



HOME Investment Partnerships Program - American Rescue Plan Guidelines

1. Purpose

The San Bernardino County Community Development Housing Department (CDH) is the lead County department for various state and federal funds which are intended for the development of affordable housing units and/or reducing the number of persons experiencing homelessness. County funding includes but is not limited to the HOME Investment Partnerships Program - American Rescue Plan (HOME-ARP). The HOME-ARP program provides funds for individuals and families who are homeless, at risk of homelessness, or other vulnerable populations, under the HOME statute of Title II of the National Affordable Housing Agreement (NAHA) (42 U.S.C 12721 et seq.).

2. Goals and Available Funding

CDH developed a HOME-ARP Allocation Plan that was submitted to the United States Department of Housing and Urban Development (HUD) and sets forth the County's HOME-ARP strategy to develop affordable rental housing and non-congregate shelters (NCS). Available funding is designed to financially support projects that will expand the inventory of housing units that are available to HOME-ARP qualifying populations throughout San Bernardino County. It is the intent of CDH to collaborate with partners that have "application-ready" projects that would strategically leverage local dollars to spur additional state and federal investment within the County.

The County is making \$10,809,759 in HOME-ARP funds available for the following activities. Please note that, at the discretion of the County, up to \$1,000,000 in funding can be moved between the two categories listed below. This means that the maximum funds available for Acquisition would be \$5,323,904:

Category	Funding Amount
Acquisition and Development of Non-Congregate Shelters	\$4,323,904
Development of Affordable Rental Housing	\$6,485,855
Total HOME-ARP NOFA Funding Available	\$10,809,759

Maximum financial assistance per project is \$7,000,000. The minimum amount of HOME-ARP funds that must be invested in a rental housing project is \$1,000 times the number of HOME-ARP-assisted units in the project as established in 24 CFR 92.205(c).

3. Organization & Oversight

Staff from CDH will process all applications and make funding recommendations to the Board of Supervisors based on established funding priorities and project readiness. The Board of Supervisors will approve contracts through the regular agenda of the Board of Supervisors. CDH staff will be made available to provide consultation and technical assistance to applicants and awardees.



4. Types of Projects

CDH's HOME-ARP will fund the development of rental housing and NCS. All HOME-ARP funded activities must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or other vulnerable populations.

For projects located within the County's Consortium, there is no financial contribution required from the city where the project is located. The following cities/areas are included in the County's HOME Consortium: Adelanto, Barstow, Big Bear Lake, Chino Hills, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Rancho Cucamonga, Redlands, Twentynine Palms, Yucaipa, and the Town of Yucca Valley. Projects located within these cities or within the unincorporated areas are eligible site locations. If the project is not located within the County's HOME Consortium, a financial contribution is required from the city where the project is located.

HOME-ARP funds may be used to:

- Acquire, construct, and rehabilitate affordable rental housing primarily for occupancy by households that meet the definition of one or more of the HOME-ARP qualifying populations.
- Acquire and develop HOME-ARP NCS for households that meet the definition of one or more of the HOME-ARP qualifying populations.

All projects funded with HOME-ARP funds will be subject to and must comply with all applicable HOME-ARP regulations. This NOFA should be read in conjunction with HUD Notice CPD-21-10.

5. Priorities

CDH will prioritize funding for innovative projects that utilize a variety of housing types and financial structures that will result in producing housing units that are responsive to the critical needs of the targeted population, reduce overall construction costs, and are operationally sustainable.

The most competitive projects will include the following components:

- **Development Team Experience:** The most successful proposals will have an identified team that has previous experience in developing, owning, and operating projects similar to the proposed projects and serving the targeted population.
- **Increase Available Inventory of Housing Units Designed for the Targeted Population:** Within this component, proposed projects will be evaluated on the following: 1) probability of securing all necessary entitlements; and 2) thoughtful site selection and project design that will meet the critical needs of the targeted population. The most successful applicants will have site control.
- **Viable Financing Structure and Sustainability:** Applicants will be required to provide detailed pro forma documenting all committed and proposed project funding. The pro forma must include the following components: development cost budget (construction and permanent financing budgets), affordable rental information, annual operating subsidy and expenses, a cash flow analysis. All proformas will be evaluated based upon industry standard costs, compliance with the proposed funding requirements, and the ability to leverage County resources. In addition, the



identified developer member of the development team must provide financial statements for the past two years.

- **Reduced Total Project Development Cost Through Innovation:** A critical component to increase the inventory of affordable housing units is reducing the overall project development costs through innovation in construction and/or financing.
- **Experience in Serving the Targeted Population and Development Experience:** Successful applicants are required to document their experience in serving the targeted population, including developing, owning, and operating affordable housing units.

6. Applicants

Eligible Applicants include for-profit, not-for-profit, and local government organizations that have demonstrated experience and capacity relevant to the HOME-ARP activities. The Applicant must be in good standing with the County. The Applicant must be qualified to do business in California and be in good standing with the California Secretary of State and the California Franchise Tax Board.

7. Prevailing Wage

Applicants will certify that the project will comply with California prevailing wage law and/or Davis-Bacon and Related Acts (if applicable) and indemnify the County.

8. Federal Labor Standards

Applicants are required to comply with Federal Labor Standards Provisions, including Section 3 of the Housing and Urban Development Act of 1968 and implementing regulations established at 245 CFR Part 75 apply to Projects funded with HOME-ARP funds.

9. Build America, Buy America

The Applicants must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

10. Competitive Bidding Requirements

Applicants must obtain competitive bids or estimates for all materials purchased and work to be accomplished by contractors or sub-contractors. Documentation of such competition must be maintained for review during monitoring visits. For work to be accomplished by construction contractors or sub-contractors, a formal Request for Bids (RFB) package and advertisement must be prepared and submitted for pre-approval. The RFB package must include a copy of the Federal Labor Standards Provisions, form HUD-4010, and the current Davis-Bacon Act wage determination.



9. Housing First

Applicants will certify that the project will comply with the core components of Housing First.

10. HUD NEPA Reviews and Environmental Clearances

HUD's environmental review requirements as specified in 24 CFR 92.352 and CPD-21-10 apply to all HOME-ARP eligible activities under this NOFA. The environmental effects of each activity carried out with HOME-ARP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 431 et seq.) and the related authorities listed in HUD's implementing regulations at 24 CFR part 58.

11. Pet Friendly Housing Act of 2017

Housing funded through this program is subject to the Pet Friendly Housing Act of 2017 (HSC Section 50466). Each awardee will be required to submit a signed and dated certification that residents of the program-funded Housing development will be authorized to own or otherwise maintain one or more common household pets as required by HSC Section 50466. Pursuant to this statute, "common household pet" means a domesticated animal, such as a dog or cat, commonly kept in the home for pleasure rather than for commercial purposes.

12. Accessibility and non-discrimination

All projects or programs shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act (ADA), Title II. In addition, projects or programs shall adhere to either the Uniform Federal Accessibility Standards, 24 CFR Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Section 8.26.

Please note that all agreements for housing development will require a County approved Certified Access Specialist Program (CASP) report that certifies the housing development has been constructed or rehabilitated in compliance with the accessibility requirements.

Recipients shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under state or federal fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this HOME-ARP NOFA.



Recipients shall comply with the requirements contained in the ADA, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, GC Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 CFR 100, 24 CFR Part 8, and 28 CFR Part 35, in all of the Sponsor's activities.

13. Indemnification and Insurance Requirements

Applicant agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers (Indemnitees) from any and all claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of Indemnitees. The Applicant indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

Applicant agrees to provide insurance and shall furnish Certificates of Insurance to CDH evidencing the insurance coverage at the time a contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the CDH, and Applicant shall maintain such insurance from the time Applicant commences the project hereunder until its completion. Within fifteen (15) days of the commencement of a contract, the Applicant shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request. Required insurance coverage may include:

- Workers' Compensation/Employers Liability
- Commercial/General Liability Insurance
- Automobile Liability Insurance Primary
- Umbrella Liability Insurance

14. Application Process

HOME-ARP funding requests are to be submitted through the Housing Development Fund application portal which can be found on the Department of Community Development and Housing website located at <https://sbcountycdha.com/>. Applicants should be prepared to provide a detailed project scope, a full description of leveraged funds and a project timeline.

15. Additional County Underwriting Terms and Conditions

CDH staff will review all projects to ensure the long-term sustainability of the project and that the proposed project meets general industry standard underwriting requirements. The requirements below do not all apply to proposed NCS projects, because HOME-ARP funds will be provided, not as a loan, but as a grant to NCS projects. Therefore, some underwriting requirements, the County's standard interest



rate, debt service coverage ratio, and other terms may not apply. The following are a list of standard County underwriting practices; this list is not comprehensive:

- The County's standard interest rates on all loans in 3%.
- The Debt Service Coverage Ratio must be at least 1.15. If the Project has limited cash flow, however, then it will need to increase the Ratio to ensure repayment during the loan term.
- County standard is that all projects have adequate Capital and Operating Reserves.
- Residual receipts estimates should assume a minimum 50% return to the County.
- An annual County monitoring fee will be included, as the County is required to perform physical systems checks and unit monitoring. Cost of compliance with State or Federal wage rates are borne by the project.

16. Timeliness and Expenditure Deadlines

HOME-ARP funds must be expended by September 2030. For acquisition-only projects, the Applicant must reasonably expect the project will be operated as HOME-ARP NCS within six months of the date of acquisition. For projects that will involve rehabilitation or new construction with or without acquisition, the Applicant must reasonably expect the development to begin within 12 months of the date of commitment. Project timelines must strictly adhere to these dates.

17. Regulations Applicable to HOME-ARP

The HOME-ARP program is governed by regulations as set forth by HUD. Applicants will be responsible to adhere to program requirements, which are referenced below:

Program Guidelines and Regulations:

[HOME-ARP Laws, Regulations, and Notices - HUD Exchange](#)

Additional Guidelines for Non-Congregant Shelter:

[HOME-ARP Program Fact Sheet: Non-Congregate Shelter \(hud.gov\)](#)

[HOME-ARP Topics - HUD Exchange](#)