

THE HOME INVESTMENT PARTNERSHIPS PROGRAM



Building and preserving affordable homes through public-private partnerships is a cornerstone of community development. The HOME Program provides state and local governments with flexible funds to help leverage private sector investment and then targets these investments to the specific housing needs of their communities.

What is the HOME Investment Partnerships Program?

- The HOME Program is the largest federal block grant to state and local governments (known as participating jurisdictions, or PJs) designed **exclusively to create and preserve affordable housing for low income households.**
- HOME Program funds often provide either the early support necessary to initiate new development or the critical gap-financing needed to complete developments. The PJs must provide at least a 25 percent match of their HOME funds from local funds.
 - According to the HOME Coalition, states and localities often go beyond legal requirements for leveraging HOME program funds by **generating more than \$4 of other public and private funding for every HOME dollar.**
 - Overall, the HOME Program has leveraged an additional **\$173 billion** in public and private resources for a total investment of **\$209 billion.**
- HOME funds are flexible and may be used for a variety housing of activities that other sources may not cover, including preservation of rental housing, homebuyer assistance, rehabilitation of owner occupied homes and rental assistance.
- States and localities must apply to Department of Housing and Urban Development (HUD) to become PJs. This process involves the submission of a Consolidated Plan that details exactly how HOME and other HUD funds will be used to address that community's particular housing needs.
 - Once they receive HOME funds, PJs can either undertake development work themselves or distribute funds to other qualified organizations to do so on their behalf.
- HUD provides program oversight by enforcing program requirements, verifying project completion, and when necessary, acting to recapture funds. In the event of misspent HOME funds, HUD always forces their repayment.
 - Program regulations stipulate that developments that fail to get underway are automatically canceled, which allows their funding to be committed to other work.
 - HOME funded projects are also subject to use restrictions to ensure they remain affordable for the long term.

What are the outcomes?

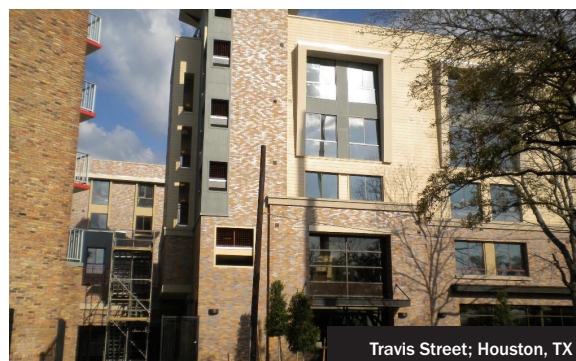
- Since 1990, the HOME Program has created or preserved improved **more than 1.34 million affordable homes** in urban, rural, and suburban communities across the nation. In total, the HOME Program has funded:
 - **551,468** homes for new homebuyers;
 - The repair of **259,084** owner-occupied homes;
 - **538,334** rental homes and apartments; and
- Rental assistance for more than **415,269** households.
- Since 1990, **\$36.7 billion** in HOME funds has leveraged an additional **\$173 billion in public and private resources**. The HOME Coalition estimated that this investment has supported more than **2 million jobs** and generated **\$131 billion in local income**.

What has been LISC's involvement?

HOME funds fill financing gaps in housing development work around the country. The HOME Program often provides critical resources for housing for persons in particular circumstances, including the homeless, disabled veterans, and persons with HIV.

A few examples of LISC's work using HOME funds include:

- **Vista Meadows Senior Apartments** is in the agricultural town of Hollister, California and offers 72 residences affordable for **seniors earning 30-55 percent of the Area Median Income (AMI)**. Construction of Vista Meadows had been delayed since the early 2000s, when the city of Hollister imposed a moratorium on new construction in response to a massive sewer spill. Vista Meadows was finally built thanks to the help of HOME dollars as well as LISC/National Equity Fund (NEF) Low Income Housing Tax Credit (LIHTC) investments.
- **Travis Street Plaza**, a 192-unit housing community located near downtown Houston, Texas provides affordable permanent housing for **homeless and disabled veterans**. In addition to a permanent place to call home, Travis Street Plaza provides its community members with supportive services, counseling, and job training programs. The \$18 million in funding required for this project was



Travis Street; Houston, TX

provided by HOME funds and LISC/NEF LIHTC investments.

- **Evelyn Sanders Townhomes** consists of 40 residences in two and three-story row houses located near the Germantown and Lehigh Avenue commercial corridors in the West Fairhill neighborhood of Philadelphia. Twenty percent of the residences are set aside for **tenants with mobility impairments and incomes at or below 20 percent of the AMI**. The remaining units are reserved for incomes at fifty percent AMI and twenty percent AMI. This residence was built with LISC/NEF LIHTC equity investments and HOME dollars.

What can Congress do?

Congress should restore HOME funding to at least \$2.5 billion in FY 2024. HOME funding is a critical component of the “building blocks” of affordable housing. Given rising costs, maintaining the program’s funding at \$1.5 billion as enacted in the FY 2023 budget would result in reduced levels of affordable housing at a time when only 1 in 4 families eligible for affordable housing assistance receives it.

LISC is a national nonprofit housing and community development intermediary with offices in 38 different cities and a national rural network of 146 organizations.

For more information about the HOME Program, please contact Mark Kudlowitz at mkudlowitz@lisc.org.