

Name of Funding: HOME Investment Partnerships Program

Focus of Funding: Create affordable housing for low income people

Eligibility Requirements:

For local government: Must qualify for Community Development Block Grant (CDBG)

For recipients: Funding must be directed at people with incomes below a specified level depending on region and size of the program, and can be used for rental assistance or down payment assistance. Funding goes to either apartment owner or home buyer.

Funding Mechanism: Federal Grant

Funding Source: Department of Housing and Urban Development (HUD)

Maximum amount: CDBG formula amount if it is above \$500,000 or smaller sub-grants from state if city does not automatically qualify.

Other rules of the program: Housing funded by the project must be affordable for 20 years, have a maximum price to the buyer/renter, have a maximum subsidy per unit, and the city must contribute 25% of the cost of any project.

Advantages of the program: Federal funds to increase availability of affordable housing, does not have to be paid back.

Drawbacks of the program: Subject to federal government approval, requires extensive documentation, can not be used for luxury housing or people earning over 80% of median income of the area.

Case Study Example: Used in the City of McKinney
http://www3.mckinneytexas.org/www/community_services.aspx?id=472

Sources: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>