



Implementing Preferences and Limitations in HOME-ARP

March 2023



Agenda

This webinar will:

- Define preferences, limitations, and methods of prioritization.
- Review the process for establishing a preference, method of prioritization or a limitation in the allocation plan.
- Discuss the participating jurisdiction's (PJs) responsibilities to ensure that preferences and limitations align with fair housing and civil rights laws.
- Through examples, offer a framework to implement preferences and/or limitations.

Preferences and Limitations



HOME-ARP Qualifying Populations (QPs)

- Homeless, as defined in [24 CFR 91.5](#) *Homeless (1), (2) and (3)*.
- At risk of homelessness, as defined in [24 CFR 91.5](#).
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD.
- Other populations:
 - Other families requiring services or housing assistance to prevent homelessness.
 - At greatest risk of housing instability.

QP Access to HOME-ARP Projects or Activities

- HOME-ARP statute requires PJs' HOME-ARP programs to provide all four QPs with access to HOME-ARP projects and activities.
- However, a PJ may use preferences or limitations for specific projects or activities if:
 - There are unmet housing needs and/or service gaps for a specific QP that can best be met through preferences or limitations.
 - The preferences or limitations comply with the Notice and fair housing and civil rights laws.
 - The PJ discloses the planned preference or limitation in its accepted allocation plan.

Preferences

- Preferences establish the order in which QP applicants are admitted to HOME-ARP housing or non-congregate shelter (NCS) or provided with HOME-ARP Tenant-Based Rental Assistance (TBRA) or services.
- HOME-ARP permits PJs to establish reasonable preferences:
 - Among the four QPs; or
 - For a subpopulation of a QP(s) to prioritize applicants within one or more QPs.

Example: A PJ issues a HOME-ARP NOFO for rental housing that will serve all QPs but provides additional points to projects that have a preference for individuals and families that qualify for the Homeless QP.

Limitations

- Limitations are restrictions on eligibility for a HOME-ARP project or activity.
- PJs should not impose a limitation unless:
 - It is necessary to address an unmet need or gap in housing or services in the jurisdiction
 - The identified gap cannot be addressed using a preference; and
 - The PJ has justified these needs in its allocation plan.

Example: A NCS project limited to households in the domestic violence/sexual assault/human trafficking QP, if safety and confidentiality cannot be ensured without a limitation on eligibility.

Preferences vs. Limitations

Preferences

- Preferences establish priorities among QPs or for subpopulations of QPs for HOME-ARP assistance.
- A preference permits an eligible QP applicant that qualifies for a preference to be selected before another eligible QP applicant that does not qualify for the preference.
- A preference doesn't exclude an individual/household that qualifies under any of the QP definitions from applying.

Limitations

- Limitations restrict eligibility for a HOME-ARP project or activity to certain QPs or subpopulations of QPs.
- Limitations exclude the other QPs or subpopulations of QPs from eligibility for a project or activity.



When Preferences and Limitations are Permitted

- A PJ may designate preferences or limitations for HOME-ARP projects or activities if:
 - The unmet needs and gaps analysis support the preference or limitation.
 - All QP populations have access to the PJ's overall HOME-ARP program.
 - There are no violations of applicable Fair Housing, civil rights, or nondiscrimination laws.
 - The PJ states the preference or limitation and method of prioritization in the allocation plan.
 - HUD accepts the PJ's allocation plan.

Method of Prioritization

- A method of prioritization is the process by which a PJ, Coordinated Entry (CE), subrecipient, or project owner determines how 2 or more eligible QP applicants who qualify for the same or different preferences are selected for HOME-ARP assistance.
- If Coordinated Entry will be a source for referrals, prioritization in the CE system needs to be identified as a method of prioritization or the CE may not follow its current prioritization for HOME-ARP.

Example: adopting a preference for chronically homeless QP households for a HOME-ARP rental housing project, where QP applicants who qualify for the preference are prioritized for occupancy based on the length of time they have been homeless.

Framework for Implementing Preferences and Limitations



Framework to Implement Preferences or Limitations

1

Identify Unmet Needs, Gaps and Priorities

- a. Conduct consultation
- b. Assess needs
- c. Identify gaps
- d. Establish priorities

2

Review Need for Preferences or Limitations to Meet Identified Needs

- a. Identify eligible activities to fund
- b. Ensure fair housing compliance
- c. Consider method(s) of prioritization
- d. Determination that PJ's overall HOME-ARP program provides access to all QPs

3

Specify in Allocation Plan

- a. Describe preferences or limitations and method(s) of prioritization
- b. Justify based on needs and gaps assessment
- c. Publish for public comment
- d. Submit plan to HUD for approval

4

Operationalize Preferences or Limitations Following Plan Approval

- a. Work with the CoC CE to expand, if applicable
- b. Establish policies and procedures for referral methods
- c. Execute written agreement(s) that:
 - i. Identify approved preferences or limitations
 - ii. Specify method of prioritization

1. Identify Unmet Needs, Gaps and Priorities

- Before establishing preferences or limitations, the PJ must consult with required organizations, and conduct a needs assessment and gaps analysis to gather information and analyze:
 - The demographics of the four QPs in its community and their needs.
 - The existing housing and shelter inventory and services being provided.
 - Any gaps that exist within the existing shelter and housing as well as the service delivery system.
- Based on the outcome of its consultation, needs assessment and gaps analysis, the PJ will establish priorities for its HOME-ARP program and determine if preferences or limitations are necessary.

2. Review Need for Preferences or Limitations to Meet Identified Needs

- The PJ should identify whether a preference or limitation is necessary to address a gap in shelter, housing or services for a QP or QP subpopulation and review for:
 - Compliance with fair housing and nondiscrimination.
 - Methods of prioritization to implement.
- **The PJ must also ensure that its overall HOME-ARP program is available to all QP populations, notwithstanding preferences or limitations applicable to individual projects or activities.**

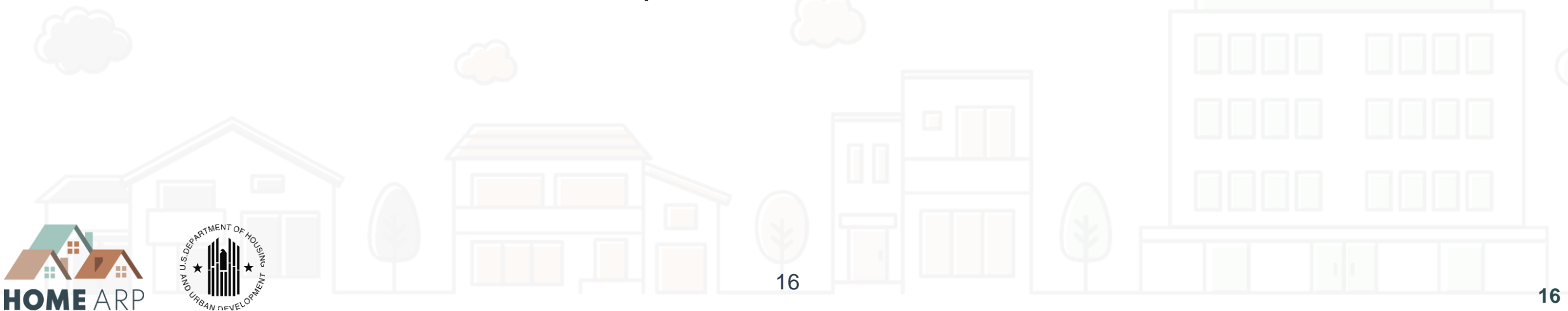
2. Review Need for Preferences or Limitations to Meet Identified Needs

- The PJ must assess each preference or limitation for compliance with:
 - Notice CPD-21-12 Section IV.C.
 - Federal fair housing laws and implementing regulations, including the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of Rehabilitation Act, HUD's Equal Access Rule, Age Discrimination Act, and Americans with Disabilities Act.
 - Any state or local fair housing and nondiscrimination requirements.

HUD strongly recommends consultation with local HUD field office FHEO division before establishing a preference or limitation that may have fair housing or civil rights implications.

3. Specify Preferences or Limitations in Allocation Plan

- Preferences that may be used for HOME-ARP projects or activities must be described in the plan and justified based on the PJ's needs assessment.
- PJs must:
 - Explain how preference or limitations will address unmet needs or gaps, consistent with the needs assessment.
 - Establish any methods of prioritization that will be implemented.
 - Describe how the PJ will address unmet needs or gaps of other QPs.
 - Indicate whether a method of prioritization will be used.



4. Operationalize Preferences or Limitations Following Plan Approval

- A PJ must develop policies and procedures for its referral methods.
- If applicable, the PJ will enter into a written agreement with the CE to ensure expansion and that the CE will follow the PJ's preferences and methods of prioritization.
- The PJ will determine appropriate preferences, limitations, methods of prioritization and referral methods for each project or activity.
- The PJ must enter into a written agreement with each subrecipient or project owner that meets the requirements of CPD 21-10, including:
 - A description of any preference or limitation to be implemented, including the specific QP(s) and/or subpopulation of a QP.
 - The referral method(s) to be used.
 - The method of prioritization or process for selection including the specific criteria to be used in sufficient detail for determining the order of referrals.

Examples of Preferences, Limitations, and Methods of Prioritization



Example #1: Franklin



Consultation

1

Identify Unmet Needs, Gaps and Priorities

- a. Conduct consultation
- b. Assess needs
- c. Identify gaps
- d. Establish priorities

- The Franklin PJ has sufficient HOME-ARP funds for a variety of projects and activities based on its allocation.
- During the consultation process, the PJ heard from several entities that the most prominent need for the homeless QP is additional permanent housing resources and services for the homeless QP.
- Street outreach workers noted there was a high number of unsheltered households who had been homeless for several years and would likely need supportive services to remain housed.
- The entities recommended development of permanent supportive housing to address the needs of the homeless QP.

Needs Assessment

1

Identify Unmet Needs, Gaps and Priorities

- a. Conduct consultation
- b. Assess needs
- c. Identify gaps
- d. Establish priorities

- The needs assessment demonstrates that there is a need for housing for the homeless QP.
- The gaps analysis demonstrated a gap in available units for individuals and families experiencing homelessness.
- The Franklin PJ also determines that there is a need for services as housing without supports may result in returns to homelessness for the homeless QP.



Review Need for Preferences or Limitations to Meet Identified Needs

2

Review Need for Preferences or Limitations to Meet Identified Needs

- a. Identify eligible activities to fund
- b. Ensure fair housing compliance
- c. Consider method(s) of prioritization
- d. Determination that PJ's overall HOME-ARP program provides access to all QPs

- As part of its larger allocation plan:
 - The PJ will allocate funds for HOME-ARP rental housing.
 - The PJ will allocate HOME-ARP for supportive services.
- The PJ will establish a preference for the homeless QP.
- Length of time homeless will be used as the method of prioritization within the homeless QP.
- All other QPs will be accepted in chronological order.
- The PJ consults with the FHEO Division in their local HUD Field Office before establishing the preference.

Review Need for Preferences or Limitations to Meet Identified Needs

2

Review Need for Preferences or Limitations to Meet Identified Needs

- a. Identify eligible activities to fund
- b. Ensure fair housing compliance
- c. Consider method(s) of prioritization
- d. Determination that PJ's overall HOME-ARP program provides access to all QPs

- The Franklin PJ considers the use of an expanded CE as the sole referral source and meets with the CoC to familiarize them with HOME-ARP requirements and align methods of prioritization.
 - The CE covers the PJs entire geographic area.
 - The CoC is agreeable to expand CE to serve all four QPs and use the HOME-ARP QP definitions
 - The CE uses a common assessment tool.
 - This tool is used with the household's length of time homeless as methods of prioritization.

Specify in Allocation Plan

3

Specify in Allocation Plan

- a. Describe preferences or limitations and method(s) of prioritization
- b. Justify based on needs and gaps assessment
- c. Publish for public comment
- d. Submit plan to HUD for approval

- Based on local needs the Franklin PJ specifies the preference for homeless QP in its allocation plan and identifies that all other QPs will be served in chronological order.
- In addition, in the allocation plan the PJ:
 - Identifies HOME-ARP Expanded CE as the sole referral method
 - Describes the CE's existing common assessment tool in detail and identifies it and length of time homeless as the prioritization factor.
 - Notes the CE intends to expand to serve all four qualifying populations and covers the PJ's geography.
 - Identifies the preference will be included in the RFP process.
- The PJ publishes the plan for public comment.
- The PJ submits the plan to HUD.

Operationalizing the Preference Following Plan Approval

4

Operationalize Preferences or Limitations Following Plan Approval

- a. Work with the CoC CE to expand, if applicable
- b. Establish policies and procedures for referral methods
- c. Execute written agreement(s) that:
 - i. Identify approved preferences or limitations
 - ii. Specify method of prioritization

- Following acceptance of the plan and obligation of the funds, the Franklin PJ issues an RFP for the development of HOME-ARP rental housing with supportive services for all QPs.
- The RFP awards additional points for projects that create a preference for the homeless QP.
- The RFP will describe expanded CE as the sole referral source.
- If there are no applicants in the homeless QP, all other QPs will be accepted in chronological order.

Execute a Written Agreement

4

Operationalize Preferences or Limitations Following Plan Approval

- a. Work with the CoC CE to expand, if applicable
- b. Establish policies and procedures for referral methods
- c. Execute written agreement(s) that:
 - i. Identify approved preferences or limitations
 - ii. Specify method of prioritization

The PJ executes written agreements with the CoC to specify the requirements to:

- Expand to include all four QPs;
- The preference for homeless QP and the method of prioritization to be used; and
- The PJ's affirmative marketing requirements.

The PJ executes written agreements with the selected project owner/developer to impose the requirements of CPD 21-10, including:

- The use of the CE as the sole referral method;
- The preference for the homeless QP; and
- The method of prioritization based on the common assessment tool and length of time homeless.

Example #2: Springfield



Consultation

1

Identify Unmet Needs, Gaps and Priorities

- a. Conduct consultation
- b. Assess needs
- c. Identify gaps
- d. Establish priorities

- The Springfield PJ is considering a variety of options to provide access to HOME-ARP assistance to the 4 QPs. However, one need that has been identified may require a limitation.
- During the consultation process, the PJ heard from several entities that there was a significant need for emergency shelter for the DV/Sexual Assault/Trafficking QP.
- A shelter that specifically served the DV/Sexual Assault/Trafficking QP had closed, creating a gap in available shelter beds for the DV/Sexual Assault/Trafficking QP.
- There were also safety concerns expressed regarding existing shelters lacking sufficient security and confidentiality processes.
- The entities consulted recommended the development of non-congregate shelter (NCS) to meet the needs of the DV/Sexual Assault/Trafficking QP.

Needs Assessment

1

Identify Unmet Needs, Gaps and Priorities

- a. Conduct consultation
- b. Assess needs
- c. Identify gaps
- d. Establish priorities

- The needs assessment demonstrates the need for shelter access for households in the DV/Sexual Assault/Trafficking QP.
- Consultation with service providers and the gaps analysis supported this need.
- The PJ determines that it will allocate HOME-ARP funds for the development of NCS that is limited to the DV/Sexual Assault/Trafficking QP.

Review Need for Preferences or Limitations to Meet Identified Needs

2

Review Need for Preferences or Limitations to Meet Identified Needs

- a. Identify eligible activities to fund
- b. Ensure fair housing compliance
- c. Consider method(s) of prioritization
- d. Determination that PJ's overall HOME-ARP program provides access to all QPs

- The Springfield PJ consults with the FHEO Division in their local HUD Field Office before establishing the limitation and FHEO confirms that the limitation does not violate fair housing or civil rights laws.

Method of Prioritization and Referral Methods

2

Review Need for Preferences or Limitations to Meet Identified Needs

- a. Identify eligible activities to fund
- b. Ensure fair housing compliance
- c. Consider method(s) of prioritization
- d. Determination that PJ's overall HOME-ARP program provides access to all QPs

- The Springfield PJ plans to use CE and other referral methods for the project after hearing during consultation that there are a variety of entities that interact with the DV/Sexual Assault/Trafficking QP.
 - A violence risk assessment will be used as a method of prioritization within the DV/Sexual Assault/Trafficking QP for available NCS units.
- **The PJ will ensure access to all QPs with other proposed HOME-ARP projects and activities.**

Specify in Allocation Plan

3

Specify in Allocation Plan

- a. Describe preferences or limitations and method(s) of prioritization
- b. Justify based on needs and gaps assessment
- c. Publish for public comment
- d. Submit plan to HUD for approval

- In the plan, the PJ:
 - Outlines the details of the consultation, needs assessment and gaps analysis to support the limitation.
 - Identifies an RFP process as the method of soliciting project proposals with this type of limitation.
 - Establishes the preference and describes the violence risk assessment tool that will be used as the method of prioritization in the allocation plan.
 - Describes the use of CE with other referral methods.
- The PJ publishes the plan for public comment.
- The PJ submits the plan to HUD.

Operationalizing the Limitation Following Plan Approval

4

Operationalize Preferences or Limitations Following Plan Approval

- a. Work with the CoC CE to expand, if applicable
- b. Establish policies and procedures for referral methods
- c. Execute written agreement(s) that:
 - i. Identify approved preferences or limitations
 - ii. Specify method of prioritization

- Following acceptance of the allocation plan and obligation of the HOME-ARP funds, the Springfield PJ issues an RFP for a developer to construct a NCS for the QP.
- The selected project owner/developer is a DV organization who has secured funding to operate the facility once completed.
- The DV organization will manage the project-specific waitlist and use a violence risk assessment that includes all the populations served by the DV/Sexual Assault/Trafficking QPs to determine the order of assistance.
- Referrals are made by a variety of service organizations, the CE system, police departments, hospitals, etc, to ensure that all households that qualify for the DV/Sexual Assault/Trafficking QP are able to apply or be referred.

Execute Written Agreement

4

Operationalize Preferences or Limitations Following Plan Approval

- a. Work with the CoC CE to expand, if applicable
- b. Establish policies and procedures for referral methods
- c. Execute written agreement(s) that:
 - i. Identify approved preferences or limitations
 - ii. Specify method of prioritization

The PJ executes written agreement with the project owner that meets the requirements of CPD 21-10, including:

- The limitation on eligibility to the DV/Sexual Assault/Trafficking QP;
- The method of prioritization based on the violence risk assessment; and
- The use of CE with other referral methods which will all provide referrals to a project-specific waitlist maintained by the project owner.

Key Takeaways

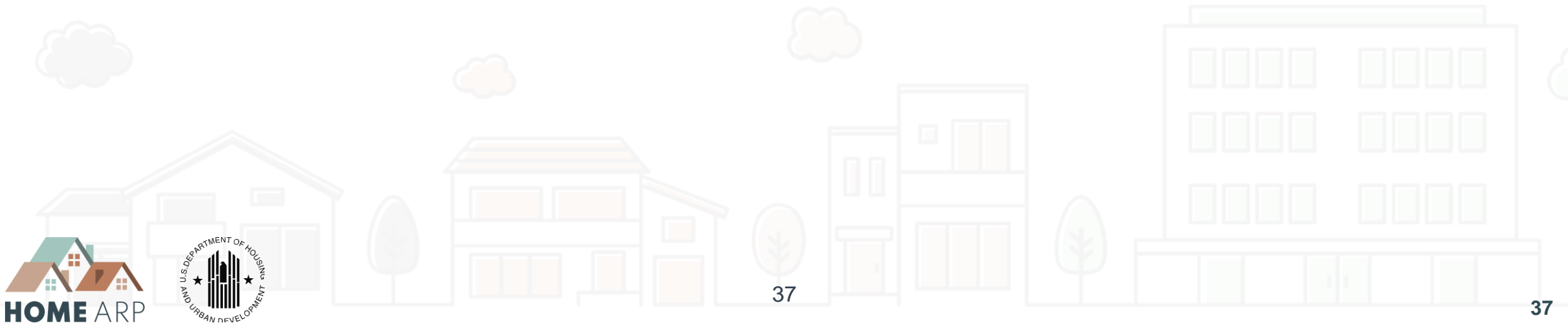


Closing Thoughts on Implementing Preferences and Limitations

- PJs should carefully consider the need for preferences, methods of prioritization and limitations.
- Before establishing or implementing a preference, method of prioritization or limitation, the PJ must ensure that it will not violate any applicable fair housing or civil rights laws and regulations.
- PJs must thoroughly describe and justify the preferences, methods of prioritization or limitations in the allocation plan.
- PJs who have additional questions should contact their HUD Field Office or HOMEARP@hud.gov.

Additional Resources

- [Final HOME-ARP Implementation Notice](#)
- [HOME-ARP Preferences, Methods of Prioritization, and Limitations Policy Brief](#)
- [Understanding HOME-ARP Preferences, Referral Methods, and Allocation Plan Requirements Webinar](#)



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