FATE OF A HIGHLY SUCCESSFUL FEDERALLY FUNDED HOUSING PROGRAM UNKNOWN

HOME Program Faces Deep Cuts Impacting County Low-Income Residents

Alhambra, September 9, 2015 – The Community Development Commission of the County of Los Angeles (CDC), as well as other local jurisdictions across the nation, will be watching Congress closely as it returns from August recess this week. Federal legislators have roughly two weeks of legislative days left to tackle a list of must-do items, including budget decisions for the next fiscal year, which begins October 1, 2015. The CDC is especially concerned with the fate of one federal funded program, the HOME Investment Partnerships Program (HOME).

HOME is a highly successful, locally-driven block grant program that helps low-income homebuyers and provides financing to develop and preserve affordable housing. The program is exclusively focused on serving low-income families, with more than half of all funding directed to very and extremely low-income individuals. HOME works in urban, suburban, and rural communities in all 50 states. Since the program began in 1992, it has helped to create over one million affordable homes nationwide.
Despite a huge shortfall of affordable rental housing, the CDC is deeply concerned about the approach the House and Senate is taking to funding HOME in the next fiscal year. The House bill does nothing to restore the cuts that HOME has suffered in recent years and only provides $767 million in appropriated funds, down from $900 million in the current fiscal year, 58% less than five years ago. The bill also contains a highly objectionable transfer that would essentially eliminate a new housing resource---the National Housing Trust Fund---so as to fund HOME at its record low $900 million level.

In Los Angeles County, the CDC has used HOME funds to house the most vulnerable extremely low-income people that include seniors, veterans, the homeless, youth exiting foster care, people with mental and/or physical challenges, and families. Since 1992, the CDC has utilized over $183 million in HOME funding to develop over 3,500 affordable and special needs housing units, provided assistance to over 1,920 first-time homebuyers, and improved the lives of almost 1,000 homeowners through residential rehabilitation. HOME is one of the few sources of capital available to build housing for homeless populations and extremely low-income individuals, and the funds are used to leverage other available funding sources. Casa Dominguez in the unincorporated south Los Angeles community of East Rancho Dominguez, Courtyard at La Brea in West Hollywood, and Terra Bella in Bell Gardens are just a few examples of the types of affordable housing developments that utilized HOME funds to leverage other public and private resources.

The CDC’s use of HOME funds have not been limited to affordable and special needs housing development. For multifamily rental projects, HOME funds have been used to build ADA-compliant and accessible housing for people with physical and sensory disabilities. In
addition, over 860 low-income homeowners have been provided loans for needed repairs and to correct code-related deficiencies.

There is no doubt that the Los Angeles region faces a homelessness and affordable housing crisis. Los Angeles is not alone here; local governments across the state and nation are left to cope with the inevitable outcomes of stretching diminishing resources to address a social and economic problem of crisis-level proportions. A report released by the California Housing Partnership Corporation and Southern California Association of Non-Profit Housing revealed that Los Angeles County has a poverty rate of 26%. What’s even more staggering is that the average renter would need to earn approximately $39 an hour, or $80,000 a year, to afford the average rent.

For the CDC and Los Angeles County, HOME is a keystone program among the federally funded sources administered, providing desperately needed funding to help address the homeless and housing affordability crises. For over 20 years Congress has funded the HOME program; however, funding has been cut over 50% in the last five years. Continuing this trend will have a devastating effect on meeting the CDC’s mission of “building better lives and better neighborhoods.” The CDC urges our federal representatives to preserve and increase funding to this valuable program.

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