



Commenting on HUD's 2024 Proposed Rule for the HOME Investment Partnerships Program

The recent [proposed rule](#) for the HOME Investment Partnerships program ([direct link to the full proposed rule](#)) is the largest revision of the program's regulations in over a decade, and goes much further than the 2013 rule in making changes to how the program operates.

How to Submit Public Comments

Grounded Solutions will be submitting our own comments on HUD's proposal and we encourage others in the field to do the same. The [Federal Register page for the proposed HOME rule](#) provides a text box for comments along with an option to attach a file.

Any individual or organization can submit a comment; whether you submit them personally or on behalf of an organization is up to you.

When submitting a comment, it is important to connect your comments to your work and your communities. If possible, including examples of barriers you have encountered in using the HOME program and how proposed changes would either improve or worsen those barriers would be particularly effective.

What to Discuss

We feel that the follow four items would bring significant benefits to the shared equity homeownership field (page numbers from [this version](#) of the proposed rule).

Adjusting the community housing development organization (CHDO) board membership eligibility criteria (page 10).

HUD proposes to adjust eligibility criteria for CHDO board membership in order to encourage more organizations to become eligible to receive the 15% funding set-aside for CHDOs.

First, the current rules regarding the composition of the governing boards of CHDOs state they must comprise no more than one-third public officials or employees of governmental entities. HUD proposes to allow officials or staff from outside the CHDO's jurisdiction to serve on the governing board (as opposed to a blanket exclusion of any public officials)

Second, the rules also require at least one-third of the governing board be residents or elected representatives of low-income communities. HUD proposes to permit either a) individuals designated by either a low-income neighborhood organization or b) an authorized representative of nonprofits addressing the housing or supportive service needs of the community to qualify toward this requirement.

Clarifying use of the term "community land trust" in the HOME program (page 14).

The proposed definition of community land trust contains many of the same elements as the definition in statute. The major difference is the proposed definition does not specify the structure of the community land trust's governing board. This change reflects the need for a less stringent definition that can appropriately address the various configurations of community land trusts across the country.

Specifically, this definition is as inclusive as it is to ensure that the CLT field, in all of its diversity, can take advantage of the rights provided in the 2016 appropriations bill. See the section on preemptive purchase rights for CLTs for more details.

Specifying four types of eligible resale formulas (page 91).

HUD is proposing to explicitly approve four types of resale formulas into regulation, which should resolve a perennial frustration with interpretations of HUD's policy on what formulas are considered eligible. The four types are itemized, index-based, appraisal-based, and fixed-rate formulas.

Preemptive purchase rights for CLTs (page 100).

HUD proposes to codify language from the Consolidated Appropriations Act of 2016 that gave community land trusts the ability to hold and exercise purchase options, rights of first refusal, or other forms of preemptive purchase actions into regulation. Combined with the proposed introduction of a program-wide definition of community land trust, this would give CLTs a powerful tool when it comes to preserving lasting affordability.

The proposed rule includes specific conditions under which CLTs can take advantage of this, stating that the CLT must obtain ownership of the housing subject to HOME affordability restrictions; resell the housing within 6 months to an eligible homebuyer that will use the home as their principal residence; impose a period of affordability that is equal to the remaining period of affordability of the former owner; and cannot use additional HOME funds to obtain ownership, rehabilitate the housing, hold the housing pending resale to another homebuyer, or provide downpayment assistance to the subsequent eligible homebuyer.

While we feel these items are the most relevant for the shared equity homeownership field, there are many other proposed changes that impact other aspects of the program. This includes an incentive for incorporating green infrastructure into rehab and new construction, protections for tenants in HOME-assisted rental housing, increased per-unit subsidy amounts, construction standards, additional CHDO adjustments, and others.

Our exclusion of these items does not indicate we do not value them and the impact they would have on our communities. Our focus is on supporting policy goals that will have the greatest impact on our membership and the field at large. If you are interested in learning more about other elements in the proposed rule, let us know!

As always, please get in touch with any questions at policy@groundedsolutions.org.