

HOME Investment Partnerships Program

What is the HOME Investment Partnerships Program?

Authorized in 1990, the HOME Investment Partnerships Program (HOME) is a federal block grant that provides funds to state and local governments to produce affordable housing for low-income families. HOME funds are a vital and unique source of financing for numerous affordable housing developments - many of which would not be possible without HOME assistance.

How does HOME work?

HOME funds are allocated through a formula process. States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions are eligible for an allocation of at least \$500,000 under the formula or \$335,000 in years when Congress appropriates less than \$1.5 billion for HOME. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its poverty rate, its capacity to carry out housing activities, and other factors.



States and localities can target flexible HOME funds to respond to their communities' needs through the right mix of rental and homeownership activities. For example, HOME can be used to produce more rental units where housing is scarce or can be used for rehabilitation where housing quality is a challenge. HOME can also be used as tenant-based rental assistance and can be designed to assist homebuyers. This flexibility allows states and communities to react quickly to changes in their local housing markets.

What is the impact of the HOME Investment Partnerships Program?

The HOME program has created more than **1.33 million** affordable homes. HOME has built and preserved housing for low-income families in every state, territory, and congressional district in the country.

HOME is a vital source of gap financing in Low Income Housing Tax Credit (Housing Credit) deals. A total of \$11.4 billion in HOME funding has been invested in Housing Credit developments from 2010 – 2020 with HOME providing \$2.2 million on average in each Housing Credit project. HOME funds make affordable rental housing developments financially feasible and have allowed for deeper income targeting to serve seniors, veterans, persons experiencing homelessness and persons with disabilities.

According to the HOME Coalition, states and localities generate over \$4 in public and private funds for every HOME dollar, and the program has supported nearly **1.9 million jobs** and made **\$124 billion** in local income.

What can Congress do?

In FY 2021, HOME was funded at \$1.35 billion, but funding levels have remain short of the \$1.8 billion FY 2010 level. Congress should restore HOME funding to at least \$1.7 billion in FY 2022.