

# Comparison of Housing Trust Fund and the HOME Investment Partnerships Program

CATEGORIES	HOUSING TRUST FUND (HTF)	HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
<b>Statutory Authority</b>	Title I of the Housing and Economic Recovery Act of 2008	Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended
<b>Regulatory Authority</b>	24 CFR Part 93	24 CFR Part 92
<b>Grantees</b>	States or State designated entities	40% of funds to States; 60% to local participating jurisdictions
<b>Purpose</b>	State determines priority housing need throughout the State for production or preservation, primarily of rental housing, affordable and available to extremely low-income households	State or local government determines mix of activities to address locally-identified priority housing needs, through development or rehabilitation of housing for rent or homeownership, repair of substandard owner-occupied housing, or provision of tenant-based rental assistance
<b>Allocation</b>	Formula	Formula
<b>Formula Factors</b>	<ul style="list-style-type: none"> <li>• Substandard housing: defined as overcrowding, or incomplete kitchen facilities, or incomplete plumbing, or high rent to income ratio</li> <li>• Shortage of standard housing affordable to very low- and extremely low – income (below 50% AMI and 30% AMI) households; weighted toward extremely low-income households</li> <li>• High rent to income ratio (<math>\geq 50\%</math> of income for rent )</li> <li>• Cost of producing housing relative to national average</li> </ul>	<ul style="list-style-type: none"> <li>• Substandard rental housing: defined as overcrowding, incomplete kitchen facilities, incomplete plumbing, high rent to income ratio</li> <li>• Rental households in poverty</li> <li>• Poverty relative to national average</li> <li>• Cost of producing housing relative to national average</li> <li>• Inadequate housing – low vacancy, poor renters</li> <li>• Pre-1950 housing stock occupied by poor households</li> <li>• Fiscal incapacity</li> </ul>
<b>Minimum Grant Threshold</b>	States: \$3 million minimum, or alternative methodology if minimum funding is not available	States: \$3 million
<b>Matching Requirement</b>	No match requirement	25% match required. Reductions possible based on fiscal distress reduction or Presidentially-declared major disaster
<b>Minimum Income Targeting</b>	<ul style="list-style-type: none"> <li>• 100% for extremely low-income households (<math>\leq 30\%</math> AMI) or families with incomes at or below the poverty line (whichever is greater) when HTF funds are less than \$1 billion</li> <li>• 75% for extremely low-income households (<math>\leq 30\%</math> AMI) or families with incomes at or below the poverty line (whichever is greater) when HTF funds are greater than \$1 billion; up to 25% for very low-income households (<math>\leq 50\%</math> of AMI)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% for low-income households (<math>\leq 80\%</math> of AMI)</li> <li>• 90% (of rental units and TBRA) for households at <math>\leq 60\%</math> AMI</li> <li>• 20% of rental units in projects of more than 5 HOME units for households at <math>\leq 50\%</math> AMI</li> </ul>
<b>Eligible Activities</b>	<ul style="list-style-type: none"> <li>• New construction of rental and homebuyer* units</li> <li>• Acquisition or acquisition/rehabilitation of rental and homebuyer* units</li> </ul>	<ul style="list-style-type: none"> <li>• New construction of rental and homebuyer* units</li> <li>• Acquisition or acquisition/rehabilitation of rental and homebuyer* units</li> </ul>

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	<ul style="list-style-type: none"> <li>Operating costs for rental projects (up to one third of annual grant)</li> </ul> <p>*Note: required housing counseling for homebuyers</p>	<ul style="list-style-type: none"> <li>Rehabilitation of owner-occupied housing</li> <li>Tenant-based rental assistance</li> </ul> <p>*Note: required housing counseling for homebuyers</p>
<b>Limits on Eligible Activities</b>	<ul style="list-style-type: none"> <li>No more than 10 percent of annual grant can be used for homeownership housing</li> <li>Homeownership housing is restricted to 1<sup>st</sup> time homebuyers only</li> </ul>	Grantee determines mix of activities to be undertaken and tenure types of housing to be assisted, based upon on locally-determined needs and priorities
<b>Use with Public Housing</b>	May be used on public housing units being constructed or rehabilitated in Choice Neighborhoods or mixed finance/Low Income Housing Tax Credit projects	May not be used for construction, modernization or operating cost assistance for public housing units, except that HOME funds may be used for new construction of public housing units that also receive HOPE VI funding but no Capital Fund assistance
<b>Rents</b>	Rents plus utilities are capped at 30% of the income of a household whose income is 30% AMI	High HOME rents (including utilities) are capped at the lesser of: the Fair Market Rent (FMR) for the area or 30% of the income of a household whose income is 65% of AMI. Low HOME rents (including utilities) are capped at 30% of the income of a household whose income is 50% of AMI, or if there is Federal or State project-based rental assistance, 30% of the tenant's adjusted gross income
<b>Administrative Funds</b>	Up to 10% of the sum of annual grant and program income received	Up to 10% of the sum of annual grant and program income received
<b>Allocation Plan/Action Plan/Consolidated Plan</b>	<ul style="list-style-type: none"> <li>State grantee must establish an allocation plan for HTF funds to be included in the Consolidated Plan Annual Action Plan and approved by HUD</li> <li>A subgrantee that is a local government must include an HTF allocation plan that is consistent with the State's HTF plan in its own Annual Action Plan submission to HUD</li> </ul>	Each grantee must establish a Consolidated Plan Annual Action Plan that includes the planned use of HOME funds to be approved by HUD
<b>Maximum per-unit subsidy limits</b>	Limits are set by grantee based on modest housing units with suitable amenities and local market conditions	Limits are set by 221(d)(3)(ii) of the National Housing Act (12 U.S.C.17151)
<b>Affordability periods</b>	<ul style="list-style-type: none"> <li>Rental projects- 30 years</li> <li>Homebuyer projects with resale provisions- 30 years</li> <li>Homebuyer projects with recapture provisions- 10, 20 or 30 years depending upon the amount of the HTF investment</li> </ul>	<ul style="list-style-type: none"> <li>Rental and homebuyer projects- 5, 10, 15 years depending upon the amount of the HOME investment</li> <li>Rental - 20 years for new construction</li> </ul>
<b>Funds Commitment/ Expenditure Deadlines</b>	24 months/ 5 years	24 months/ 5 years