

HPN Issue Summary

HOME Investment Partnerships Program

What is the HOME Investment Partnerships Program?

Authorized in 1990, the HOME Investment Partnerships Program (HOME) provides grants 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. HOME flexibility works with and supports many critical federal housing programs, making it financially feasible to build and sustain housing for persons experiencing homelessness, veterans, seniors, persons with disabilities, and other individuals and families with low incomes.



How does HOME work?

HOME is the only federal housing program exclusively focused on providing states and local communities with flexible financing to address their most pressing affordable housing needs. 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 (\$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 fiscal distress, and other factors.

States and localities can target flexible HOME funds to the particular needs of their communities—new production where units are scarce, rehabilitation where housing quality is a challenge, and the right mix of rental and homeownership housing. This flexibility also means that states and communities can quickly react to changes in their local housing markets. Each HOME dollar leverages more than \$4.20 in other public and private resources.

What is the impact of the HOME Investment Partnerships Program?

Since its inception, the HOME program has created more than 1.2 million affordable homes. ***HOME has created and preserved housing for low-income families in every state, territory, and congressional district in the country.*** HOME provides critical resources for housing for persons with special needs, including persons experiencing homelessness, veterans, and persons with disabilities. HOME funds provided essential gap financing in more than a quarter of Housing Credit developments targeted to addressing homelessness from 2003 to 2010.

HOME has leveraged approximately \$122 billion in other funding sources. The HOME Coalition estimates that this investment has generated \$94.2 billion in local income.

What can Congress do?

Congress' decision to increase HOME funding slightly in FY 2016 is headed in the right direction but HOME has suffered a 50% decline in funding since 2010. Congress should continue to fund the HOME program at least \$1.2 billion for fiscal year 2018.

For more information, email Shannon Ross, Director Government Relations, at ross@housingpartnership.net.