

CITY OF COLUMBIA
Notice of Funding Availability (NOFA)
HOME INVESTMENT PARTNERSHIPS AMERICAN
RESCUE PLAN PROGRAM (HOME-ARP)
CDD-2025.1



Community Development Department
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PROGRAM DESCRIPTION AND REQUIREMENTS

HUD published detailed information about the HOME-ARP Program in its [Notice CPD-21-10: Requirements for the Use of Funds in the HOME-ARP Program](#) (the "Notice") can be found at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf>. Applicants should read the Notice as well as this Notice of Availability (NOFA) and design their applications to fit HUD's requirements and the city's priorities. HUD has also issued an array of guidance documents that may be helpful. These can be found on the HUD Exchange's [HOME-ARP page](https://www.hudexchange.info/programs/home-arp/) <https://www.hudexchange.info/programs/home-arp/>.

To receive funding, the City developed a HOME-ARP Allocation Plan, which describes the distribution of HOME-ARP funds and identifies any preferences for eligible activities. The plan included stakeholder consultation and public engagement and was approved by HUD November 14, 2022.

For homeless populations, priority needs include rapid re-housing and supportive services to achieve housing stability. For households experiencing housing instability or who are at-risk of homelessness, priority needs include providing appropriate supportive services, including medical and mental health treatment, counseling, supervision, transportation, childcare, case management services, and other services essential for achieving independent living to help prevent homelessness and increase housing stability. Persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking have a particular need in emergency and transitional housing support as well as pertinent supportive services.

Background

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in American Rescue Plan (ARP) funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations.

These activities include:

- (1) Development of affordable Rental Housing
- (2) Tenant-Based Rental Assistance (TBRA)
- (3) Supportive Services, and
- (4) Acquisition and Development of Non-Congregate Shelter

Information on HOME-ARP Eligible Activities appears in Section VI of the Notice. HOME-ARP defines Qualifying Populations (QPs) as those that are:

- QP1 - Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) ("McKinney-Vento")
- QP2 - At risk of homelessness, as defined in section 401 of McKinney-Vento;
- QP3 - Fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- QP4 - 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.

HOME-ARP prioritizes serving veterans and families that include a veteran family member that meets the criteria in one of (1)-(4) above.

Information on HOME-ARP Qualifying Populations and how applicants are required to document eligibility appears in Section IV of the Notice.

Funding Available

The City of Columbia has set-aside a total of **\$2,250,738** in HOME-ARP funds available for eligible entities for HOME-ARP eligible activity types located in the incorporated city limits of Columbia. The City expects to administer programs directly. The City has received the full HOME-ARP grant award from HUD. Based on analysis and consultations with key stakeholders, the City identified the following priority needs:

1. Acquisition & Development of Non-Congregate Shelter
2. Non-Profit Capacity Building
3. Supportive Services

Eligibility

Developers/owners, subrecipients, non-profits, for-profits organizations or Community Housing Development Organizations (CHDO) with demonstrated experience and capacity in the development and management. For-profit or non-profit corporations, PHAs, general or limited partnerships, or limited liability companies may also apply.

Eligible Projects, Activities, and Costs & Ineligible Projects and Costs

Eligible projects are limited to:

- A) Development of non-congregate shelters
- B) Supportive services
- C) Non-profit capacity building to support Qualifying Populations

*****Homeownership is not eligible for funding through this NOFA*****

A. NON-CONGREGATE SHELTER (NCS)

HOME-ARP funds may be used to acquire and develop non-congregate shelter (HOME-ARP NCS) for individuals and families that meet one of the Qualifying Populations defined in the CPD Notice: *Requirements for the Use of Funds in the HOME-American Rescue Plan Program* ("the Notice"). NCS provides private units or rooms as temporary shelter to individuals and families and do not require occupants to sign a lease or occupancy agreement. This activity may include the construction of new structures or the acquisition and/or rehabilitation of existing structures (such as motels, nursing homes, or other facilities) to be for use as HOME-ARP NCS. The Notice establishes requirements applicable to HOME-ARP NCS.

Eligible Activities and Costs:

- Eligible Activities: HOME-ARP funds may be used to acquire, rehabilitate, or construct NCS units to serve individuals and families Qualifying Populations.
- Eligible Costs: HOME-ARP funds may be used for:
- Acquisition Costs: Costs to acquire improved or unimproved real property for use as or development of HOME-ARP NCS.
- Demolition Costs: Costs to demolish existing structures for the purpose of developing HOME-ARP NCS.
- Development Hard Costs: Costs to rehabilitate or construct HOME-ARP NCS units to meet the HOME-ARP minimum habitability standards. Costs to make improvements to the project site, including installation of utilities or utility connections, laundry facilities, community facilities, on-site management, or supportive service offices.
- Related Soft Costs: Reasonable and necessary costs incurred by the PJ, subrecipient, or project owner associated with financing, acquisition, and development of HOME-ARP NCS projects.
- Replacement Reserve: Costs to capitalize a replacement reserve to cover reasonable and necessary costs of replacing major systems and their components.
- Ineligible Costs: HOME-ARP funds may not be used to pay ongoing costs of operating HOME-ARP NCS or to convert NCS to housing.

Admission and Occupancy:

- Only individuals or families that meet the criteria for one or more of the Qualifying Populations may occupy HOME-ARP NCS units.
- Program participants may not be charged occupancy fees or other charges to occupy a HOME-ARP NCS unit unless the PJ determines such fees and charges are customary and reasonable and the charges comply with [24 CFR 578.77\(b\)](#).
- PJs are encouraged to incorporate HOME-ARP NCS units into the Coordinated Entry (CE) established by the Continuum of Care (CoC) for the area the NCS is funded to serve, if the CE complies with the requirements established in the HOME-ARP Notice.
- HOME-ARP supportive services may be provided, if needed, to Qualifying Populations served by the NCS.

Project Requirements:

- Property and Habitability Standards: At project completion, HOME-ARP NCS units and common areas must meet all applicable State and local codes, ordinances, and requirements and HUD's Lead Safe Housing Rules at [24 CFR Part 35](#). Project classification as acquisition only, rehabilitation, or new construction is determined by

the PJ's local code requirements based on specific work to be performed. Projects must meet HOME-ARP NCS ongoing property standards throughout the restricted use period.

- **Restricted Use Period:** HOME-ARP NCS projects must comply with HOME-ARP requirements during the restricted use period established in the HOME-ARP Notice.
 - ✓ New Construction: 15 years
 - ✓ Rehabilitation: 10 years
 - ✓ Acquisition Only: 10 years
- **Use as NCS:** The NCS may remain as HOME-ARP NCS for the restricted use period or may be used as NCS under the Emergency Shelter Grant (ESG) program.
- **Conversion to Housing:** ARP permits HOME-ARP NCS units to be converted into permanent housing under the Continuum of Care (CoC) program or permanent affordable housing during the restricted use period in accordance with requirements established in the Notice. No HOME-ARP funds may be used for conversion.
- **Minimum Use Period:** All HOME-ARP NCS projects must be operated as NCS for a minimum period prior to conversion. The minimum use period prior to conversion varies based on the original HOME-ARP NCS eligible activity undertaken and the amount of funds invested in the project.
- **Permanent Affordable Housing:** During the restricted use period, but only after the HOME-ARP NCS minimum use period, a PJ may provide written approval to convert the project from HOME-ARP NCS to permanent affordable housing (e.g., affordable multifamily rental housing, transitional housing) in accordance with the requirements prescribed in the PJ's written agreement with the HOME-ARP NCS owner.
- **CoC Permanent Housing:** During the restricted use period, but only after the HOME-ARP NCS minimum use period has been met, a PJ may permit conversion of a HOME-ARP NCS project to permanent housing under [24 CFR 578.43](#) (acquisition) and/or [24 CFR](#)

[578.45](#) (rehabilitation) of the CoC program regulations. Conversions must comply with any conversion requirements established in the PJ's written agreement with the HOME-ARP NCS owner. If conversion is planned, 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.

B. Supportive Services

HOME-ARP funds provide a broad range of supportive services to individuals and families that meet one of the qualifying populations as defined in *CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program* ("the Notice"). Supportive services may be provided to individuals and families who are not already receiving the services outlined in the Notice through another program. PJs may establish a separate supportive services activity or activities or may combine supportive services with other HOME ARP activities.

In funding Supportive Services, the City aims to increase housing stability and reduce levels of at-risk of homelessness for qualifying populations. Supportive Services activities will prioritize mental health services. Other services include (but are not limited to):

- Intense Case Management
- Substance Abuse Treatment
- Outpatient Health Services
- Coordinated Service Linkage
- Outreach Services
- Employment Assistance and Job Training

Eligible Services and Costs:

Eligible Supportive Services: There are three categories specifically included as supportive services under HOME-ARP:

- McKinney-Vento Supportive Services: McKinney-Vento Supportive Services under HOMEARP are adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act ("**McKinney-Vento Supportive Services**") ([42 U.S.C. 11360\(29\)](#)).
- Homelessness Prevention Services: HOME-ARP Homelessness Prevention Services are adapted from certain eligible homelessness prevention services under the Emergency Services Grant (ESG) regulations at [24 CFR Part 576](#).
- Housing Counseling Services: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at [24 CFR 5.100](#) and [5.111](#), respectively, except that homeowner assistance and related services are not eligible HOME-ARP activities.

Eligible Costs of Supportive Services for Qualifying Individuals and Families: HOME-ARP funds may be used to pay eligible costs associated with the HOME-ARP supportive services activity in accordance with the requirements of the Notice.

Eligible Costs Associated with McKinney-Vento and Homelessness Prevention Supportive Services:

- All qualifying households are eligible to receive supportive services under the HOME-ARP supportive services activity. Eligible costs associated with McKinney-Vento supportive services and homelessness prevention supportive services include:
 - ✓ Costs of child care;
 - ✓ Costs of improving knowledge and basic educational skills;
 - ✓ Costs of establishing and/or operating employment assistance and job training programs
 - ✓ Costs of providing meals or groceries
 - ✓ Costs of assisting eligible program participants to locate, obtain and retain housing
 - ✓ Costs of certain legal services
 - ✓ Costs of teaching critical life management skills
 - ✓ Financial assistance costs, including:
 - Rental application fees
 - Security deposits
 - Utility deposits
 - Payment of rental arrears

**Please consult the Notice for a full list and description of eligible costs.

- The costs of homelessness prevention services are only eligible to the extent that the assistance is necessary to help program participants regain stability in their current permanent housing or move into other permanent housing to achieve stability in that housing.

- Documentation is required to establish an eligible cost as McKinney-Vento supportive services to an individual or family in a qualifying population, homelessness prevention services, or Housing Counseling.

Eligible Costs Associated with Housing Counseling: Costs associated with housing counseling services as defined at [24 CFR 5.100](#) and [5.111](#) are eligible. Costs may be paid under HOME-ARP, only if HUD-certified housing counselors and organizations provide housing counseling service.

- Eligible costs include:
 - ✓ Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-program participants
 - ✓ Development of a housing counseling work plan
 - ✓ Marketing and outreach
 - ✓ Intake
 - ✓ Financial and housing affordability analysis
 - ✓ Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s)
 - ✓ Follow-up communication with program participants
- Costs for the provision of services to existing homeowners related to homeownership and mortgages to existing homeowners are not eligible under HOME-ARP.
- If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuyer counseling, education and outreach are eligible under HOME-ARP.

C. Nonprofit Capacity Building

A PJ may use up to 5 percent of its HOME-ARP allocation to pay operating expenses of CHDOs and other nonprofit organizations that will carry out activities with HOME-ARP funds. A PJ may also use up to an additional 5 percent of its allocation to pay eligible costs related to developing the capacity of eligible nonprofit organizations to successfully carry out HOME-ARP eligible activities. PJs may award operating expense assistance or capacity building assistance to a nonprofit organization if it reasonably expects to provide HOME-ARP funds to the organization for any of the eligible HOME-ARP activities within 24 months of the award.

Eligible Costs:

- Capacity Building Assistance: HOME-ARP funds may be used to provide capacity building assistance to CHDOs and other nonprofit organizations. Capacity building expenses are defined as reasonable and necessary general operating costs that will result in expansion or improvement of an organization's ability to successfully carry out for eligible HOME-ARP activities. Eligible costs include:
 - ✓ Salaries for new hires including wages and other employee compensation and benefits;
 - ✓ Employee training or other staff development that enhances an employee's skill set and expertise
 - ✓ Equipment (e.g. computer software or programs that improve organizational processes), upgrades to materials, and supplies; and
 - ✓ Contracts for technical assistance or for consultants with expertise related to the HOME-ARP qualifying populations.

Limitations on Assistance:

- In any fiscal year, operating assistance provided to a nonprofit organization may not exceed the greatest of 50 percent of the general operating expenses of the organization for that fiscal year, as described above, or \$50,000.
- In any fiscal year, capacity building assistance provided to a nonprofit organization may not exceed the greatest of 50 percent of the general operating expenses of the organization, as described above, or \$50,000.
- If an organization receives both operating assistance and capacity building assistance in any fiscal year, the aggregate total amount of assistance it may receive is the greater 50 percent of the organization's total operating expenses for that fiscal year or \$75,000.

D. INELIGIBLE PROJECTS/ACTIVITIES

- Single-Family homes
- Public housing modernization or operations
- Emergency Homeless Shelters
- Student Housing
- Properties previously assisted with other restricted funds that are still under an affordability period
- Mixed Use Development

E. INELIGIBLE COSTS/USES

- Costs associated with construction items or materials of a luxury nature
- Furnishings (except where required for special needs projects)
- Most off-site improvements (utility connections into the adjacent street are eligible costs)
- Developer/sponsor administrative costs (other than included in the developer fee)
- Substitution of City funds for any source of funds that has been previously committed to the project or represented to any other funding source, as being available for the project.
- Capitalized replacement reserve
- Refinancing existing debt by other housing developments

AFFORDABILITY RESTRICTIONS

Applicants are expected to be familiar with the guidelines/regulations that govern the HOME program which include but are not limited to:

1. Affordability requirements
2. Relocation regulations
3. Lead Based Paint
4. Conflict of Interest
5. Procurement
6. Affirmative Marketing and Fair Housing

7. Affirmative Action and Minority and Women Business Enterprises
8. Environmental Reviews
9. Any other regulations that may apply

Applicants will be expected to provide copies of their policies with respect to enforcing these requirements either as part of contract execution or prior to project launch. Applicants selected to move forward will be asked to provide greater detail about their proposed project. As the Program Administrator for the City's HOME grant funds, the regulations provide that DCED has the right to impose stronger requirements than those stated in these regulations.

Recipients of HOME-ARP Rental Housing funds must also comply with all applicable federal requirements set forth in Title 24 CFR Part 92 of the Code of Federal Regulations,

MINIMUM AFFORDABILITY REQUIREMENTS

HOME-ARP NCS projects must comply with HOME-ARP requirements during the restricted use period established in the HOME-ARP Notice:

- ✓ New Construction: 15 years
- ✓ Rehabilitation: 10 years
- ✓ Acquisition Only: 10 years

Application Instructions

Application Submission

Applications may be **obtained** from the Community Development website at www.columbiasc.gov/community-development "News" tab under "Solicitations".

The City of Columbia Community Development
1401 Main Street, 4th Floor/ Columbia, SC
29201 Office (803) 545-3373
Email: HousingLoanPrograms@columbiasc.gov

Applications may be submitted to the City during regular business hours during the application cycle. Applications may be delivered by hand, by mail, or other shipping services; however, facsimile and /or e-mail transmissions will not be accepted.

Questions on the application or program can be submitted to staff via the email above. Responses will be posted on the City's CD website News tab under Solicitations:

www.columbiasc.gov/community-development

All applications must be received not later than **12:00 pm**, Eastern Standard Time on **June 27, 2025**. **Applications received after the deadline will not be considered and will be returned to the Applicant.**

Applicants must submit **one (1) original** and **one (1) copies of the application package in a 3- ring binder** appropriately separated with the tabs provided. Complete applications must include all pages of the application and all items identified on the Rental Application Tab Checklist along with any supporting documentation. Applicant shall provide USB drive of complete package with submission.

All applications including copies and USB drive must be in one complete package. The City will not rely on any previously submitted information, written or verbal, to evaluate application.

Any cost incurred by the Applicant in the preparation, transmittal, or presentation of the application package is the responsibility of the Applicant.

The City reserves the right to:

- Award Applicants less than the amount of HOME-ARP funds requested
- Reject any and all applications received
- Waive or modify minor irregularities in applications upon notification to the Applicant Receive clarification from the Applicant to ensure an understanding of the application submitted
- Adopt or utilize all or any part of the application unless covered by legal copyright, patent or property rights in which case the City must be notified
- **Negotiate with the Applicant to serve the best interest of the City**

HOME-ARP agreements will have deadlines imposed for committing and expending funds and time constraints in which to provide the City with required documentation.

HOME-ARP Agreements may be terminated by the City at any time prior to the Agreements end date due to the lack of project productivity.

All **final** financial commitments must be submitted to the City within **ninety (90) days** of the reservation letter date.

No member, officer, agent, or employee of the City shall be personally liable concerning any matters arising out of or in relation to the commitment of HOME program funds with regard to feasibility of viability of the proposed project.

Review Process

City staff will review the project applications based on the process below:

1. Applications that do not meet the threshold criteria, compliance with federal and state laws, or HOME-ARP program requirements will be rejected.
2. Once applications are reviewed for completeness, Applicants will receive written notification of any deficiencies (missing or incomplete information) of their

applications. Applicants with **four (4)** or more missing and /or incomplete items will be disqualified. Applicants with less than **four (4)** missing and/or incomplete items will have **seven (7)** business days from the date of notification to provide the information to the City. Failure to provide the information to the City within the timeframe will result in an automatic disqualification of the application.

3. Project applications will undergo an underwriting evaluation and will be reviewed for financial feasibility. Applications deemed to be financially feasible, require subsidy and are consistent with HOME-ARP policies, will be recommended to the Director for funding starting with the highest scoring application until all available funding is depleted.
4. **If the entire HOME-ARP project allocation is not exhausted** the Community Development Department reserves the right to utilize the funds for the good of the general public and administer the funds in accordance with the annual action plan.

It is anticipated that a Letter of Conditional commitment for HOME-ARP awards will be issued within ninety (90) days of the application deadline. A **tentative** schedule is provided below:

HOME-ARP Application Open Date	May 28, 2025
Questions Deadline	June 12, 2025
Final Submission of Applications	June 27, 2025
Complete Initial Reviews for Threshold and Criteria	July 14, 2025
Underwriting Review	August 4, 2025
Loan Committee Approval	August 18, 2025
Conditional Letter of Commitment	August 21, 2025

Proposal Evaluation Criteria:

Experience: The following will be used to evaluate proposals. The project financial feasibility and alignment with the City’s housing goals and priorities as outlined in the [5-Year Consolidated Plan](#) is important criterion. The location site, quality of proposed construction and or improvements with green features for energy efficiencies will be viewed favorably.

a. Financial Feasibility, Leveraging and Development Cost (20 points)

- i. Project is financially feasible with a high probability of moving forward (evidence of commitments from other funding sources, appropriate DCRs, reasonable rents, etc.) **(5 points)**
- ii. Project cost per square foot (excluding land) in addition to costs per bedroom are reasonable, as compared to similar projects **(5 points)**
- iii. Amount of City Subsidy per unit, as compared to similar projects. **(10 points)**

b. Site Location and Market (25 points)

- i. Proximity to appropriate services and /or employment centers and transportation. **(10 points)**
- ii. A market study must show there is a market for the housing in the area. **(5 points)**
- iii. Project will be located in one of the City’s identified targeted communities or Neighborhood Statistical Revitalization Area (NSRA) or the City’s “prioritized” target areas as outlined in the [5-Year Consolidated Plan](#). **(5 points)**
- iv. Project site control. **(5 points)**

c. Readiness to Proceed (30 points)

- i. Project has already passed through City approval and permitting processes such as the Planning and Development Services Plan Review. **(10 points)**
- ii. Project has completed Phase I Environmental Site Assessment (ESA) confirming site is not contaminated. If contaminated, include environmental due diligence documents such as Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA). **(6 points)**
- iii. Project has completed an Environmental Assessment as outlined in 24 CFR Part 58. **(4 points)**
- iv. Applicant has funding commitments for other sources. **(10 pts)**

d. Organization Capacity (20 points)

- i. Proposal demonstrated the skill and expertise of applicant appropriate for size and complexity of project. **(10 points)**
- ii. Experience with successfully completing HOME funded projects on time and within budget over the past 10 years. **(5 points)**
- iii. Experience of property Management Company for rental or sales team for homeownership. **(5 points)**

e. Sustainability (5 points)

- i. New Construction Development use of materials to support Green Building Standards for new construction by achieving industry recognized certification; e.g. ENERGY STAR, Enterprise Green Communities, ICC-700 National Green Building Standard or any equivalent comprehensive green building program. **(5 points)**
- ii. Rehabilitation Development use of HUD CPD Green Building Retrofit Checklist on rehabilitation construction projects. **(5 points)**

Maximum Points Available

100 Points

Minimum Point Threshold

65 Points