

PROTECT HOME FUND ALLOCATION

Recent Senate Subcommittee Bill Deeply Cuts HOME Funding for FY16

- The Senate Subcommittee's THUD Appropriations bill funds the HOME Investment Partnerships Program (HOME) at \$66M nationally. This 93% HOME reduction from FY15's appropriation would allocate **approximately \$1.4M** to the City's Affordable Housing Trust Fund (AHTF) Program – a **\$17.4M cut** (93% cut) to the City of Los Angeles' HOME allocation from 2015 to 2016.¹

Impact to the City of L.A.'s Affordable Housing Trust Fund (AHTF)

The Future Production and Preservation of Affordable Housing will be Severely Threatened

- The City's AHTF Program is primarily funded with HOME dollars.
- The City of Los Angeles recently completed its 2015 AHTF Call for Projects which resulted in 27 affordable projects applications for gap financing, totaling nearly 2,000 units.
- The Call for Projects resulted in an initial \$65M request from the City's Affordable Housing Trust Fund.²
- A drastic cut in HOME funds reduces the City's competitiveness for new state funding such as the Veterans Housing and Homeless Prevention Program (VHHP) and the Affordable Housing and Sustainable Communities (AHSC) Program.
- Permanent supportive housing (PSH) units would be difficult to produce without HOME funds.
 - PSH units mostly house those who are extremely-low and very low-income who require supportive services for their housing stability. The City of L.A.'s permanent supportive housing projects must receive deep housing subsidies (e.g., Project-based vouchers) and various layers of funding including HOME investments to achieve sufficient financing.

City Staffing Levels will be Seriously Hampered

- A \$1.4M HOME allocation would dismantle AHTF program operations, create lay-offs, and stall a robust affordable housing production and preservation system.

City of Los Angeles' Use of HOME Funding for the Last Five Years: Financing Progress

- The Los Angeles Housing + Community Investment Department (HCIDLA) analyzed its AHTF project portfolio financed by HOME over the past five fiscal years (July 1, 2010 to June 30, 2015) resulting in the following:
 - 58 projects totaling 4,045 units³
 - **\$179M** total HOME investment in the City with an outcome of **\$1.3B** of Total Development Costs (TDC)

HOME Dollars Create and Preserve Affordable Housing Units

City Council Districts

- Of the fifteen Council Districts (CDs), CD 1, CD 3, CD 9, and CD 14 received the largest amount of HOME dollars in the past five years. Combined, the four CDs received a total of \$109M in HOME investment, 61% of total HOME allocation. **Councilmember Huizar's district (CD14) received 23% of HOME, the highest from the City's total funding with a TDC and total investment of \$341.9M, financing 1,247 units.** See Chart Attachment A.

California U.S. Congressional Districts

- Of the ten districts, Congressional Districts 29, 30, 34, and 37 received the largest amount of HOME dollars in the past five years. Combined, the four districts received a total of \$144M in HOME, 80% of total HOME allocation. **Congressman Becerra's district (Congressional District 34) received 50% of HOME, the highest HOME investment from the City's total funding with a TDC and total investment of \$664.6M, financing 2,112 units.** See Chart Attachment B.

¹ The California Housing Partnership Corporation (CHPC) provides an estimate for only the City of Los Angeles.

² The AHTF Call for Projects awardee amount is not yet finalized by the City, the dollar amount and the number of affordable units are subject to change.

³ These numbers do not include scattered-site projects/units, which total 356 units receiving \$15M of HOME funds.

HOME Investments: Breakdown by Type

- **AHTF Program** – 66.5% of total HOME dollars were targeted to AHTF projects
- **PSHP (Permanent Supportive Housing Program)/Special Needs** - 33.5% of total HOME dollars were targeted to PSHP/Special Needs projects

HOME Addresses the Affordable Housing Need

Fulfilling the Original Intent of HOME

- The HOME Program was initially authorized 25 years ago to provide grants to state and local governments to produce affordable housing for low-income families.
- In the City of Los Angeles alone, HOME has created and preserved over 4,000 affordable housing units. HOME funding allows the City of L.A. to not only meet state mandated regional housing needs, but also provide affordable housing to thousands of low-income families and individuals who need housing that is within their financial reach.
- HOME flexibly works to target funds to address particular needs in the City’s communities – new production where units are scarce; rehabilitation where housing is a challenge; and support many critical federal housing programs to feasibly build and sustain housing for persons experiencing homelessness, seniors, persons with disabilities, and other individuals and families with low incomes.⁴

HOME Leverages Private and Public Resources

- Over the past five years, Los Angeles has been able to leverage approximately \$1B with \$179M HOME investment; each HOME dollar leverages **\$6** in other public and private resources on average.

HOME Creates Economic Opportunities

- The City of Los Angeles is currently facing a deep affordable housing crisis coupled with long-term wage stagnation.
- HOME creates jobs and invests in the local economy.
 - HOME funding in Los Angeles has created approximately 10,548 jobs over the past five years.
- In 2013, (the most recent year for which full income data are available), the Los Angeles median income was only \$48,466⁵ and families needed to earn \$76,600 to afford the average rent of \$1,915⁶ in Los Angeles.
- According to 2013 data, 62% of Los Angeles renter households spend 30% or more of their income on rent.⁷ See Attachment C cost burden for renters and homeowners by Congressional Districts.
- The HOME Program is the only federal source to address the economic downfalls that Los Angeles experiences. Without this vital resource, the issues of insufficient household income and rent burden will continue to be exasperated.
- HOME necessitates funding at a level that allows the City to continue expanding its Affordable Housing Trust Fund Program to assist workers and their families who don’t have any other option besides securing an affordable housing unit.

HOME Creates Homeownership Opportunities

- Over the past five years over \$6.1M of HOME funds were invested to assist **135** low-income first-time homebuyer families achieve and secure their first home.
- HOME’s investment in homeownership creates family wealth and stabilizes low-income families.

⁴ Ibid.

⁵ U.S. Census. American Community Survey 2013

⁶ Real Facts Online. City of Los Angeles, Average Asking Rent 2013

⁷ U.S. Census



Council District	Project Type	Total Projects	Total Units	HOME	TDC
CD 1 Gilbert Cedillo	AHTF	6	430	\$22,374,002	\$163,953,483
	PSHP/Special Needs	6	301	\$17,054,712	\$113,599,383
	CD 1 TOTAL	12	731	\$39,428,714	\$277,552,866
CD 2 Paul Krekorian	AHTF	1	64	\$162,500	\$23,790,200
	PSHP	1	49	\$4,227,825	17,025,677
	CD 2 TOTAL	2	113	\$4,390,325	\$40,815,877
CD 3 Bob Blumenfeld	AHTF	3	245	\$13,946,464	\$77,229,100
	CD 3 TOTAL	3	245	\$13,946,464	\$77,229,100
CD 4 David E. Ryu	PSHP	1	24	\$1,301,307	\$3,677,788
	CD 4 TOTAL	1	24	\$1,301,307	\$3,677,788
CD 5 Paul Koretz	NO PROJECTS				
CD 6 Nury Martinez	AHTF	2	143	\$6,412,930	\$43,369,133
	PSHP	1	42	\$3,119,057	\$17,400,096
	CD 6 TOTAL	3	185	\$9,531,987	\$60,769,229
CD 7 Felipe Fuentes	AHTF	2	98	\$5,282,585	\$35,879,836
	PSHP/Special Needs	3	137	\$4,038,367	\$55,369,505
	CD 7 TOTAL	5	235	\$9,320,952	\$91,249,341
CD 8 Marqueece Harris-Dawson	AHTF	1	49	\$4,500,000	\$13,952,553
	CD 8 TOTAL	1	49	\$4,500,000	\$13,952,553
CD 9 Curren D. Price, Jr	AHTF	4	184	\$10,231,904	\$79,268,583
	PSHP	2	68	\$3,775,581	\$26,260,893
	CD 9 TOTAL	6	252	\$14,007,485	\$105,529,476
CD 10 Herb J. Wesson, Jr	AHTF	4	210	\$10,088,300	\$81,396,345
	CD 10 TOTAL	4	210	\$10,088,300	\$81,396,345
CD 11 Mike Bonin	AHTF	1	124	\$9,389,134	\$37,449,579
	PSHP/Special Needs	1	21	\$1,071,261	\$11,246,666
	CD 11 TOTAL	2	145	\$10,460,395	\$48,696,245
CD 12 Mitchell Englander	NO PROJECTS				
CD 13 Mitch O'Farrell	AHTF	3	181	\$5,067,274	\$73,553,616
	PSHP	2	85	\$5,097,695	\$25,682,959
	CD 13 TOTAL	5	266	\$10,164,969	\$99,236,575
CD 14 José Huizar	AHTF	5	671	\$21,894,785	\$193,603,761
	PSHP	5	576	\$19,769,042	\$148,264,456
	CD 14 TOTAL	10	1,247	\$41,663,827	\$341,868,217
CD 15 Joe Buscaino	AHTF	3	264	\$9,986,834	\$80,058,196
	PSHP/Special Needs	1	79	\$202,500	\$21,733,900
	CD 15 TOTAL	4	343	\$10,189,334	\$101,792,096
GRAND TOTAL		58	4,045	\$179M	\$1.3B



Congressional District	Project Type	Total Projects	Total Units	HOME	TDC
Cong. District 27 Judy Chu	AHTF	1	25	\$490,755	\$13,115,113
	Cong. District 27 TOTAL	1	25	\$490,755	\$13,115,113
Cong. District 28 Adam Schiff	AHTF	3	181	\$5,067,274	\$73,553,616
	PSHP/Special Needs	3	106	\$5,679,139	\$33,448,128
	Cong. District 28 TOTAL	6	287	\$10,746,413	\$107,001,744
Cong. District 29 Tony Cárdenas	AHTF	5	305	\$11,858,015	\$103,039,169
	PSHP/Special Needs	3	133	\$5,412,342	\$58,164,431
	Cong. District 29 TOTAL	8	438	\$17,270,357	\$161,203,600
Cong. District 30 Brad Sherman	AHTF	3	245	\$13,946,464	\$77,229,100
	PSHP/Special Needs	1	49	\$4,227,825	\$17,025,677
	Cong. District 30 TOTAL	4	294	\$18,174,289	\$94,254,777
Cong. District 33 Ted Lieu	AHTF	1	74	\$2,673,764	\$29,679,404
	PSHP/Special Needs	1	21	\$1,071,261	\$11,246,666
	Cong. District 33 TOTAL	2	95	\$3,745,025	\$40,926,070
Cong. District 34 Xavier Becerra	AHTF	12	1186	\$50,098,032	\$390,960,560
	PSHP/Special Needs	12	926	\$39,288,487	\$273,682,935
	Cong. District 34 TOTAL	24	2,112	\$89,386,519	\$664,643,495
Cong. District 37 Karen Bass	AHTF	5	319	\$17,846,458	\$103,760,822
	PSHP	1	19	\$987,637	\$4,772,015
	Cong. District 37 TOTAL	6	338	\$18,834,095	\$108,532,837
Cong. District 40 Lucille Roybal-Allard	AHTF	2	89	\$5,542,880	\$47,835,256
	PSHP	1	49	\$2,787,944	\$21,488,878
	Cong. District 40 TOTAL	3	138	\$8,330,824	\$69,324,134
Cong. District 43 Maxine Waters	AHTF	2	139	\$7,973,070	\$42,023,301
	PSHP/Special Needs	1	79	\$202,500	\$21,733,900
	Cong. District 43 TOTAL	3	218	\$8,175,570	\$63,757,201
Cong. District 44 Janice Hahn	AHTF	1	100	\$3,840,000	\$22,308,044
	Cong. District 44 TOTAL	1	100	\$3,840,000	\$22,308,044
GRAND TOTAL		58	4,045	\$179M	\$1.3B

CITY OF LOS ANGELES: RENTER AND HOMEOWNER COST BURDEN BY CONGRESSIONAL DISTRICT

Congressional District	CD Number	Estimated Percent of Renters Cost Burdened	Renter Ranking Cost Burdens of 437 Districts	Estimated Percent of Homeowners Cost Burdened	Homeowner Ranking Cost Burdens of 437 Districts
Steve Knight	25	56.16%	29	42.68%	29
Adam Schiff	28	55.16%	36	44.14%	23
Tony Cardenas	29	62.91%	1	50.04%	3
Brad Sherman	30	54.9%	49	46.92%	12
Ted Lieu	33	47.37%	222	39.45%	49
Xavier Becerra	34	59.38%	15	45.97%	14
Karen Bass	37	56.46%	27	48.89%	6
Lucille Roybal Allard	40	62.42%	3	47.61%	9
Maxine Waters	43	57.46%	19	44.96%	19
Janice Hahn	44	60.55%	8	47.61%	9

DATA: U.S. CENSUS - 2013 ACS FIVE-YEAR