April 25, 2025

The Honorable Mike Flood
Chairman, House Financial Services
Subcommittee on Housing and Insurance
343 Cannon House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Emanuel Cleaver
Ranking Member, House Financial Services
Subcommittee on Housing and Insurance
2217 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

Sent Via Email: FloodCleaver@mail.house.gov

Dear Chairman Flood & Ranking Member Cleaver:

The National Multifamily Housing Council (NMHC), National Apartment Association (NAA) and Real Estate Technology and Transformation Center (RETTC) appreciate the opportunity to provide input on a potential reauthorization of Department of Housing and Urban Development's (HUD) Home Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG) programs. We have limited our comments specifically to HOME.

HOME remains a vital tool for increasing the supply of affordable housing nationwide. HOME funds frequently provide critical gap financing for affordable rental housing developed under the Low-Income Housing Tax Credit (LIHTC) and other federal, state, and local initiatives. However, the program's overall effectiveness is significantly diminished by burdensome compliance and reporting requirements that can be difficult for operators of all sizes to navigate. Reform efforts should prioritize streamlining the program to reduce its overall administrative burden and promoting the efficient use of HOME funds to encourage simplification at the state and local levels. We recommend the following reforms:

Streamline and Standardize Requirements:

- Establish consistent compliance and reporting standards across jurisdictions.
- States and localities should be discouraged from imposing additional requirements on developers that increase costs and deter participation.

Provide Clear and Consistent Guidance:

- Ensure that program participants have access to straightforward, uniform instructions to support full compliance with program rules.

Simplify the Environmental Review Process:

- The current environmental review under HOME is overly complicated, leading to unnecessary project delays.
- The HOME program requires compliance with the National Environmental Policy Act (NEPA) which can slow down development, drive up costs, duplicate state, and local efforts, and discourage participation.
- Even when state and local environmental reviews are conducted, they cannot substitute for NEPA compliance unless there is a formal agreement in place.
- NEPA does not scale its requirements based on project size or scope which adds unaffordable administrative and legal costs and discouraging participation.

Accelerate Application and Approval Timelines:

- Simplify and shorten the application process by implementing clear guidelines and a more user-friendly platform to assist applicants in meeting requirements efficiently.

Align the HOME Requirements with Other Affordable Housing Programs:

- Permit HOME program requirements to track with the LIHTC and other programs to reduce administrative burdens and facilitate greater participation.

Increase Flexibility in Payment Standards:

- HOME should establish a minimum rent payment standard without capping the maximum. This approach would provide greater financial security to housing providers while preserving affordable options for residents.

Enhance Technical Assistance and Training:

- Expanded technical assistance resources by offering regulatory updates on best practices, regulatory changes, and comprehensive training opportunities for participants.

Eliminate Duplication of State and Local Requirements:

Where feasible, the HOME program should defer to existing state and local regulations to meet program goals:

- **Inspection Requirements**: Federal inspection protocols should be eliminated, as state and local housing inspection processes already ensure compliance with building standards. HUD's own 2023 analysis indicates that less than 6 percent of worst-case housing needs stem from inadequate housing quality.
- **Lease Requirements**: Federal lease mandates should also be eliminated, as robust tenant protections are already embedded in state and local laws, and there is no data suggesting that additional federal requirements would yield greater resident benefits.

Thank you again for seeking public input on the HOME program. We appreciate your consideration of these recommendations to maximize the HOME program's potential and functionality. We welcome the opportunity to work with you on reforming this program in a way that better serves the goals of increasing affordable housing and lowering housing costs.

Sincerely,



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National Multifamily Housing Council



Robert Pinnegar
President & CEO
National Apartment Association



Kevin Donnelly
Executive Director and Chief Advocacy Officer
Real Estate Technology and Transformation Center