

City of Scranton American Rescue Plan Act

Notice of Funding: QCT Homeowner, Home Buyer, and Home Rehab Grant Program Guidelines

ARPA Expenditure Category 2.15 and 2.18 - "Homeowner/Buyer, and Rehab for Impacted and Disproportionately Impacted Residents"

BACKGROUND AND GENERAL INFORMATION

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion Fiscal Recovery Funds package is intended to combat the COVID-19 pandemic, including public health and economic impacts. The City of Scranton has received a total of \$68.746M to respond to the COVID-19 public health emergency and its economic impacts.

The mission of the city's specific ARPA program is to give people access to resources, rebuild the infrastructure systems that impact their everyday lives, and foster real equitable wealth generation that targets the needs of Scranton residents. This mission statement is also accompanied by six (6) guiding principles:

1. **Recovery:** Use funds to equitably guide residents, businesses, nonprofits & local government out of the economic downturn and onto a path of financial recovery
2. **Response:** Enhance city health & emergency response capabilities
3. **Alignment:** Integrate ARPA Funds with ACT 47 Exit Plan Goals, long-term financial and tax strategies, & comprehensive economic development planning
4. **Sustainability:** Avoid one-time items and programs that incur unsustainable operational, maintenance, or other long-term legacy costs
5. **Leverage:** Tackle large infrastructure needs for a safer, healthier city
6. **Transparency:** Accountability, communication, collaboration

Scranton City Council approved ARPA funding to be made available as grants to small business that have faced economic hardship resulting from or exacerbated by the public health emergency. Below is a summary of the award funding, as well as eligibility requirements.

SUBRECIPIENT VS. BENEFICIARY

Subrecipients are entities that receive a subaward from the city to carry out a program or project on behalf of the city. Subrecipient awards will be provided through a combination of an application process and form of legal agreement/contract between the subrecipient and the city. Subrecipients must comply with the applicable requirements in the Treasury's Uniform Guidance, including the treatment of eligible uses of funds, procurement, and reporting requirements, including audit pursuant to the Single Audit Act and 2 CFR 200, Subpart F (see below). For this program, the city of Scranton has elected to award

two (2) subrecipients to carry these programs. These awards are as follows:

NeighborWorks

- Homeowner and Homebuyer program subrecipient
- Weatherization: Aging-in-place program for residents 60 years and older

ACE of NEPA

- Home Weatherization program

In contrast, beneficiaries are entities that 1) receive funds or 2) receive the benefits of the funds awarded to subrecipients to carry out a program on behalf of the city. Beneficiaries are not subject to the same monitoring and reporting requirements of a subrecipient. For this programs, eligible Scranton residents that make less than the 300% Federal Poverty Guideline (FGP) as determined by household size are considered the beneficiaries (see Table 1 below)

Table 1: 300% FPG limit

Household Size	1	2	3	4	5	6	7
Income Cap	\$43,740	\$59,160	\$74,580	\$90,000	\$105,420	\$120,850	\$136,260

SUBRECIPIENT COMPLIANCE REQUIREMENTS

Subrecipient compliance responsibilities will generally be subject to the requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal awards, 2 CFR Part 200, which include:

1. Compliance with ARPA’s eligible and restricted uses of funds, including implementation of effective controls to ensure that each expenditure of funds is an eligible use and to maintain adequate documentation to each such expenditure.
2. Implementation of internal controls and effective monitoring to ensure compliance with 2 CFR Part 200, including generally identifying direct and indirect costs and treating each cost consistently in like circumstances.
3. Maintenance of procedures for obtaining information related to beneficiaries of ARPA funds and monitoring of the implementation of such procedures.
4. Maintenance of records and financial documents for five (5) years after all funds have been expended or returned to Treasury and providing or making available such records to any authorized oversight body upon request.
5. Implementation of policies and controls that calculate, document, and record any income your organization receives from SLFRF.
6. Ensure that procurements using SLFRF funds, or payments under procurement contracts using such funds, are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR § 200.317 through 2 CFR § 200.327, as applicable.

7. If your organization expends more than \$750,000 in Federal awards during its fiscal year, submitting to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F.
8. Compliance with legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds, including ensuring that your organization does not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity).

The city may also request detailed expenditure information from subrecipients to comply with its reporting obligations. Subrecipients will be required to promptly provide any requested information to the city even after your award term may have expired. Among other things, the city may require information about the structure, objectives, and performance of the subrecipient's program and information about how many individuals/residences/households have been served.

DEFINITION OF ECONOMICALLY DISADVANTAGED

In accordance with the City's mission to offer equitable recovery and investment resources to the community, grant applications for subrecipient awards will be reviewed and prioritized based on the target populations the beneficiary or its program will serve. Higher prioritization and consideration will be given to those applications that serve the economically disadvantaged populations within the city. According to a recent median household income study by race/ethnicity, it was found that the median income for Black or African American and Hispanic or Latino households is lower than the White and Asian households located in the city. Programs and applicants that intend to serve these lower income communities will be given more consideration for funding than those that do not.

DEFINITIONS OF IMPACTED AND DISPROPORTIONATELY IMPACTED

An impacted household is a household that meets the definition of "Impacted" as defined by the Treasury which includes the following:

- Low-or-moderate income households and communities - household at or below 65% of the Area Median Income for the County, or below 300% FPG. For the city of Scranton, the 300% FPG limit is higher, and thus will be used for this program to allow for more residents to be eligible to submit an application
- Households that experienced unemployment due to the pandemic
- Households that experienced increased food or housing insecurity due to the pandemic
- Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Childcare Development Fund (CCDF) Program, or Medicaid
- Households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program

A disproportionately impacted household is a household that meets the definition of "Disproportionately Impacted" as defined by the Treasury which includes the following:

- Low-income households and communities - household at or below 40% of the Area Median Income for the County, or below 185% of the Federal Poverty Guidelines
- Households residing in Qualified Census Tracts (QCT) throughout the City

- Households that qualify for certain federal benefits which may include: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants.

Please review the City's attached QCT map to determine if your household is located within a disproportionately impacted area or QCT area.



First Time Homebuyer Program:

Program Partner: NeighborWorks

Types of Grants Available to Residents: Beneficiary Grants for both Impacted and Disproportionately Impacted Scranton residents through the awarded Subrecipient(s)

Grant Amounts Available: Beneficiary grants up to \$20,000 per eligible resident

Total Program Funding: \$350,000

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In accordance with the Scranton City's ARPA mission, the city is making first-time homebuyer program funding available to support long-term housing security for impacted and disproportionately impacted households in Scranton. This program is designed to assist eligible households in purchasing an affordable home in Scranton by providing assistance funds for down payments and closing costs.

- An impacted household is a household at or below 300% of the Federal Poverty Guidelines.
- A disproportionately impacted household is a household at or below 40% of the Area Median Income for the County, or below 185% of the Federal Poverty Guidelines or a household located within a Qualified Census Tract.
- Households that receive services provided by Tribal governments are also considered to be Disproportionately Impacted.
- See additional eligibility requirements listed below.



Home Rehabilitation and Weatherization Program:

Program Partners: NeighborWorks and Agency for Community Empowerment

Types of Grants Available to Residents: Beneficiary Grants for both Impacted and Disproportionately Impacted Scranton residents through the awarded Subrecipient(s)

Grant Amounts Available: Beneficiary grants up to \$20,000 per eligible resident

Total Program Funding: \$800,000

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In accordance with the Scranton ARPA mission, the city is making home repair and weatherization funding available for impacted and disproportionately impacted households in Scranton. Funding may be used by eligible impacted and/or disproportionately impacted households to cover costs associated with home repair or weatherization activities.

Eligible weatherization activities are those that result in energy savings, reduced utility bills, and/or helps keep occupants and their homes safe. Explicit examples of weatherization may include, but are not

limited to, housing insulation, updates to heating, cooling and ventilation systems, and functioning and up-to-date lighting and appliances.

Eligible home repair activities may include deferred major repairs, such as plumbing needs, that may result in or create unsafe and/or unhealthy living conditions, or may eventually result in the need for more expensive repairs and fixes. This may also include repairs to a home's exterior to address unsafe conditions or negative impacts to the energy efficiency or insulation of the home's envelope. This program is to be designed by subrecipients to serve both Impacted and Disproportionately Impacted households within the City of Scranton.

- An impacted household is a household at or below 300% of the Federal Poverty Guidelines.
- A disproportionately impacted household is a household at or below 40% of the Area Median Income for the County, or below 185% of the Federal Poverty Guidelines or a household located within a Qualified Census Tract.
- Households that receive services provided by Tribal governments are also considered to be Disproportionately Impacted.
- See additional eligibility requirements listed below.

ELIGIBILITY AND REQUIRED DOCUMENTATION FOR BENEFICIARIES

Each awarded subrecipient, NeighborWorks and ACE, will be required to develop a process for verifying beneficiary backgrounds, income limits, residence/address, and COVID 19 impacts to confirm eligibility. They will also need to conduct a duplication of benefit analysis for each awarded beneficiary to confirm any alternate funding an applicant may have received to date for the same intended use or impact would not be duplicated if awarded additional funds through this program.

In general, the program must be designed to assist impacted and disproportionately impacted households. Applicants must be up-to-date on all taxes and trash fees. Additionally, applicants must meet the following requirements that have been predetermined by NeighborWorks and ACE's existing programs:

- First-Time Homebuyer
 - Must complete NeighborWorks' homeownership program including:
 - Homeowner Education
 - Financial Education Workshops
 - Financial Empowerment Sessions
 - Must make less than 300% FPG per household size, or less, to submit an application
 - Must follow additional existing rules set by NeighborWorks that follow guidance from the U.S. Department of Housing and Urban Development
- Home Rehabilitation
 - Must meet the requirements of either
 - NeighborWorks Aging-In-Place Program
 - Must be age 60 or older
 - Must own their own home
 - Must have valid and up-to-date homeowners' insurance
 - Must make less than 300% FPG per household size, or less, to submit an application
 - ACE's Weatherization Program

- Must make less than 300% FPG per household size, or less, to submit an application
- Must contact ACE's office for income and eligibility check
- Must meet with ACE auditor for home inspection and energy education

TERMS OF GRANT AWARDS FOR BENEFICIARIES

- All costs must be expended on or before September 30, 2026
- Grant funding will be made available on a cost reimbursement basis following the grantees proof and submission of expenditures
 - Funding may also be made available upfront up to 50% of a contractor/vendor quote or contract amount as provided by the applicant. If awarded funding, applicants will be required to follow the federal and city procurement policies according to the scope of work value. In short, scopes of work valued over \$22,500 will require a sealed bid procurement process to obtain the most competitive pricing from contractors/vendors. Subrecipients will be responsible for monitoring and ensuring a sealed bid procurement policy is followed when applicable.

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BENEFICIARY APPLICATION PROCESS

The City of Scranton ARPA grant program applications will be available by contacting either NeighborWorks at www.nwnepa.org or ACE at www.acenepa.org. Applications will be accepted on a rolling basis through December 31, 2023. Late submissions will not be accepted.

The application packet must include the information listed below.

- Completed Application
- Completed list of all required documents

City and ARPA advisory staff are available to answer questions about the application requirements, eligible activities, or the funding process once the application is posted through the deadline. Please contact Christopher Hughes at chughes@scrantonpa.gov with questions.

BENEFICIARY APPLICATION REVIEW PROCESS

Eligible households will be required to submit their application and documentation through the subrecipient's predetermined processes. Each subrecipient will administer portions of the program based on their existing expertise. Coverage will not be based upon the applicant's location in the City.

Subrecipients and city staff will review beneficiary grant applications for completeness and eligibility. Applicants may be asked to revise proposals or provide additional information. Complete and eligible beneficiary applications will then be reviewed by a review panel.

BENEFICIARY AGREEMENTS

All eligible beneficiaries who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct and can be used as

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admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

Beneficiary awards will be made in the form of a memorandum of understanding (MOU) executed between the Subrecipient and the awarded beneficiary. The grant period, scope, eligible expenditures, and reporting requirements will be outlined in the agreement between the beneficiary applicant and respective subrecipient. All awarded funds must be expended no later than September 30, 2026. Additional information may be required at the City's discretion, based on the usage of funds.

EXIT REPORT

An Exit Report will be required at the end of each grant agreement when all grant funds have been expended. Awardees must submit the Exit Report to the Office of Community Development no later than December 31, 2026. Failure to submit an Exit Report may result in disqualification from future grant cycles.

PROGRAM CONTACT

Please contact Christopher Hughes with all inquiries regarding the City of Scranton American Rescue Plan Act Grant Program Application via email at chughes@scrantonpa.gov.