

## Request for Partners

### Creating Economic Opportunity for Families and Children

#### High Opportunity Neighborhood Partners

[High Opportunity Neighborhood Partners](#) (HON) is a full-service real estate company that acquires quality homes in high opportunity neighborhoods across the country. We provide these homes along with supportive services to families using Section 8 Housing Choice Vouchers (HCVs) in an effort to break the cycle of poverty. HON exclusively serves families using HCVs in high opportunity areas and we hope to continue to be a trusted and valued partner for public housing authorities across the nation.

Over the past three years, HON has raised over \$200 million and successfully acquired and leased more than 500 homes in metropolitan Dallas, Houston, Minneapolis, San Antonio, and Tampa.

We are dedicated to serving the most vulnerable and difficult to house by accepting families in the HCV program at all income levels. HON does not require credit checks and does not charge application fees. We also specialize in acquiring 3-to-5 bedroom homes to accommodate large families who typically have an especially difficult time finding options in the rental market.

#### HUD Prioritizing Moves to Opportunity

The US Department of Housing and Urban Development (HUD) is increasingly signaling the importance of deconcentrating poverty and increasing geographic access. 10 sites were chosen for the Community Choice Demonstration in 2021. The 2023 HUD budget expands the HCV program and provides dollars for housing mobility-related services to help families with HCVs move to higher opportunity areas. Future HUD guidelines and housing authority assessments may further emphasize the importance of creating access to low-poverty areas. But despite these policy shifts and resources, families still face significant barriers in the rental market and a lack of landlords willing to accept HCVs, especially in areas of high opportunity. HON is capable of directly supporting housing authorities interested in proactively increasing housing access for their families.

#### Request for Partners

***In 2022, HON is raising a new \$250 million fund and plans to expand into at least two new markets. Through this Request for Partners, HON is seeking to identify communities where these funds can be deployed by partnering with housing authorities dedicated to creating more opportunity for their residents.*** HON can ensure that committed housing authorities are able to provide their residents immediate access to great homes in great neighborhoods. We also work directly with partner housing authorities to raise philanthropic funds to support their housing mobility and opportunity initiatives.

## How to Apply

Housing authorities interested in partnering with HON should email: [partner@honpartners.com](mailto:partner@honpartners.com) with the following information:

- The name of your organization and contact information for the individual that manages your organization's HCV program or a staff member who will serve as a point of contact with HON
- A description of the geographic area where your organization is authorized to administer HCVs
- A copy of your organization's 2022 HCV payment standards and information about your organization's utility allowances
- Optional: additional information about your organization's goals and efforts to increase access to areas of opportunity and resources and programming your organization has implemented (or plans to implement) to increase the economic opportunity and mobility of families and children using HCVs

Submissions will be reviewed on a rolling basis but to be considered for investment in 2022, please submit this information by July 15, 2022. If you have any questions, please feel free to direct them to: [partner@honpartners.com](mailto:partner@honpartners.com).



## **AN OPPORTUNITY FOR IMPACT**

Our lives are shaped by the communities where we grow up. Empowering families with the choice to live in neighborhoods where their children will flourish is central to breaking the cycle of poverty. [Evaluations](#) of the federal government's Moving to Opportunity (MTO) experiment found that moving a child from public housing to lower-poverty areas can increase their lifetime earnings by over \$300,000. [Research](#) led by Opportunity Insights demonstrates that neighborhoods that can lift children out of poverty exist in communities across America. Recent research also suggests that [racially](#) and [economically](#) diverse neighborhoods can help create more empathy and understanding across lines of race and class. Unfortunately, communities across the United States are highly segregated and the majority of low-income families live in high-poverty areas that provide children limited chances to rise up the income ladder. This is especially true for families that rely on the \$50+ billion the US government spends on housing assistance every year. The 2.2 million families that receive rental subsidies through the federal Housing Choice Voucher (HCV) program are even more likely to live in lower-opportunity areas than other similarly low-income families.

The 2019 housing mobility pilot project [Creating Moves to Opportunity](#) demonstrated that families using HCVs want to live in neighborhoods of opportunity but face significant obstacles in the housing market. Many landlords directly discriminate against families with HCVs. Others require onerous credit checks or application fees. A growing body of research, including research from HUD, has documented the difficulties families face using their HCVs, especially in areas of opportunity.

## **INNOVATIVE STRATEGY**

A strategy focused on acquiring single-family homes in high opportunity areas is uniquely positioned to transform the lives of millions of children across the country. Nearly 90 percent of the housing stock in high opportunity areas of the United States are single-family homes. Over one million families that use vouchers have large enough households to merit a 3-5 bedroom home, but only 25,000 have found willing landlords. Proactively purchasing and making single-family homes available for rent can almost completely remove the barriers and discrimination families face in the private market and create new affordable housing immediately. The model is financially sustainable, does not require additional government or philanthropic grant funding, and has the potential to scale nationally.

## **PARTNERSHIP MODELS**

Partnerships with HON are flexible and can be structured based on the needs and policy goals of individual housing authorities.

### Tenant-Based HCV programs

Over the past two years HON has successfully purchased and placed families using tenant-based HCVs in nearly 500 homes primarily in high opportunity areas of metropolitan Dallas, Houston, San Antonio, Minneapolis and Tampa. HON partners with housing authorities that utilize Small Area Fair Market Rent (SAFMR) or exception payment standards, policies that encourage deconcentrating poverty by paying rental rates that enable their residents to afford high opportunity areas. HON has financed these initial 500 homes by raising over \$200 million in traditional private equity and bank debt. The work has proven extremely successful. Tenants are very satisfied, pay their portion of rent on time, and take good care of their homes. Most tellingly, tenant turnover rates are extremely low. HON residents are averaging 8-year expected stays. And demand for homes in high opportunity areas continues to rise. HON has done this work while catering to the neediest families. HON does not discriminate based on income or credit history, does not require rental application fees, and is dedicated to renting to the lowest-income families in the HCV program.

Beyond HCVs, HON does not require any additional subsidies or incentives from public agencies nor do we require that housing authorities guarantee their families rent HON homes. HON only requires that partner housing authorities have payment standards and rent reasonableness policies that ensure competitive and consistent market-rate rents. HON then proactively purchases homes in the market and makes them exclusively available to families with HCVs. HON does not and will not rent to private tenants.

### Project-Based Voucher Programs

HON has recently partnered with the Dallas Housing Authority (DHA) on a Project-Based Voucher (PBV) pilot project. In this case HON purchases homes that are approved for use in DHA's PBV program. Families with eligible DHA PBVs are then provided the exclusive opportunity to rent these homes. This type of PBV program provides housing authorities the flexibility to set rent rates for a specific number of PBVs at different rates than their overall payment standards for their general tenant-based HCVs. HON is interested in partnering with other housing authorities exploring PBV initiatives focused on increasing access to high opportunity areas.