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HOME Investment Partnerships Program

The Challenge

Increasing funding to the HOME Program will allow local jurisdictions to quickly get much needed affordable housing online.

The Ask

Reauthorize and increase funding for the HOME Investment Partnerships Program.

More Information

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BACKGROUND

The HOME Investment Partnerships Program (HOME) is a federal block grant designed to help states and local governments create and sustain affordable housing for low-income families. Through its flexible framework, HOME funds are utilized to build, rehabilitate, and maintain affordable housing, provide rental assistance, and support homeownership initiatives.

Since its inception, HOME has proven effective in addressing housing needs, fostering community development, and enabling lower-income families to access stable housing opportunities. However, despite its success, the program has faced chronic underfunding and has not been reauthorized since 1994, limiting its ability to meet the growing demand for affordable housing.

WHY REAUTHORIZE AND FUND THE HOME PROGRAM?

The United States is facing a severe affordable housing crisis, with millions of families struggling to find and maintain safe, stable housing. Reauthorizing and increasing funding for the HOME program is critical to addressing this crisis. By investing in affordable housing, the HOME program:

- Strengthens and revitalizes communities, fostering long-term economic and social resilience.
- Increases housing supply for lower-income families, reducing costs for homebuyers and renters throughout the region.
- Leverages $4.76 in public and private funds for every dollar in HOME funding, supporting more than 2 million jobs, and generating more than $131 billion in local income.

Given the urgency of the housing crisis, increased and sustained funding for the HOME program is essential to achieving meaningful progress in providing affordable housing across the nation.

CONGRESSIONAL ASK

- **Reauthorize the HOME Program:** Modernize the program to reflect current housing challenges and opportunities. Increase the administrative cap from 10 percent to 15 percent, aligning it more closely with the 20 percent available under the Community Development Block Grant program.
- **Increase Funding Levels:** Provide $2.5 billion in funding for Fiscal Year 2025 and establish a commitment to increase funding for the program by five percent annually through FY 2028. This sustained investment will allow states and local governments to plan and implement effective, long-term housing solutions.

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Community Development Block Grant

The Challenge

Many communities are struggling to provide adequate affordable housing options. CDBG funding is essential and allows small and large cities to support critical affordable housing development. However, funding has been significantly reduced in recent years and the program is severely underfunded.

The Ask

Increase CDBG funding to $4.2 billion to fully fund the program, create jobs, and meet the housing needs of local communities.

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BACKGROUND

The Community Development Block Grant (CDBG) program was created under the 1974 Housing and Community Development Act to consolidate several existing federal housing programs and to increase flexibility for cities. CDBG provides grants to cities, counties and states to develop viable urban communities, with funding primarily going to support low- to moderate-income people and provide decent housing, a suitable living environment and expanded economic opportunity. CDBG is designed to empower local communities to plan and implement projects that meet their own unique needs.

CDBG provides an annual formula grant to cities (pop. +50K) urban counties (pop. +200k) and states to support community development. More than 1200 jurisdictions are entitled to receive CDBG funding, and allocations are based on population, poverty rate, and housing conditions. Housing and non-housing related activities are eligible for funding, including the development and rehabilitation of affordable multifamily housing for rent or sale. Other common uses of CDBG include economic development, improving community facilities and infrastructure, financing, technical assistance, and neighborhood revitalization. Cities receive CDBG funding directly and may work with non-profit or for-profit community-based organizations, developers and contractors. Small local communities may receive CDBG funding indirectly from their state, which establishes its own project goals and requirements. All grant recipients must provide a Consolidated Plan describing how the jurisdiction will use CDBG funds.

CDBG is currently funded at $3.3 billion for FY 2024. This represents a reduction of more than $500 million since FY 2010 and nearly $2 billion since the FY 2001 budget was passed ($5.1B). Cities and counties receive 70% of CDBG through formula funding, and states receive the remaining 30% to distribute to small cities, towns and villages.

WHY IS MORE CDBG FUNDING NEEDED?

The program fosters opportunities for architects to design community-centered projects that enhance living conditions, create jobs, and promote economic development. Every $1 of CDBG funding leverages $5 in non-CDBG funds. Since 2005, CDBG has preserved over 1.25 million units of affordable housing and created or retained 454,961 jobs.

The CDBG program provides vital resources for cities, counties and state governments to invest in affordable housing, support economic development and revitalize communities. Funding cuts to CDBG have slowed job creation, hampered economic development, and delayed investment in local communities. Increasing CDBG funding will allow large and small cities alike to partner with community-based organizations and businesses to quickly develop much needed affordable housing and the infrastructure to support such development.

CONGRESSIONAL ASK

- Increase funding to $4.2 billion for FY2025 to fully fund the program, create jobs, and meet the housing needs of local communities.

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Low-Income & Workforce Housing Tax Credits

The Challenge

The need for affordable and workforce housing is at a critical high. Expanding LIHTC funding and establishing a Workforce Housing Tax Credit program will empower developers to work with architects to initiate additional projects. Allowing architectural firms to directly benefit from these programs would further incentivize innovative design services for affordable housing.

The Ask

Increase funding and expand LIHTC to support more low-income housing projects.

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BACKGROUND

Low Income Housing Tax Credits (LIHTC) incentivize developers to build and rehabilitate affordable rental units. The program provides a non-competitive 4 percent or competitive 9 percent credit for the production of housing affordable to low- and moderate-income people. It is the largest federal program designed to encourage affordable housing development by the private sector, and since its inception in 1986 it has financed over three million apartments and served 7 million households.

LIHTC credits make affordable housing development viable. By offsetting project costs in exchange for reserving a portion of units for low-income renters, the program stimulates private sector investment and delivers housing options that people can afford.

While there is no federal Workforce Housing Tax Credit, local jurisdictions are providing Workforce Housing Tax Credits to address the needs of middle-income residents. Together, these programs are critical to addressing the national housing shortage and promoting equitable access to affordable homes.

WHY IS LIHTC REFORM NEEDED?

Architects play a critical role, working closely with developers and communities to create housing options that are affordable, healthy, and safe. The LIHTC program promotes innovative and cost-effective solutions and, in many cases, is essential to project feasibility. The competitive nature of the program necessitates deep partnerships between developers and architects, and a focus on community-building initiatives.

The program has a set annual limit on the amount of tax credits that can be allocated to developers in each state. This limit is referred to as the "cap." The cap is based on population and other factors, and it dictates how much tax credit can be distributed to affordable housing projects in a given year.

To help combat the affordable housing crisis and stimulate construction during challenging times the federal government temporarily increased the cap on LIHTC allocations by 12.5%. This increase meant that states received more tax credits, allowing them to fund more affordable housing projects.

The 12.5% increase expired in 2021. This means that the annual allocation of LIHTC reverted to the original, pre-increase cap.

CONGRESSIONAL ASK

- Reinstate the 12.5 percent increase in tax credits available for low-income housing that expired in 2021 and make it permanent.
- Increase the credits available to states by 50 percent for the next two years.
- Allow architectural firms to receive tax credits or grants when providing design services for affordable and workforce housing.
- Create a Federal Workforce Housing Tax Credit to address the needs of middle-income earners and create opportunities for sustainable housing developments.