developers must adopt written tenant selection policies and criteria that conform to the HOME-ARP regulations. These policies and criteria must be made available to prospective tenant applicants. The owner of a HOME-ARP rental project must adopt and follow written tenant selection policies and criteria for HOME-ARP units that:



- a. Limits eligibility to households that meet one of the HOME-ARP QP definitions or low-income households in accordance with HOME-ARP requirements;
- b. Do not exclude an applicant with a voucher under the Section 8 Housing Choice Voucher Program ([24 CFR Part 982](#)), or an applicant participating in HOME, HOME-ARP or other Federal, state or local tenant-based rental assistance programs because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable tenant-based assistance document;
- c. Limits eligibility or gives a preference to a particular QP or segment of the QP if permitted in its written agreement with DEHCR (and only if the limitation or preference is described in the State of Wisconsin's HOME-ARP Allocation Plan). A preference for households in one or more of the HOME-ARP QP must comply with DEHCR's determined preference(s) and reflect the prioritization of the HOME-ARP Programs' ECE process;
- d. Any limitation or preference must not violate nondiscrimination requirements in [24 CFR § 92.350](#).
- e. Gives prompt written notification to any rejected applicant of the grounds for any rejection; and,
- f. Complies with the VAWA requirements as described in [24 CFR § 92.359](#).

Chapter 6: Project Completion and Operation

1. Development Completion Deadline

HOME-ARP rental projects must be completed within four (4) years of project commitment. Project completion means the HOME-ARP units are occupied by eligible qualifying or low-income households within six (6) months of receiving a certificate of occupancy.

2. Repayment of HOME-ARP Funds by the Owner to DEHCR

Project owners will be required to repay the total amount of the HOME-ARP funds to DEHCR if:

- a. HOME-ARP units are not occupied by eligible QP or low-income households within twelve months (12) of project completion.
- b. The project is terminated before completion.
- c. The project does not otherwise comply with initial or ongoing HOME-ARP requirements during the entire compliance period.

3. Management and Oversight of the Capitalized Operating Reserve

Not less than annually, DEHCR will review the operating cost assistance reserve account to determine that the account is appropriately sized based on the projected operating deficits of HOME-ARP qualifying household units restricted and that the project owner is complying with the following requirements:

- a. The HOME-ARP capitalized operating reserve is held in a separate interest-bearing account.
- b. The owner submits annual audited financial statements.
- c. Prior to disbursing funds from the reserve and not more than quarterly, the project owner requests and receives written approval from DEHCR.

DEHCR will review each requested distribution, including supporting documentation, to determine the distribution is reasonable and necessary to cover the operating deficit associated with HOME-ARP units occupied by qualifying households. Required supporting documentation includes:

- a. Financial statements for the period covered by the draw, including balance sheet, and income statement.
- b. Rent roll and bank account statement.
- c. An explanation of the funding shortfall, including HOME-ARP QP income, calculated rent payment, and the maximum HOME-ARP rent for the unit.

Any unexpended operating cost assistance reserve remaining at the end of the compliance period must be returned to DEHCR.

4. Inspection and Reporting

The HOME-ARP compliance report covers the report period of October 1st through September 30th of each year during the Affordability Compliance Period. The objective of this report is to collect all occupancy and lease-up activity from within the report period. Additionally, this form serves to certify compliance with HOME-ARP program rent and income requirements as well as tenant occupancy eligibility. The report is due to be received on or before December 1 of each year.

5. Monitoring

DEHCR will continually monitor developments to ensure compliance with HOME regulations and other relevant federal regulations as required by [24 CFR § 92.504\(d\)](#). On-site inspections include completion inspection and ongoing periodic inspections at a minimum frequency of every three (3) years during the period of affordability. Reviews will also include onsite inspection of rental housing units following the Housing Quality Standards set by [24 CFR § 92.251\(f\)](#) in addition to data collection procedures. The on-site inspections must occur within 12 months after project completion and at least once every three (3) years thereafter during the period of affordability. Projects that receive onsite monitoring conducted by WHEDA may be eligible to substitute a desk monitoring in lieu of the ongoing, periodic on-site monitoring visit. Inspections and file monitoring may occur more frequently depending upon project performance.

6. Management Plan Requirements

Each project must have an adopted management plan that includes the following:

1. Financial Plan: How rents will be collected and how the project's financial operations will be managed.
2. Physical Management: How the project will be managed, including planned and preventative maintenance activities, work order systems, ongoing unit inspections and maintenance of property standards.
3. Occupancy Management: How the units will be advertised/marketed, the intake and application process including certification and documentation of eligibility, how the waiting list will be maintained, how occupancy standards (i.e., house rules or standards of conduct) will be enforced and how re-certification and turnover will be managed.

Chapter 7: Compliance with Federal Cross-Cutting Regulations

HOME-ARP applicants and owners must comply with the statutes, policies and procedures as provided for in this chapter. In the instance of conflicts between this Program Summary and the funding agreement, provisions of the funding agreement will take precedence.

1. Accessibility Standards

Universal design is encouraged. HOME-ARP program regulations require all assisted housing to comply with:

- The accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 (29 USC § 701, et. Seq.);
- The Americans with Disabilities Act (42 USC § 12101, et. Seq.), the Fair Housing Amendments Act of 1988 (24 CFR Part 1),
- Architectural Barriers Act of 1968 (42 USC § 4151, et. Seq.), and the Barrier-Free Building Code (Wis. Stats. Chapter 101 and Department of Safety and Professional Services (DPS) Administrative Code Chs. SPS 301-399, as applicable.)

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Mandatory requirements for accessibility features in HOME funded new construction units.

These are:

1. Lever-style handles on all interior doors.
2. Bath/kitchen faucets being replaced or initially installed must be single-lever type.
3. Non-skid tub/shower pattern covering 75% of tub/shower floor.
4. All walls within 36" of toilet and in tub/shower area shall have ¾" plywood behind drywall to provide sufficient support for grab bars or other assist devices.
5. Bathtub/shower stalls with offset controls.
6. Low-profile thresholds – ¼" maximum vertical height or ½" maximum beveled at 1:2 are required between ALL interior common areas and in all dwelling unit openings when floor transition height differs.

2. Rehabilitation Requirements

Acquisition/rehab activity projects must submit a Capital Needs Assessment (CNA) to document that the proposed rehab meets HUD Uniform Physical Condition Standards (UPCS) and to bring all systems up to a reasonable useful life. If the useful life is not commensurate with the project's affordability period, the budget must show appropriate reserves for their replacement when needed.

3. Affirmative Fair Market Housing Plan (AFMHP) for Multifamily

The provisions of 24 CFR §92.351 apply to projects with five (5) or more HOME-ARP assisted units as follows:

- Maintain and follow the written tenant selection policy
- Properly determine tenant income eligibility
- Do not refuse to lease to Section 8 Certificate or Voucher holder or households with comparable assistance
- Leases should be at least one (1) year

- Leases do not contain prohibited provisions
- Termination of tenancy or refusal to renew leases preceded by 30-day notice specifying the grounds for such action

4. Conflicts of Interest

Both Federal and State laws prohibit employees, agents, consultants, officers or elected officials of entities receiving government funds from obtaining a financial interest or benefit from a government-assisted activity, having an interest in any contract, subcontract or agreement with respect to any contract during their tenure and for one (1) year thereafter. In the HOME-ARP program, this requirement includes the State of Wisconsin, owners, service providers and recipients. These requirements are also applicable to persons to whom the above-identified parties have family or business ties.

Recipients must maintain written standards of conduct covering conflicts of interest and organizational conflicts of interest requirements. All conflicts of interest and organizational conflicts of interest must be disclosed by applicants, subrecipients, and project owners.

Awards of HOME-ARP funds will be made at the sole discretion of DEHCR. CoC board members may not participate in and/or influence discussions or resulting decisions concerning DEHCR selection of subrecipients or owners. If an applicant is unsure whether a conflict of interest exists, they may request a determination from DEHCR.

Organizational Conflicts of Interest:

HOME-ARP supportive services may not be contingent on any individual's or family's acceptance, or occupancy of a shelter or housing unit owned by a recipient or any parent, affiliate, or subsidiary of the recipient.

In addition, no recipient may, with respect to individuals or families occupying housing owned by the recipient or any parent, affiliate, or subsidiary of the recipient administer financial assistance that includes HOME-ARP rental payments, utility deposits, security deposits, or first- and last-months' rent.

Exceptions to Organizational Conflicts of Interest:

Any request for an exception to the organizational conflicts of interest provisions must be made by the recipient to DEHCR. DEHCR will in turn submit the requested exception to HUD, along with the required written public disclosure and an opinion from the DOA Division of Legal Services (DLS) that an exception to the conflict would not violate State law provided that is the determination made by DLS.

5. Anti-Lobbying Policy

All projects must comply with the anti-lobbying legislation ([24 CFR Part 87](#)) which requires the following express language be included in any funding agreements:

1. "No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the

making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement”.

2. “If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions”.

6. Labor Standards (Davis-Bacon Act-24 CFR § 92.354)

Requires that a contract for construction with twelve (12) or more HOME-ARP assisted units pay to all laborers and mechanics not less than the wages prevailing in that locality as predetermined by the U.S. Department of Labor. Prevailing wages must be paid on the entire development, not just the HOME-ARP assisted units and the wage provisions must be in the construction contract.

7. Debarment and Suspension

All contractors used in connection with HOME-ARP funded projects must be certified to not be presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excused from participation from any federally-assisted construction projects.

(For details see: 2 CFR Part 2424, Executive Order 12549)

8. Drug Free Workplace

Recipients are required to certify and maintain a drug free workplace.

9. Environmental Review

HUD standards for environmental reviews are available at [24 CFR § 92.352](#). Participants must comply with HUD and State policies regarding the responsibility of conducting environmental reviews on proposed development sites.

The acquisition of property or any physical action taken on a proposed site prior to the completion of the environmental review will preclude the award of HOME-ARP funds to a project or activity, regardless of the source of funds used.

HUD Format Environmental Review requirements generally require between thirty (30) and one hundred twenty (120) days to complete, depending upon the type of activity and its location.

10. Equal Opportunity and Fair Housing

<https://www.hud.gov/fairhousing>

11. Flood Insurance

Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4106) requires that Federal funds not be provided to an area that has been identified by the Federal Emergency Management Agency (“FEMA”) as having special flood hazards unless the community is participating in the National Flood Insurance Program or it has been less than one (1) year since the community was designated as having special flood hazards and flood insurance is obtained. More information on flood insurance and other environmental review elements are available at [24 CFR § 92.352](#), [24 CFR Part 58](#), and [CPD 21-10](#).

12. HUD Performance Measures

The recipient must provide performance measurement data as prescribed by HUD and submit such data to DEHCR upon request. The performance measurements will be reported in the Consolidated Annual Performance Evaluation Report and may be incorporated into any Consolidated Plan update and corresponding Annual Action Plan. HUD guidance will be issued in the near future concerning such performance measures.

13. Lead Hazard Control

The Lead Safe Housing Rule (“LSHR”) [24 CFR Part 35](#) (subparts A, B, J, K, M, and R) apply to HOME-ARP rental housing activities. Depending on the nature of work and the dollar amount of HOME-ARP funding, certain requirements must be followed regarding lead-based paint inspection, risk assessment, and in handling lead-based paint. The use of a certified abatement contractor is required.

14. Property Standards

All units in a property that contains HOME-ARP units must comply with the following property condition standards throughout the compliance period as demonstrated by an on-site inspection within 12 months of project completion and an on-site inspection at least once every three (3) years. Projects that contain HOME-ARP units must:

- Meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.
- All HOME ARP-assisted units must, at a minimum, meet the Uniform Physical Condition Standard (UPCS). Any housing newly constructed must meet the requirements of the [Wisconsin Uniform Dwelling Code](#) (UDC).
- In areas where there is no local building code, any failed UPCS item must be brought up to the standard set forth by the UDC
- Meet the accessibility requirements at 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794);
- Meet the design and construction requirements at 24 CFR § 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619); and
- Meet the Site and Neighborhood Standards per 24 CFR § 891.125.
- Narrowing the Digital Divide Through Installation of Broadband Infrastructure: applies to HUD-Funded Rental Housing: Effective January 19, 2017. Requires the installation of



broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.

15. Minority and Women Business Enterprises (MBE/WBE)

State policy requires proactive attempts to utilize State certified MBE and WBE businesses. Such requirements will be further delineated in any funding agreements.

16. Procurement and Contracting

All recipient procurement must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at [2 CFR Part 200](#) with related waivers outlined in [CPD-21-10](#). Any procurement that did not incorporate federal labor standards or Section 3 employment opportunities requirements will be invalid. Construction contractors must have the appropriate licenses and insurance for the type of work being performed. Contractors and participants must not be debarred, suspended, or ineligible based on the excluded parties list. DEHCR may require evidence that any pre-award procurement complied with the recipient's written procurement policy and 2 CFR Part 200, and included federal labor standards and/or Section 3 requirements, as applicable.

17. Section 3 Economic Opportunities

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Owner will need to demonstrate and meet the safe harbor Section 3 benchmarks set out by HUD. Owners will be considered to have complied with the Section 3 requirements and met the safe harbor, in the absence of evidence to the contrary, if they certify that they have followed the required prioritization of effort and met or exceeded the applicable Section 3 benchmarks. If a recipient agency or contractor does not meet the benchmark requirements but can provide evidence that they have made a number of qualitative efforts to assist low- and very low-income persons with employment and training opportunities, the recipient or contractor is considered to be in compliance with Section 3. Recipients must keep records demonstrating compliance with Section 3 requirements on a project level basis. Recipients are required to establish and maintain documentation to demonstrate that workers on Section 3 projects meet the definition of a Section 3 worker or Targeted Section 3 worker at the time of hire or the first reporting period. This includes requiring written reports from developers or contractors summarizing the totals for labor hours and Section 3 worker labor hours and documentation from employees or employers certifying that they met the Section 3 worker definitions (see Section V of the FAQ link directly below). Any information that is provided to DEHCR in aggregate reports must have written documentation demonstrating accuracy of the data. Additionally, recipients must retain documentation that ensures that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period. Reporting on Section 3 begins during the development phase and continues throughout the compliance period of any HOME-ARP assisted project. For more information concerning these requirements, visit the [HUD FAQ site](#).

18. Section 104(d) One-for-one Replacement

All lower-income dwelling units demolished or converted to a use other than a lower-income dwelling unit (one with a rent that does not exceed the HUD FMR) must be replaced on a unit- by-unit basis. For HOME-ARP only, single-room occupancy units or residential hotel/motel units that are considered dwelling units and are demolished or converted are not required to be replaced.

19. Displacement, Relocation, and Acquisition (24 CFR § 92.353)

Potential applicants should carefully consider how their development may be impacted by the Uniform Relocation Act (URA) before making the final decision to apply for HOME-ARP funds or to obtain site control of a given property.

In all cases in which a proposed project is either partially or fully occupied, additional information must be completed and submitted concurrently with the application. Stop and contact the State for instructions BEFORE PROCEEDING. The effective date for relocation assistance may be either the date of the application for HOME-ARP funds or the date the applicant or co-owners obtain site control. Relocation expenses could render a viable project infeasible.

Relocation benefits may be triggered under the URA when tenants occupy the property. Some examples of situations that would be considered displacement are (note that this is not an exhaustive list):

- Failure to inform tenant in a timely manner of the impact of the project on tenant;
- Involuntary moves if a tenant must move in response to a notice to vacate premises because of impending acquisition and rehabilitation or demolition;
- Non-Renewal of lease if a move results from the owner's refusal to renew an expiring lease; and
- Economic displacement caused by the changing rental structure of the proposed project.

Residential tenants of projects assisted with HOME-ARP funds who are required to move temporarily must be provided reimbursement for relocation to suitable, decent, safe, and sanitary housing and given advance written notice of the date and duration of the temporary relocation. Such temporarily relocated residents must be provided a reasonable opportunity to lease and occupy a suitable and affordable unit in the rehabilitated building upon completion of the project. URA requirements may be applicable in many instances when HOME-ARP funds are used. Participants must comply with State procedures and federal regulations regarding displacement and relocation of households affected by projects using HOME-ARP funds.

(For details see: the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1976 [URA] [49 CFR Part 24], the Fair Housing Act of 1968, and 24 CFR § 92.353)

20. Violence Against Women Act ([24 CFR 92.359](#))

The Violence Against Women Act (VAWA) provides expanded protections to victims of domestic violence, dating violence, sexual assault, and stalking across HUD housing and homelessness programs. Generally, applicants, occupants, service participants, and tenants may not be denied assistance or have assistance terminated on the basis of or as a direct result of their status as a victim.



Chapter 8: Collecting Payment, Drawing Down HOME-ARP Funds

For those applicants that receive and execute a funding agreement (Grantee), disbursements may be made upon request by the Grantee. It is the responsibility of the Grantee to ensure requests for disbursements are submitted to DEHCR. Request for the first draw must be made within six (6) months of funding agreement execution. If a funding agreement draw is not received within the required time frame, a progress report must be submitted by the Grantee within thirty (30) days of the six (6) month period.

Requests for final payment shall be received by DEHCR within sixty (60) days from the end of the performance period of the funding agreement. In the event of conflict between the language specified in the funding agreement and this Program Summary or other supporting documents, the provisions in the funding agreement regarding payment shall take precedence.

All requests for disbursement shall be accompanied by itemized invoices and limited to the amount shown by invoice with supporting documentation as detailed within the HOME-ARP funding agreement.

Upon approval of the Project Completion Report and satisfactory completion inspection confirm that all funding agreement requirements have been met, a request for the final draw of HOME-ARP Rental Development funds must be submitted to DEHCR upon project completion.

Payments drawn from the HOME-ARP Capitalized Operating Reserve are found on page 22 of this Program Summary for operating assistance costs.

Chapter 9: Recordkeeping Requirements

Each project owner must establish and maintain sufficient records to enable HUD to determine whether DEHCR has met the HOME-ARP requirements. Unit occupant information must be entered into the Homeless Management Information System (HMIS) for each qualifying household that meets the HOME-ARP definition of “homeless” or “at-risk of homelessness” subject to confidentiality requirements. The following additional records must be maintained:

1. General Project Records

1. Documentation supporting the eligibility of each beneficiary as:
 - a. Homeless or at risk of homelessness;
 - b. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
 - c. Other HOME-ARP eligible population.
2. Documentation indicating information on or access to Supportive Services was provided at move-in and annual recertification.
3. Evidence of the expenditure of HOME-ARP funds only for eligible costs.
4. Records of all procurement contracts and documentation of compliance with procurement requirements.
5. Records evidencing the use of the written procedures in selecting tenants for project.
6. Evidence of the commitment and expenditure of all funds necessary to complete the project.
7. Records (e.g., inspection reports) demonstrating that each HOME-ARP rental unit and project meets the property standards at project completion and through the applicable minimum compliance period.
8. Records demonstrating compliance with operating cost assistance reserve management and oversight.
9. Documentation of annual household income to determine eligibility for occupancy and/or the tenant contribution to rent, including:
 - a. Source documents for the assets held by the household and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);
 - b. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the household received over the most recent period for which representative data is available; or

- c. To the extent that source documents and third-party verification are unobtainable, the written certification by the household of the amount of income the household received for the most recent period representative of the income that the household is reasonably expected to receive over the 3-month period following the evaluation.
10. Records demonstrating continued compliance with HOME-ARP rental requirements.
11. Leases and other documents demonstrating compliance with tenant selection and tenant protection requirements.
12. Records that document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.
13. Records demonstrating compliance with the return of the HOME-ARP rental capitalized operating cost assistance reserve at the end of the compliance period.
14. Records demonstrating that each HOME-ARP rental housing unit and project meets the rent limitations for the 15-year minimum compliance period. Records must be kept for each household assisted.
15. Records demonstrating that a site and neighborhood standards review was conducted for each HOME-ARP rental housing project involving new construction.
16. Purchase contract.
17. Closing documents.
18. Settlement statement and title work for acquisitions.
19. Appraisal or other estimation of value.
20. Architectural and engineering contracts and completed designs, plans, and specifications for rehabilitation and new construction activities.
21. Invoices, pay requests, and proof of payment for all project expenditures.
22. Proof of insurance.
23. Project and program audits.

2. Financial Records

1. Records identifying the source and application of program income.
2. Records demonstrating adequate budget control and other records required by the uniform administrative requirements, including evidence of periodic account reconciliations.

3. Program Administration Records

1. Records demonstrating compliance with the applicable uniform administrative requirements.

2. Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.

4. Cross-cutting Regulations and Requirements Records

1. Records demonstrating compliance with nondiscrimination, equal opportunity, and fair housing requirements.
2. 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 HOME-ARP funds.
3. Records demonstrating compliance with affirmative marketing procedures and requirements.
4. Documentation and data on the steps taken to outreach to minority-owned (MBE) and female-owned (WBE) businesses including:
 - a. Data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000.00 or more paid, or to be paid, with HOME-ARP funds; and
 - b. The amount of the contract or subcontract.
5. Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.
6. Records demonstrating compliance with the requirements regarding displacement, relocation, and real property acquisition, including but not limited to:
 - a. Project occupancy lists identifying the name and address of all persons:
 - i. Occupying the real property on the date of the initiation of negotiations or application for HOME-ARP funds, whichever is earlier;
 - ii. Moving into the property on or after the date of the initiation of negotiations or application for HOME-ARP funds; and
 - iii. Occupying the property upon completion of the project.
 - b. 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 rental housing that qualify for assistance as members of a QP, including records indicating whether such persons were assisted by the HOME-ARP program following the closure of the nonresidential properties because of HOME-ARP activities.
7. Records demonstrating compliance with the labor requirements, including contract provisions and payroll records.
8. Records demonstrating compliance with the lead-based paint requirements.

9. Records demonstrating compliance with conflict of interest requirements.
10. Records demonstrating compliance with debarment and suspension requirements.
11. Records of emergency transfers requested by victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests.
12. Records documenting compliance with 2 CFR Part 200 regarding financial management and procurement.
13. Documentation of actions undertaken to meet Section 3 requirements.

5. Records Retention Period

All records pertaining to HOME-ARP funds must be retained for five (5) years after contract close-out, except:

1. For HOME-ARP rental housing projects:
 - a. Records pertaining to the development phase must be retained for five (5) years after the project completion date;
 - b. Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year (5) period, until five (5) years after the minimum compliance period terminates.
2. Written agreements must be retained for five (5) years after the agreement terminates
3. Records covering displacements and acquisition must be retained for five (5) 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.
4. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action is 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.

6. Access to Records

Citizens, public agencies, and other interested parties will be provided 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.

7. Confidentiality

All HOME-ARP subrecipients, owners, and contractors must develop, implement, and maintain written procedures to ensure that:

1. 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;

2. The address or location of any HOME-ARP rental 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 HOME-ARP rental housing, including recording of use restrictions or restrictive covenants, or with written authorization of the person or entity responsible for the operation of the HOME-ARP rental housing; and
3. 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.

The recipient may create a program participant identifier code or number that can be used on a file and maintained internally, in such a way that the number itself does not inadvertently identify the program participant, (i.e., no use of initials, date of birth, or other pieces of information that might suggest the identity of the program participant). The “key” or “cypher” for the program participant identifier code would itself be confidential and would not leave the provider.

In the circumstance of HUD programs, the Unique Personal Identification Number which is generated within the comparable database could be used with auditors to identify records of services to distinct individuals, subject to the following:

- HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers, or other records of the participating jurisdiction, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts.

8. Documenting Fleeing or Attempting to Flee Status

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. A statement may be documented by either:

1. A written certification by the individual or head of household; or
2. 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.

Chapter 10: Reporting and Performance Reports

Recipients must submit reports in a format and at such time as prescribed by DEHCR. As of August 2023, the following are known reporting requirements:

1. Request for Payment Forms

Request for Payment Forms (RFP) must be submitted upon each request, along with the required documentation (including pictures for first and last RFP's). This RFP form is created by DEHCR and is issued prior to the first draw. The required supporting documentation due with each request for payment are detailed within the HOME-ARP funding agreement. Typical elements that are required attachments to the RFP include owner's certification, architect's certification, and general contractor's certification to the itemized list of eligible costs to be reimbursed by the HOME-ARP program.

2. Project Completion Report

A HOME-ARP Program Completion Report must be completed and submitted at the time construction is completed and prior to any applicable rental leases being entered into, along with required attachments:

- identification of HOME-ARP assisted units
- occupancy approval from the relevant jurisdiction, i.e., the occupancy permit or satisfactory code inspection.

Once the HOME Program Completion Report is received, an onsite inspection will be scheduled.

3. Section 3 Report (during development period)

This report must be submitted semi-annually and is an ongoing obligation during the performance period of the Grantee's HOME-ARP funding agreement and while the Grantee is conducting construction, or development work, for which they are drawing HOME-ARP funds. The semi-annual deadline for the Section 3 report is as follows: report due to be received before the end March (March report period to include only activity during October 1 through March 31), report due to be received before the end of September (September report period to include only activity during April 1 through September 30). Additional reports may be requested by DEHCR.

4. MBE/WBE Report (during development period)

This report must be submitted semi-annually and is an ongoing obligation during the performance period of the Grantee's HOME-ARP funding agreement and while the Grantee is conducting construction or development work for which they are drawing HOME-ARP funds. This report is to be received before the end of March and before the end of September in conjunction with the Section 3 Reports noted above. The report is due to be received before the end March (March report period to include only activity during October 1 through March 31), report due to be received before the end of September (September report period to include only activity during April 1 through September 30). Additional reports may be requested by DEHCR.

5. HOME-ARP Rental Compliance reports (annually through affordability period)

The compliance report covers the report period of October 1st through September 30th of each year during the Affordability Compliance Period. The objective of this report is to collect all occupancy and lease-up activity from within the report period. Additionally, this form serves to certify compliance with HOME-ARP program rent and income requirements as well as tenant occupancy eligibility. The report is due to be received on or before December 1 of each year.

6. The HOME-ARP Rental Housing Development Program In-service Report

The HOME-ARP Rental Housing Development Program In-service Report will be required each year during the period of affordability, to be received on or before April 21st. The report shall consist of a combination of financial detail and insurance detail.

The financial information is as follows: Project-specific operating budget for the previous year showing DCR and project-specific operating budget for the current year showing DCR, as well as audited financials covering the previous 12-month period. DCR is calculated by dividing project's net operating income by the project's total debt service. The net operating amount used in the calculation should be evident in the financial report. It is recommended to include the DCR calculation on a separate page showing the calculation of the quotient.

The insurance information is as follows: Grantees will be required to certify that the property has a current insurance policy that identifies DEHCR as the "mortgagee," or "additional interest" in the policy declaration page. It is recommended that the in-service report include a copy of the current insurance declaration for the project. Capitalized Operating Reserve Requests and Reporting will also be included in the annual HOME-ARP In-service Report.

It is anticipated that HUD will issue additional guidance about reporting on HOME-ARP activities at a later date.