

HOME-ARP

Non-Congregate Shelter



NCS CONT.

A non-congregate shelter (NCS) is 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.

Admission and Occupancy: Must be a qualifying population (encouraged to use CE by CoC). Supportive services can be coupled with NCS. No occupancy fees/charges unless the City determines it to be customary and reasonable.

Eligible Activities: Acquire, rehabilitate or construct.

Eligible Costs: Acquisition, demolition, hard/soft costs and site improvements.

Prohibited costs: Operating costs, non-Federal matching contributions, conversion.

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- Due Diligence: Must determine that it is financially feasible. The City is responsible for maintaining continued operation of the NCS throughout the restricted use period.
- Property Standards: Property standards, rehabilitation standards and new construction standards. Must have annual, ongoing inspections throughout the restricted use period. Deficiencies must be addresses within 6 months; life-threatening deficiencies then immediately, re-inspect in 14 days.
- Project completion: Must be completed within 4 years of the date of commitment (last signature on written agreement). Rehab/new construction-must be active within 6 months of completion of construction work. If acquisition only, needs to be operated as a NCS within 6 months of purchase date.

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- **Restricted Use Period:** The City must impose the HOME-ARP NCS requirements through deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanism approved by HUD. This use restriction must require that the property is operated as HOME-ARP NCS or non-congregate emergency shelter under ESG for the required restricted use period except that HOME-ARP NCS projects may be converted to permanent affordable housing or CoC permanent housing after being operated as HOME-ARP NCS for the applicable minimum use period prior to conversion as described in Section VI.E.11.
- **New Construction:** 15 years.
- **Rehabilitation:** 10 years.
- **Acquisition Only:** 10 years.
- (The City may impose longer restricted use periods but must require the project remain financially viable for the extended period.)
- **Conversion of Non-Congregate Shelter to Rental Housing:** The written agreement between the City and the owner of the HOME-ARP NCS project must describe conversion as a possible outcome of the HOME-ARP NCS project; specify the conditions under which conversion will be permitted; and require that the City approve any conversion in advance.



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- **Minimum Use Period:** All HOME-ARP NCS projects must be operated as NCS for a minimum period prior to conversion.
- **Acquisition Only:** HOME-ARP NCS activities not requiring rehabilitation for occupancy must be operated as HOME-ARP NCS for no less than 3 years from project completion prior to conversion.
- **Moderate Rehabilitation:** Occurs when an NCS HOME-ARP project requires rehabilitation and the total rehabilitation expenditure from all sources of less than 75 percent of the total appraised value of the improved property. HOME-ARP NCS projects that receive moderate rehabilitation must be operated as HOME-ARP NCS for no less than 5 years from project completion prior to conversion.
- **Substantial Rehabilitation:** Occurs when an NCS HOME-ARP project requires rehabilitation and the total rehabilitation expenditure from all sources exceeds 75 percent of the total appraised value of the improved property. HOME-ARP NCS projects that receive substantial rehabilitation must be operated as HOME-ARP NCS for no less than 10 years from project completion before conversion.
- **New Construction:** Any HOME-ARP NCS project defined by the City's local code requirements as new construction must be operated as HOME-ARP NCS for no less than 10 years from project completion prior to conversion.
- **Minimum Compliance Period:** Equal to balance of restricted use period.

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- Property Standards: Inspect at least once every 3 years.
- Tenant Contribution to Rent: Rent is affordable based off household income. Supportive services can be used as rent assistance, but not operating costs.
 - Tenant Protections:
 - 1) Lease Requirement.
 - 2) Prohibitive Lease Terms- use language in 24 CFR 92.253 (b).
 - 3) Termination of tenancy - Not without serious or repeated violations of lease, violations of law or other good cause; serve written notice.
 - 4) CE and Project-Specific Waitlists – Tenant selection method of this notice.
 - 5) Non-compliance Penalties – Repayment.
- CoC Permanent Housing: May serve 1) chronically homeless individuals or 2) homeless individuals or families. Prohibited from investing additional ARP funds for cost of conversion. If this is the goal, identify and build partnership early in the planning stage. The City can provide supportive services to qualifying households required to move due to conversion.

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Qualifying population

- 1) Homeless
- 2) At-risk of Homelessness
- 3) Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking.
- 4) Other Populations
 - A) Other families requiring services or housing assistance to prevent homelessness.
 - B) At greatest risk of housing stability