

HOME Investment Partnerships (HOME) Program

HOME is the largest federal block grant to state and local governments designed exclusively to produce affordable housing for low-income families. It allows states and localities to decide how best to use the scarce HOME funds to meet their most urgent affordable housing needs. States invest HOME funds in a wide variety of rental and homeownership programs and projects, including new construction, rehabilitation, down payment assistance, and tenant-based rental assistance.

HOME has helped its State and local administrators produce more than one million affordable homes since Congress created it in 1990 to provide a flexible resource those administrators could use to meet their highest priority affordable housing needs. HOME helps approximately 143,000 families secure affordable housing each year.

HOME funds may only assist families earning 80 percent or less of the area median income (AMI). Ninety percent of HOME rental funds must benefit families with incomes of 60 percent of AMI or less. Rental properties with five or more HOME-assisted apartments must reserve 20 percent of those units for families earning 50 percent of AMI or less.

However, HOME has consistently exceeded these requirements by assisting families with incomes well below the HOME limits. HOME funds are often used to assist the elderly, persons with disabilities, and the homeless.

States annually receive 40 percent of HOME funding, and local governments and consortia receive 60 percent. A HUD needs-based formula determines funding allocations. PJs must commit HOME funds within 24 months of their receipt and expend them within five years.

States and localities monitor HOME-assisted properties to ensure long-term affordability and compliance with program rules. Apartments must remain affordable to low-income families for a period of five to 20 years, depending on the amount of HOME assistance they receive. Ownership properties must remain a family's principal residence for a period of up to 15 years.

HOME helps create jobs, expand local tax bases, and stabilize distressed neighborhoods. Each federal HOME dollar is matched with 25 cents of state, local, or private funds. However, PJs leverage significantly more. In fact, every federal HOME dollar generates over three dollars in additional public and private investment.

In FY 2010, total HOME funding was \$1.825 billion. The President's FY 2011 Budget proposes \$1.65 billion for HOME.