HOME Investment Partnerships Program-
American Rescue Plan (HOME-ARP)
Letter of Intent for Funding

Submission: Submit electronic copy with original signature page scanned in to grants@peoriagov.org.

Letters of intent are due by Friday, November 18 at 2 PM.
A. General Overview

This Notice of Funding Availability (NOFA) solicits proposals for the use of HOME Investment Partnerships Program American Rescue Plan (HOME-ARP) funds. The City received this funding as part of the federal American Rescue Plan Act to address the need for homelessness assistance and supportive services, and to address the continued impact of the COVID-19 pandemic. The Grants Management Division of the Community Development Department will handle all questions concerning this NOFA. $2,045,017 in HOME-ARP funds is available for this NOFA.

B. Purpose of the HOME-ARP

HOME-ARP funds were designated by the American Rescue Plan for four activities that primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include 1) the development and support of affordable housing, 2) tenant-based rental assistance (TBRA), 3) provision of supportive services, and 4) acquisition and development of non-congregate shelter.

ARP defines qualifying individuals or families as those that are (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) part of other populations where providing supportive services or assistance would prevent a family’s homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above.

While there is no matching funds requirement for HOME-ARP, the amount of match provided by the project will be considered as part of the application evaluation.

The City will ensure HOME-ARP funded housing units remain affordable in the long-term with a minimum 15-year affordability period or a period equal to the length of any project-based rental assistance Housing Assistance Payments contract, whichever is longer. Annual reports will be required during the affordability period.

Not less than 70 percent of affordable rental housing units acquired, rehabilitated, or constructed with HOME-ARP funds by a PJ must be occupied by households in the qualifying populations. Units that are not restricted to occupancy by qualifying populations are subject to income targeting and rent requirements established under the HOME-ARP Rental Program rules and are only permitted in projects with rental units restricted for occupancy by qualifying populations. Household eligibility varies with the nature of the funded activity.

With the exception of tenant-based rental assistance, all HOME applications must include a market study and project-based pro-forma.

Each activity to be carried out with HOME funds must meet eligibility criteria established by the Department of Housing and Urban Development. The City reserves the right to determine the best funding source for each application.
C. Qualifying Criteria

To qualify for HOME-ARP funding, all eligible activities must principally benefit the qualifying populations identified. Preferences may be given, but no proposals awarded funding may exclude any of the Qualifying Populations from service. Funding applications must demonstrate their project’s ability to serve all of the qualifying populations, or justify a preference in accordance with the priorities of this RFP to serve a target population within the qualifying populations. An activity will be considered to principally benefit the qualifying populations defined below:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a));
- At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1));
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary of HUD;
- In other populations where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family’s homelessness or would serve those with the greatest risk of housing instability;
- Veterans and families that include a veteran family member that meet one of the preceding criteria.

HOME-Housing Development activities must additionally meet the following requirements to qualify for funds:

- Funds cannot be used to cover administrative costs
- All recipients of funds must be in compliance with HOME-ARP Rules
- Applicants who have previously received HOME or other federal funds must be able to demonstrate successful performance, including timely expenditure and regulatory compliance.
- HOME-ARP Affordability Covenant
- HOME-ARP projects must commence within 18 months of agreement
- HOME-ARP projects must be completed within four years of commitment
- HOME-ARP assisted rental units must be occupied by eligible households within 18 months of project completion
- Federal Labor Requirements
- Hazardous Materials/Lead Mitigation Requirements
- Accessibility Requirements

D. Eligible Activities for this NOFA

Based on the HOME-ARP consolation plan, the City of Peoria is requesting proposals that address the highest needs of the qualifying populations.

- Rehabilitation/Construction of Affordable Housing/Supportive Housing - $2,045,017 in HOME-ARP funds available for the to developers or nonprofit organizations to rehabilitate or construct housing units for use as affordable housing or supportive housing
that includes units for families and individuals within the qualifying populations. The number of HOME-ARP production goal will be dependent on the total cost of the project.

**E. Funding Requirements**

- **Faith-Based Organizations:**
  Funds provided under this NOFA cannot be used for inherently religious activities. HUD allows faith-based organizations the same opportunity to apply for funds as other organizations if no funds are being used for inherently religious activities and there is no religious requirement to participate in the program. For more information about HUD funding of faith-based organizations, please read the [HUD Guidance SD 2016-01](#).

- **Program/Project Schedule:**
  When preparing the program schedule, it is important to factor in sufficient time allowances for various administrative procedures. These include City staff preparation of the HUD-required Environmental Review under the National Environmental Policy Act (NEPA), as well as negotiation and execution of the funding agreement between your agency and the City.

- **Environmental Review Process:**
  Federal regulations require local jurisdictions to prepare a NEPA Environmental Review (ER) for every activity funded with federal funds. For complex projects, including most capital improvement projects, this review may take approximately 6-16 weeks. If environmentally significant conditions are found and/or mitigation measures are required, the time to complete the environmental review process will be extended.

  For capital improvement projects involving any physical activity, this process can be time consuming and expensive. The cost of preparation of the NEPA ER may be completed by City staff but may also be charged to your project. This may include public notices and additional studies needed to document ER compliance. Please discuss with City staff prior to submitting the letter of intent if City staff assistance is needed.

- **Sub-recipient Agreement:**
  There is a required agreement between the sub-recipient and the City of Peoria. If you are awarded HOME-ARP funds for your activity, you must not commit or obligate these funds in any way before an agreement between your agency and the City has been executed. If you commit or obligate the funds before the agreement is executed, the City will not be able to reimburse you for the program costs. When planning your project schedule, please allow four weeks to three months for preparation and execution of the agreement. The City funding agreement with the service providers will be performance-based.
• Demographic Data on Project/Program Beneficiaries:
If your project is funded, you will be required to provide City staff with a certain amount of demographic data depending on the particular type of project. The HUD-required data may include the following: client household income, client racial/ethnic background, and head of household information. The City will provide you with required reporting forms. File documentation is required as back-up to quarterly reports. The City also requires that the service provider verify the income of clients served, and that such information be reported on a quarterly basis.

• Funding on Reimbursement Basis:
The City has a strict policy of not providing funding advances before program costs are incurred and paid. Reimbursement is made only upon complete documentation of performance of program goals or completion and payment of incurred costs for capital improvement projects.

• Financial Audits:
Program applicants are required to submit a copy of the most recent certified financial audit prepared by an independent CPA firm, including any management letters. Annual submission of financial audit reports will also be required during the term of the financing or funding agreement. If your agency has expended $750,000 or more of federal funds from any source in any one year, the audit should include a “single audit” and be in compliance with Uniform Guidance 2 CFR Part 200, depending on if your entity is a nonprofit organization or public agency. If project applicants have not expended $750,000 or more of federal funds from any source in any one year, they must attach a certification attesting to this fact.

• Davis- Bacon Act:
Davis-Bacon Act outlines when the use of federal funds triggers the requirement of paying prevailing wage for the entire project. For the HOME program, Davis-Bacon is triggered with the construction of 12 or more HOME assisted units with units within a project. Applicants should keep these wage requirements in mind while creating a project budget.

• Background of Nonprofit Organizations:
All nonprofit organizations applying for funds must meet the following requirements:

1. Governing Body – Governing body of the organization should be vested in a responsible and active voluntary board which meets at least quarterly and establishes and enforces policy. The governing body should be large enough and so structured to be representative of the community it serves.
2. Personnel – The organization must provide for adequate administration of the program to ensure delivery of services. At a minimum, one person should be designated the full-time director of the organization.

- Required Registrations:
  The following registrations are required of all applicants. Contractors, subcontractors, and subrecipients are also subject to obtaining these required registrations.

1. **System for Award Management (SAMs) Cage Code**: All agencies receiving federal money must register for a SAMs Cage Code. It is free to register. Please visit www.sam.gov to register. Instructions for registering can be found at [https://www.sam.gov/sam/SAM_Guide/SAM_User_Guide.htm](https://www.sam.gov/sam/SAM_Guide/SAM_User_Guide.htm). You will also receive a Unique Entity Identifier (UEI) number through sam.gov to be used in place of a DUNS number.

2. **City of Peoria EOO Number**: All agencies are required to register with the City of Peoria Equal Opportunity Office. Please visit [http://www.peoriagov.org/equal-opportunity/](http://www.peoriagov.org/equal-opportunity/) to register.

**F. Terms of Procurement**

If a proposal meets the goals as outlined, a full application will be required. Full applications may be evaluated by additional criteria.

**G. General Conditions**

The City of Peoria reserves the right to reject any or all applications and to waive any informalities in the proposal process. The City of Peoria reserves the right to award more or less than the anticipated funding available.

The City of Peoria reserves the right to make an award based solely on the proposals or to negotiate further with one or more applicant. The applicant(s) selected for the award will be chosen based on the greatest benefit to the City of Peoria, not the lowest price. Past performances with the City of Peoria will also attribute to the validity of the applicant’s application. The City’s decision is final; there is no appeal process.

The City of Peoria reserves the right to terminate the contract for unsatisfactory performance or such other justifiable causes. In the event the applicant is performing unsatisfactorily, a thirty-day (30) prior written notice shall be given to rectify any outstanding issues concerning the contract, with the option of termination for causes such as loss or reduction in availability of funding.
The applicant shall provide access to any books, documents, papers, and records directly pertinent to contract services for the purpose of making audit examination, excerpts, and transcriptions at no charge. Such access shall be made to the following organizations: The City of Peoria, U. S. Department of Housing and Urban Development officials, Comptroller General of the United States, or any of their duly authorized representatives.

The applicant shall retain all required records for four (4) years following the date of expiration and all other pending matters are closed, and shall provide access to the City at no charge during that period.

The applicant shall protect, defend, indemnify, and save harmless the City of Peoria against any and/or all claims that may result or arise from performance of this contract.

In accordance with federal regulations, the City of Peoria requires a drug-free workplace. The applicant shall require all employees to sign copies of the notice to honor and abide by the requirements of the Drug Free Work Place Act. Signed copies must be maintained for every employee.

All construction work shall be performed in compliance with standards and regulations adopted by the City of Peoria. These include the national Environmental Protection Act, Davis-Bacon Prevailing Wage, and Section 3 regulations.

H. Proposal Specifications

Specific payment terms will be negotiated with successful applicants, based on the overall costs and the amount of award. The City will ensure all costs are necessary and reasonable in approving awards and negotiating final terms.

One (1) electronic copy should be submitted via email. Applicants are responsible for ensuring that all copies are complete with all requested attachments. The letter of intent narrative must be single-spaced, in 12-point font, with 1-inch margins. The proposal narrative may not exceed 10 pages. The narrative should follow the order of the Proposal Guidelines section, which begins on the next page.

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I. Letter of Intent Guidelines

Below are instructions of the information to be included in the letter of intent. All requested information must be included in the narrative. If something is not applicable, the applicant must state this as well as its reasoning. Each section may be assigned points based on the strength and completeness of responses.

1. **Cover Sheet:** Complete the cover sheet provided in this NOFA. The cover sheet must be signed by an official with the authority to submit the application on behalf of the organization.

2. **Project Description:** Please provide a detailed description of the overall concept of the project. Indicate how the HOME-ARP funds will be expended and how much of each funding source is being requested. Please be clear as to how the HOME-ARP investment will assist in the project’s goals. Please provide attachments that strengthen your case and provide visual representation of the proposed project. Also describe energy efficiency measures or green building design and technologies that will be incorporated into the project, including storm water management. Describe the beneficiaries of this project and how it will meet the HOME-ARP requirement of serving all Qualifying Populations.

3. **Preferences Among Qualifying Populations, Referral Methods, and Subpopulations:** All Qualifying Populations established by ARP are eligible for assistance with HOME-ARP funded projects. Your project may establish reasonable preferences amount the qualifying populations to prioritize applicants for HOME-ARP projects or activities based on local data and needs. The project must comply with all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a) when applying preferences through its referral methods. Persons who are eligible for a preference must have the opportunity to participate in all HOME-ARP activities, including activities that are not separate or different, and cannot be excluded because of any protected characteristics or preferential status. Please provide details of the preferences to be used within this project for the Qualifying Populations.

Please also outline the referral methods to be used for the project. Options include 1) Use of Expanded Coordinated Entry (CE); 2) Use of CE with Other Referral Methods or 3) Use of Project Waiting List. (See page 10-11 of CPD Notice 21-10).

4. **Need:** Explain how this project addresses the need in the community outlined in the City’s HOME-ARP Plan. Please explain what neighborhood needs this project addresses and how this project fits these needs, siting demographics, statistics, or other data and facts. Please use data or other objective methods for describing neighborhood need and local support for this project through any engagement your organization has conducted.

5. **Market Assessment:** Please cite your organization’s market assessment for the project. If you have a formal market analysis, please attach it. Your market assessment should take
into consideration the following: general demographic, economic, and housing conditions (you may refer back to data that you describe earlier); the market area; the pool of likely buyers or tenants; the competition of other housing opportunities; sufficiency of demand to rent or sell within 18 or 9 months respectively; estimated capture rate (project’s units divided by pool of likely and eligible buyers/tenants); and estimated absorption period or the timeline to full occupancy or sale for all units.

6. **Experience**: Describe the organization’s experience as a development entity, such as descriptions of past projects, funding sources utilized, enduring impact, etc. Include the specific experience of staff who will manage this project. Attach resumes of relevant staff members. Specifically highlight the organization’s experience with funding from the Department of Housing and Urban Development (HUD). Describe the purpose of the grants, the amount of expenditures, and the accomplishments of these expenditures. Please detail if all grant funds were expended and if any monitoring findings were identified by granting organizations. If your organization is faith-based, briefly explain how your agency will demonstrate compliance with 24 CFR 570.200(j), which prohibits inherently religious activities and meet the criteria outlined above in the program requirements section.

7. **Readiness to Proceed**: Provide an account of your organization’s readiness to proceed with the project, should funding be awarded. Please include whether the organization has site control, a land acquisition strategy, status of other funds needed for the project and any other information relevant in considering the overall readiness of the organization to execute the project. If completing rehabilitation, please outline the application process, pool of contractors, and other logistics and the timeline for being able to proceed with projects.

8. **Leverage and Match**: Please detail the additional sources of funding and if these sources are committed or tentative. Outline the total additional amount of funding that will be leveraged for this project. There is no match requirement for HOME-ARP funds.

9. **Budget**: Provide a narrative to describe the budget of the overall project and a chart outlining key budget items. Please include details on any cost estimates and work scopes completed. Please note that applicants must relay to all contractors bidding on this project that contractors may need adhere to Federal Davis-Bacon Act wage rates and definitions.

HOME-ARP permits the use of funds to provide ongoing operating cost assistance or to capitalize a project operating cost assistance reserve to address operating deficits of the HOME-ARP units restricted for qualifying households during the compliance period. The is proposing no more than 20% of funds may be used for this purpose.
K. Attachments
All applicants must attach copies of the following documents in one PDF along with the cover sheet and project narrative. All documents must be combined in the order specified below.

- Cover Sheet
- Project Narrative
- Other attachments outlined in project narrative

Proposals should be submitted via email to the email address below. If the file size is too large, it may require multiple emails. You may also share a dropbox link or other file sharing link via email.

grants@peoriagov.org

All questions regarding this NOFA should go to grants@peoriagov.org.