

## HOME Investment Partnerships Program & The Housing Trust Fund

### *Two Distinct Federal Programs Needed to Increase the Supply of Affordable Housing*

	HOME Investment Partnerships Program (HOME)	Housing Trust Fund (HTF)
Overview & Purpose	<ul style="list-style-type: none"> <li>▪ HOME is a <b>federally appropriated block grant</b> to <b>state and local governments</b> to produce affordable housing, for <b>low-income families</b>.</li> <li>▪ Participating jurisdictions (PJ) 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 <b>rental and homeownership</b> housing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Housing Trust Fund is a <b>permanent federal fund</b> authorized by the Housing and Economic Recovery Act of 2008 (HERA) that does not compete directly with other HUD programs for appropriations.</li> <li>▪ It will provide <b>grants to States</b> to increase and preserve the supply of affordable housing (primarily rental) for <b>extremely low-income and very low-income families</b>.</li> </ul>
Recipients/ Grantees	<ul style="list-style-type: none"> <li>▪ States (40% of funds)</li> <li>▪ Local participating jurisdictions (60% of funds)</li> </ul>	<ul style="list-style-type: none"> <li>▪ States or State-designated entities (100% of funds)</li> </ul>
Income Targeting	<ul style="list-style-type: none"> <li>▪ <b>100% for low-income households</b> [<math>\leq</math> 80% of Area Median Income (AMI)]</li> <li>▪ 90% of rental units and tenant-based rental assistance for households at or below 60% AMI</li> <li>▪ 20% of rental units in projects of more than 5 HOME units for households at or below 50% AMI</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>100% for extremely low-income households</b> (the greater of <math>\leq</math> 30% AMI or federal poverty line) in years which there is less than \$1 billion in the HTF</li> <li>▪ At least 75% for extremely low-income households and up to 25% for very low-income households (between 30- 50% AMI) in years in which HTF has more than \$1 billion</li> </ul>
Eligible Activities	<ul style="list-style-type: none"> <li>▪ PJs have the flexibility to use HOME for <b>both rental and homeownership activities</b>, including new construction, rehabilitation, down payment assistance, and tenant-based rental assistance. The HOME statute does not set limits on how much HOME funding can be used for the various eligible activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>At least 90% of HTF funds must be used on rental housing</b> production, preservation, rehabilitation, or operation.</li> <li>▪ Up to 10% can be used for homeownership activities for first-time home buyers.</li> </ul>
Program Status	<ul style="list-style-type: none"> <li>▪ Since 1990, over 1.1 million units of housing have been produced with HOME funds.</li> <li>▪ In addition, HOME funds have helped more than 283,000 families through tenant-based rental assistance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ On December 11, 2014, FHFA announced that it was directing Fannie Mae and Freddie Mac to begin setting aside funds for the HTF beginning January 1, 2015. The initial allocation of HTF funds is expected in summer 2016.</li> </ul>
Funding	<ul style="list-style-type: none"> <li>▪ <b>FY 2015 HOME funding is \$900 million</b>, a 10% cut from FY 2014 and less than half its FY 2010 funding level of \$1.825 billion.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Early allocation estimates ranged from \$300 million to \$500 million but the Administration's FY 2016 Budget estimates just <b>\$120 million in HTF's first year</b>.</li> </ul>