

OVERVIEW

The HOME Program, administered by the U.S. Department of Housing and Urban Development, has funded over a half million units of affordable housing throughout the nation. HOME funds are distributed on a formula basis to state and local governments who choose how to invest the funds to best meet local housing needs. HOME funds must be used to assist low- and very low-income households. This assistance can be provided in a number of different ways, and through a range of housing activities, including rehabilitation, new construction, and direct assistance to tenants and homebuyers.

HOME Provides Flexibility to Meet a Range of Local Needs

For the past decade, HOME participating jurisdictions (PJs) throughout the nation have enjoyed the flexibility and additional resource provided by the HOME Program to address a wide range of local housing needs. For instance, in recent years HOME funds have been invested in:

- Sustainable, solar-based, straw bale construction of affordable housing in Sunland Park, New Mexico. Long-term affordability of these units is achieved through a community land trust model.
- Slum clearance and construction of new homes for first-time, low-income homebuyers in Fremont, California. Without assistance, these households would be unable to become homeowners here, where market rate housing prices far exceed low-income residents' ability to pay.
- Acquisition and rehabilitation of housing for developmentally disabled and persons with chronic mental illness so that they are able to live as independently as possible in Anne Arundel County, Maryland.

HOME Generates Housing Opportunities for Low-Income Americans

HUD provides HOME funds to state and local governments who are responsible for designing and administering affordable housing programs that address local affordable housing needs. All HOME funds must be invested in housing that is occupied by low-income persons. PJs are free to decide how to best meet the housing needs of their low-income residents, within some regulatory parameters.

PJs decide:

- Type of housing activity that best meets community needs.** PJs can use HOME funds for new construction, rehabilitation, direct rental assistance to tenants (including security deposit and utility deposit assistance), and direct assistance to homebuyers.
- Tenure type of housing assistance.** PJs can assist existing homeowners, new homebuyers, or tenants.
- The location of housing to be assisted with HOME funds.** PJs can target development funds to specific neighborhoods, or can use HOME assistance jurisdiction-wide.

HOME Increases a Community's Supply of Affordable Housing

Rental and for-sale housing that is assisted with HOME funds must remain affordable for some period of time, from five to twenty years, at a minimum. To assure affordability, a PJ can either retain the specific HOME-assisted unit as affordable, or "recapture" HOME funds and reinvest them in additional affordable housing activities. These affordability requirements ensure that the supply of affordable housing is sustained, and increases, in the PJ's community.

HOME Fosters Partnerships

In addition to the goal of increasing the supply of affordable housing for low-income families, the HOME Program is designed to foster partnerships among state and local governments, nonprofit housing providers, and the private sector. In particular, the HOME Program mandates the involvement of community housing development organizations (CHDOs), a special nonprofit organization that is involved in affordable housing development and represents low-income residents. Through a CHDO set-aside requirement, residents are guaranteed a voice in decisions about the design and implementation of affordable housing in their neighborhoods.

HOME Encourages Accountability

HUD supports PJs who want to use HOME funds wisely, and holds all PJs accountable for their program performance. HUD does this by providing information resources, generating performance data, and monitoring PJ performance, as follows:

- ❑ **Information resources.** HUD provides technical assistance, issues guidance, distributes written “how-to” publications, and provides training (live and online) so that PJs have the information they need to make resource allocation and program design decisions that best meet local housing needs.
- ❑ **Performance data.** HUD prepares “SNAPSHOTS” of HOME PJ program performance. SNAPSHOT reports provide data to illustrate how well a PJ is meeting policy goals and regulatory requirements, as compared to peer PJs. PJ managers can use this information to identify program strengths and weaknesses, and improve program performance. This information is made available to the public on HUD’s website.
- ❑ **Monitoring.** With HOME funds, PJs accept the responsibility to ensure compliance with all HOME and other applicable Federal requirements. PJs must maintain adequate documentation to verify its compliance. In addition, PJs are responsible for oversight of their housing partners, and are required to monitor their state recipients and subrecipients. HUD monitors PJs on a periodic basis.

Learn More About the HOME Program

To obtain more information on the HOME Program, visit the HOME Program website at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home>, or contact the Community Planning and Development (CPD) Office of U.S. Department of Housing and Urban Development. To locate the field office nearest you go to <http://www.hud.gov/directory/ascdir3.cfm>.