

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
2007 Summary Statement and Initiatives  
(Dollars in Thousands)

HOME INVESTMENT PARTNERSHIPS PROGRAM	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2005 Appropriation .....	\$1,915,000	\$447,079	-\$15,320	\$2,346,759	\$2,034,746	\$1,718,000
2006 Appropriation/Request .....	1,775,000	317,646 <sup>a</sup>	-17,750	2,074,896	1,893,000	1,774,000
2007 Request .....	<u>1,916,640</u>	<u>181,896</u>	<u>...</u>	<u>2,098,536</u>	<u>1,917,000</u>	<u>1,822,000</u>
Program Improvements/Offsets .....	+141,640	-135,750	+17,750	+23,640	+24,000	+48,000

a/ Excludes \$20 thousand that expired at the end of fiscal year 2005.

**Summary Statement**

The Department requests \$1.917 billion of fiscal year 2007 funding for the HOME Investment Partnerships Program, which is \$159 million more than the level enacted for fiscal year 2006. The Budget proposes as a separate account \$44.5 million for the Housing Counseling Assistance program. The increased funding request is predicated upon the HOME program's key contributions in meeting the Department's strategic goals of increased homeownership opportunities, achieving the President's target of adding 5.5 million new minority homeowners over 10 years, and increasing affordable housing opportunities. During fiscal year 2005, the number of new homebuyers who were assisted with HOME funds was 32,307. The number of households assisted with tenant-based rental assistance was 20,554, of which more than 80 percent have incomes below 30 percent of the area median income. Program evaluations, including the Program Assessment and Rating Tool (PART), have found that the program has a clear purpose, strong management, and can demonstrate results. In fact, the findings of the December 2003 *Study of Homebuyer Activity Through the HOME Investment Partnerships Program* suggest that "HOME plays a critical role in local efforts to promote affordable homeownership. One of the hallmarks of the HOME Program is the flexibility that it offers participating jurisdictions to design homebuyer programs that are tailored to local needs and market conditions."

**Initiatives**

Funding of \$100 million is proposed for the American Dream Downpayment Initiative (ADDI), which is a 300 percent increase over the fiscal year, 2006 enacted level, reflecting a continuing demand for assistance to overcome the downpayment barrier to homeownership for low-income households.

**Program Description and Activities**

HOME funding will provide \$1.8 billion for HOME formula grants, consisting of \$1.08 billion for local Participating Jurisdictions (PJs) and \$720 million for States. In addition, \$100 million is included for the ADDI for assistance to low-income homebuyers that will be distributed by the formula prescribed by the authorizing legislation (P.L. 108-186, December 16, 2003). The Budget request will provide \$9.9 million for technical assistance, \$3.6 million for insular areas, and \$3.5 million for transfer to the Working Capital Fund.

- **HOME Investment Partnerships Program.** The HOME program helps to expand the supply of standard, affordable housing for low- and very low-income families by providing grants to States, units of general local government, and consortia of units of general local governments that are Participating Jurisdictions (PJs). PJs use their HOME grants to fund housing programs that meet local needs and priorities. PJs have a great deal of flexibility in designing their local HOME programs within the

## HOME Investment Partnerships Program

guidelines established by the HOME program statute and program regulations. PJs may use HOME funds to help renters, new homebuyers, or existing homeowners through rehabilitation of substandard housing, acquisition of standard housing (including downpayment assistance), new construction, or tenant-based rental assistance. The low-income benefit requirements established by the HOME statute mandate that all households assisted have incomes below 80 percent of area median and that 90 percent of those assisted with rental housing have incomes below 60 percent of median (see Low-Income Benefit below). The HOME program continually exceeds the low-income benefit requirements, with 97.4 percent of those assisted with rental housing having incomes below 60 percent of area median. HOME works well with other HUD programs to complement comprehensive neighborhood and economic revitalization strategies.

The following aspects of the HOME program make it an effective and efficient provider of affordable rental and homeownership opportunities for the nation's low-income families:

- Production. Beginning with fiscal year 1992, the year the HOME program began, through the end of the most recent fiscal year ending September 30, 2005, States and local governments have committed more than \$16.5 billion in HOME funds to projects (based on data from the Integrated Disbursement and Information System (IDIS)). Of this amount, almost \$10.2 billion has been disbursed for completed projects, with an additional \$6.3 billion disbursed for ongoing projects. The HOME funds disbursed for completed projects have leveraged almost \$37 billion in other Federal, State, local, and private funds for a total of more than \$46 billion in resources expended for completed projects.

HOME program funding has been committed to newly construct, rehabilitate, or acquire in standard condition an estimated 794,340 units. Of the units to which funds have been committed, 552,262 units have been completed, of which 37 percent are for homebuyers. Based on historical usage, it is projected that 36 percent of HOME funds will be used for new construction, 47 percent for rehabilitation, 14 percent for acquisition, and 3 percent for Tenant-Based Rental Assistance (TBRA). An estimated 110,534 families have already received tenant-based rental assistance through the HOME program.

- Low-Income Benefit. HOME makes homeownership affordable to lower-income households. All households assisted through the HOME program must have annual incomes that do not exceed 80 percent of the area median income. Eighty-two percent of existing homeowners and 52 percent of new homebuyers receiving assistance have incomes below 60 percent of the median income. The majority of the new homebuyers are purchasing housing outside areas of poverty concentration. The average poverty rate of census tracts in which assisted homebuyers purchase new homes is less than 20 percent.

In addition, the HOME statute requires that at least 90 percent of the households occupying HOME-assisted rental units or receiving HOME-funded rental assistance have incomes that do not exceed 60 percent of the area median income. The HOME program consistently exceeds this income-targeting requirement. A total of 99 percent of households receiving tenant-based rental assistance and 96 percent of households occupying assisted rental units have incomes below 60 percent of the area median, for a combined 97 percent. Furthermore, 56 percent of assisted rental households are those likely to have the worst-case housing needs, with incomes below 30 percent of the area median income.

- Modest Cost Per Unit. The average HOME subsidy for a HOME-assisted unit remains modest. In fiscal year 2005, the average unit subsidy was only \$16,038. The average HOME per-family subsidy for TBRA assistance was \$3,416. HOME funds are effectively leveraged, with more than \$3.60 contributed from other public and private funds for every \$1 of HOME funds.
- Flexible Program Design. HOME's flexible program design allows States and local PJs to successfully meet their needs in a manner most appropriate to local housing markets. There have been many creative uses of HOME funds, including addressing the special needs populations with both TBRA and units linked to supportive services, new models of assistance to new homebuyers, and large and small rental projects, some newly constructed and some acquired and/or rehabilitated. The program also helps meet the need for permanent housing for homeless persons and families.

## HOME Investment Partnerships Program

- Non-profit Housing Development. The HOME statute requires at least 15 percent of each PJ's annual allocation be reserved for housing that is developed, sponsored, or owned by Community Housing Development Organizations (CHDOs). As of September 30, 2005, State and local government PJs had reserved over \$4 billion, or 20 percent, for CHDO housing activities. Non-profit organizations, including those sponsored by faith-based organizations, also participate in the HOME program as subrecipients acting on behalf of the PJ in accordance with written agreements.
- Capacity. State and local PJs, as well as their non-profit partners, have the capacity to effectively use HOME funds. Since the program began in fiscal year 1992, the number of local PJs has increased from 387 to 632 in fiscal year 2005 (a 63 percent increase) due to the formation of new consortia and new metropolitan cities and urban counties, and the impact of new census data. Thus, despite increases in HOME appropriations, the amount of funds going to individual local PJs has not had a proportionate increase, as more and more local jurisdictions have qualified for HOME allocations. Further, additional PJs are expected to be created in fiscal year 2007 largely as a result of new consortia formation. As an example, in fiscal year 1992, with a national appropriation of \$1.5 billion, Miami, Florida's allocation was \$5,314,000, while in fiscal year 2004 Miami received \$4,920,000, although the national appropriation was approximately \$1.85 billion. In addition, when inflation is considered, the real dollar value of appropriated HOME funds has declined for all PJs. The amended lead hazard removal requirements will also raise the cost of producing a HOME-assisted unit, further reducing the number of housing units which can be assisted by States and local PJs.
- Eligible Recipients. Eligible recipients of HOME funds include States, metropolitan cities (including the District of Columbia), urban counties, Puerto Rico and the Insular Areas of the Virgin Islands, American Samoa, Guam and the Northern Marianas. Under certain circumstances, a consortium of geographically contiguous units of general local government also may be eligible for funding. In order to apply for HOME funds, State and local governments must develop a Consolidated Plan (Con Plan) covering assisted housing and community development activities. The Con Plan must be approved by the Department before HOME funds can be received. Insular areas are not required to submit a Con Plan to apply for HOME funding.
- Evaluation. Three independent evaluations of the HOME Program have been conducted since 1995. Each found the HOME Program to be effective in achieving its intended results. In addition, the Millennial Housing Commission report, issued in May 2002, recommended a "substantial increase in funding" for the HOME Program in recognition of its effectiveness and accomplishments. In the December 2003 *Study of Homebuyer Activity Through the HOME Investment Partnerships Program*, one conclusion was that: "The findings of this report suggest HOME plays a critical role in local efforts to promote affordable homeownership. One of the hallmarks of the HOME Program is the flexibility that it offers participating jurisdictions to design homebuyer programs that are tailored to local needs and market conditions."

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Summary of Resources by Program  
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Formula Grants .....	\$1,784,959	\$370,975	\$2,155,934	\$1,974,072	\$1,676,648	\$239,950	\$1,916,598	\$1,799,642
American Dream								
Downpayment Initiative	49,600	...	49,600	... <sup>a</sup>	24,750	...	24,750	100,000
Insular Areas .....	3,617	...	3,617	... <sup>a</sup>	3,382	...	3,382	3,633
HOME/CHDO Technical								
Assistance .....	17,856	31,410	49,266	14,010	9,900	35,256	45,156	9,900
Housing Counseling ....	41,664	44,144	85,808	44,659 <sup>c</sup>	41,580	41,911	83,491	... <sup>b</sup>
Program Management & Analytical Support ...	...	51	51	21	...	30	30	...
Working Capital Fund								
Transfer .....	1,984	...	1,984	1,984	990	...	990	3,465
Disaster Assistance ...	...	<u>499</u>	<u>499</u>	...	...	<u>499</u>	<u>499</u>	...
Total .....	1,899,680	447,079	2,346,759	2,034,746	1,757,250	317,646	2,074,896	1,916,640

a/ Obligations and carryover included in Formula Grants.

b/ Fiscal year 2007 funds for the Housing Counseling Assistance program are requested in a separate account.

c/ Includes \$762 thousand that was recaptured during fiscal year 2005.

NOTE: The total for the fiscal year 2005 carryover into fiscal year 2006 column includes \$5.6 million in recoveries and excludes \$20 thousand that expired at the end of fiscal year 2005.

<u>FTE</u>	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Estimate</u>
Headquarters .....	27	24	24
Field .....	<u>121</u>	<u>123</u>	<u>121</u>
Total .....	148	147	145

NOTE: Includes overhead FTE for CPD.

**COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)**

<b>Formula Grants</b>	<u>Amount</u>
2005 Appropriation .....	\$1,784,959
2006 Appropriation/Request .....	1,676,648
2007 Request .....	<u>1,799,642</u>
Program Improvements/Offsets .....	+122,994

**Proposed Actions**

Formula Allocation. Annual HOME allocations to States and eligible local government PJs are determined by a formula that reflects the severity of local affordable housing needs. After certain amounts are identified for program set-asides and other purposes, 60 percent of the remaining funds are awarded to participating local governments and 40 percent are awarded to States. All States receive a minimum annual allocation of at least \$3,000,000. In addition, the greater of 0.2 percent of the total allocation or \$750,000 is available to Insular Areas (not included in the formula above). For fiscal year 2007, funding for set-asides totals \$16.9 million (exclusive of the American Dream Downpayment Initiative), leaving \$1.8 billion for allocation to States and participating local governments using the following six formula factors (factors are based on 2000 census data):

- vacancy-adjusted rental units in which the head of household is at or below the poverty level;
- occupied rental units with at least one of four problems (overcrowding, incomplete kitchen facilities, incomplete plumbing, or high rent costs);
- rental units built before 1950 occupied by poor households;
- a ratio of the jurisdiction's costs of producing housing divided by the national cost;
- the number of families at or below the poverty level; and
- the population of a jurisdiction multiplied by the net per capita income.

The formula ensures that PJs with the greatest housing needs receive the most funding. The following reflects projected production for each fiscal year's funding over time of HOME formula allocations for fiscal years 2006 and 2007:

	<u>2006</u>		<u>2007</u>
Production units	80,926	a/	96,367
Tenant-Based Rental Assistance units	80,926		12,025

a/ Includes 3,300 units through the American Dream Downpayment Initiative.  
b/ Includes 13,000 units through the American Dream Downpayment Initiative.

## HOME Investment Partnerships Program

Reallocation of Funds. The HOME statute provides that HOME funds will be available to PJs for affordable housing projects for 24 months. Thus, the Department must deobligate HOME funds that have been available to PJs, but have not been committed to affordable housing by the end of the last day of the month of the 24-month period. The Department must also deobligate funds that are required to be reserved for Community Housing Development Organizations (CHDOs) (15 percent of a PJ's allocation), but by the end of the last day of the month of the 24-month period have not been reserved for CHDOs. As of September 30, 2005, the Department has deobligated \$15.5 million in non-CHDO funds and \$8.3 million in CHDO funds. The deobligation process ensures that HOME funds are used in a timely manner. As of September 30, 2005, the Department also has made \$10.6 million in grant reductions as a corrective action for incomplete or ineligible activities. Deobligated non-CHDO funds and grant reduction funds are available for formula reallocation to all PJs during the next formula allocation cycle. The National Affordable Housing Act provisions require that deobligated CHDO funds be made available through a national competition. Of the \$8.3 million in deobligated CHDO funds \$7.5 million were awarded by competition in 2004 and 2005 to 15 PJs to develop permanent rental housing for the chronically homeless.

Eligible Activities. HOME funds can be used for assistance to new homebuyers, acquisition, and rehabilitation of affordable rental and ownership housing, construction of housing and tenant-based rental assistance. By statute, funds may not be used to provide tenant-based rental assistance for certain special purposes of the existing Section 8 program, to provide non-Federal matching requirements for other programs, or to finance public housing operating subsidies or modernization.

Matching Requirements. Effective with the 1993 appropriation, PJs must provide matching contributions of at least 25 percent of HOME funds spent for TBRA, rehabilitation, acquisition, and new construction. The Housing and Community Development (HCD) Act of 1992, however, provides that the matching requirement shall be reduced by 50 percent for jurisdictions that are in fiscal distress and by 100 percent for jurisdictions that are in severe fiscal distress. HUD has determined that there are 273 PJs in "fiscal distress" and have had their matching requirements reduced. The Secretary may also reduce the matching requirement for jurisdictions that are declared disaster areas by the President.

**COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)**

<b>American Dream Downpayment Initiative</b>	<u>Amount</u>
2005 Appropriation .....	\$49,600
2006 Appropriation/Request .....	24,750
2007 Request .....	<u>100,000</u>
Program Improvements/Offsets .....	+75,250

**Proposed Actions**

American Dream Downpayment Initiative (ADDI). The Department proposes allocating \$100 million among PJs and States for low-income families in need of downpayment assistance. Homeownership provides low-income families with an opportunity to build assets and share in the American dream. Obtaining the resources to meet upfront downpayment and closing costs is the most significant obstacle to homeownership among lower-income groups. The ADDI reduces that obstacle for thousands of additional families each year. ADDI funds have already assisted over 13,300 families to become new homeowners, at an average per-household assistance level of \$7,400.

The \$100 million proposed for ADDI in fiscal year 2007 would eliminate that obstacle for 1,500 families in fiscal year 2007 and approximately 13,000 families over time. The effort will specifically contribute to the Presidential/Secretarial goal of creating 5.5 million new minority homeowners over 10 years. In 2005, HUD awarded \$50 million in ADDI funds to 370 State and local governments. The funds enable jurisdictions to increase homeownership rates, especially among minority groups, who generally have lower rates of homeownership compared to the national average, and to stabilize neighborhoods. Because more than 46 percent of all new homebuyers assisted with HOME funds are minorities, the requested funds under the Downpayment Initiative should create approximately 6,000 new minority homeowners over time.

HUD will provide ADDI funds to PJs in amounts determined by the statutory allocation formula. Thus, HUD will provide ADDI funds to each State in an amount that is equal to the percentage of the national total of low-income households residing in rental housing in the State, as determined on the basis of the most recent available U.S. census data. HUD will further allocate to each local PJ located within a State an amount equal to the percentage of the Statewide total of low-income households residing in rental housing in such participating jurisdiction, as determined on the basis of the most recent available U.S. census data. These allocations will be made only if the local PJ: (1) has a total population of 150,000 individuals or more (as determined on the basis of the most recent available U.S. census data); or (2) would receive an allocation of \$50,000 or more. An allocation that would otherwise be made to a local PJ that does not meet either of these two requirements will revert back to the State in which the participating jurisdiction is located. Participating Jurisdictions have additional flexibility with ADDI in the waiver of Uniform Relocation Act requirements on tenant-occupied properties not available with regular HOME funds, as well as the absence of a matching requirement.

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)

HOME/CHDO Technical Assistance	<u>Amount</u>
2005 Appropriation .....	\$17,856
2006 Appropriation/Request .....	9,900
2007 Request .....	<u>9,900</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

HOME and CHDO Technical Assistance. The HOME budget proposes \$9.9 million for Technical Assistance (TA) activities for States and local government PJs and non-profit Community Housing Development Organizations (CHDOs). While HOME technical assistance funds can cover most of the eligible CHDO technical assistance activities, CHDO technical assistance cannot cover most of the eligible HOME technical assistance activities. Therefore, the Department would prefer that should the conference report accompanying the appropriations state a designated allocation for CHDO technical assistance that the CHDO allocation be no more than 35 percent. This proposed allocation reflects the historic pattern of allocation and would allow for the efficient and effective use of technical assistance funds.

Technical assistance projects provide the support and tools to strengthen local capacity of existing PJs and those new to the program, improve program compliance, expand participation by non-profit housing providers, ensure cost-effectiveness and design innovative approaches to affordable housing needs. Technical assistance funds support assistance to individual State and local PJs upon request, as well as national training courses ranging from HOME basics to advanced financing techniques for rental developments. In addition, TA funds enable the production of a variety of written and web-based materials that provide guidance to HOME participants. This wide variety of critical uses of TA supports the need for continued funding. The following provides a sample of some of the TA products that have been produced or are in process:

- Nineteen model guidebooks have been produced, including guides on comprehensive monitoring techniques, property and asset management, employer-assisted housing, and special needs housing. Future funds will address PJs' requests for additional on-site TA, training courses, and written products.
- Twelve training courses have been developed to create a full curriculum of housing and community development courses. Recent additions are: Advance HOME, dealing with combining HOME with other sources of financing, monitoring, program management, performance and productivity, lead-based paint abatement focused on implementation, and PJ interaction with non-profits and CHDOs and how to develop effective, productive partnerships.
- Eight new or updated publications and a core curriculum for web-based training have been produced recently. Specific training topics respond to areas of particular concern to the Department (e.g., lead-based paint remediation) and to State and local governments (e.g., building CHDO capacity).
- Work is underway or has been completed on six new model guides, including a rehab tune-up, to help assess current program design, a mixed-income housing guide about ways to do both affordable and market-rate housing together, and a practical guide for using the Integrated Disbursement and Information System (IDIS) for HOME.



HOME Investment Partnerships Program

- Additional Web-based training modules are being developed continually for posting with the existing ones on HOME's interactive "HOMEfront" training center. See <http://www.hud.gov/offices/cpd/affordablehousing/training/homefront/index.cfm>.
- HOME TA funds are used to assist grantees under the College of Experts. The College of Experts is a flexible tool that permits the Office of Community Planning and Development to provide expert direct technical assistance to address specific problems or challenges encountered by grantees.
- HOME TA funds are used to implement program improvements resulting from the Consolidated Plan Improvement Initiative, (CPII), as required by the President's Management Agenda and the PART evaluation. Communities use the Consolidated Plan to identify community and neighborhood development needs, the actions that will address those needs, and the measures to gauge their performance. HUD has worked with State and local government grantees, interest groups and advocates, since the inception of the CPII, to streamline the Consolidated Plan and make it more results-oriented and useful to communities in assessing their own progress in addressing the problems of low-income areas. In early 2006, HUD will issue a final rule on these streamlining changes. In addition, a joint working group of grantee members of the major national community development organizations, OMB, and HUD, developed a framework of outcome indicators for CPD formula grant programs. The use of these indicators will enable grantees to identify outcomes related to the needs and goals established in their Consolidated Plans, and develop standardized outcome measures that may be aggregated at the national level. A notice on this framework was published in the June 10, 2005, *Federal Register*.

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)

<b>Working Capital Fund Transfer</b>	<b><u>Amount</u></b>
2005 Appropriation .....	\$1,984
2006 Appropriation/Request .....	990
2007 Request .....	<u>3,465</u>
Program Improvements/Offsets .....	+2,475

**Proposed Actions**

Working Capital Fund Transfer. This Budget proposes a transfer of \$3.5 million to the Working Capital Fund. This funding will allow for the maintenance, development, or re-engineering of Community Planning and Development systems, including the Integrated Disbursement and Information System (IDIS).

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)

<b>Insular Areas</b>	<b><u>Amount</u></b>
2005 Appropriation .....	\$3,617
2006 Appropriation/Request .....	3,382
2007 Request .....	<u>3,633</u>
Program Improvements/Offsets .....	+251

**Proposed Actions**

These funds are distributed by formula (see Formula Grants) to the Virgin Islands, American Samoa, Guam, and the Northern Marianas. By statute, the greater of 0.2 percent of the total allocation or \$750,000 is available to Insular Areas each year.

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Offsets  
(Dollars in Thousands)

<b>Housing Counseling</b>	<b><u>Amount</u></b>
2005 Appropriation .....	\$41,664
2006 Appropriation/Request .....	41,580
2007 Request .....	<u>...</u>
Program Improvements/Offsets .....	-41,580

**Proposed Actions**

Funding for fiscal year 2007 is requested at \$44.5 million in a separate account within the Office of Housing, reflecting the priority of this Presidential initiative in increasing both national homeownership and minority homeownership.

HOME Investment Partnerships Program

DISTRIBUTIONS OF FUNDS BY STATE

The following table shows HOME Investment Partnerships Program allocations by State for 2005, 2006 and 2007 appropriations. The 2007 amounts represent preliminary estimates which are subject to change.

<u>STATE OR TERRITORY</u>	<u>ACTUAL</u> <u>2005</u>	<u>ESTIMATE</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u>
		(Dollars in Thousands)	
Alabama . . . . .	\$25,868	\$24,131	\$26,968
Alaska . . . . .	4,184	\$4,056	\$4,515
Arizona . . . . .	26,613	\$24,694	\$27,714
Arkansas . . . . .	16,328	\$15,203	\$16,989
California . . . . .	266,520	\$247,356	\$275,030
Colorado . . . . .	22,855	\$21,080	\$23,777
Connecticut . . . . .	21,295	\$19,726	\$22,098
Delaware . . . . .	5,088	\$4,905	\$5,435
District of Columbia . . . . .	9,220	\$8,661	\$9,622
Florida . . . . .	82,937	\$77,411	\$86,754
Georgia . . . . .	44,160	\$41,133	\$46,167
Hawaii . . . . .	7,832	\$7,410	\$8,310
Idaho . . . . .	7,057	\$6,575	\$7,337
Illinois . . . . .	77,508	\$71,877	\$80,390
Indiana . . . . .	31,171	\$28,930	\$32,514
Iowa . . . . .	15,438	\$14,313	\$16,048
Kansas . . . . .	13,886	\$12,840	\$14,456
Kentucky . . . . .	25,487	\$23,670	\$26,436
Louisiana . . . . .	31,906	\$29,558	\$32,861
Maine . . . . .	8,609	\$7,994	\$8,904
Maryland . . . . .	26,065	\$24,023	\$27,091
Massachusetts . . . . .	48,900	\$45,036	\$50,278
Michigan . . . . .	52,668	\$48,574	\$54,337
Minnesota . . . . .	23,348	\$21,620	\$24,309
Mississippi . . . . .	17,575	\$16,393	\$18,216

HOME Investment Partnerships Program

<u>STATE OR TERRITORY</u>	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(Dollars in Thousands)		
Missouri . . . . .	\$31,684	\$29,469	\$33,060
Montana . . . . .	6,330	5,891	6,567
Nebraska . . . . .	9,339	8,609	9,727
Nevada . . . . .	12,252	11,491	12,883
New Hampshire . . . . .	6,655	6,173	6,919
New Jersey . . . . .	50,417	46,523	51,975
New Mexico . . . . .	11,231	10,480	11,661
New York . . . . .	207,164	192,144	212,808
North Carolina . . . . .	41,507	38,254	43,037
North Dakota . . . . .	3,696	3,595	4,048
Ohio . . . . .	68,637	63,613	71,298
Oklahoma . . . . .	20,927	19,385	21,708
Oregon . . . . .	22,326	20,709	23,211
Pennsylvania . . . . .	77,375	71,430	79,631
Rhode Island . . . . .	9,720	9,044	10,105
South Carolina . . . . .	20,436	18,797	21,069
South Dakota . . . . .	4,385	4,058	4,560
Tennessee . . . . .	31,778	29,468	33,048
Texas . . . . .	121,892	112,372	125,973
Utah . . . . .	9,601	8,872	9,956
Vermont . . . . .	4,343	4,051	4,503
Virginia . . . . .	35,105	32,504	36,532
Washington . . . . .	35,284	32,641	36,703
West Virginia . . . . .	13,388	12,473	13,800
Wisconsin . . . . .	29,261	26,918	30,326
Wyoming . . . . .	3,586	3,543	3,929
Puerto Rico . . . . .	<u>33,722</u>	<u>31,722</u>	<u>34,049</u>
Subtotal Formula Grants a/	1,834,559	1,701,398	1,899,642
Other activities . . . . .	<u>65,121</u>	<u>55,852</u>	<u>16,998</u>
TOTAL HOME . . . . .	1,899,680	1,757,250	1,916,640

a/ These funds include American Dream Downpayment funds, but do not include reallocated funds.

**COMMUNITY PLANNING AND DEVELOPMENT ACCOUNT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Performance Measurement Table**

<b>Program Name: HOME INVESTMENT PARTNERSHIPS PROGRAM</b>					
Program Mission: The HOME Investment Partnerships Program plays a key role in expanding homeownership in America.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
The number of homeowners who have been assisted with HOME is maximized. (The American Dream Downpayment Initiative will assist 5,000 new homebuyers in fiscal year 2007 from current and previous appropriations, with full implementation resulting in the assistance of 13,000 new homebuyers over several years.)	GMS/IDIS	34,806 (8,000)	32,307 (8,894)	36,001 (10,000)	30,221 a/ (5,000)
The number of completed rental households and rental housing units assisted with HOME.	IDIS	32,391	54,166	31,419	30,477
The share of HOME-assisted rental units for which occupancy information is reported shall be maintained at a level of 90 percent.	IDIS	90 percent	92 percent	90 percent	90 percent
The net number of years of affordability remaining for all HOME-assisted units is maximized.	IDIS	775,000	983,713	1 million	1.15 million
Streamline Consolidated Plan.	Consolidated Plans	Revise Regulations	Revised Regulations	Implement regulatory changes	Integrate CON Plan into IDIS

a/ Number of homeowners assisted in fiscal year 2007 represents production resulting from pre-fiscal year 2007 appropriations. Production from the fiscal year 2007 funding will occur in fiscal year 2008 and proceed in future years.

**Explanation of Indicators**

**The number of homeowners who have been assisted with HOME is maximized.**

The HOME Investment Partnerships Program provides communities with the flexibility necessary to meet their affordable housing needs in a variety of ways, and has become an important part of the Department's efforts to increase the homeownership rate of minorities and persons with disabilities. HOME funds may be used as direct assistance to the homebuyer for downpayment or closing costs, interest rate subsidies, or development subsidies, including the hard and soft costs associated with the acquisition, new construction, or rehabilitation of single-family, and 1-4 unit homes. Performance data indicate that 82 percent of existing homeowners and 52 percent of new homebuyers receiving assistance under HOME have incomes below 60 percent of the median income. The \$518 million in fiscal year 2007 HOME funds that are estimated to be expended on assisting homebuyers is based upon the historical commitment of HOME funds for this purpose--approximately 25 percent of all project commitments. A total of 25,221 new homeowners assisted with HOME funds and 5,000 assisted with ADDI funds are projected for fiscal year 2007, including approximately 1,500 who will be assisted with 2007 funds.

**The number of HOME rental production units that are completed and the number of households assisted with tenant-based rental assistance within the fiscal year will be maximized.**

While HUD has a number of programs that can be used to provide affordable housing, the HOME Program is the major affordable housing production program. HOME Program funds can be used by State and local PJs to produce affordable rental units, assist homebuyers and existing homeowners, and provide tenant-based rental assistance (TBRA) for families with incomes well below the low-income threshold for assistance. For example, approximately 41 percent of rental units produced with HOME Program funds are occupied by families with incomes at or below 30 percent of the area median (extremely low-income). Together with HOME-funded TBRA, fully 52 percent of families assisted are of extremely low-income with worst-case housing needs. During fiscal year 2005, PJs completed 80,751 HOME-assisted units using funds from fiscal year 2005 and prior years. Of this total, 33,612 units were rental housing, 32,307 units were homebuyer housing and 14,832 units were existing homeowner rehabilitation housing. An additional 20,554 families were assisted with TBRA. Projections for rental completions in fiscal years 2006 and 2007, excluding TBRA, are 21,338 and 20,698, respectively. The projections for TBRA in fiscal years 2006 and 2007 are 10,081 and 9,779, respectively. The total number of units completed since the beginning of the HOME Program stood at 632,998 through the end of fiscal year 2005. The average investment in HOME dollars to produce a unit of affordable housing as of September 30, 2005 was \$16,038 out of a total per-unit cost of \$73,775. This represents leveraging of HOME funds to other dollars of approximately 3.6:1.

**The share of HOME-assisted rental units for which occupancy information is reported is maintained at 90 percent.**

This indicator tracks the level of reporting by PJs of household occupancy data for HOME rental units into IDIS, the data collection system for HUD's formula grant programs that serve local jurisdictions--CDBG, HOME, ESG and HOPWA. Reporting rates for HOME are based on reporting of HOME rental household data at project completion for those households moving into completed HOME rental developments.

For fiscal year 2003, the share of HOME-assisted rental units for which occupancy information was reported was 90 percent, a two percentage point gain over fiscal year 2002, and building on a comparable improvement in the previous 2 years. In fiscal year 2000, HUD completed a major data cleanup effort of HOME data in the Integrated Disbursement Information System, resulting in the higher reporting percentage. The goal in fiscal years 2006 and 2007 goal is to maintain reporting at the 90 percent level.

An important tool in meeting this objective will be the performance "SNAPSHOTs" developed to track the achievements of individual participating jurisdictions. One of the factors in the SNAPSHOT is the percentage of completed HOME-assisted rental units for which occupancy data is reported. The visibility now given this requirement through the performance SNAPSHOT will strongly encourage greater compliance with this HOME program requirement at no cost to the Department.



HOME Investment Partnerships Program

**The net number of years of affordability remaining for all HOME-assisted units is maximized.**

This indicator tracks the number of years of affordability produced for low-income households residing in units developed through investment of HOME funds. Rental and homebuyer units produced with HOME funds must remain affordable, through rent and other restrictions, to low-income households for a minimum of five and for as much as 20 years--depending upon the amount of the HOME investment. The net number of years of affordability remaining at any point-in-time is calculated by multiplying the number of units assisted by the remaining number of years of affordability attached to those units. The greater the number of years a unit remains affordable, the greater the rent stability for low-income households and, as a consequence, the greater the likelihood that their disposable income for non-rent expenses will increase or be maintained.

**President's Management Agenda - Consolidated Plan Improvement Initiative.**

CPD has completed the Consolidated Plan Improvement Initiative by streamlining the Consolidated Planning with regulatory changes, guidance, and by issuing the Consolidated Plan Management Process Tool (CPMP). The CPMP is a new approach to managing the consolidated planning and reporting process that enables grantees to streamline the submission process and creates a standardized format that enhances the jurisdiction's ability to track results and facilitate review by HUD, grantees and the public. This tool will serve as the prototype for a newly re-engineered Integrated Disbursement and Information System that supports local setting and tracking of performance, aggregation of results relative to national goals, and the assessment of progress toward addressing the problems of low-income areas.

**Efficiency Measure.**

The HOME program has established an efficiency measure that the annual increase in the average "blended" HOME investment per unit produced will be no higher than 3 percent.

HOME Investment Partnerships Program

**COMMUNITY PLANNING AND DEVELOPMENT  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Justification of Proposed Changes in Appropriations Language**

The 2007 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and language proposed for deletion is bracketed.

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, [1,750,000,000] *\$1,916,640,000*, to remain available until September 30, [2008] 2009: *Provided*, That of the total amount provided in this paragraph, [up to \$42,000,000 shall be for housing counseling under section 106 of the Housing and Urban Development Act of 1968 and \$1,000,000] *\$3,465,000* shall be transferred to the Working Capital Fund.

In addition to amounts otherwise made available under this heading, [\$25,000,000] *\$100,000,000*, to remain available until September 30, [2008] 2009, for assistance to homebuyers as authorized under title I of the American Dream Downpayment Act.

Explanation of Changes

Deletes language providing \$42,000,000 for housing counseling assistance, which has been established as a separate account.

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
 HOME INVESTMENT PARTNERSHIPS PROGRAM  
 Crosswalk of 2005 Availability  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Formula Grants .....	\$1,799,354	-\$14,395	...	...	\$370,975 <sup>a</sup>	\$2,155,934
American Dream Downpayment Initiative	50,000	-400	...	...	...	49,600
Insular Areas .....	3,646	-29	...	...	...	3,617
HOME/CHDO Technical Assistance .....	18,000	-144	...	...	31,410	49,266
Housing Counseling .....	42,000	-336	...	...	44,144	85,808
Program Management & Analytical						
Support .....	...	...	...	...	51	51
Working Capital Fund Transfer .....	2,000	-16	...	...	...	1,984
Disaster Assistance .....	...	...	...	...	499	499
Total .....	1,915,000	-15,320	...	...	447,079	2,346,759

a/ This carryover includes Formula Grants, American Dream Downpayment Initiative, and Insular Areas funds.

HOME Investment Partnerships Program

COMMUNITY PLANNING AND DEVELOPMENT  
 HOME INVESTMENT PARTNERSHIPS PROGRAM  
 Crosswalk of 2006 Changes  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 President's Budget Request</u>	<u>Congressional Appropriations Action on 2006 Request</u>	<u>2006 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Formula Grants .....	\$1,726,518	\$1,693,584	-\$16,936	...	\$239,950 <sup>a</sup>	\$1,916,598
American Dream Downpayment Initiative	200,000	25,000	-250	...	...	24,750
Insular Areas .....	3,482	3,416	-34	...	...	3,382
HOME/CHDO Technical Assistance .....	10,000	10,000	-100	...	35,256	45,156
Housing Counseling .....	... <sup>b</sup>	42,000	-420	...	41,911	83,491
Program Management & Analytical Support .....	...	...	...	...	30	30
Working Capital Fund Transfer .....	1,000	1,000	-10	...	...	990
Disaster Assistance .....	...	...	...	...	499	499
Total .....	1,941,000	1,775,000	-17,750	...	317,646	2,074,896

a/ Includes Formula Grants, American Dream Downpayment Initiative, and Insular Areas funds.

b/ Requested funds as a separate account.