

HOME INVESTMENT PARTNERSHIPS PROGRAM FACT SHEET

Introduction

The HOME Investment Partnerships (or HOME) Program is a federal entitlement grant program authorized by Title II of the National Affordable Housing Act of 1990, as amended. The program provides annual grants on a formula basis to entitled cities, counties, approved consortia, and states. Local governments receiving HOME funds are called “participating jurisdictions.” The amount of HOME funds annually available to participating jurisdictions is determined by Congress through passage of the annual federal budget.

The U.S. Department of Housing and Urban Development (or HUD) is responsible for management and oversight of the HOME Program. Each participating jurisdiction is responsible for deciding how HOME funds will be used in its jurisdiction and for daily administration of HOME funds.

While the Community Development Block Grant Program is intended to develop viable urban communities and neighborhoods, the HOME Program is intended to increase affordable housing opportunities, particularly for low-income persons. Specific purposes of the HOME Program are:

- To expand the supply of decent and affordable housing, particularly rental housing, for low- and very low-income persons
- To strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing
- To provide both financial and technical assistance to HOME recipients, including the development of model programs for affordable low-income housing
- To expand and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

Nature of Program

HUD awards HOME funds to entitled participating jurisdictions to carry out a wide range of affordable housing activities. The HOME program allows participating jurisdictions flexibility to decide the type of housing assistance most appropriate for local needs. Potential affordable housing activities include:

- Tenant-based rental assistance including payment of security deposits
- Assistance to first-time homebuyers including downpayment grants
- Assistance to existing homeowners through programs such as housing rehabilitation
- Construction and rehabilitation of housing including rental housing, owner-occupied housing, and special needs housing such as housing for the homeless

HOME funds may not be used for:

- Any activity that is unrelated to direct expansion of the locality's affordable housing stock
- Public housing modernization
- Match for other federal programs
- Operating subsidies for rental housing

Because the intent of the HOME Program is to expand housing that is affordable, the income of persons occupying housing assisted with HOME funds is restricted. For rental housing, funds must be invested in units occupied by persons whose incomes do not exceed 60 percent of median family income based on family size (for Champaign County, income not to exceed \$40,800 for a family of four). For owner-occupied housing, all funds must be used to assist homeowners at or below 80 percent of median family income (for Urbana, income not to exceed \$54,400 for a family of four). Rents in units assisted with HOME funds are restricted to levels affordable to households at these income levels for a period of 5-20 years depending on the amount of HOME funds provided to a project.

Unlike the CDBG Program, the HOME Program requires participating jurisdictions to contribute to affordable housing assisted with HOME funds. A minimum match of 25 percent of HOME funds allocated to the project is required. Matching contributions must be made from non-federal sources (CDBG funds may not be used as match).

Each participating jurisdiction is required to set aside 15 percent of its HOME allocation for housing to be developed, sponsored, or owned by private (non-governmental), non-profit (non-business) organizations known as Community Housing Development Organizations.

Grantee Eligibility

To receive HOME funds, cities and counties must be eligible to receive at least the threshold amount as designated by HUD; the threshold amount has varied year-by-year from \$335,000 to \$500,000. Cities and counties computed by formula to be eligible for at least the threshold amount receive a direct allocation of funds from HUD. Cities and counties computed by formula to receive less than the threshold amount must request HOME funds from their state governments.

Contiguous units of local government may enter into mutual agreements to form a consortium for purposes of meeting threshold requirements and receiving HOME funds directly from HUD. Such agreements are generally valid for three years. Each consortium must designate one of its members as lead entity for purposes of submitting budgets and reports to HUD and for assuming overall responsibility for compliance with program requirements.

Requirements

To receive its annual HOME entitlement, a participating jurisdiction must submit an application which includes its program objectives, projected use of funds, and program certifications to the HUD field office. The application is part of the participating jurisdiction's Consolidated Plan, which also includes statements of housing and non-housing community development needs as well as the jurisdiction's annual Community Development Block Grant budget. In the case of consortia, the lead entity submits the HOME program and budget on behalf of all consortium members. By signing HOME certifications the participating jurisdiction assures HUD that the jurisdiction will comply with HOME Program housing affordability standards.

If the participating jurisdiction makes a complete submission of all requirements within the established deadline, HUD will make a full grant award unless HUD has made a determination that the jurisdiction has failed to carry out its activities and its Consolidated Plan in a timely manner or has failed to carry out those activities and its certifications in accordance with the requirements and objectives of the HOME Program. HUD may also withhold funds from the jurisdiction if it lacks capacity to carry out its HOME activities in a timely manner.

The HOME Program in Urbana/Champaign/Champaign County

The City of Urbana is the lead entity for the Consortium. Consequently, the City of Urbana is responsible for submitting the HOME program and budget on behalf of all three Consortium members and for general administration of Consortium funds. By intergovernmental agreement, HOME funds allocated to the Consortium are divided among the three members according to the amount of HOME funds for which each member would have qualified if it were participating in the HOME Program on its own.

Administering Offices

City of Urbana (*lead entity*)
Department of Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
Phone: 217-384-2447

City of Champaign
Neighborhood Services Division
102 North Neil Street
Champaign, IL 61820
Phone: 217-403-7070

Champaign County
Champaign County Regional Planning Commission
1776 East Washington Street
Urbana, IL 61802
Phone: 217-328-3313