



NE MN HOME CONSORTIUM

Home – ARP
Program Guidelines - 2024

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NORTHEAST MINNESOTA HOME CONSORTIUM HOME-ARP PROGRAM GUIDELINES

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, which provided more than \$1.9 trillion in relief to address impacts of the COVID-19 pandemic. Through Section 3205 of the ARP, \$5 billion in ARP funds were appropriated for the HOME Investments Partnership Program (HOME). The **HOME-ARP** funds were established to reduce homelessness and decrease housing instability by assisting individuals who are homeless, at risk of homelessness, and other vulnerable populations.

Under the HOME-ARP Program, the Northeast MN HOME Consortium received an allocation of \$2,042,540. Of that total, \$292,540 (14%) has been retained for Administration and Planning, and \$1,750,000 (86%) is made available to qualified applicants to undertake eligible activities.

The following *HOME-ARP Program Guidelines* establish the NE Minnesota HOME Consortium's requirements for use of the HOME-ARP funds.

1. ELIGIBLE APPLICANTS

The following types of entities are eligible to apply for and be awarded HOME-ARP funds:

- Public Agencies, including but not limited to Housing and Redevelopment Authorities (HRAs) or Public Housing Authorities (PHAs), that are legally organized under State of Minnesota statutes and that operate within the geographic area of the Northeast Minnesota HOME Consortium.
- Nonprofit agencies established under IRS 501(c)(3) or 501(c)(4) guidelines.
- For-profit housing owner, sponsor, developer (other than single-family owner-occupant).
- Nonprofit housing owner, sponsor, or developer (other than single-family owner-occupant).
- Northeast Minnesota HOME Consortium-qualified Community Housing Development Organizations (CHDO). *(There will be no HOME-ARP CHDO-specific funds set-aside.)*

Entities must not be debarred or excluded from receiving federal assistance prior to selection or entering into a legally binding written agreement with St. Louis County.

Entities must certify that HOME-ARP Units will comply with all Program requirements during the entire period that begins upon selection and ends upon the conclusion of HOME-funded compliance period.

2. QUALIFYING POPULATIONS

HOME-ARP funds must be used to primarily benefit individuals and families in the following specified “qualifying populations.” Any individual or family who meets the criteria for these qualifying populations is eligible to receive assistance funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria).

a. Homeless, as defined in [24 CFR 91.5](#) *Homeless* (1), (2), or (3):

- An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); **or**,
 - An individual who is exiting an institution where he or she reside for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- An individual or family who will imminently lose their primary nighttime residence, provided that:
 - The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

- No subsequent residence has been identified; **and**,
- 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.
- Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - 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 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - 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;
 - 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**,
 - Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

b. At risk of Homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*:

- An individual or family who:
 - Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; **and**,
 - Meets one of the following conditions:
 - Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - Is living in the home of another because of economic hardship;
 - 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;
 - 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;
 - 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;
 - Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); **or**,
 - Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.
- A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); **or**
 - A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

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

For HOME-ARP, HUD’s definition of this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

- **Domestic violence**, which is defined in [24 CFR 5.2003](#) includes felony or misdemeanor crimes of violence committed by:
 - A current or former spouse or intimate partner of the victim (the term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
 - A person with whom the victim shares a child in common;
 - A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
 - A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; **or**,

- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
 - **Dating violence** which is defined in [24 CFR 5.2003](#) 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 such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - The type of relationship; **and,**
 - The frequency of interaction between the persons involved in the relationship.
 - **Sexual assault** which is defined in [24 CFR 5.2003](#) means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.
 - **Stalking** which is defined in [24 CFR 5.2003](#) means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - Fear for the person's individual safety or the safety of others; **or**
 - Suffer substantial emotional distress.
 - **Human Trafficking** includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:
 - *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; **or**
 - *Labor trafficking means* 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.
- d. **Other Populations** where providing supportive services or assistance under section 212(a) of NAHA ([42 U.S.C. 12742\(a\)](#)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:
- **Other Families Requiring Services or Housing Assistance to Prevent Homelessness** is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in [24 CFR 91.5](#), are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to

homelessness.

- **At Greatest Risk of Housing Instability**, defined by HUD as a household who:
 - Has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs); **or**
 - Has annual income that is less than or equal to 50% of the area median income, as determined by HUD, **AND** meets one of the following conditions from paragraph (iii) of the “At risk of homelessness” definition established at [24 CFR 91.5](#).
 - Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - Is living in the home of another because of economic hardship;
 - 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;
 - 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;
 - 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;
 - Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.

3. **ELIGIBLE ACTIVITIES**

The two primary activities that may be undertaken with HOME-ARP Program funds include:

- Acquisition, rehabilitation, or construction of affordable rental housing; and
- Acquisition and development of non-congregate shelter (NCS).

A complete description of each activity is provided within this section.

3.1 ACQUISITION, REHABILITATION OR CONSTRUCTION OF HOME-ARP RENTAL HOUSING:

Description: HOME-ARP funds may be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by households that meet the definition of one or more qualifying populations defined in Section 2. Acquisition of vacant land or demolition may be undertaken, but only with respect to a particular housing project intended to provide HOME-ARP rental housing.

Eligible HOME-ARP rental housing can include, but is not limited to, manufactured housing, single room occupancy (SRO) units, and permanent supportive housing.

Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories are not considered to be housing in the HOME-ARP program. However, HOME-ARP funds may be used to acquire and rehabilitate such structures into HOME-ARP rental housing.

A HOME-ARP rental *project* is defined as a site or sites together with any building or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME-ARP funds as a single undertaking. The project includes all activities associated with the site and building.

HOME-ARP funds may be used to assist one or more units in a project. The number of HOME-ARP units in a project cannot be reduced after project completion.

Eligible Costs: HOME-ARP funds may be used to pay for the following eligible costs associated with the acquisition, development, and operation of HOME-ARP rental units:

- Development hard costs.
- Acquisition of improved or unimproved real property.
- Related soft costs.
- Relocation costs.

Eligible and prohibited costs related to acquiring, constructing, rehabilitating, or constructing affordable HOME ARP Rental Housing are further defined in Attachment A.

If the assisted units and non- assisted units are not comparable, cost allocation in accordance with 24 CFR 92.205(d)(1) will be required.

Minimum Amount of Assistance: The minimum amount of HOME-ARP funds that may be invested in a rental housing project is \$1,000 per HOME-ARP-assisted unit.

Maximum Per-Unit Subsidy and Limitations on Costs: There is no maximum per-unit subsidy for HOME-ARP rental housing. Given the limited allocation of HOME-ARP funds, however, projects having additional leverage funds are likely to receive a higher ranking under the HOME-ARP Scoring Matrix.

HOME-ARP Fund Commitment: No HOME-ARP funds may be disbursed prior to commitment through a legally binding written agreement with St. Louis County.

Project Underwriting and Subsidy Layering: Before committing HOME-ARP funds, St. Louis County will evaluate the project to determine its financial viability through the minimum 15-year compliance period and to establish the amount of assistance needed to provide quality affordable housing without over-subsidizing the project.

Project underwriting activities will be based on the Consortium's HOME-ARP Underwriting & Subsidy Layering Policy and Procedures and will include, at minimum, an in-depth review of the following elements:

- Construction documents to ensure compliance with property and neighborhood standards.
- Sources and Uses of funds to determine that the costs are reasonable to provide quality affordable housing throughout the required compliance period.
- Project proforma to evaluate project compatibility with established underwriting criteria.
- Contracting fees to determine reasonableness.
- Developer fees to determine reasonableness.
- Operating Budget to ensure operating income is sufficient to cover operating expenses throughout the minimum compliance period.
- Rates of return.
- Written financial commitments for all sources of funds.
- Current market demand in the project area (*undertaken only for units restricted to low-income households*).
- Qualification and capacity of the developer and contractor.
- Proposed project timeline.
- Project's overall viability through the compliance period.
- Demonstrated community support for the proposed project.
- Project's geographic proximity to other resources required by qualifying populations.

HOME-ARP funds may be invested in different types of projects, including permanent supportive housing, mixed-finance affordable housing, and market-rate projects. Although the viability of the HOME- ARP units is the primary concern, St. Louis County will examine the overall feasibility of the entire project to determine that the property will be financially sustainable for the duration of the 15-year HOME-ARP compliance period.

Replacement Reserve Accounts: All projects must establish and maintain a replacement reserve account during the entire 15-year HOME-ARP rental housing compliance period, beginning at project completion.

- The replacement reserve requirement for all units is initially \$450 per unit per year, or the needs addressed in a physical needs assessment/capital needs assessment, whichever is higher..
- The replacement reserve account may be used only for capital improvements and the replacement of long-lived capital assets, and not for routine maintenance and upkeep expenses.

- The replacement reserves must be, and must remain, an asset of the project, and will not be distributed to the owner or any entity or person affiliated with the owner at any time during the HOME-ARP compliance period.
- During the annual compliance monitoring, the owner will provide St. Louis County with a record of all activity associated with the replacement reserve account during the prior fiscal year.
- The replacement reserve account must be maintained in a separate account in a federally insured financial institution.
- Reserve accounts must also be separate from the project's ordinary operating account.

Operating Reserve Accounts: All projects must establish and maintain, until the project has achieved a minimum of five (5) years of stabilized occupancy, an operating reserve equal to a minimum of six (6) months of projected operating expenses plus required debt service payments and annual replacement reserve payments.

- This requirement may be met with an up-front cash reserve, a guarantee from the owner with a surety bond to stand behind the guarantee, or partnership documents specifying satisfactory establishment of an operating reserve.
- The operating reserve account must be maintained in a separate account in a federally insured financial institution.
- For purposes of this paragraph, eligible operating costs are limited to insurance, utilities, real property taxes, maintenance, and replacement reserve payments.

Property Standards: HOME-ARP rental units and common areas must meet all applicable state and local codes, ordinances, and requirements and applicable provisions of HUD's Lead Safe Housing Rules at [24 CFR Part 35](#). HOME-ARP rental units must also comply with all property standards applicable to rental projects as required in the National Standards for Physical Inspection of Real Estate (**NSPIRE**), published as a Final Rule under the Economic Growth Regulatory Relief and consumer Protection Act in Federal Register Volume 88, Number 91 on May 11, 2023.

A link to the NSPIRE property standards on HUD's website is provided in Attachment B.

Neighborhood Standards: For each HOME-ARP rental housing project involving ***new construction***, St. Louis County will complete a site and neighborhood standards site review as established in 24 CFR 983.57 (e)(2) and (e)(3), to ensure that the site is not located in an area of minority concentration, except as permitted.

Neighborhood standards are outlined in Attachment C.

Unit Targeting and Occupancy Requirements:

- **Unit Targeting:** Although HOME-ARP activities must primarily benefit households in the qualifying populations defined in Section 2 of these *HOME-ARP Program Guidelines*, HOME-ARP funds may also be invested in units that are not restricted for occupancy solely for qualifying populations as follows:

- Not less than 70 percent of the total number of rental units assisted with HOME-ARP funds must be restricted for occupancy by households that are qualifying households at the time of the household's initial occupancy; and
- Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds may be restricted to low-income households. Although these rental units do not have to be restricted for occupancy by qualifying households, rental units that are restricted to low-income households are only permitted in projects that include HOME-ARP units for qualifying households.
- Occupancy Requirements:
 - Units restricted for qualifying households must be occupied by households that met the definition of a qualifying population **at the time of admission to the HOME-ARP unit**. A qualifying household retains its eligibility to occupy a HOME-ARP rental unit restricted for qualifying populations after admission, irrespective of the qualifying household's changes in income or whether the household continues to meet the definition of a qualifying population. A unit restricted for qualifying households will remain in compliance with the HOME-ARP unit restrictions as long as the unit is occupied by a qualifying household that met the definition of a qualifying population at the time of admission.

For example, a household that qualifies as "homeless" at admission does not meet the homeless definition once the household occupies a HOME-ARP unit but remains a qualifying household and is eligible to remain in a HOME-ARP rental unit restricted for qualifying populations.

- Units restricted to low-income households must be occupied by households whose annual incomes do not exceed 80 percent of the median income for the area as determined by HUD, with adjustments for smaller and larger families.

HOME-ARP units restricted for low-income households will continue to qualify as HOME-ARP rental housing despite a temporary non-compliance caused by an increase in income of an existing household above 80 percent area median income **if** actions satisfactory to St. Louis County are taken to correct the noncompliance. Actions will depend on whether the HOME-ARP subsidy and requirements are assigned to a specific unit (*fixed*) or are not assigned to a specific unit (*floating*) - and - whether other funding sources (e.g., LIHTC) impose income or other restrictions on the units.

Generally, correction of this temporary non-compliance will involve using vacancies or redesignation of units – depending on where the HOME-ARP units are fixed or floating and whether other funding sources impose other restrictions on the units.

Note: An increase in a tenant's income does not constitute good cause to evict or refuse to renew a tenant's lease, regardless of program requirements associated with other funding sources such as LIHTC.

NE MN HOME Consortium HOME Program Income Limits are outlined in Attachment D.

Household Income Requirements – Initial Certification and Annual Recertification:

- Units Restricted to Qualifying Populations: Qualifying households are eligible for admission to HOME-ARP rental units solely by meeting the definition of one or more of the qualifying populations. If there is no income requirement in a qualifying population's definition, a determination of household income is not required at initial occupancy. However, a calculation of their income *should* be undertaken at initial occupancy in order to establish an affordable rent contribution.

Beginning one year after initial occupancy and in each subsequent year during the compliance period, however, the Part 5 (Section 8) Program definition of annual income must be used to calculate the income of qualifying households to determine their contribution to rent.

- Units Restricted to Low-Income Households: For units restricted to low-income households, the Part 5 (Section 8) definition of annual income must be used to examine the household's income at both initial occupancy and in each subsequent year during the compliance period to determine their income eligibility and their applicable contribution to rent.

To ensure accuracy and consistency, income calculations must be completed using HUD's Income Eligibility Calculator on the HUD Exchange. Calculations must be saved as a PDF document and retained in the tenant file.

To establish tenant income, the project owner must examine at least 2 months of source documents evidencing annual household income (*e.g. wage statements, interest statements, unemployment compensation statements*).

As an exception to the above requirements, if a family is applying for or living in a HOME-ARP-assisted rental unit and that unit is assisted by a federal or state tenant-based rental subsidy, St. Louis County will accept the official written, signed, and dated public housing agency, Section 8 project owner, or CoC recipient determination of the family's annual income and adjusted income under that program's rules (along with corresponding documentation).

Rent Limits / Tenant Rent Contribution:

- Units Restricted for Occupancy by Qualifying Households:
 - The rent paid by a qualifying household ***at the time of initial occupancy to the HOME-ARP unit*** may not exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.
 - A qualifying household whose annual income ***at the time of annual income recertification is below 50% of the area median income*** may not pay a rent that exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. HUD will publish the HOME- ARP rent limits annually.

A qualifying household's rent contribution must be affordable based on a determination of their income. Therefore, if a qualifying household is not receiving tenant-based rental assistance and cannot contribute any income towards rent, or the contribution is insufficient to cover the unit rent, the project owner may draw from the project's operating reserve if projected rental revenue minus the operating costs of the unit results in a deficit.

Exception: When a household receives federal project-based or tenant-based rental assistance (e.g., housing choice vouchers, etc.), the rent permissible under the applicable rental assistance program should be used. Household contribution towards rent in this case is the amount that is permitted by the requirements of the applicable rental assistance program.

- A qualifying household whose annual income ***at the time of annual income re-certification is between 50 percent and 80 percent*** of the area median income must pay:
 - The lesser of the Fair Market Rent for existing housing for comparable units in the area, as established by HUD;
or
 - A rent equal to 30 percent of the income of a family at 65 percent of median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.
- A qualifying household whose annual income ***at the time of annual income re-certification exceeds 80% of the area median income*** must pay as rent:
 - The lesser of the amount payable by the tenant under State or local law;
or
 - 30 percent of the Family's adjusted income.

Exception: Tenants that no longer qualify as low-income who reside in HOME-ARP-assisted units which have been allocated low-income housing tax credits must pay rent governed by section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42). Additionally, in projects where the HOME-ARP units are designated as floating, tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the fair market rent for comparable, unassisted units in the neighborhood.

The rent must also include the utility allowance established by the PHA in the Community that serves the rental units are developed and operated.

- Units Restricted for Occupancy by Low-Income Households:
 - A low-income household residing in a unit restricted for occupancy by low-income households must pay as rent the lesser of:
 - The Fair Market Rent for existing housing for comparable units in the area, as established by HUD;

or

- A rent equal to 30 percent of the income of a family at 65 percent of median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.

An exception to this requirement is allowed when a household receives project-based or tenant-based rental assistance (e.g., housing choice vouchers), where the rent charged is the rent permissible under the applicable rental assistance program.

- A household residing in a unit restricted for low-income households, but whose income exceeds 80 percent of the median income for the area ***at the time of annual income recertification***, must pay as rent:
 - The lesser of the amount payable by the tenant under State or local law;

or

 - 30 percent of the Family's adjusted income.

Exception: Tenants that no longer qualify as low-income who reside in HOME-ARP-assisted units which have been allocated low-income housing tax credits must pay rent governed by section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42). Additionally, in projects where the HOME-ARP units are designated as floating, tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the fair market rent for comparable, unassisted units in the neighborhood.

The rent must also include the **utility allowance** established by the PHA that serves the Community in which the rental units are developed and operated.

- Rent Limits – Single Room Occupancy (SRO) Units: A HOME-ARP rental project may consist of SRO units, which are defined as units that are the primary residence of the occupant(s) which contain, at a minimum, sanitary facilities - but may also contain food preparation facilities. A project's designation as an SRO must be consistent with the building's zoning and building code classification.

If the SRO units contain both sanitary *and* food preparation facilities, the maximum HOME-ARP rent is based on HUD's zero-bedroom fair market rent. If the SRO unit has only sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of HUD's zero-bedroom fair market rent.

The rent limits for SRO units must also include the **utility allowance** established by the PHA that serves the community or county where the project is located.

NE MN HOME Consortium HOME Program Rent Limits are provided in Attachment D. St. Louis County will update and distribute these limits annually.

Minimum Compliance Period: HOME-ARP assisted rental units must meet the affordability requirements for **15 years**, beginning after project completion (*as defined later within this Section*), irrespective of the amount of HOME-ARP funds invested in the project or the activity being undertaken and without regard to the term of any loan or mortgage, repayment of the

HOME investment, or the transfer of ownership.

However, if a project-based rental assistance Housing Assistance Payments (HAP) contract is awarded to a HOME-ARP assisted rental unit, the unit must meet the affordability requirements for the **greater of 15 years or the term of the HAP contract**.

During the compliance period:

- Units restricted for occupancy by qualifying populations must be occupied by households that met the definition of a qualifying population at the time of their initial occupancy. The household's contribution toward rent during this period must be affordable as outlined above and the rents for these units must comply with the rent provisions outlined above.
- Units restricted for occupancy by low-income households must be continuously occupied by households who are income eligible. The rents for these units must comply with the rent provisions outlined above.
- All units must comply with the ongoing property condition standards found in Attachment B 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 years thereafter.
- Each household that occupies a HOME-ARP unit must have an executed lease that complies with the tenant protections outlined below.

HOME-ARP rental housing requirements will be imposed through a recorded Declaration of Covenants and Restrictions and will give St. Louis County the right to require specific performance.

St. Louis County has the authority to allow the affordability restrictions to terminate upon foreclosure or transfer in lieu of foreclosure. This will be determined on a case-by-case basis. However, the affordability restrictions will be revived according to the original terms if, during the original compliance period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

Tenant Lease and Tenant Protections: All households who occupy a HOME-ARP assisted units must have an executed lease that complies with the tenant protection requirements outlined in this Section. The lease must either be between the project owner and the household, or between the project owner and a HOME-ARP sponsor with a sublease between the qualifying household and HOME-ARP sponsor.

A HOME-ARP sponsor (*which is a nonprofit organization that provides housing or supportive services to qualifying households*) may execute a master lease with the owner of a HOME-ARP project for HOME-ARP units restricted for occupancy by qualifying households. The HOME-ARP

sponsor may then sublease the HOME-ARP rental unit to the qualifying household. The sublease between the HOME-ARP sponsor and the qualifying household must comply with the rent limitations and tenant protection requirements outlined within these HOME-ARP Program Guidelines.

- *Tenant Lease Requirement:* The executed lease between the qualifying household or the low-income household and the owner of the HOME-ARP-assisted project must be for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified *(or sublease in the case where a HOME-ARP sponsor has executed a master lease or lease with the project owner for the leasing of the units restricted for occupancy by qualifying households)*.
- *Prohibited Lease Terms:* The executed lease or, as applicable, sub-lease, may not contain any of the prohibited lease terms as follows:
 - *Agreement to be Sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.
 - *Treatment of Property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law.
 - *Excusing Owner from Responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - *Waiver Of Notice.* Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.
 - *Waiver Of Legal Proceedings.* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
 - *Waiver of a Jury Trial.* Agreement by the tenant to waive any right to a trial by jury.
 - *Waiver Of Right to Appeal Court Decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
 - *Tenant Chargeable with Cost of Legal Actions Regardless of Outcome.* Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 - *Mandatory Supportive Services.* Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- *Termination of Tenancy:* An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP unit *(or of a HOME-ARP sponsor with a sublease with a qualifying household)* except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local laws; or for other good cause.

Similarly, a HOME-ARP sponsor may not refuse to renew a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the sublease; for violation of applicable federal, state, or local laws; or for other good cause. An increase in the tenant's or sublessee's income does not constitute good cause.

To terminate or refuse to renew tenancy for any household occupying a HOME-ARP unit, the owner must serve written notice upon the tenant (*and the HOME-ARP sponsor if the lease is between an owner and HOME-ARP sponsor*) at least 30 days before termination of tenancy, specifying the grounds for the action. In the case of a sublease, to terminate or refuse to renew tenancy of a qualifying household, the HOME-ARP sponsor must notify St. Louis County in advance of serving written notice to the qualifying household and must serve written notice upon the qualifying household at least 30 days before termination of tenancy, specifying the grounds for the action.

Project-Specific Applicant Waitlists: A project-specific waitlist must be established and used to select qualifying households for HOME-ARP units restricted for occupancy by qualifying populations. A separate project-specific waitlist must be established and used when selecting households to occupy units restricted for occupancy by low-income households.

To ensure that the project-specific waitlists are consistently and objectively managed, the owner of a HOME-ARP rental project must adopt and follow written **Tenant Selection Policies**. These Policies must:

- Limit eligibility to households that meet one of the HOME-ARP qualifying populations definitions **or** low-income households in accordance with HOME- ARP requirements.
- Not exclude an applicant with a voucher under the Section 8 Housing Choice Voucher Program, or an applicant participating in HOME, 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.
- Identify preferences for qualifying populations that are outlined in its written agreement with St. Louis County as well as the NE MN HOME Consortium's HOME-ARP Allocation Plan.

To briefly summarize, waiting list preferences are as follows:

Preference #1: Persons fleeing, or attempting to flee, domestic violence, sexual assault, stalking, or human trafficking.

Preference #2: Persons who are homeless.

Persons who meet the definition of one or more qualifying populations that are not listed as a preference may still apply, be placed on the waiting list, and be served in HOME-ARP-funded rental units. They simply do not receive a waiting list preference.

- Provide for the selection of households from a project-specific written waiting list **in the chronological order of their application**, insofar as is practicable.

Specifically, the waiting list order will be:

1. Persons who meet the qualifying population definition in Preference #1, in chronological order of application.
 2. Persons who meet the qualifying population definition in Preference #2, in chronological order of application.
 3. All other persons who meet one or more qualifying population definitions not listed in Preference #1 and #2, in chronological order of application.
- Give prompt written notification to any rejected applicant of the grounds for any rejection.
 - Comply with VAWA requirements described in [24 CFR 92.359](#).

Project Completion and Occupancy Timelines:

- **Project completion:** Must occur within 4 years of project commitment, and before occupancy. HOME-ARP rental projects will be considered complete when the following requirements are met:
 - All necessary title transfer requirements and construction work have been performed.
 - The project complies with the HOME-ARP requirements, including property standards, as evidenced by a final inspection.
 - The final drawdown of HOME funds has been disbursed for the project.
 - Project completion information has been entered into HUD's IDIS system.

If the Owner fails to complete a project within 4 years of project commitment (*the date the legally binding written agreement with St. Louis County was executed*), St. Louis County will implement the terminated project requirements outlined in [24 CFR 92.205€\(2\)](#), which specifically state that all funds invested in the project must be repaid.

- **Project Occupancy:** HOME-ARP units must be occupied by eligible qualifying households or low-income households within six months following project completion. If this does not occur, St. Louis County, as applicable, will submit to HUD information on its efforts to coordinate with a CoC, homeless service providers, social service, and other public agencies to fill units for qualifying households or will submit marketing information and, if appropriate, a marketing plan to fill units for low-income households.

The Owner is responsible to repay any HOME- ARP funds invested in units that are not rented to eligible qualifying or low-income households within 12 months of project completion.

Penalties for Noncompliance: The owner must repay HOME-ARP funds invested in rental housing that is terminated before completion or otherwise does not comply with initial or ongoing requirements of the HOME-ARP Program during the compliance period, as follows:

- If noncompliance or termination occurs within the first 10 years of the compliance period, the Owner must repay the entire amount of HOME-ARP funds invested in the project.
- If noncompliance or termination occurs in years 11 through 15, the repayment amount will be reduced by 20 percent for each year beyond the initial 10-years during which time the project was compliant.

Repayment of the HOME-ARP funds is not required if the project owner sells or transfers, either voluntarily or involuntarily, the HOME-ARP project during the compliance period as long as:

- The HOME-ARP restrictions remain;
- The project and new project owner continue to comply with all HOME-ARP requirements outlined in **HUD Notice CPD-21-10**, the fully executed written agreement with St. Louis County, and the *HOME-ARP Program Guidelines*; **and**,
- Any HOME-ARP funds remaining in a project's operating cost assistance reserve or reserve for replacement remain with the project and convey upon sale or transfer of the project as a restricted operating cost assistance reserve or reserve for replacement subject to the HOME-ARP Program requirements.

3.2 ACQUISITION AND DEVELOPMENT OF NON-CONGREGATE SHELTER (NCS):

Description: HOME-ARP funds may be used to acquire and develop HOME-ARP non-congregate shelter (NCS) for individuals and families in qualifying populations. This activity may include but is not limited to the acquisition of land and construction of HOME-ARP NCS or acquisition and/or rehabilitation of an existing structures such as motels, hotels, or other facilities to be used for HOME-ARP non-congregate shelter.

A HOME-ARP non-congregate shelter (HOME-ARP NCS) is defined as one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement.

Minimum Amount of Assistance: A minimum of \$1,000 per HOME-ARP assisted units is required.

Maximum Per-Unit Subsidy and Limitations on Costs: There is no maximum per-unit subsidy for HOME-ARP NCS units. Given the limited allocation of HOME-ARP funds received by the NE Minnesota HOME Consortium, however, projects having additional leverage funds are likely to receive a higher ranking under the HOME-ARP Scoring Matrix.

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

- Acquisition Costs to acquire improved or unimproved real property.
- Demolition Costs on existing structures for the purpose of developing HOME-ARP NCS.
- Development Hard Costs to rehabilitate or construct HOME-ARP NCS units. Costs must be used to meet physical standards discussed below.
- Site Improvement Costs including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.
- Related Soft Costs that are reasonable and necessary associated with the financing, acquisition, and the development of HOME-ARP NCS projects.

Eligible and prohibited costs related to acquiring or developing HOME ARP NCS are further defined in Attachment A.

HOME-ARP NCS Project Fund Commitment: No HOME-ARP funds may be disbursed prior to commitment through a legally binding written agreement with St. Louis County.

Project Underwriting – Subsidy Layering: Before committing HOME-ARP funds, St. Louis County will evaluate the long-term viability of a proposed HOME-ARP NCS project to determine that acquisition and/or development is financially feasible, that the project has secured or has a high likelihood of securing operating funding sufficient to maintain continued operation of the NCS throughout the entire restricted use period, and to establish the amount of assistance needed to provide quality NCS units without over-subsidizing the project.

The project's underwriting review process will be based on the Consortium's HOME-ARP Underwriting & Subsidy Layering Policy and Procedures and will include, at a minimum, a review of the following elements:

- Construction documents to ensure compliance with property standards.
- An acquisition or development budget, as well as a sources and uses statement for the acquisition and/or development of the project.
- A proposed Operating Sources and Uses Budget, including secured sources for operating costs and any operating gap that will require additional assistance.
- For any operating gaps, demonstration by the developer that a plan exists for securing additional private, state, local, or federal operating funds.
- Contracting fees to determine reasonableness.
- Developer fees to determine reasonableness.
- Supportive Services Budget and/or agreements as applicable.
- Written financial commitments for all sources of funds.
- Qualification and capacity of the contractor.
- Evidence the Owner has appropriate skill and experience related to the development of shelters of similar facilities.
- Evidence the Owner has prior experience with operating shelters.
- Proposed project timeline.
- Project's overall viability through the compliance period.
- Demonstrated community support for the proposed project.
- Project's geographic proximity to other resources required by qualifying populations.

Prior to committing funds, St. Louis County will also determine whether the Owner intends to continue operating the project as a HOME-ARP NCS for the entire full restricted use period or plans to convert the HOME-ARP NCS into permanent affordable housing or CoC permanent housing during the restricted use period after the minimum use period for HOME-ARP NCS is completed.

Replacement Reserve Accounts: All projects must maintain a replacement reserve account beginning at the time of project completion for the term of the HOME-ARP period of compliance.

- The replacement reserve requirement for all units is initially \$450 per unit per year, or the needs addressed in a physical needs assessment/capital needs assessment, whichever is higher. The replacement reserve account may be used only for capital improvements and the replacement of long-lived capital assets, and not for routine maintenance and upkeep expenses.
- The replacement reserves must be, and must remain, an asset of the project, and will not be distributed to the Owner or any entity or person affiliated with the Owner at any time during the HOME-ARP restricted use period.
- During the compliance monitoring and property inspection, the Owner will provide St. Louis County with a record of all activity associated with the replacement reserve account during the prior fiscal year.
- The replacement reserve account must be maintained in a separate account in a federally insured financial institution.
- The replacement reserve account must also be separate from the project's ordinary operating account.

Operating Reserve Accounts: All projects must establish and maintain an operating reserve equal to a minimum of six (6) months of projected operating expenses plus must-pay debt service payments and annual replacement reserve payments.

- This requirement may be met with an up-front cash reserve, a guarantee from the Owner with a surety bond to stand behind the guarantee, or partnership documents specifying satisfactory establishment of an operating reserve.
- The operating reserve account must be maintained in a separate account in a federally insured financial institution.
- For purposes of this paragraph, eligible operating costs are limited to insurance, utilities, real property taxes, maintenance, and replacement reserve payments.

Property Standards: HOME-ARP NCS units and common areas must meet all applicable state and local codes, ordinances, and requirements and the applicable provisions of HUD's Lead Safe Housing Rules at [24 CFR Part 35](#). Additionally, all HOME-ARP NCS projects must meet minimum property, safety, sanitation, accessibility, and privacy standards. Finally, HOME-ARP NCS rehabilitation projects must meet HOME-ARP NCS Rehabilitation Standards, and HOME-ARP NCS projects that are newly constructed must meet Minimum HOME-ARP NCS New Construction Standards.

Applicable NCS property standards are outlined in Attachment B.

Admission and Occupancy Requirements: HOME-ARP NCS units may be occupied only by individuals or families that meet the criteria for one or more of the qualifying populations as defined within these *HOME-ARP Program Guidelines*. Occupancy of the NCS units by qualifying populations must be in accordance with the preferences established in the *NE MN HOME Consortium Allocation Plan*, which include the following qualifying populations:

Preference #1: Persons fleeing, or attempting to flee, domestic violence, sexual assault, stalking, or human trafficking.

Preference #2: Persons who are homeless.

Persons who meet the definition of a qualifying population that is not listed as a preference may apply, be placed on the waiting list, and be served in HOME-ARP-funded NCS units. They simply do not receive a waiting list preference.

No individual or family may be denied assistance to, or removed from, a HOME-ARP NCS unit on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the individual or family meets the criteria of one of the qualifying populations.

Project-Specific Waitlist: To ensure consistency and compliance with the HOME-ARP requirements outlined in **HUD Notice CPD-21-10**, project owners must use a project-specific waitlist for HOME-ARP-funded NCS units.

Specifically, the waiting list order will be:

1. Persons who meet the qualifying population definition in Preference #1, in chronological order of application.
2. Persons who meet the qualifying population definition in Preference #2, in chronological order of application.
3. All other persons who meet a qualifying population definition not listed in Preference #1 and #2, in chronological order of application.

Occupancy Fees and Other Fees: Qualifying populations must not be charged occupancy or other fees to occupy a HOME-ARP NCS unit unless St. Louis County determines such fees and charges are customary and reasonable and the charges comply with 24 CFR 578.77(b).

Project Completion and Occupancy Timelines:

- **Project Completion:** For HOME-ARP NCS projects involving rehabilitation or new construction, with or without acquisition:
 - Development must begin within 12 months of the date of funding commitment (*which is the date a legally binding written agreement was executed*).
 - Rehabilitation or new construction projects must be completed within 4 years of the date of commitment of the HOME-ARP funds.

A HOME-ARP NCS project will be considered **complete** when the following requirements are met:

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

If the Owner fails to complete a project within 4 years of project commitment, St. Louis County will implement the terminated project requirements outlined in [24 CFR 92.205\(e\)\(2\)](#), which specifically state that all funds invested in the project must be repaid.

- **Project Occupancy:**

- HOME-ARP NCS projects involving acquisition-only must be placed in active use within 6 months of the date of acquisition. (Note: Acquisition-only HOME-ARP NCS projects may occur only in cases where St. Louis County reasonably determines that the units to be acquired do not require rehabilitation to meet HOME-ARP NCS property standards).
- HOME-ARP NCS projects involving rehabilitation or new construction, with or without acquisition, must begin operating as active shelters within 6 months after the date of completion of the construction work.

If the HOME-ARP NCS acquisition, rehabilitation, and/or new construction projects are not placed in use within 6 months, HUD may require St. Louis County to submit a schedule for placing the project into operation as an active shelter within a period determined by HUD or may require St. Louis County to repay the HOME-ARP funds to its HOME-ARP Treasure Account. In the event this occurs, St. Louis County will impose HUD's requirements on the project's owner, including but not limited to repayment of the HOME-ARP funds.

Restricted Use Period: HOME-ARP NCS projects must comply with Program requirements for not less than the restricted use period specified below. During the restricted use (*compliance*) period, the property may:

- Remain as HOME-ARP NCS in compliance with HOME-ARP NCS Program requirements; **or**,
- Be used as a non-congregate emergency shelter under the Emergency Solutions Grants (ESG) Program.

In this situation the non-congregate shelter must be operated in compliance with all requirements that apply when ESG funds are provided for operating costs or essential services in the shelter. During any period for which ESG funds are provided, the applicable ESG requirements shall govern in the event of any conflict with the HOME-ARP requirements; **or**,

- Be converted to permanent affordable housing according to the HOME-ARP requirements outlined below; **or**,
- Be converted to CoC permanent housing as defined in Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act according to the HOME-ARP requirements outlined below.

The restricted use (*compliance*) period begins at project completion and will be imposed for the following periods of time:

- **New Construction:** Newly constructed HOME-ARP NCS units must be operated as HOME-ARP NCS units for qualifying populations for a **restricted use period of 15**

years, regardless of the amount of HOME-ARP funds invested in the project.

- **Rehabilitation**: HOME-ARP NCS units which receive any amount of HOME-ARP funds for rehabilitation but are not designated as new construction by the PJ's state or local building code requirements must be operated as HOME-ARP NCS units for qualifying populations for a **restricted use period of 10 years**.
- **Acquisition Only**: Units acquired for use as HOME-ARP NCS that do not require rehabilitation for occupancy must serve the qualifying populations for a **restricted use period of 10 years**.

The HOME-ARP NCS restricted use requirements will be imposed through a recorded *Declaration of Covenants and Restrictions*, which will require that the property be operated as HOME-ARP NCS or a non-congregate emergency shelter under ESG for the entire required restricted use period *unless* the HOME-ARP NCS projects is converted to permanent affordable housing or CoC permanent housing after the applicable minimum use period, as described below. If the HOME-ARP NCS is converted, St. Louis County will amend the *Declaration of Covenants and Restrictions* to reflect the change in requirements for the remainder of the restricted use period.

St. Louis County may allow the restricted use requirements to terminate upon foreclosure or transfer in lieu of foreclosure. However, the affordability restrictions will be revived according to the original terms if, during the original compliance period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has had family or business ties, obtains an ownership interest in the project or property.

St. Louis County may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure of deed in lieu of foreclosure to preserve the NCS units.

Conversion of Non-Congregate Shelter to Rental Housing: Although no HOME-ARP funds may be used to assist, the HOME-ARP Program authorizes the conversion of HOME-ARP NCS units into permanent rental housing. The written HOME-ARP NCS agreement between St. Louis County and the project owner will describe conversion as a possible outcome of the NCS project; specify the conditions under which conversion may be permitted; and require that St. Louis County approve any conversion in advance.

Conversion to permanent affordable housing or CoC housing may occur as follows:

- **Minimum Use Period**: All HOME-ARP NCS projects must be operated as NCS for a minimum period prior to conversion. This "*minimum use period*" prior to conversion varies based upon the original HOME-ARP NCS activity undertaken and the amount of funds invested in the project.
 - **Acquisition Only**: HOME-ARP NCS acquisition that did not require rehabilitation for occupancy must be operated as HOME-ARP NCS for **no less than 3 years** from project acquisition prior to conversion.

- **Moderate Rehabilitation:** A HOME-ARP NCS project that required rehabilitation, and the total rehabilitation expenditure from all sources were less than 75 percent of the total appraised value of the improved property, must be operated as HOME-ARP NCS for **no less than 5 years** from project completion prior to conversion.
- **Substantial Rehabilitation:** A HOME-ARP NCS project that required rehabilitation, and the total rehabilitation expenditure from all sources exceeded 75 percent of the total appraised value of the improved property, must be operated as HOME-ARP NCS for **no less than 10 years** from project completion before conversion.
- **New Construction:** A HOME-ARP NCS new construction project must be operated as HOME-ARP NCS for **no less than 10 years** from project completion prior to conversion.

Requirements will vary depending on the type of conversion being requested, as follows:

- **Conversion to Permanent Affordable Housing (non-CoC):** During the HOME-ARP NCS restricted use period, but only after the HOME-ARP NCS minimum use period, St. Louis County **may** consider providing written approval to convert the project from HOME-ARP NCS to permanent affordable rental housing.

The converted permanent affordable housing project must meet the following requirements:

- **Project Underwriting** Although no HOME-ARP funds will be used to pay for the cost of converting the project from HOME-ARP NCS to permanent affordable rental housing, or for operating the project as permanent affordable rental housing, St. Louis County will evaluate the proposal to determine that adequate financial resources are committed to the project to bring it into compliance with the appropriate property standards outlined in **Attachment B** and to maintain the financial feasibility of the project to be operated as permanent affordable housing for the qualifying populations throughout the remaining restricted use period.

In considering the conversion request, St. Louis County will evaluate the proposal in accordance with its *Project Underwriting – Subsidy Layering Guidelines*. At a minimum, the County’s underwriting process will include an examination of:

- Sources and uses of funds for the conversion;
- Review of the operating budget, including assumptions, projections, and reasonably expected increases in expenses throughout the minimum compliance period (*defined below*), to determine that the project will remain financially feasible to serve the qualifying populations for the remainder of the restricted use period;
- Proposed design to ensure the project will meet applicable property standards following conversion to permanent affordable rental housing; and,
- Required project-specific policies and procedures to ensure they meet the standards required for rental unit.

- **Minimum Compliance Period:** The minimum compliance period for converted housing is the period that the housing must continue to comply with the HOME-ARP requirements and is equal to the balance of the HOME-ARP NCS restricted use period.

Resulting requirements that will be applicable through the minimum compliance period include the following:

- **Number of Units:** The same number of units that were operated as HOME-ARP NCS for qualifying populations must be restricted for and must be occupied by households that meet the definition of a qualifying population at the time of initial occupancy of the permanent affordable housing.
- **Replacement Reserve Accounts:** The reserve accounts that were established for the HOME-ARP NCS units must remain in the project.
- **Operating Reserve Accounts:** The operating reserve accounts that were established for the HOME-ARP NCS units must remain in the project until the HOME-ARP rental project has achieved a minimum of five (5) years of stabilized occupancy, an operating reserve equal to a minimum of six (6) months of projected operating expenses plus required debt service payments and annual replacement reserve payments.

If a project no longer has an operating reserve account, one must be established according to the requirements outlined in Section 3.1 of these *HOME-ARP Program Guidelines*.

- **Property Standards:** The units must comply with the applicable rental property standards found in **Attachment B** throughout the minimum 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 years thereafter.
- **Occupancy Requirements:** Units must be occupied by households that met the definition of a qualifying population at the time of initial occupancy of the HOME-ARP unit. A unit will remain in compliance with these HOME-ARP unit restrictions as long as the unit is occupied by a qualifying household that met the definition of a qualifying population at the time of admission.
- **Household Income Requirements:** Household income must be calculated at initial certification and annual recertification to establish an affordable tenant contribution to rent in compliance with requirements outlined in Section 3.1 of these *HOME-ARP Program Guidelines*.
- **Rent Limits / Tenant Contribution to Rent:** Unit rent limits and household contribution toward rent during this period will follow the requirements described in Section 3.1 within the “HOME-ARP Rental Unit” section of these *HOME-ARP Program Guidelines*.

- **Tenant Lease and Tenant Protections:** HOME-ARP assisted rental units must have an executed lease that complies with the tenant protection requirements outlined on pages 14 - 16 within the “HOME-ARP Rental Unit” section of these *HOME-ARP Program Guidelines*.
- **Project-Specific / Applicant Waitlists:** Owners must establish and use a project-specific waitlist to select qualifying households for HOME-ARP rental units as described on pages 16 – 17 within the HOME-ARP Rental Unit section of these *HOME-ARP Program Guidelines*. Tenant Selection Policies, discussed Section 3.1, must also be adopted and followed.
- **Penalties for Noncompliance:** The owner must repay HOME-ARP funds invested in HOME-ARP NCS that was converted to permanent affordable housing if the permanent affordable housing does not comply with initial or ongoing requirements of the HOME-ARP Program during the compliance period.
- **Conversion to CoC Permanent Housing:** During the HOME-ARP NCS *restricted use period* but only after the HOME-ARP NCS *minimum use period*, St. Louis County may permit the conversion of a HOME-ARP NCS project to permanent housing or permanent supportive housing under [24 CFR 578.43](#) (acquisition) and/or [24 CFR 578.45](#) (rehabilitation) of the CoC program regulations. Conversions may only occur in accordance with the requirements prescribed in St. Louis County’s agreement with the HOME-ARP NCS owner. If conversion is approved by St. Louis County, the HOME-ARP NCS use restrictions must remain in place until the project is approved for CoC funding and the required CoC restrictions are imposed on the property.

Conversion to CoC permanent housing or permanent supportive housing may serve ONLY the following eligible households **as defined in [24 CFR 578.3](#)**, subject to any further eligibility conditions that may apply to the use of CoC Program funds to provide rental assistance in the housing or otherwise support the project:

- Chronically homeless individuals
- Homeless individuals or families

St. Louis County is prohibited from investing additional HOME-ARP funds to pay for the cost of converting the project to CoC permanent housing or permanent supportive housing.

The CoC designates eligible applicants for grant funds under [24 CFR Part 578](#), which includes nonprofit organizations, States, local governments, and instrumentalities of State or local governments. For-profit entities are not eligible to apply for CoC grants or to be subrecipients of grant funds. Consequently, if a HOME-ARP NCS project owner intends to convert the project to CoC-funded permanent housing or permanent supportive housing during the restricted use period, St. Louis County will pursue partnership and leveraging opportunities with the CoC early in the planning stage of a HOME-ARP NCS.

Upon conversion to CoC permanent housing or permanent supportive housing, requirements specific to that funding source will govern the operation and administration of the units. HOME-ARP requirements will no longer apply.

4. SUPPORTIVE SERVICES

Although HOME-ARP funds may not be used to pay for supportive services, all HOME-ARP funded projects must provide and/or coordinate supportive services to promote client stability and success. At the time of funding commitment and annually, project owners must provide a description and documentation demonstrating how supportive services will be individually provided to, or coordinated on behalf of, client served in a HOME-ARP funded unit.

5. PAYMENT PROCEDURES

All HOME-ARP funded project owners should use the following process to receive HOME-ARP fund disbursements.

- No funds will be disbursed without a fully executed legally binding written agreement with St. Louis County.
- St. Louis County will reimburse the project owner for eligible expenses incurred and paid by the project owner, in an amount not to exceed the funds awarded, by its performance of the work set forth in Exhibit A of the HOME-ARP Grant Agreement.
- Requests for payment will be made no more frequently than weekly and should be accompanied by documentation the County reasonably requests. Upon receipt of payment request and appropriate documentation, the County will promptly reimburse the project owner for eligible expenses.

6. PROPERTY STANDARDS INSPECTIONS / COMPLIANCE MONITORING

Property Standards Inspections:

In addition to completing a property standard inspection to verify project completion, St. Louis County will undertake ongoing property standards inspections every third year (or more often as indicated) on HOME-ARP rental units, and every year on HOME-ARP NCS Units. When deficiencies are identified during the inspection, St. Louis County will either complete a follow-up inspection within 6 months to verify the deficiencies have been corrected or allow the project owner to verify deficiency correction through submission of third-party documentation (such as paid invoices or work orders).

If the property inspection reveals life-threatening deficiencies, St. Louis County will order the project owner to correct the deficiencies immediately. St. Louis County will reinspect the project within 14 days to ensure all life-threatening deficiencies have been fully corrected.

Compliance Monitoring:

St. Louis County will complete annual monitoring of HOME-ARP funded projects to ensure ongoing compliance with HOME-ARP and other Federal regulations. St. Louis County will notify the project owner in writing of the intended monitoring activities and note whether these activities will occur on-site or remotely. Additionally, St. Louis County will provide a checklist of items for the project owner to prepare in advance of the monitoring activities. Project owners must correct all identified deficiencies within required timeline established by St. Louis County.

7. REPORTING

Project owners must submit reports in a format and time prescribed by St. Louis County.

Rental Housing:

The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements. The owner/developer of rental housing must annually provide the PJ with information on rents and occupancy of HOME-ARP assisted units to demonstrate compliance with this Notice. If the rental project has floating HOME-ARP units, the project owner/developer must provide the PJ with information regarding unit substitution and filling vacancies so that the project remains in compliance with the HOME-ARP occupancy requirements. The agreement must specify the reporting requirements, (including copies of financial statements) to enable the PJ to determine the financial condition and continued financial viability of the project.

TBRA:

The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements.

Non-Congregate Shelter:

The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements.

8. DEBARMENT AND SUSPENSION

The prohibitions at 2 CFR Part 2424 on the use of debarred, suspended, or ineligible contractors applies to the investment of HOME-ARP funds.

An individual, corporation, partnership, association, unit of government, or legal entity, however organized, that is debarred or suspended will be excluded from Federal financial and non-financial

assistance and benefits under Federal programs and activities. Debarment or suspension of a participant in a program by one agency will have government wide effect.

Prior to issuing the Proceed to Work Order, the project owner will complete a search using the System for Award Management (SAMS) website to ensure that the contractor and all subcontractors to be used in the rehabilitation project are not debarred or suspended from Federal contract work. A screenshot of the results should be maintained in the owner's construction records.

9. OTHER FEDERAL REQUIREMENTS

As recipients of the federal HOME-ARP funds, owners of HOME-ARP Rental Housing and HOME-ARP NCS must understand and comply with the following federal requirements:

- **Other Federal Requirements and Nondiscrimination:** The requirements in [24 CFR 92.350](#) and [24 CFR part 5, subpart A](#), apply to the HOME-ARP Program, including: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and housing counseling and the nondiscrimination requirements at section 282 of NAHA. Recipients of HOME-ARP funds must also comply with the Violence Against Women Act (VAWA) requirements set forth in [24 CFR 92.359](#).
- **Affirmative Marketing and Minority Outreach:** Recipients of HOME-ARP funds must adhere to the requirements in [24 CFR 92.351](#). Specifically, all projects and projects sites must be accessible or made accessible to persons with disabilities. St. Louis County's written affirmative marketing procedures and requirements for rental projects must be implemented in all projects containing five or more HOME-assisted housing units. Specific HOME requirements regarding Affirmative Marketing and Minority Outreach can be found at:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf>

St. Louis County's written affirmative marketing procedures and requirements for rental projects containing five or more HOME-assisted housing units can be found at:

www.stlouiscountymn.gov/homeinvestmentpartnerships

- **National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and Related Laws:** St. Louis County will assess the environmental effects of each project to be carried out with HOME-ARP funds in accordance with the provisions of NEPA in [24 CFR 92.352](#) and related authorities listed in HUD's implementing regulations at [24 CFR part 58](#). The applicability of the provisions [of 24 CFR part 58](#) is based on the entire HOME-ARP project, not on the type of the cost paid with HOME-ARP funds.

No funds may be committed to a HOME-ARP project before the completion of the environmental review and approval by HUD of the Request for Release of Funds (RROF). Until the RROF has been approved by HUD, neither a Owner nor any participant in the development process may commit non-HUD funds on, or undertake a HOME-ARP activity or project, if the activity or project would have an adverse environmental impact or would limit the choice of reasonable alternatives.

- **Labor Standards:** Labor standard requirements found in [24 CFR 92.354](#) apply to HOME-ARP activities. All projects consisting of 12 or more HOME-ARP units must incorporate Davis-Bacon wage rates and labor standards monitoring into the development budget. Other project funding may also require Federal Labor Standards compliance. Federal Labor Standards must be included in project-related procurement.
- **Section 3 Economic Opportunities for Low- and Very Low-Income Persons:** Section 3 requirements established at [24 CFR Part 75](#) apply to HOME-ARP-assisted projects that include \$200,001 or more of covered federal financial assistance. Additional information is in the Section 3 Handbook at: www.stlouiscountymn.gov/communitydevelopment
- **Procurement and Contracting:** All procurement must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 [CFR 200, subpart D](#). Any procurement that did not incorporate federal labor standards (as applicable) or Section 3 employment opportunities requirements will be invalid. Construction contracts must have the appropriate license and insurance for the type of work being performed. Further requirements may be viewed at:
- **Lead Hazard Control Requirements:** The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead- Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at [24 CFR Part 35](#), subparts A, B, J, K, M, and R apply to HOME-ARP-assisted activities.
For HOME-ARP NCS, a project must comply with [24 CFR part 35, Subpart K](#) when the HOME-ARP activity is acquisition only. HOME-ARP NCS projects that involve rehabilitation of pre-1978 facilities, whether the rehabilitation is funded with HOME-ARP or other funds, must comply with the requirements of [24 CFR part 35, Subpart J](#).
- **Uniform Relocation Assistance and Real Property Acquisition Policies Act, Section 104(d), and HOME-ARP Displacement, Relocation and Acquisition Program Requirements:** HOME-ARP Projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and section 104(d) of the Housing and Community Development Act of 1974, in addition to the Displacement, Relocation and Acquisition regulatory requirements of [24 CFR 92.353](#). Guidance regarding relocation requirements in the HOME-ARP program is found in HUD's HOME-ARP Policy Brief found at the following link:
[RRED HOME-ARP Policy Brief Final \(03.31.22\).pdf \(hud.gov\)](#)
- **Demolition or Change in Use:** Federal Regulations ([24 CFR 42.375](#)) require that any federally-funded project that will result in the demolition or change in use of existing lower-income residential dwelling units must replace those units with comparable lower-income dwelling units on a one-for-one basis. The replacement cost associated with the demolition or change in use of any low-income units is the sole responsibility of the project owner. Additional information regarding demolition or change in use in the HOME-ARP program may be found at:
[RRED HOME-ARP Policy Brief Final \(03.31.22\).pdf \(hud.gov\)](#)

- **Conflicts of Interest:** The HOME-ARP notice (**CPD-21-10**) includes two types of conflicts of interest. The first type is general conflicts of interest, which requires disclosure of conflicts and potential conflicts in accordance with the HOME regulation at [24 CFR 92.356](#). The second type is organizational conflicts of interest that govern acceptance of HOME-ARP occupancy, tenancy or services based on the ownership of the project. St. Louis County and Owners must have written standards of conduct that comply with both [24 CFR 92.356](#) and [2 CFR 200.318](#).
- **Confidentiality Requirements:** All Owners must develop, implement, and maintain written procedures to ensure that records containing personally identifying information of any individual or family that applies for and/or receives HOME-ARP assistance will be kept secure and confidential.
- **Financial Records and Audits:** Nonprofit and government project owner financial management systems and audits must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at [2 CFR 200](#). St. Louis County may require evidence that the project owner's financial management system complies with [2 CFR 200](#) and may require the most recent audit be submitted for review.
- **Drug-Free Workplace:** All project owners must complete a drug-free workplace certification. The certification may be found at: [50070.PDF \(hud.gov\)](#)

10. RECORDS / RECORDS RETENTION

Recipients of HOME-ARP funds are required to adhere to the following requirements for record retention and documentation.

Records Retention Periods:

All records pertaining to HOME-ARP funds must be retained for five years except as provided below.

- For HOME-ARP rental housing projects, records may be retained for five years after the project completion date.
Exception: Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year period, until five years after the compliance period terminates.
- Written agreements must be retained for five years after the agreement terminates.
- Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with [24 CFR 92.353](#).
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issue which arise from it, or until the end of the required period, whichever is later.

Records:

- **Program Records**

- Records evidencing that all HOME-ARP funds used for acquisition and development of non-congregate shelter (NCS) units benefit individuals and families in qualifying population.
- Records evidencing that not less than 70% of affordable rental housing units acquired, rehabilitated, and/or constructed with HOME-ARP funds are restricted for occupancy by households in the qualifying populations.

- **Project Records**

- Records demonstrating that each qualifying household is eligible for HOME-ARP assistance based on the definitions outlined in the HOME-ARP Program.
- Records demonstrating that each household qualifying as homeless meets requirements in [24 CFR 576.500\(b\)\(1\), \(2\), \(3\), or \(4\)](#) as applicable.

Exception: Youth aged 24 and under must not be required to provide third-party documentation to show they are homeless to receive shelter, housing or services for which ESG or CoC Program funds may be used to supplement the HOME-ARP assistance).

- Records demonstrating that each household qualifying as “at risk of homelessness” meets the requirements in [24 CFR 576.600\(c\)\(1\),\(2\) or \(3\)](#), including the following:
 - Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or subrecipient.
 - Source documentation 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).
 - To the extent that source documents are unobtainable, a written statement by the relevant third party 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.
 - 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.
- Records demonstrating compliance with household income requirements.
- Records demonstrating that for each HOME-ARP rental housing unit, compliance with the tenant protection requirements established in Section 3.1 of the [HOME-ARP Program Guidelines](#).

For HOMEARP rental projects under a master lease, retain records demonstrating that a master lease for housing leased by a HOME-ARP sponsor and each sublease between a qualifying household and HOME-ARP sponsor complies with the tenant protection and applicant waitlist requirements discussed in Section 3.1 of the [HOME-ARP Program Guidelines](#).

- Records demonstrating that each HOME-ARP rental housing project meets the rent limitations for the 15-year minimum compliance period. Records must be kept for each household assisted.
- For all HOME-ARP NCS projects the following documents must be maintained, as applicable:
 - Purchase contract, closing documents, settlement statement and title work for acquisitions.
 - Appraisal or other estimation of value to justify acquisition expenditure.
 - Architectural and engineering contracts and completed designs, plans, and specifications for rehabilitation and new construction activities.
 - Invoices, pay requests, and proof of payment for all project expenditures.
 - Proof of insurance.
 - Project and program audits.
- **Records Concerning Other Federal Requirements**
 - Equal opportunity and fair housing records.
 - Data on the extent to which each racial and ethnic group, and single-headed households by gender of household head) have applied for, participated in, or benefited from, any activity funded in whole or in part with HOMEARP funds.
 - Documentation of submission of the Affirmatively Furthering Fair Housing Certification
 - Records demonstrating compliance with the nondiscrimination and equal opportunity requirements of 24 CFR 92, Subpart H.
 - Affirmative marketing and MBE/WBE records.
 - Records demonstrating compliance with the affirmative marketing procedures and requirements of [24 CFR 92.351](#) and HUD Notice CPD-21-10.
 - Documentation and data on the steps taken to implement the jurisdiction's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with HOME-ARP funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.
 - Records demonstrating compliance with the environmental review requirements of [24 CFR 92.352](#), [24 CFR part 58](#), and HUD Notice CPD-21-10 including flood insurance requirements.
 - Records demonstrating compliance with the requirements of [24 CFR 92.353](#) and the provisions of [Section VII.F](#) of HUD Notice CPD-21-10. Notice regarding displacement, relocation, and real property acquisition, including but not limited to:
 - project occupancy lists identifying the name and address of all persons occupying the real property on the date described in [24 CFR 92.353\(c\)\(2\)\(i\)\(A\)](#), moving into the property on or after the date described in [24 CFR 92.353\(c\)\(2\)\(i\)\(A\)](#), and occupying the property upon completion of the project;
 - lists of all individuals or families occupying hotels and motels and other nonresidential properties acquired, rehabilitated, and/or demolished and newly constructed to become HOME-ARP NCS or HOME-ARP rental housing that qualify for assistance under HUD Notice CPD-21-10 as members of a qualifying population, as well as records indicating whether such persons were assisted by the HOMEARP program by the PJ following the closure of the nonresidential properties because of HOME-ARP activities

- lists of all individuals or families occupying HOME-ARP NCS that were converted during the required use period that qualify for assistance under HUD Notice CPD-21-10, as well as records indicating whether moving costs or advisory services were provided as part of HOME-ARP administrative costs or under the HOMEARP supportive services activity in [Section VI.D](#) of CPD Notice -21-10, and records indicating whether such persons were assisted by the HOME-ARP program by the PJ following the conversion of the HOME-ARP NCS units.
- Records demonstrating compliance with the labor requirements of [24 CFR 92.354](#), including contract provisions and payroll records.
 - Records demonstrating compliance with the lead-based paint requirements of [24 CFR part 35](#), subparts A, B, J, K, M and R, as applicable.
 - Records supporting compliance with conflict-of-interest requirements in [24 CFR 92.356](#), as revised by [Section VII.H](#) of HUD Notice CPD-21-10, as well as documentation of any exceptions granted by HUD or a state PJ, as applicable, to the conflict of interest provisions in [24 CFR 92.356](#), as revised by [Section VII.H](#) of HUD Notice CPD-21-10.
 - Records demonstrating compliance with debarment and suspension requirements in [CFR part 2424](#).
 - Records concerning intergovernmental review, as required by [24 CFR 92.357](#).
 - Records of emergency transfers requested under [24 CFR 5.2005\(e\)](#) and [24 CFR 92.359](#) pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests.
 - Documentation of actions undertaken to meet the requirements of [24 CFR part 75](#) which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).

11. REQUIRED HOME-ARP POLICIES, PROCEDURES, CERTIFICATIONS

Recipients of HOME-ARP Funds must develop, implement, and maintain records on the following policies and procedures:

- **Project-Specific Waiting List and Waiting List Process**
 - Requirements are detailed in **CPD-21-10 on Page 11, Item 2** - “Referral Methods for Projects of Activities, **Number iii** - “Use of a Project/Activity Waiting List”.
 - This requirement is applicable for HOME-ARP Rental Projects, HOME-ARP NCS Projects, and HOME-ARP Rental Project that were converted from HOME-ARP NCS Projects.
- **Project-Specific Tenant Selection Policies and Criteria**
 - Requirements are detailed in **CPD-21-10 on pages 36-37, Item 20** – “Coordinated Entry and Project-Specific Waitlists”.
 - This requirement is applicable for HOME-ARP Rental Projects and HOME-ARP Rental Projects that were converted from HOME-ARP NCS Projects.

- **Tenant Lease**
 - Requirements are detailed in **CPD-21-10** on **Pages 34-35, Item 19** - “Tenant Protections”. *(Use of a Project/Activity Waiting List)*.
 - Requirements are detailed in **CPD-21-10** on **Pages 63-66 , Item 11** - “Conversion of Non-Congregate Shelter to Rental Housing”, **Section b** - “Permanent Affordable Housing, **Number v** – ‘Tenant Protections’”.
 - This requirement is applicable for HOME-ARP Rental Projects and HOME-ARP Rental Projects that were converted from HOME-ARP NCS Projects.
- **Affirmative Marketing Policy**
 - Requirements are detailed in CPD-21-10 on Page 68, **Section VII** – “Other Federal Requirements, **Item B** – “Affirmative Marketing and Minority Outreach”.
 - This requirement is applicable for HOME ARP Rental Projects, HOME-ARP NCS Projects, and HOME-ARP Rental projects that were converted from HOME-ARP NCS.
- **Written Standards of Conduct that Address Conflict of Interest**
 - Requirements are referenced in **CPD-21-10** on Pages 74-75, **Section VII** – “Other Federal Requirements, **Item H** – “Conflicts of Interest, **Number 3** – “Written Standards of Conduct”.
 - Requirements are further detailed in 2 CFR 200.318.
 - This requirement is applicable for HOME ARP Rental Projects, HOME-ARP NCS Projects, and HOME-ARP Rental projects that were converted from HOME-ARP NCS.
- **Written Policies Procedures for Maintaining Client Confidentiality of Qualifying Households**
 - Requirements are referenced in **CPD-21-10** on Page 94-95, **Section VII** – “Other Federal Requirements, **Item H** – “Confidentiality Requirements”.
 - This requirement is applicable for HOME ARP Rental Projects, HOME-ARP NCS Projects, and HOME-ARP Rental projects that were converted from HOME-ARP NCS.
- **Written Policies and Procedures for Maintaining Confidentiality in Compliance with VAWA Protections, including the following:**
 1. VAWA Emergency Transfer Plan
 2. VAWA Notice and Certification Form
 3. VAWA LEASE TERM – Addendum
 - Requirements are referenced in **CPD-21-10** on **pages 35-37, Item 20** – “Coordinated Entry and Project-Specific Waitlists”, **Number vi** – “Complies with the VAWA requirements as described in 24 CFR 92.359.
 - Requirements are referenced in CPD-21-10 on page 69, **Section VII** – “Other Federal Requirements, **Item A** – “Other Federal Requirements and Nondiscrimination”.
 - Requirements are clearly outlined in 24 CFR 92.359.
 - This requirement is applicable for HOME ARP Rental Projects, HOME-ARP NCS Projects, and HOME-ARP Rental projects that were converted from HOME-ARP NCS.

NORTHEAST MINNESOTA HOME CONSORTIUM HOME-ARP PROGRAM GUIDELINES

ATTACHMENT A ELIGIBLE and INELIGIBLE USES OF HOME ARP FUNDS

This attachment summarizes the costs allowed or disallowed under the HOME-ARP Program. Eligible costs under the HOME-ARP Program are fully described in **24 CFR 92.206**. Prohibited costs are fully described in **24 CFR 92.214**.

1. HOME-ARP RENTAL HOUSING

ELIGIBLE USES OF HOME-ARP FUNDS:

- **Development Hard Costs**
 - The actual cost of constructing or rehabilitating housing.
 - The property, owned by the project owner, upon which the project is located.
- **Acquisition**
 - The costs of acquiring improved or unimproved real property.
- **Related Soft Costs**
 - Architectural, engineering, or related professional services.
 - Costs to process and settle the financing for a project, such as credit reports, lender fees, fees for title evidence, etc....
 - Costs of a project audit.
 - Costs to provide information services such as affirmative marketing and fair housing information to prospective tenants.
 - Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing, inspections, etc...
 - Costs for payment of impact fees charged within a jurisdiction.
- **Relocation Costs**
 - The cost of relocation payments and other relocation assistance to persons displaced by the project. Include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.

PROHIBITED USES OF HOME-ARP FUNDS:

- Tenant-based rental assistance, supportive services, and other costs to implement a specific activity in the project upon construction completion.
- Non-Federal matching contributions required under any other Federal Program.
- Assistance for uses authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds).
- Mortgage payments.
- Payments of delinquent taxes, fees, or charges on properties to be assisted with HOME-ARP funds.

- Costs not eligible under 24 CFR 92.206 through 92.209.
- Operating costs.

2. HOME-ARP ACQUISITION AND DEVELOPMENT OF NON-CONGREGATE SHELTER

ELIGIBLE COSTS:

- **Acquisition Costs**
 - Costs to acquire improved or unimproved real property.
- **Demolition Costs**
 - Costs of demolishing existing structures for the purpose of developing HOME-ARP NCS.
- **Development Hard Costs**
 - The actual cost of constructing or habilitating housing.
 - The property, owned by the project owner, upon which the project is located.
- **Site Improvements**
 - Costs to make improvements to the project site, including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.

PROHIBITED USES OF HOME-ARP FUNDS:

- Operating Costs.
- Funding of a Replacement Reserve.
- Additional infusion of HOME-ARP funds during the restricted use period. *(Exception: HOME-ARP funds may be invested in the project up to one year after project completion in IDIS for eligible costs.)*
- Any other cost that is not eligible under the HOME-ARP Regulations.
- Costs related to conversion of HOME-ARP NCS to Rental Housing Units.
- Non-Federal matching contributions required under any other Federal Program.
- Assistance for uses authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds).
- Mortgage payments.
- Payment of delinquent taxes, fees, or charges on the property to be assisted with HOME-ARP funds.
- Related Soft Costs: costs to capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the restricted use period. Major systems include:
 - Structural Support.
 - Roofing, Cladding, and Weatherproofing.
 - Plumbing.
 - Electrical.
 - HVAC.

NORTHEAST MINNESOTA HOME CONSORTIUM HOME-ARP PROGRAM GUIDELINES

ATTACHMENT B PROPERTY STANDARDS

All Projects assisted with HOME-ARP funds must comply with the following property standards prior to occupancy and throughout the compliance / restricted use period. HOME-ARP rental units and common areas must meet all applicable state and local codes, ordinances, and requirements and applicable provisions of HUD's Lead Safe Housing Rules at [24 CFR Part 35](#). HOME-ARP rental units must also comply with all property standards applicable to rental projects as required in the National Standards for Physical Inspection of Real Estate (**NSPIRE**), published as a Final Rule under the Economic Growth Regulatory Relief and Consumer Protection Act in Federal Register Volume 88, Number 91 on May 11, 2023. Non-Congregate Shelter Project and Habitability Standards are found in **Final HOME-ARP Notice CPD-21-10**, beginning on page 59.

1. HOME-ARP RENTAL HOUSING PROPERTY STANDARDS:

National Standards for Physical Inspection of Real Estate (NSPIRE) are located at the following link on HUD's website:

[NSPIRE Standards | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

2. HOME-ARP NON-CONGREGATE SHELTER PROPERTY AND HABITABILITY STANDARDS:

ACQUISITION ONLY NCS PROJECTS.

At the time of Acquisition, to be considered "acquisition only", the NCS project must meet the following property standards. Unless converted to permanent rental housing after the minimum use period, the Acquisition-Only NCS project must also meet these standards throughout the applicable restricted use period:

- All applicable state and local codes, ordinances, and requirements.
- Applicable provisions of HUD's Lead Safe Housing Rules at [24 CFR Part 35](#).
- The following minimum safety, sanitation, accessibility, and privacy standards:
 - Must be structurally sound to protect occupants from the elements and not pose any threat to the health and safety of the occupants.
 - Must be accessible in accordance with Section 504 of the Rehabilitation Act ([29 U.S.C. 794](#)) and implementing regulations at [24 CFR part 8](#); the Fair Housing Act ([42 U.S.C. 3601 et seq.](#)) and implementing regulations at [24 CFR part 100](#); and Title II of the Americans with Disabilities Act ([42 U.S.C. 12131 et seq.](#)) and implementing regulations at [24 CFR part 35](#).
 - Must provide each individual or family with an acceptable, individual room to sleep

- which includes adequate space and security for themselves and their belongings.
- Must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of occupants.
- Must have a water supply free of contamination.
- Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
- Must provide necessary heating/cooling facilities in proper operating condition.
- Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety.
- There must be sufficient electrical sources to permit the safe use of electrical appliances.
- Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector. There must also be a second means of exiting the building in the event of fire or other emergency.

REHABILITATION/REPAIR NCS PROJECTS:

If the NCS project requires rehabilitation or repair to meet the minimum property standards, the project is considered acquisition and rehabilitation irrespective of the source of funds used for the rehabilitation or repair and must meet the following NCS rehabilitation standards. Unless converted to permanent rental housing after the minimum use period, the Rehabilitation/Repair NCS project must also meet these standards throughout the applicable restricted use period.

- All applicable state and local codes, ordinances, and requirements. **(In the absence of such codes, the International Residential Code or the International Building Code applies).**
- Applicable provisions of HUD's Lead Safe Housing Rules at [24 CFR Part 35](#).
- The following minimum safety, sanitation, accessibility, and privacy standards:
 - Must be structurally sound to protect occupants from the elements and not pose any threat to the health and safety of the occupants.
 - Must be accessible in accordance with section 504 of the Rehabilitation Act ([29 U.S.C. 794](#)) and implementing regulations at [24 CFR part 8](#); the Fair Housing Act ([42 U.S.C. 3601 et seq.](#)) and implementing regulations at [24 CFR part 100](#); and Title II of the Americans with Disabilities Act ([42 U.S.C. 12131 et seq.](#)) and implementing regulations at [24 CFR part 35](#), all as applicable
 - Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
 - Must have a natural or mechanical means of ventilation. The interior air must be

- free of pollutants at a level that might threaten or harm the health of occupants.
- Must have a water supply free of contamination.
- Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
- Must provide necessary heating/cooling facilities in proper operating condition.
- Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety.
- Must be sufficient electrical sources to permit the safe use of electrical appliances.
- Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector. There must also be a second means of exiting the building in the event of fire or other emergency.

NEW CONSTRUCTION NCS PROJECTS.

New Construction Projects must meet the following NCS new construction property standards. Unless converted to permanent rental housing after the minimum use period, the New Construction NCS project must also meet these standards throughout the applicable restricted use period.

- All applicable State and local codes, ordinances, and requirements. **(In the absence of such codes, International Residential Code or the International Building Code applies).**
- The following minimum safety, sanitation, accessibility, and privacy standards:
 - Must be structurally sound to protect occupants from the elements and not pose any threat to health and safety of the occupants.
 - Must be accessible in accordance with section 504 of the Rehabilitation Act ([29 U.S.C. 794](#)) and implementing regulations at [24 CFR part 8](#); the Fair Housing Act ([42 U.S.C. 3601 et seq.](#)) and implementing regulations at [24 CFR part 100](#); and Title II of the Americans with Disabilities Act ([42 U.S.C. 12131 et seq.](#)) and implementing regulations at [24 CFR part 35](#), all as applicable
 - Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
 - Must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of occupants.
 - Must have a water supply free of contamination.
 - Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
 - Must provide necessary heating/cooling facilities in proper operating condition.
 - Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances.

- Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector. There must also be a second means of exiting the building in the event of fire or other emergency.

NCS PROJECTS CONVERTED TO AFFORDABLE RENTAL PROJECTS.

When a NCS project is converted to a Permanent Rental Project in accordance with approval by St. Louis County, HOME-ARP Rental Rehabilitation Project property standards will become applicable prior to tenant occupancy. These property standards must be met throughout the remainder of the restricted use period.

ONGOING PROPERTY STANDARDS AND INSPECTIONS.

St. Louis County will inspect all HOME-ARP rental projects every third year, or more often as indicated, to verify that they meet the minimum applicable property standards outlined above throughout the compliance or restricted use period. When deficiencies are identified, a follow-up inspection to verify that deficiencies have been corrected will be undertaken within 6 months.

If life-threatening deficiencies are found to exist, the owner or operator of the HOME-ARP NCS must correct such deficiencies **immediately**. In such instances, St. Louis County will re-inspect to verify the deficiency has been corrected within 14 days.

NORTHEAST MINNESOTA HOME CONSORTIUM HOME-ARP PROGRAM GUIDELINES

ATTACHMENT C NEIGHBORHOOD STANDARDS

All HOME-ARP Rental Housing Projects that involve new construction must meet the following Neighborhood Standards. The requirements are found at **24 CFR 983.57(e)(2) and (e)3**, in accordance with **24 CFR 92.202**. (*These standards do not apply to HOME-ARP NCS Projects.*)

1. HOME-ARP RENTAL HOUSING – Neighborhood Standards for New Construction Projects:

- **The site must not be located in an area of minority concentration, *except as follows*:**
 - (1) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or
 - (2) The project is necessary to meet overriding housing needs that cannot be met in that housing market area;
 - (3) As used in paragraph (1) of this section, “*sufficient*” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.
 - (4) Units may be considered “*comparable opportunities*,” as used in paragraph (1) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
 - (5) Application of this *sufficient, comparable* opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
 - (A) A significant number of assisted housing units are available outside areas of minority concentration.
 - (B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
 - (C) There are racially integrated neighborhoods in the locality.
 - (D) Programs are operated by the locality to assist minority families that wish to find

housing outside areas of minority concentration.

(E) Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(6) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

- **The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.**

NORTHEAST MINNESOTA HOME CONSORTIUM HOME-ARP PROGRAM GUIDELINES

ATTACHMENT D 2023 NE MN CONSORTIUM - HOME PROGRAM INCOME AND RENT LIMITS

2023 NE MN HOME Consortium Income Limits - Effective: June 15, 2023

| St. Louis County | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$19,000 | \$21,700 | \$24,400 | \$27,100 | \$29,300 | \$31,450 | \$33,650 | \$35,800 |
| 50% | \$31,650 | \$36,150 | \$40,650 | \$45,150 | \$48,800 | \$52,400 | \$56,000 | \$59,600 |
| 60% | \$37,980 | \$43,380 | \$48,780 | \$54,180 | \$58,560 | \$62,880 | \$67,200 | \$71,520 |
| 80% | \$50,600 | \$57,800 | \$65,050 | \$72,250 | \$78,050 | \$83,850 | \$89,600 | \$95,400 |
| Median Family Income: \$93,500 | | | | | | | | |

| Cook County | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$18,550 | \$21,200 | \$23,850 | \$26,450 | \$28,600 | \$30,700 | \$32,800 | \$34,950 |
| 50% | \$30,900 | \$35,300 | \$39,700 | \$44,100 | \$47,650 | \$51,200 | \$54,700 | \$58,250 |
| 60% | \$37,080 | \$42,360 | \$47,640 | \$52,920 | \$57,180 | \$61,440 | \$65,640 | \$69,900 |
| 80% | \$49,400 | \$56,450 | \$63,500 | \$70,550 | \$76,200 | \$81,850 | \$87,500 | \$93,150 |
| Median Family Income: \$89,400 | | | | | | | | |

| Itasca County | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$18,550 | \$21,200 | \$23,850 | \$26,450 | \$28,600 | \$30,700 | \$32,800 | \$34,950 |
| 50% | \$30,900 | \$35,300 | \$39,700 | \$44,100 | \$47,650 | \$51,200 | \$54,700 | \$58,250 |
| 60% | \$37,080 | \$42,360 | \$47,640 | \$52,920 | \$57,180 | \$61,440 | \$65,640 | \$69,900 |
| 80% | \$49,400 | \$56,450 | \$63,500 | \$70,550 | \$76,200 | \$81,850 | \$87,500 | \$93,150 |
| Median Family Income: \$84,900 | | | | | | | | |

| Koochiching County | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$18,550 | \$21,200 | \$23,850 | \$26,450 | \$28,600 | \$30,700 | \$32,800 | \$34,950 |
| 50% | \$30,900 | \$35,300 | \$39,700 | \$44,100 | \$47,650 | \$51,200 | \$54,700 | \$58,250 |
| 60% | \$37,080 | \$42,360 | \$47,640 | \$52,920 | \$57,180 | \$61,440 | \$65,640 | \$69,900 |
| 80% | \$49,400 | \$56,450 | \$63,500 | \$70,550 | \$76,200 | \$81,850 | \$87,500 | \$93,150 |
| Median Family Income: \$72,700 | | | | | | | | |

| Lake County | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$18,550 | \$21,200 | \$23,850 | \$26,450 | \$28,600 | \$30,700 | \$32,800 | \$34,950 |
| 50% | \$30,900 | \$35,300 | \$39,700 | \$44,100 | \$47,650 | \$51,200 | \$54,700 | \$58,250 |
| 60% | \$37,080 | \$42,360 | \$47,640 | \$52,920 | \$57,180 | \$61,440 | \$65,640 | \$69,900 |
| 80% | \$49,400 | \$56,450 | \$63,500 | \$70,550 | \$76,200 | \$81,850 | \$87,500 | \$93,150 |
| Median Family Income: \$90,800 | | | | | | | | |

Family sizes in excess of 8 persons are calculated by adding 8% of the four-person income limit for each additional family member. That is, a 9-person limit should be 140% of the 4-person limit, the 10-person limit should be 148%.

2023 NE MN HOME Consortium Rent Limits - Effective: June 15, 2023

| St. Louis County | | | | | | | |
|--------------------|------------|-------|---------|---------|---------|---------|---------|
| Number of Bedrooms | Efficiency | 1 | 2 | 3 | 4 | 5 | 6 |
| Low HOME Rent | \$780 | \$838 | \$1,016 | \$1,174 | \$1,310 | \$1,445 | \$1,580 |
| High HOME Rent | \$780 | \$838 | \$1,087 | \$1,435 | \$1,645 | \$1,797 | \$1,949 |
| 50% Rent Limit | \$791 | \$847 | \$1,016 | \$1,174 | \$1,310 | \$1,445 | \$1,580 |

| Cook County | | | | | | | |
|--------------------|------------|-------|-------|---------|---------|---------|---------|
| Number of Bedrooms | Efficiency | 1 | 2 | 3 | 4 | 5 | 6 |
| Low HOME Rent | \$552 | \$731 | \$826 | \$1,146 | \$1,202 | \$1,382 | \$1,543 |
| High HOME Rent | \$552 | \$731 | \$826 | \$1,174 | \$1,202 | \$1,382 | \$1,563 |
| 50% Rent Limit | \$772 | \$827 | \$992 | \$1,146 | \$1,280 | \$1,411 | \$1,543 |

| Itasca County | | | | | | | |
|--------------------|------------|-------|-------|---------|---------|---------|---------|
| Number of Bedrooms | Efficiency | 1 | 2 | 3 | 4 | 5 | 6 |
| Low HOME Rent | \$723 | \$728 | \$958 | \$1,146 | \$1,280 | \$1,411 | \$1,543 |
| High HOME Rent | \$723 | \$728 | \$958 | \$1,166 | \$1,287 | \$1,480 | \$1,673 |
| 50% Rent Limit | \$772 | \$827 | \$992 | \$1,146 | \$1,280 | \$1,411 | \$1,543 |

| Koochiching County | | | | | | | |
|--------------------|------------|-------|-------|---------|---------|---------|---------|
| Number of Bedrooms | Efficiency | 1 | 2 | 3 | 4 | 5 | 6 |
| Low HOME Rent | \$552 | \$628 | \$826 | \$1,006 | \$1,202 | \$1,382 | \$1,543 |
| High HOME Rent | \$552 | \$628 | \$826 | \$1,006 | \$1,202 | \$1,382 | \$1,563 |
| 50% Rent Limit | \$773 | \$829 | \$995 | \$1,149 | \$1,282 | \$1,415 | \$1,547 |

| Lake County | | | | | | | |
|--------------------|------------|-------|-------|---------|---------|---------|---------|
| Number of Bedrooms | Efficiency | 1 | 2 | 3 | 4 | 5 | 6 |
| Low HOME Rent | \$716 | \$825 | \$992 | \$1,146 | \$1,280 | \$1,411 | \$1,543 |
| High HOME Rent | \$716 | \$825 | \$997 | \$1,316 | \$1,606 | \$1,754 | \$1,901 |
| 50% Rent Limit | \$772 | \$827 | \$992 | \$1,146 | \$1,280 | \$1,411 | \$1,543 |

* **Low HOME Rent** is a rent that does not exceed 30 percent of the adjusted income of a household whose annual income equals 50 percent of the median area income.

High HOME Rent is the lesser of the Section 8 FMR for the area or a rent equal 30% of the annual income of a family whose income equals 65 percent of the area median income.