



Florida Housing Coalition

1367 E. Lafayette Street, Suite C, Tallahassee, FL, 32301 | FLhousing.org

Phone: (850) 878-4219 or (800) 677-4548 | Fax: (850) 942-6312 | Email: info@flhousing.org

Using HUD HOME: Benefits, AFFH and Local Land Use Authority

This memo outlines benefits of the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) program, details the obligation to affirmatively further fair housing (AFFH), and verifies local authority over local land use and zoning decisions while using HOME funds.

What are the benefits of using HOME funds?

- *HOME funds are a much-needed source of subsidy for workforce housing.* Private market developers across the country, and particularly in Florida, struggle to supply the demand for housing affordable to low- and moderate-income families. HOME funds are an importance source of subsidy to help make housing affordable for these families.
- *HOME funds are a highly flexible source of subsidy for workforce housing.* HOME Consortium members have authority to allocate HOME funds to address the most pressing local need according to local priorities. Many Consortium members in Florida use HOME funds for homeowner acquisition and rehabilitation. [Eligible Activities - 24 CFR §92.205]
- *HOME funds enable leveraging of other resources.* The HOME program requires a 25% match from non-Federal sources. This encourages multiple layers of subsidy, and leverages local funds for a maximum return on investment. In Florida, local jurisdictions are able to leverage SHIP funds to great effect using Federal sources of financing, including HOME funds. [Match Requirement - 24 CFR §92.218]
- *HOME funds help Florida jurisdictions meet state Housing Element requirements.* Florida's 1985 Growth Management Act requires every local government in the state adopt a housing element that addresses adequate and affordable housing for all its current and anticipated populations. HOME funds help local jurisdictions meet this requirement by offering flexible subsidy for workforce housing. [Florida Statute, Chapter 163.3177]

What are the benefits of participation in a HOME Consortium?

- *Participating in a Consortium may enable a jurisdiction to access HOME funds it would not otherwise be eligible to receive.* Because the HOME program is allocated on a formula basis with mandatory threshold criteria for eligibility, some jurisdictions may not be eligible to directly participate in the HOME program. By participating in a Consortium, jurisdictions may still receive HOME allocation because the aggregate score of all Consortium members meets threshold criteria.
- *Depending on the Consortium Agreement, some members may realize administrative cost savings.* A lead entity must be designated in the Consortium Agreement - required for formation of and member ship in a Consortium. The Lead entity is responsible for administration and program compliance, a role which may reduce administrative burdens for participating Consortium members. [Consortia Lead – 24 CFR §92.101(2)(ii)]

What is the obligation to affirmatively further fair housing?

Affirmatively furthering fair housing (AFFH) is a legal requirement that federal agencies and federal grantees further the purposes of the 1968 Fair Housing Act (FHA). The obligation to AFFH is noted in the original text of the FHA [42 U.S.C. §3608 (d)]. Additionally, any jurisdiction that receives Community Planning and Development (CPD) grant funds from HUD (including HOME funds) is required to certify that it will affirmatively further fair housing as a condition of accepting HUD grant funds. [42. U.S.C §5304(b)(2); §5306(d)(7)(B); §12705(b)(15); §1437C-1(d)(16)]

What entities are responsible for affirmatively furthering fair housing?

Any jurisdiction that receives CPD grant funds is required to AFFH. This includes Consortium members and jurisdictions not part of a Consortium. Additionally, any jurisdiction that receives CPD funding must certify that it will AFFH in its Assessment of Fair Housing (AFH), and in its Consolidated Plan. The AFH serves as a jurisdiction's evidence for its efforts to AFFH, including analysis of any barriers to fair housing choice, and a plan of action for addressing those barriers.

By accepting HOME funds, will a jurisdiction lose authority over local land use and zoning authority?

Jurisdictions do not lose authority over local land use and zoning decisions by accepting CPD grant funds, including HOME. Any jurisdiction allocated CPD funds are obligated to AFFH – but the methods a jurisdiction may satisfy that obligation are subject to local authority and local decision-making. There are many approaches to satisfying the AFFH obligation. Jurisdictions may set goals focused on incentive strategies to encourage development of affordable housing in areas near good schools, transit and healthy food, and thus expand opportunities for protected class members. Alternatively, jurisdictions may set goals to concentrate investment in certain communities suffering from a history of underinvestment to revitalize the local economy and rehabilitate substandard housing available to protected classes. Still other jurisdictions may elect to require new housing developments include a certain percentage of affordable housing after reviewing data on concentrations of protected class members at certain income brackets.

HOME funds offer an essential source of subsidy for workforce housing, and acceptance of HOME funds does not relinquish local land use authority.

ATTACHMENT 3