

American Rescue Plan Act Funds

Amendment to Affordable Housing policies

On August 4, 2022, City Council approved \$22,483,893 received from American Rescue Plan Act – Local Fiscal Recovery Funds be allocated to FY2022 General Fund government operations as “Revenue Recovery funds”. On November 3, Council approved the policies under which funds were to be expended. The following is an excerpt of the Affordable Housing allocation with amended policies shown in redline which are to be incorporated herein:

Affordable Housing	\$3,300,000
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1. Overview/Description

Housing projects will include down payment assistance, rehabilitation and new construction of single-family and multi-family homes, and energy efficiency improvements such as cool roofs, and to support utilization of alternative energy sources through installation of solar panels and Level 2 EV-capable¹ (L2-EVC) wiring, including the engineering permitting, and inspections thereof. These funds will be used to assist households with incomes between 80 and 120 percent Area Median Income. While this income bracket will be the primary target, worthwhile projects assisting households below 80 percent Area Mean Income will also be considered. Funding will be used to provide a) assistance to developers and property managers and b) assistance to homeowners and homebuyers.

2. Eligibility Criteria

Assistance to Developers / Property Managers

1. New Construction of Detached Single-Family Homes:

- Construction Loan: Upon repayment of loan, developer retains a developer fee equal to 12% of funds drawn on the construction loan. Additional grant funding if needed to provide for net revenue of 12% of total development costs (TDC)².
- Construction Grant: Equal to 12% of construction costs. Additional grant funding may be awarded if needed to provide for net revenue of 12% of TDC.
- Grant funding for installation of cool roofs, rooftop solar, and L2-EVC, if feasible.

2. Multi-Family Rental Rehabilitation:

- Loans up to ~~\$45,000~~ \$60,000/unit amortized over 20 years.
- Rooftop solar installations will be evaluated on a case-by-case. If feasible, staff will ensure through written agreement that energy cost-savings from solar installations are passed on to the income-qualifying household.

¹ Installation of electrical panel capacity with a dedicated branch 240V/40A circuit and continuous raceway from the panel to the future EV parking spot.

² The developer fee is intended to provide incentive. Additional grant funding, if needed, is to ensure a minimum return on investment for the developer. TDC for each project will be reviewed by staff to ensure reasonableness.

3. Other:

- Grant funding may be considered for installation of cool roofs, rooftop solar, and L2-EVC for new construction of attached homeownership projects (e.g., townhomes), if feasible.
- Multi-family new construction loans and grants will be negotiated on a case-by-case basis through consultation with the City Manager.
- Loans and grants for property acquisition will be negotiated on a case-by-case basis through consultation with the City Manager.

Assistance to Homeowners / Homebuyers

1. Single-Family Owner-Occupied Home Rehabilitation:

- Loans up to ~~\$45,000~~ \$60,000 (minimum \$5,000) will be awarded as a 50% amortized loan and 50% deferred loan, secured by a recorded mortgage and note. Fifty percent (50%) of the loan is deferred for the loan term and forgiven at maturity, if no event of default exists. The 50% amortized loan portion will be deferred for one hundred twenty (120) days, with monthly payments commencing at the end of the deferral period. The loan will be amortized for a period of 20 years (240 months). Existing city funding supports households earning up to 80% AMI and are subject to terms and conditions established in the Local Housing Assistance Plan which may be amended from time to time. ARPA funding will be used to fund households with income greater than 80% AMI and up to 120% AMI. While this income bracket will be the primary target, worthwhile projects assisting households below 80 percent Area Median Income will also be considered.
- With new roofs, grants for cool roofs and rooftop solar installations, if feasible.
- Grants for L2-EVC installation may also be provided, if feasible.

2. Down Payment Assistance:

- Up to 80% AMI, city funds will be used for a loan per existing program (\$45,000 maximum). If needed, an additional ARPA grant up to \$15,000 to cover financial gap.
- Greater than 80% AMI and up to 120% AMI, ARPA funds will be used for a loan consistent with terms of existing program. If needed, an additional grant up to \$15,000 to cover financial gap.

3. ~~Single-Family~~ Owner-Occupied Emergency Repairs:

- ARPA grant funding up to \$5,000 for households up to 120% AMI for essential items only. Essential items are related to code compliance, safety, sanitation, ADA modifications for special needs households and/or to prevent rapid deterioration of home condition. Aesthetic improvements will not be considered.

NOTE: Unless otherwise specified within the Eligibility Criteria established above, terms and conditions provided in City of Clearwater Local Housing Assistance Plan (as may be amended from time to time) prevail. Certain affordable housing expenditures may require City Council

approval in accordance with Housing Division policies; staff will defer to procurement and signature authority guidelines.

3. Solicitation Process

Applications will be made available through Neighborly³ cloud-based grant management system. The Housing Division in Economic Development & Housing Department will promote the availability of funds through social media, direct mail and public notices, when applicable.

4. Administration

Economic Development & Housing Department will administer and monitor for compliance.

About American Rescue Plan Act Funds

The ARPA allocation must be committed or contractually encumbered to projects and programs by the end of 2024. All money must be spent by December 31, 2026; any money unspent at that time must be returned to the federal government.

Allowable uses of the funds include:

- To respond to the pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- For premium pay to eligible workers performing essential work during the pandemic.
- For the provision of government services to the extent of the reduction in revenue because of the pandemic.
- To make necessary investments in water, sewer, or broadband infrastructure.

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act (ARPA), is delivering \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

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³ Neighborly by Benevate, Inc.