



An Overview of the HOME Investment Partnerships Program

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Summary

The HOME Investment Partnerships Program was authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625). HOME is a federal block grant program that provides funding to states and localities to be used exclusively for affordable housing activities to benefit low-income households.

Funds for HOME are appropriated annually to the Department of Housing and Urban Development (HUD), which in turn distributes funding to states and certain localities by formula. Sixty percent of HOME funds are allocated to localities, and 40% of HOME funds are allocated to states. The formula takes into account six factors, including the number of units in a jurisdiction that are substandard or unaffordable, the age of a jurisdiction's housing, and the number of families living below the poverty line in the jurisdiction. States and localities that receive HOME funds are known as participating jurisdictions. As part of the process of becoming a participating jurisdiction, states and localities must submit a Consolidated Plan to HUD that identifies the community's housing needs and describes in detail how HOME and other HUD block grant funds will be used to meet those needs. Participating jurisdictions can undertake projects themselves, or they can distribute funds to qualified organizations to undertake projects on their behalf.

HOME funds can be used to finance a wide variety of affordable housing activities that generally fall into four categories: rehabilitation of owner-occupied housing, assistance to home buyers, rental housing activities, and tenant-based rental assistance. Projects that use HOME funding must meet certain income targeting and affordability requirements. Specifically, all HOME funds must go to projects that benefit households with incomes at or below 80% of area median income, and 90% of the funds that are used for rental units or tenant-based rental assistance must benefit households with incomes at or below 60% of area median income. Additionally, all housing that uses HOME funds must remain affordable for a set period of time that varies according to the type of activity for which funds are used and the amount of HOME funding contributed to the project. Participating jurisdictions must also match the HOME funds they receive with their own 25% permanent contribution to affordable housing activities.

Funding for HOME has been between \$1.5 and \$2 billion for each of the last several years. In FY2008, all fifty states and 591 localities received HOME formula grants, along with the District of Columbia, Puerto Rico, and four insular areas. The median state grant amount was about \$9.9 million, and the median locality grant amount was about \$831,000. Since the program's inception, over half of HOME funding has been used for rental housing or tenant-based rental assistance. Furthermore, a larger percentage of HOME funding has been used for housing rehabilitation activities than for new construction or acquisition.

This report will be updated as events warrant.

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Introduction

The HOME Investment Partnerships Program was created by the Cranston-Gonzalez National Affordable Housing Act of 1990. HOME is a federal block grant program that provides dedicated funding for affordable housing activities to states and localities through formula grants. States and localities that receive HOME grants can choose to fund a wide range of affordable rental and homeownership housing activities that benefit low-income households in order to best meet local needs. This report provides an introduction to the HOME program, including its history, funding mechanism, eligible activities, and program requirements. It also provides information on recent trends in the appropriation and use of HOME funds. This report will be updated as events warrant.

Background and Context

In the late 1980s, some Members of Congress expressed concern about the state of the nation's housing. This concern stemmed from an increasing awareness of a variety of problems related to housing, including homelessness, families living in sub-standard housing, and decreasing opportunities for homeownership.¹ The concern over these issues led to a number of efforts to focus attention on housing policy, including the creation of a National Housing Task Force comprised of housing policy experts and industry leaders. In March 1988, the Task Force produced a report on its findings.² Among the housing issues that the Task Force report identified was a diminishing supply of rental and homeownership housing that was affordable to low-income households.³

In a 1988 hearing on the Task Force report, some members of the Senate Committee on Banking, Housing, and Urban Affairs suggested that the federal funding for housing programs was inadequate to meet the affordable housing needs identified in the report.⁴ Most federal housing assistance distributed to states and localities at the time was restricted to specific uses, such as Section 8 vouchers or Public Housing projects. Furthermore, programs that did give communities flexibility to choose how to use their funds, such as the Community Development Block Grant (CDBG) program,⁵ were primarily meant to fund economic development and community revitalization activities and restricted the ways in which funding could be used for affordable housing (for example, CDBG funds could be used for some housing rehabilitation but could not

¹ U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Banking, Finance, and Urban Affairs, *A New National Housing Policy: Recommendations of Organizations and Individuals Concerned about Affordable Housing in America*, joint committee print, 100th Cong., 1st sess., October 1987, S. Prt. 100-58 (Washington: GPO, 1987), p. V.

² The National Housing Task Force, *A Decent Place to Live*, March 1988.

³ U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Housing and Urban Affairs, hearing on the report of the National Housing Task Force, 100th Cong., 2nd sess., April 12 and 14, 1988, S. Hrg. 100-689 (Washington: GPO, 1988), pp. 1-10. "Affordable housing" can be defined differently in different contexts, but is generally understood to mean housing that costs 30% or less of a household's income. Households that pay more than 30% of their income for housing are considered cost-burdened, and households that pay more than 50% of their income for housing are considered severely cost-burdened.

⁴ *Ibid.*, p. 8.

⁵ CDBG was established by the Housing and Community Development Act of 1974 (P.L. 93-383).

generally be used to construct new housing units).⁶ Concerned that existing programs were not meeting the nation's affordable housing needs, members of the Housing Task Force argued to the Subcommittee that the level of federal funding specifically dedicated to affordable housing should be increased in order to fully address affordable housing issues. At the same time, Task Force members argued that local jurisdictions should be allowed more control over the ways in which they used any such dedicated federal affordable housing funding.⁷

In 1990, Congress passed a major housing bill that responded to some of the issues raised by the Housing Task Force and other experts.⁸ The Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), or NAHA, stated that the nation's housing policy was not meeting the goal of providing "decent, safe, sanitary, and affordable living environments for all Americans" that was first set out in the Housing Act of 1949.⁹ The law revised and amended several existing housing programs and authorized a number of new programs, including the HOME Investment Partnerships Program.¹⁰

The HOME Investment Partnerships Program is authorized by Title II of NAHA.¹¹ In creating HOME, the law consolidated several smaller housing programs into the largest federal block grant program that provides funding dedicated exclusively to increasing adequate, affordable housing opportunities for low- and very low-income households.¹² The program places a particular emphasis on giving states and localities flexibility in how they achieve their affordable housing goals. HOME is also designed to expand the capacity of states and localities to meet their long-term affordable housing needs by leveraging federal funding to attract state, local, and private investment in affordable housing and by strengthening the ability of government and nonprofit organizations to meet local housing needs.¹³

⁶ Eligible activities that can be undertaken with CDBG funds are codified at 42 U.S.C. 5305. For more information on CDBG and federal housing assistance programs in general, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty et al..

⁷ S. Hrg. 100-689, hearing before the Subcommittee on Banking, Housing, and Urban Affairs on the report of the National Housing Task Force, p. 21.

⁸ U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *National Affordable Housing Act*, report to accompany S.566, 101st Cong., 2nd sess., S.Rept. 101-316 (Washington: GPO, 1990), pp.1-5.

⁹ 42 U.S.C. § 12721.

¹⁰ Other programs authorized by NAHA include the Homeownership and Opportunity for People Everywhere (HOPE) program, which is no longer funded, and the Housing Opportunities for Persons with AIDS (HOPWA) program. For more information on HOPWA, see CRS Report RL34318, *Housing Opportunities for Persons with AIDS (HOPWA)*, by Libby Perl.

¹¹ The HOME statute is codified at 42 U.S.C. § 12722 et. seq. Regulations can be found at 24 CFR Part 92.

¹² U.S. Department of Housing and Urban Development web page, *HOME Investment Partnerships Program*, available at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>. Low-income households are generally defined as households with incomes at or below 80% of area median income (AMI), and very-low income households are defined as those households with incomes at or below 50% of AMI.

¹³ 42 U.S.C. § 12722.

Distribution and Uses of HOME Funds

The Funding Process

Each fiscal year, Congress appropriates funding to the Department of Housing and Urban Development (HUD) for the HOME program during the annual appropriations process. HUD then uses a formula to allocate 40% of the funds to states and the remaining 60% to localities. (The allocation formula is discussed in detail later in this report.) For the purposes of the HOME program, the District of Columbia and Puerto Rico are considered to be states.

Before distributing funds to states and localities, HUD sets aside the greater of \$750,000 or 0.2% of total HOME appropriations for insular areas. Insular areas eligible for HOME funds are Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa.

Allocation by HUD to Participating Jurisdictions

In order to receive HOME funds from HUD, states and localities must first become participating jurisdictions (PJs). Participating jurisdictions can be states, localities, or multiple contiguous localities that join together to form consortia. States are automatically eligible to become PJs and receive the greater of their formula grant amount or \$3 million annually. Localities can only become PJs if they are metropolitan cities or urban counties,¹⁴ and if they meet two funding thresholds. First, localities must be eligible for a minimum amount of funding under the formula, usually \$500,000.¹⁵ Once localities meet this threshold, they must also meet a second threshold: localities must dedicate a total of at least \$750,000 to affordable housing activities, either by having a HOME formula grant of at least \$750,000 or by making up the difference between their grant amount and the \$750,000 threshold with their own funds or state HOME funds.¹⁶

Localities that do not meet the requirements to become participating jurisdictions may join with other contiguous localities to form consortia in order to reach the minimum funding thresholds. Localities that are not PJs can also participate in the HOME program by applying to their home state to receive a portion of the state's allocation of HOME funds. States in which no locality receives its own allocation of HOME funding have their grant amounts increased by \$500,000.

Once a state or locality is informed of how much funding it is eligible to receive according to the formula, the entity must 1) notify HUD of its intention to participate in the program, and 2)

¹⁴ A metropolitan city is defined to be the central city of a metropolitan statistical area (MSA), as defined by the Office of Management and Budget (OMB), or any other city within a metropolitan area with a population of at least 50,000 people. An urban county is defined to be a county in a metropolitan area that is authorized by state law to undertake essential community development and housing assistance activities in its unincorporated areas and either 1) has a population of at least 200,000 people, excluding metropolitan cities within the county, with at least 100,000 of that population residing in unincorporated areas or included units of general local government, or 2) has a population of at least 100,000 people, a population density of at least 5,000 people per square mile, and includes no incorporated places (as defined by the U.S. Census Bureau) within its borders. These definitions can be found at 42 U.S.C. § 5302(a)(4) and 42 U.S.C. § 5302(a)(6).

¹⁵ The minimum direct allocation threshold is reduced to \$335,000 in years when Congressional appropriations for HOME are less than \$1.5 billion.

¹⁶ The minimum contribution to affordable housing activities is reduced to \$500,000 in years when Congressional appropriations for HOME are less than \$1.5 billion.

submit a Consolidated Plan for HUD's approval before it can become a PJ. (The Consolidated Plan is described later in this report.) Once a state or locality has been designated a PJ, it remains one unless its designation is revoked by the Secretary of HUD. The Secretary has the authority to revoke a jurisdiction's designation if he finds that the jurisdiction is not complying with program requirements, or if a locality's formula grant or contribution to affordable housing falls below certain thresholds over a specified period of time, although he or she is not required to do so.¹⁷

The Home Formula

HUD allocates HOME funds to states and localities based on a formula that takes into account six factors.¹⁸ Four of these factors are weighted 20%:

- The number of occupied rental units in a jurisdiction that have at least one of four problems: 1) overcrowding, defined as more than one occupant per room; 2) incomplete kitchen facilities, defined as the lack of a sink with running water, a range, or a refrigerator; 3) incomplete plumbing, defined as the lack of hot and cold piped water, a flush toilet, or a bathtub or shower that is inside the unit and used solely by the unit's occupants; or 4) high rent costs, defined as rent that costs more than 30% of the household's income.
- The number of rental units in a jurisdiction that were built before 1950 and are occupied by poor households.
- The number of occupied rental units in a jurisdiction that have at least one of the four problems discussed above (overcrowding, incomplete kitchen facilities, incomplete plumbing, or high rent costs) multiplied by the ratio of the cost of producing housing within the jurisdiction to the cost of producing housing nationally.
- The number of families at or below the poverty level in a jurisdiction.

The remaining two factors are weighted 10%:

- The number of rental units in a jurisdiction, adjusted for vacancies, where the head of household's income is at or below the poverty line. This number is multiplied by the ratio of the national rental unit vacancy rate over the jurisdiction's rental unit vacancy rate.
- The jurisdiction's population multiplied by its net per capita income.¹⁹

¹⁷ The Secretary can choose to revoke a locality's designation as a participating jurisdiction if its contribution to affordable housing activities falls below \$750,000 for three consecutive years, below \$625,000 for two consecutive years, or if the jurisdiction does not receive a formula allocation of at least \$500,000 in any single year (24 CFR § 92.107).

¹⁸ 24 CFR § 92.50.

¹⁹ A jurisdiction's net per capita income is computed by subtracting the per capita income of a family of three at the poverty threshold from the jurisdiction's per capita income. An index is constructed by dividing the national net per capita income by a jurisdiction's net per capita income (24 CFR § 92.50).

Allocation by Participating Jurisdictions

Once a participating jurisdiction receives its formula allocation, it has 24 months to commit HOME funds to specific projects and five years to expend the funds. If a PJ does not commit its funds within the time allotted, the funds will revert to HUD and be reallocated to other PJs. A participating jurisdiction can administer HOME funds itself, or it can designate a public agency or non-profit organization to administer all or part of the HOME program on its behalf. Such an organization is referred to as a subrecipient. Participating jurisdictions or their subrecipients can distribute funds to a variety of organizations to undertake specific projects. These organizations can include developers, owners, and sponsors of affordable housing, Community Housing Development Organizations (CHDOs),²⁰ private lenders, faith-based organizations, and third-party contractors. Participating jurisdictions can also disburse HOME funds in a variety of ways. Forms of disbursement may include, but are not limited to, grants, various types of loans, or loan guarantees to lending organizations.

The Consolidated Plan

As mentioned earlier, a state or locality must submit a Consolidated Plan to HUD before it can be designated a participating jurisdiction. The Consolidated Plan serves as a jurisdiction's application for HOME funding and funding from HUD's three other block grant programs.²¹ While many activities are eligible uses of HOME dollars, participating jurisdictions must specify which activities they intend to fund in their Consolidated Plans in order to use HOME funds to finance those activities.

The Consolidated Plan includes a detailed description of the jurisdiction's housing needs and an explanation of how it will use HOME and other HUD block grant funds to meet those needs over a five-year period. The Consolidated Plan also describes how the jurisdiction will leverage HOME funds to attract local, private, non-profit, or other non-federal sources of funds for affordable housing, and it prioritizes projects by type and geographic location.

The Consolidated Plan is meant to be the product of "a participatory process among citizens, organizations, businesses, and other stakeholders" in a community.²² The HOME regulations stress community participation, especially by low- and moderate-income persons, in developing the Consolidated Plan. Although a jurisdiction's Consolidated Plan covers a five-year period, it must be updated annually, and each year the jurisdiction must submit to HUD an update on its progress and a "citizen participation plan" that describes how citizens have been included and consulted in the process.

²⁰ Community Housing Development Organizations are private, non-profit organizations that meet certain legal and organizational requirements, as well as requirements concerning their capacity and experience related to affordable housing activities.

²¹ The other programs are Community Development Block Grants (CDBGs), Emergency Shelter Grants (ESGs), and Housing Opportunities for Persons with AIDS (HOPWA). For more information on these programs, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty et al.. For more information specifically on ESG, see CRS Report RL33764, *The HUD Homeless Assistance Grants: Distribution of Funds*, by Libby Perl, and for more information specifically on HOPWA, see CRS Report RL34318, *Housing Opportunities for Persons with AIDS (HOPWA)*, by Libby Perl.

²² 24 CFR Part 91.1(b)(1).

Eligible HOME Activities

In the years leading up to NAHA's passage, some experts argued that local affordable housing needs varied, and that localities should be free to develop solutions that fit local conditions.²³ HUD describes one of the purposes of the HOME program as reinforcing the principle that states and localities should have flexibility and control over how to best meet their affordable housing needs.²⁴ Accordingly, a wide range of activities qualifies for HOME funding, including both homeownership and rental housing activities. The law requires participating jurisdictions to give rehabilitation of existing rental and owner-occupied units priority. However, a PJ can undertake other activities if it certifies that rehabilitation is not the most cost-effective way for it to increase its supply of affordable housing or that rehabilitation is inadequate to meet its affordable housing needs.

The eligible uses of HOME funds fall into four broad categories:

- *Rehabilitation of Owner-Occupied Housing.* Funds may be used to help existing homeowners repair, rehabilitate, or reconstruct owner-occupied housing.
- *Assistance to Home Buyers.* Funds may be used to help home buyers acquire; acquire and rehabilitate; or, in certain circumstances, construct new homes.
- *Rental Housing Activities.* Funds may be used to help developers or other housing organizations acquire; rehabilitate; or, in certain circumstances, construct affordable rental housing.
- *Tenant-Based Rental Assistance.* Funds may be used to help renters with costs related to renting, such as security deposits; rent; and, under certain circumstances, utility payments.

There are certain activities which are not eligible for funding under the HOME program. Ineligible uses of HOME funds include modernizing public housing, providing tenant-based rental assistance under the Section 8 program, supporting ongoing operational costs of rental housing, paying back taxes or fees on properties that are or will be assisted with HOME funds, and providing non-federal matching funds for any other federal program. Other uses not authorized in statute or regulation are also prohibited.²⁵

HOME Requirements

While PJs have much flexibility in choosing which eligible activities they will fund with HOME dollars, any projects funded through HOME must meet certain requirements in keeping with the program's stated objectives. This section describes some of the key requirements with which PJs must comply.

²³ S. Hrg. 100-689, hearing before the Subcommittee on Banking, Housing, and Urban Affairs on the report of the National Housing Task Force, p. 21.

²⁴ U.S. Department of Housing and Urban Development webpage, *HOME Investment Partnerships Program*, available at <http://www.hud.gov/offices/cpd/affordablehousing/=programs/home/>.

²⁵ Activities that are prohibited uses of HOME funds are described at 42 U.S.C. § 12742(d) and 24 CFR § 92.214.

Income Targeting

A stated purpose of the HOME program, according to the authorizing statute, is to increase the supply of decent, affordable housing for people with low incomes and very low incomes.²⁶ Accordingly, all HOME funds must be used to assist low-income households, which are households with annual incomes at or below 80% of area median income. Additional income targeting requirements apply to rental housing and tenant-based rental assistance.

Homeownership Housing. All HOME funds that are used for existing owner-occupied housing or to assist home buyers must benefit units that are occupied by households with incomes at or below 80% of area median income.

Rental Housing and Tenant-Based Rental Assistance. Ninety percent of the funds used for rental housing and tenant-based rental assistance must benefit households whose incomes are at or below 60% of area median income. The remaining 10% must be used to benefit households with incomes at or below 80% of area median income.

Long-Term Affordability and Other Requirements

The income targeting requirements described above ensure that HOME-assisted units benefit low-income households. Additionally, HOME-assisted units must continue to be occupied by low-income households and remain affordable to such households over the long term. In order to achieve this goal, HOME-assisted units must meet a number of requirements. Some of these requirements govern the value of HOME-assisted units or the amounts that a household can pay to rent or purchase a unit. HOME-assisted units must also meet additional requirements, separate from the value of the home, to ensure affordability. As with income targeting, the precise requirements that must be met depend on whether HOME funding is used for assistance to home buyers, owner-occupied housing rehabilitation, or rental housing activities.

Assistance to Home Buyers. Housing bought by home buyers with the assistance of HOME funds must meet the following requirements:

- The home buyer must belong to a low-income family, and the family must use the home as a principal residence.
- The initial purchase price or value after rehabilitation must be no more than 95% of the median purchase price of homes in the area, as determined by the Secretary of HUD and adjusted as the Secretary deems necessary for different types of structures and the age of the housing.²⁷
- Home buyer units must continue to meet the definition of affordability described above for between five and fifteen years, depending on the per-unit amount of HOME funds expended on a project.

²⁶ 42 U.S.C. § 12722.

²⁷ Participating jurisdictions can base their calculation of 95% of the median purchase price of homes in the area on either the single family mortgage limits established for the Federal Housing Administration's single-family mortgage insurance program, found at 12 U.S.C. § 1709(b)(B)(i), or on a detailed market analysis that conforms to requirements set out by HUD, which can be found at 24 CFR § 92.254.

- The housing must be single-family housing.²⁸
- If the housing is newly constructed, it must meet energy-efficiency standards.
- Participating jurisdictions must impose resale or recapture restrictions on units in which they have assisted the home buyer using HOME funds. These restrictions specify that if a homeowner sells his or her home during the affordability period, he or she is required to sell it to another qualified low-income buyer (resale) or to return some of the proceeds of the sale to the PJ in order to cover the HOME funds that were invested in the home (recapture).

Resale and recapture restrictions are set by the jurisdiction and approved by the Secretary. Resale restrictions must ensure that, upon resale, 1) the housing remains affordable to low-income home buyers, and 2) the owner receives a fair return on investment. Recapture restrictions must ensure that the investment in the housing is recaptured in order to assist other persons who qualify for HOME-assisted housing.

Owner-Occupied Housing Rehabilitation. Owner-occupied housing that is rehabilitated using HOME funds must meet the following requirements:

- The owner must belong to a low-income family at the time HOME funds are committed to the project, and the family must use the housing as a principal residence.
- The value of the housing after rehabilitation must be no more than 95% of the median purchase price of homes in the area, as determined by the Secretary of HUD and adjusted as the Secretary deems necessary for different types of structures and the age of the housing.²⁹
- There are no statutory long-term affordability requirements for owner-occupied units that are rehabilitated using HOME funds. However, the PJ can choose to impose an affordability period.

Rental Housing. Rental housing that benefits from the use of HOME funds must meet the following requirements:

- Units must be occupied only by low-income households.
- Rents must not exceed HUD's published maximum rents for the HOME program. The maximum rent for a HOME-assisted rental unit is the lesser of 1) the fair market rent³⁰ for comparable units in the jurisdiction, or 2) 30% of the adjusted income of a household whose income is 65% percent of area median income.³¹

²⁸ HUD defines single-family housing to be "a one- to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot." 24 CFR § 92.2.

²⁹ The methods by which participating jurisdictions can calculate 95% of the median purchase price of homes in the area are described in footnote 27.

³⁰ Fair market rents (FMRs) are calculated annually by HUD and are meant to reflect the cost of modest housing in a community. FMRs can be found on HUD's webpage at <http://www.huduser.org/datasets/fmr.html>.

³¹ Participating jurisdictions must determine tenants' annual income according to the guidelines at 24 CFR § 92.203. HUD's maximum HOME rents will also take into account the number of bedrooms in a unit and average occupancy per unit.

- If a project includes five or more HOME-assisted units, at least 20% of the units must be occupied by families with incomes at or below 50% of area median income. Additionally, those families must have rents that meet *one* of the following requirements:
 - Rents are no higher than 1) the fair market rent for a comparable unit in the jurisdiction, or 2) 30% of 50% of area median income, whichever is lower.
 - Rents are no higher than 30% of the household’s adjusted income.³²
- Rental units must continue to meet these requirements for between five and twenty years, depending on the per-unit amount of HOME funds expended on a project and the type of activity for which HOME funds are used.
- If the housing is newly constructed, it must meet energy-efficiency standards.
- The housing must be available to Section 8 voucher holders.

Matching Requirement

Two stated goals of the HOME program are to leverage federal affordable housing funds by encouraging state, local, and private investment in affordable housing activities, and to increase the capacity of states and localities to meet their affordable housing needs.³³ Accordingly, the HOME statute requires participating jurisdictions to match the HOME funds that they use in a fiscal year with their own 25% permanent contribution to affordable housing activities.

A PJ’s matching funds can come from a wide variety of non-federal sources, including state or local governments, charitable organizations, and the private sector. The matching funds must be devoted to affordable housing activities that are eligible under the HOME guidelines, but they do not necessarily have to support projects that use HOME funds. The match can also take many forms, including in-kind contributions such as labor, construction materials, and land for HOME-eligible projects. Other contributions, such as foregone taxes, other foregone fees, and infrastructure improvements, may also count toward the matching requirement if they are used specifically for projects funded by HOME dollars. The matching requirement may not be met using federal funds.³⁴

The matching requirement must be met in the same fiscal year that HOME funds are used, but if a jurisdiction provides more matching funds than are required in a given year, it can carry those funds forward to meet the matching requirement in subsequent years. The statute directs the

³² If rental units temporarily fail to meet either of the requirements governing the incomes of occupants of HOME-assisted units because of an increase in the current tenants’ income, the unit is still meeting the requirements of this section as long as vacancies are filled according to these requirements.

³³ 42 U.S.C. § 12722.

³⁴ For the purposes of the matching requirement, equity derived from Low-Income Housing Tax Credits (LIHTCs) is considered federal funding. See U.S. Department of Housing and Urban Development CPD Notice 97-03, March 27, 1997, p. 14, available at <http://www.hud.gov/offices/cpd/lawsregs/notices/1997/97-3.pdf>. There is some disagreement over whether tax credits such as the LIHTC should be considered federal spending. Some argue that since tax credits represent foregone revenues, rather than government outlays, they should not be counted as federal spending; others argue that since tax credits represent money that otherwise would have accrued to the federal government, they should be counted as federal spending. For more information on the LIHTC, see CRS Report RS22389, *An Introduction to the Design of the Low-Income Housing Tax Credit*, by Mark P. Keightley.

Secretary to reduce or eliminate a participating jurisdiction's match requirement if the PJ certifies that it is under a condition of fiscal distress. The Secretary can choose to reduce or eliminate the match requirement if the President declares the jurisdiction to be a major disaster area.³⁵

Although nearly all HOME funds are subject to the matching requirement, certain uses of funds are not required to be matched by the PJ. Funds that do not have to be matched include forgiven loans to Community Housing Development Organizations (CHDOs), funds used for administrative purposes (up to an allowable limit), and funds used to fill the threshold gap between a locality's formula allocation and its required \$750,000 contribution to affordable housing activities, unless the locality obtains the latter from state HOME funds.

Set-Aside for Community Housing Development Organizations

As noted earlier, another stated purpose of the HOME authorizing legislation is to expand the capacity of non-profit agencies to provide affordable housing for low and very-low income households. HOME requires each participating jurisdiction to reserve at least 15% of its HOME funding for Community Housing Development Organizations (CHDOs). CHDOs are private nonprofit organizations that meet certain legal and organizational requirements and have the capacity and experience to carry out affordable housing projects. The funds reserved for CHDOs must be used to develop, manage, or sponsor affordable housing. CHDOs can engage in other activities using HOME funds, but any funding spent on projects in which the CHDO is not the developer, manager, or sponsor will not count toward the 15% set-aside requirement for CHDOs.³⁶

HOME Subsidy Limits

When using HOME funds for owner-occupied housing rehabilitation, home buyer assistance, or rental housing activities, participating jurisdictions must follow restrictions on the minimum and maximum amounts of HOME funds that they can contribute to a given project. When participating jurisdictions use HOME funds for tenant-based rental assistance, they must establish both a maximum subsidy amount and a minimum tenant contribution to the tenant's rent.

Homeownership and Rental Housing. The minimum amount of HOME funds that can be used for new construction, rehabilitation, or acquisition of homeownership or rental housing is \$1,000 multiplied by the number of HOME-assisted units in a project. The maximum per-unit subsidy for

³⁵ The Secretary is required to reduce a jurisdiction's match requirement by 50% if the jurisdiction certifies that it is in a condition of fiscal distress and by 100% if the jurisdiction certifies that it is in a condition of severe fiscal distress. A jurisdiction other than a state is considered to be fiscally distressed if it 1) has an average poverty rate in the preceding calendar year that is equal to or greater than 125% of the average national poverty rate, or 2) has an average per capita income in the preceding calendar year that is less than 75% of the average national per capita income. A jurisdiction is considered severely fiscally distressed if it meets both of these conditions. The Secretary may choose to reduce a jurisdiction's match requirement by up to 100% if the jurisdiction is in an area in which a declaration of a disaster under the Stafford Act is in effect for any part of the fiscal year.

³⁶

U.S. Department of Housing and Urban Development, *Building HOME: A HOME Program Primer*, February 2006, page 3-1, available at <http://www.hud.gov/offices/cpd/affordablehousing/training/materials/building/>.

a project varies by participating jurisdiction and is based on the Federal Housing Administration's mortgage limits for moderate income multi-family housing.³⁷

Tenant-Based Rental Assistance. The maximum HOME subsidy amount for tenant-based rental assistance is the difference between 30% of the household's adjusted monthly income and a jurisdiction-wide rent limit established by the participating jurisdiction. The rent limit must conform to certain parameters established by HUD.³⁸ Each participating jurisdiction is also required to set a minimum tenant contribution for tenant-based rental assistance. The minimum tenant contribution can either be a flat dollar amount or a percentage of tenant income.

Administration and Monitoring

A participating jurisdiction may use up to 10% of the funds it is allocated in a fiscal year for administrative purposes. Participating jurisdictions must also comply with record-keeping and monitoring requirements to ensure that they are using funds appropriately, making progress toward their housing goals, and generally funding activities in line with their Consolidated Plans.

Recent Funding, Data, and Trends

Annual Appropriations

Each year, during the annual appropriations process, Congress appropriates funding to the HOME account within HUD's overall appropriation. The HOME account received an appropriation of \$1.5 billion in FY1992, the first year in which it was funded.³⁹ Since FY2000, the annual appropriation to the HOME account has fluctuated between \$1.6 billion and \$2 billion. Appropriations increased between FY2000 and FY2004, from \$1.6 billion to just over \$2 billion, but then fell between FY2005 and FY2008. The FY2008 appropriation to the HOME program was slightly more than \$1.7 billion.

While most of the funding appropriated to the HOME account is used for the formula grants to states and localities discussed earlier in this report, the HOME appropriation also includes funding that is set aside for certain related affordable housing programs. These set-asides are discussed in more detail below. Amounts appropriated for set-asides generally increased between FY2000 and FY2004 along with the increase in appropriations to the entire HOME account, rising from \$47 million to \$150 million over that time period, but decreased again in subsequent years. In FY2008, \$79 million was appropriated for HOME account set-asides. **Table 1** shows annual appropriation levels for the HOME program from FY1992 to FY2008, including the amounts appropriated for formula grants and for set-asides.⁴⁰

³⁷ These limits are published annually and are available from HUD Field Offices.

³⁸ For requirements governing rent limits, see 24 C.F.R. § 92.209.

³⁹ U.S. Department of Housing and Urban Development, *Detailed HOME Program Appropriation History for FY 1992-2005*, available at <http://www.hud.gov/offices/cpd/affordablehousing/budget/index.cfm#home-allocs>.

⁴⁰ HOME account set-asides are discussed later in this report and vary from year to year, but some common programs funded through HOME set-asides include the American Dream Downpayment Initiative, which provides funding for downpayment assistance; housing counseling; and technical assistance. Formula grant funding for insular areas is also included as a set-aside in the HOME account, and in some of the earlier years of the program, there was also a set-aside (continued...)

**Table I. Appropriations for the HOME Account,
FY1992-FY2008**

(\$ in millions)

Fiscal Year	HOME Formula Grants	HOME Set-Asides	HOME Account Total ^a
1992	1,460	40	1,500
1993	988	12	1,000
1994	1,213	62	1,275
1995	1,336	64	1,400
1996	1,361	39	1,400
1997	1,332	68	1,400
1998	1,438	62	1,500
1999	1,550	50	1,600
2000	1,553	47	1,600
2001	1,734	62	1,796
2002	1,743	53	1,796 ^b
2003	1,850	137	1,987
2004	1,855	150	2,006
2005	1,785	115	1,900
2006	1,677	81	1,757
2007	1,677	81	1,757
2008	1,625	79	1,704
Total	26,177	1,202	27,378

Source: Data taken from HUD's FY1994-FY2009 Budget Justifications.

- a. Totals may not add due to rounding. All appropriations figures are post-rescission and do not include any supplemental emergency or disaster funding.
- b. The original HOME appropriation for FY2002 was \$1,796 million, with \$103 million of that amount accounting for HOME set-asides. This included \$50 million for a "Downpayment Assistance Initiative," a precursor to the American Dream Downpayment Initiative (ADDI). However, the appropriation for the downpayment assistance program was subject to the program's being authorized by June 30, 2002. This authorization did not occur in time, and a supplemental FY2002 appropriations bill (P.L. 107-206) rescinded the \$50 million appropriation for downpayment assistance.

(...continued)

for formula grants for Indian tribes.

Formula Grants

In FY2008, every state received a HOME formula grant. The median state grant amount was about \$9.9 million, and the mean grant was over \$24.5 million.⁴¹ The mean is pulled upward by a few states that received especially large formula grant allocations: for example, California received the largest state allocation at over \$54 million. Five states received the minimum grant amount of \$3 million, and a sixth state, Wyoming, received the minimum grant amount plus the additional \$500,000 awarded to states that have no localities receiving their own HOME formula grants.

In FY2008, 591 localities or consortia also received their own HOME formula grant allocations.⁴² The median grant to localities was about \$840,500, and the mean grant was around \$1.6 million.⁴³ Again, the mean grant amount is significantly higher than the median because a few localities received especially large grants. In particular, New York City received a grant of almost \$112 million, close to three times the size of the next largest formula grant to a locality and over twice the next highest formula grant amount awarded (the grant to the state of California). The smallest formula grant amount to a locality was just above \$248,000 and was awarded to Bay City, Michigan.⁴⁴

The **Appendix** at the end of this report shows the number of participating jurisdictions (localities and consortia) in each state in FY2008. It also shows the total combined formula grant funding that each state and its participating jurisdictions received that year, and the percentage of total HOME funding for formula grants that each state's allocation represents.

HOME Account Set-Asides

In addition to providing funding for formula grants to states and localities, the appropriation to the HOME account includes funds that are set aside for related housing programs. Two major HOME account set-asides are discussed in this section.⁴⁵

American Dream Downpayment Initiative

One HOME account set-aside provides funding for the American Dream Downpayment Initiative (ADDI). ADDI was created by the American Dream Downpayment Act (P.L. 108-186), signed into law on December 16, 2003.⁴⁶ The program aims to increase homeownership, especially

⁴¹ The median state grant amount was \$9,914,732 and the mean state grant amount was \$24,562,219. Average and median state grant amounts include the fifty states, the District of Columbia, and Puerto Rico, but exclude grants to insular areas.

⁴² Forty-nine states and Puerto Rico had at least one locality that was a participating jurisdiction and received its own HOME funding. Wyoming had no localities that qualified to receive their own allocations of HOME funds.

⁴³ Specifically, the median grant amount for localities was \$840,508, and the mean grant amount for localities was \$1,656,584.

⁴⁴ Over 100 localities received formula grants under the \$500,000 minimum in FY2008. These localities met the minimum funding threshold in the first year in which they became participating jurisdictions.

⁴⁵ Activities other than those described in this section sometimes receive funding through HOME set-asides, or have received such funding in the past. These activities include technical assistance and support for HUD's information systems, among others. Also, as noted earlier, formula grants for insular areas are also considered a HOME set-aside.

⁴⁶ ADDI is codified at 42 U.S.C. § 12821, and the regulations governing the program can be found beginning at 24 (continued...)

among low-income and minority populations, by providing formula funding to all fifty states⁴⁷ and qualified local jurisdictions for down payment and closing cost assistance for first-time home buyers. States and localities can use ADDI funds to provide closing cost and down payment assistance up to \$10,000 or 6% of a home's purchase price, whichever is greater. Additionally, up to 20% of ADDI funds can be used to assist homeowners with rehabilitation costs, as long as the rehabilitation is completed within a year of the home's purchase.

The formula used to award ADDI funds to states is based on the number of low-income households residing in rental housing in the state relative to the nation as a whole. For localities, the grant amount is based on the number of low-income households residing in rental housing in the jurisdiction relative to the entire state. In order for a local jurisdiction to receive its own allocation of ADDI funds, it must have a population of at least 150,000 or be eligible for a minimum grant of \$50,000 under the ADDI formula.

ADDI was originally authorized to receive \$200 million annually through FY2007, but the program has never received more than \$86 million in appropriations. The FY2008 appropriations law (P.L. 110-161) appropriated \$10 million to ADDI and extended the program through the end of FY2008.

Housing Counseling

Funding for housing counseling is authorized under section 106 of the Housing and Urban Development Act of 1968 (P.L. 90-448).⁴⁸ Since FY1997, funding for housing counseling has been appropriated as a set-aside in the HOME account. HUD competitively awards funding to HUD-approved agencies that provide counseling on a range of housing issues. In each of the last several years, the President has requested that housing counseling be funded through its own account, but to date Congress has continued to fund housing counseling as a set-aside in the HOME account.

Leveraging

Leveraging refers to a program's ability to use its own program dollars to attract additional funding from other sources. Leveraging goals and potential funding sources vary by program, but leveraging can be an important concept for affordable housing because attracting multiple funding sources makes projects more feasible. Attracting other types of funding for affordable housing can also help to build the capacity of organizations that might not be able to undertake projects without the assistance of HOME funds. While HOME does not have a specific leveraging requirement, either in statute or in regulation, one of the stated goals of the HOME

(...continued)

CFR § 92.600.

⁴⁷ The definition of "state" is different under ADDI than under HOME. Specifically, ADDI does not include Puerto Rico as a state after FY2003. Insular areas are not eligible to receive ADDI funds. See 42 U.S.C. § 12821(a)(4) or the U.S. Department of Housing and Urban Development, *American Dream Downpayment Initiative Q&A*, revised May 5, 2005, available at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/addi/qa.pdf>.

⁴⁸ The housing counseling program is codified at 12 U.S.C. § 1701x(c), and the regulations governing the program are found at 24 CFR Part 214.

program is to attract state, local, and private funding for affordable housing activities for low-income households.⁴⁹

HUD reports leveraging statistics for several of its programs, including HOME. According to HUD, every dollar of HOME funds used for housing units that were completed between FY1992 (the first year in which the program was first funded) and November 30, 2008 attracted \$3.70 in non-HOME funds.⁵⁰ The Government Accountability Office (GAO) has analyzed the leveraging statistics that HUD and the Department of the Treasury report for various programs, and has calculated alternatives to the way that HUD reports its leveraging statistics in order to look at the different types of non-HOME funding that HOME-assisted projects attract.⁵¹

GAO found that projects that use HOME dollars do attract private funds and state and local funds. However, HUD's reported leverage ratio of non-program dollars to program dollars may overstate HOME's ability to attract non-federal funding for affordable housing because HOME projects also make use of other federal funding. Using data on HOME projects completed in FY2006 only, HUD's reported leverage ratio for the program in that year is \$4 of other funding for every dollar of HOME funding. Using the same data, GAO found that much of the non-HOME program funding included in HUD's reported leveraging measure for the program comes from other federal sources.⁵² Specifically, as **Figure 1** illustrates, HOME-assisted units that were completed in FY2006 used \$2.36 billion in HOME funding, \$4.52 billion in private funding, \$3.14 billion in other federal funding, and \$1.79 billion in state or local funding. This works out to \$1.92 of private spending, \$1.33 of other federal spending, and \$0.76 of state or local spending for every dollar of HOME funding. A leverage ratio that only took into account other non-federal sources of funding for HOME-assisted projects completed in 2006 would be \$2.68 for every dollar of HOME funding (\$1.92 of private funding and \$0.76 of state and local funding). This is \$1.32 less than the reported leverage ratio that includes all non-program funds. One reason for the relatively large amount of other federal spending on HOME projects is that in GAO's analysis, equity from Low Income Housing Tax Credits (LIHTCs) was counted as other federal funding. Many affordable housing projects use both HOME funding and funds raised by LIHTCs.

Calculating alternative leverage measures for the HOME program, such as those presented by GAO, may provide a more complete picture of how well HOME is meeting its stated purpose of leveraging federal funding to attract other types of funding for affordable housing, including contributions from states, localities, and private entities.

⁴⁹ 42 U.S.C. § 12722.

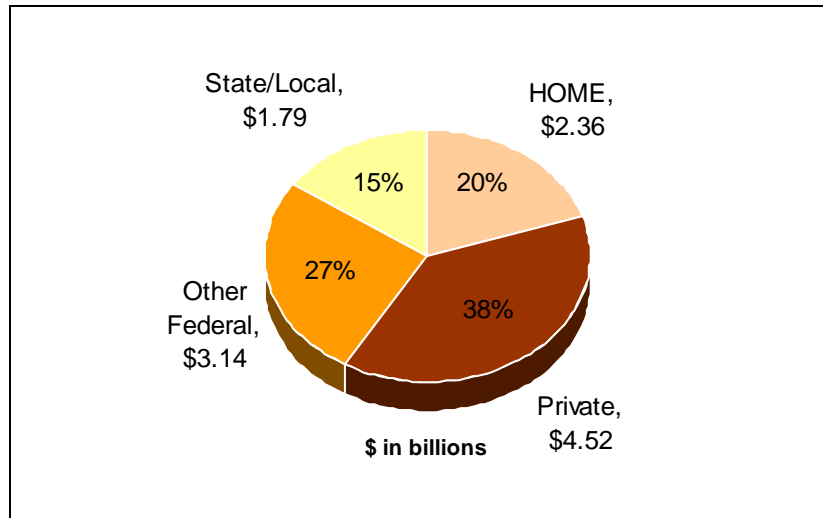
⁵⁰ U.S. Department of Housing and Urban Development, *HOME Program National Production Report as of 11/30/08*, December 4, 2008, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>.

⁵¹ U.S. Government Accountability Office, GAO-08-136, *More Information on Leverage Measures' Accuracy and Linkage to Program Goals is Needed in Assessing Performance*, January 2008, p. 50-53, available at <http://www.gao.gov/new.items/d08136.pdf>.

⁵²

Ibid.

Figure 1. Funding Sources for HOME-Assisted Units Completed in FY2006



Source: Figure prepared by CRS on the basis of data from the U.S. Government Accountability Office, GAO-08-136, *More Information on Leverage Measures' Accuracy and Linkage to Program Goals is Needed in Assessing Performance*.

Subsidy Layering

HOME funds may be combined with other federal resources to support affordable housing projects. Using a combination of federal funds from different sources for a single project is known as subsidy layering. The HOME statute and regulations require a participating jurisdiction that plans to use both HOME funds and other federal funds for a project to submit a subsidy layering certification with its consolidated plan. The certification must provide a strategy for evaluating funding commitments for affordable housing projects, and must ensure that the aggregate amount of federal funds, including HOME funds, that is invested in a housing project is no more than is necessary to provide affordable housing.⁵³

How Participating Jurisdictions Use HOME Funds

HUD reports a number of HOME program performance statistics. These include statistics on the types of completed units that have used HOME funding, the eligible activities funded with HOME dollars, and the income level of households that benefit from HOME funds.

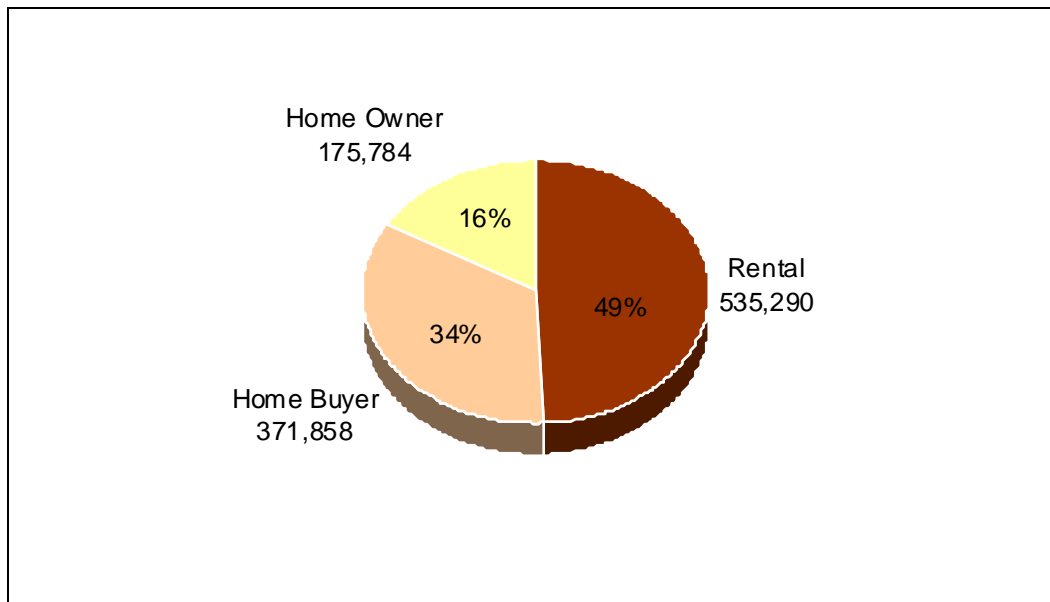
Breakdown of Unit Types

Between the beginning of the HOME program and November 30, 2008, nearly 882,000 physical units of affordable housing have been constructed, rehabilitated, or acquired using HOME funding, and an additional 201,000 families have been assisted through tenant-based rental assistance (TBRA). Together, this amounts to over 1 million physical units and TBRA-assisted households that have benefitted from HOME funds since the program's inception. As explained earlier, units assisted with HOME funds can be homeowner units, home buyer units, or rental

⁵³ See 42 U.S.C. § 12742(f) and 24 CFR § 92.250(b).

units. Rental units and tenant-based rental assistance together represent the largest share of all completed units that have received HOME funding since the program's inception, followed by home buyer units. As shown in **Figure 2**, 49% of all completed units to date are rental units (including households receiving TBRA), 34% are home buyer units, and 16% are homeowner units.

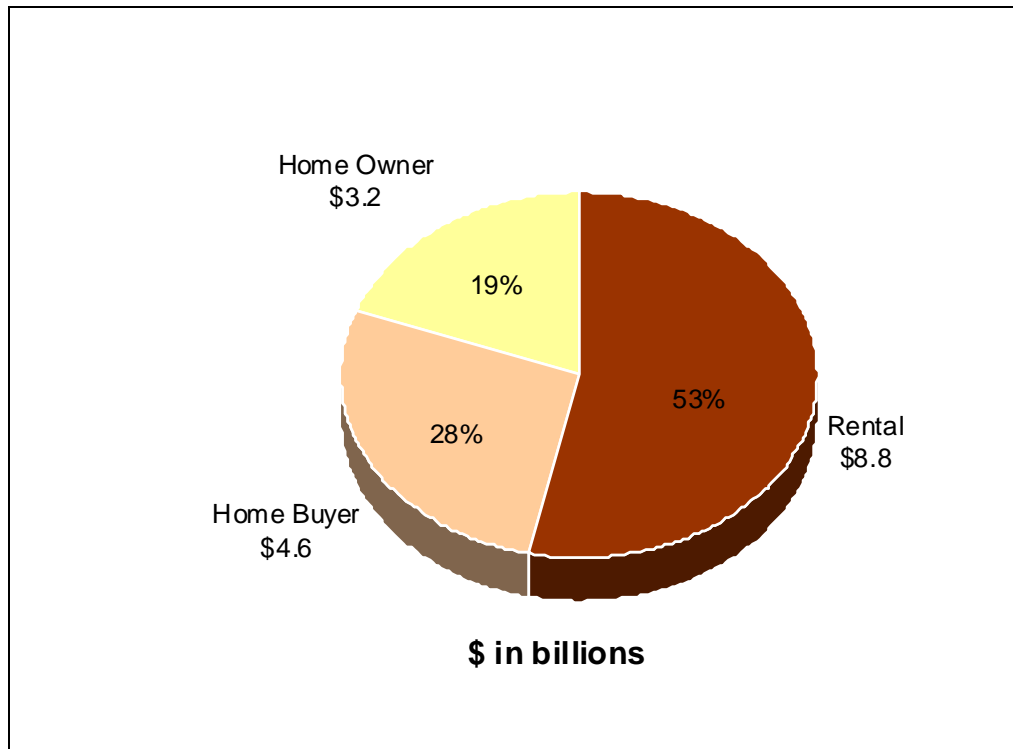
Figure 2. Percentage of Completed HOME Units by Unit Type (Through November 30, 2008)



Source: Figure prepared by CRS on the basis of data from HUD's *HOME Program National Production Report as of 11/30/08*, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>. Numbers may not add due to rounding.

In addition to statistics on completed units, HUD also reports how much HOME funding was used for each unit type. Since the program began, over \$16.5 billion of HOME funding has been spent on units that were completed as of November 30, 2008. As shown in **Figure 3**, 53% of HOME funding that contributed to completed units was used for rental units or TBRA, while 28% was used for home buyer units and 19% for homeowner units.

**Figure 3. Percentage of HOME Funding by Unit Type
(Through November 30, 2008)**

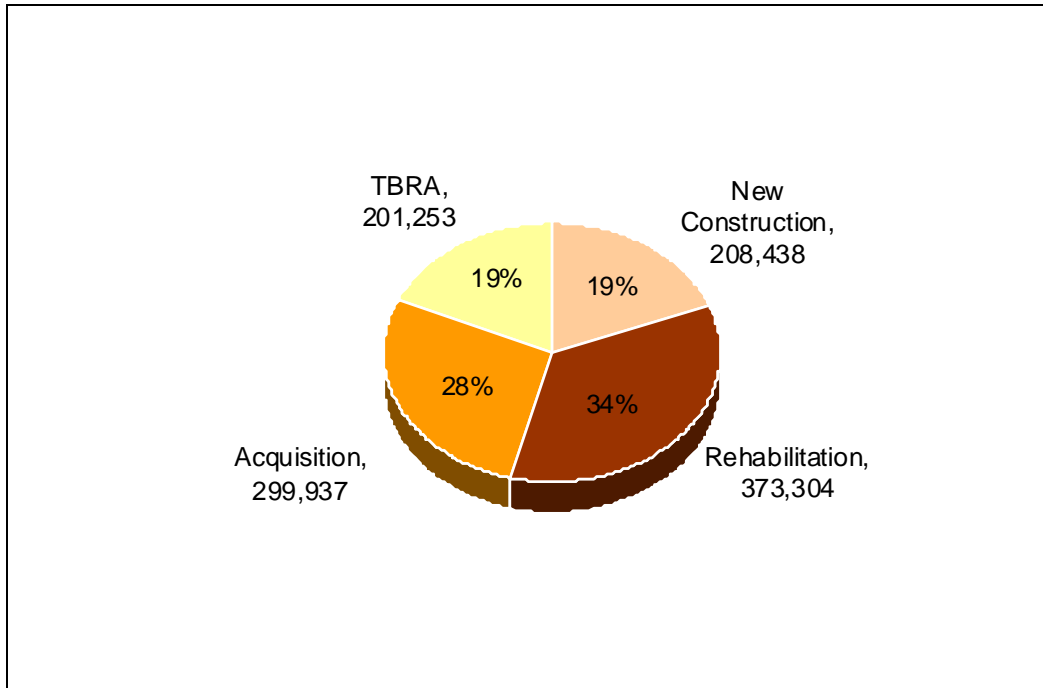


Source: Figure prepared by CRS on the basis of data from HUD's *HOME Program National Production Report as of 11/30/08*, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>. Numbers may not add due to rounding.

Breakdown of Eligible Activities

As described earlier in this report, eligible uses of HOME funds generally fall into four categories: owner-occupied housing rehabilitation activities, assistance to home buyers, rental housing activities, and tenant-based rental assistance (TBRA). The HOME statute specifies that rehabilitation of both rental and homeowner units should be given priority over other types of eligible uses of HOME funds, such as acquiring or constructing affordable housing. As shown in **Figure 4**, of the over 1 million physical units and TBRA households that have been assisted using HOME funding, over 34% were rehabilitated units, 28% were acquired units, and 19% were newly constructed units. Nineteen percent of “units” were households that received TBRA rather than physical housing units.

Figure 4. Percentage of Completed HOME Units by Activity Type (Through November 30, 2008)



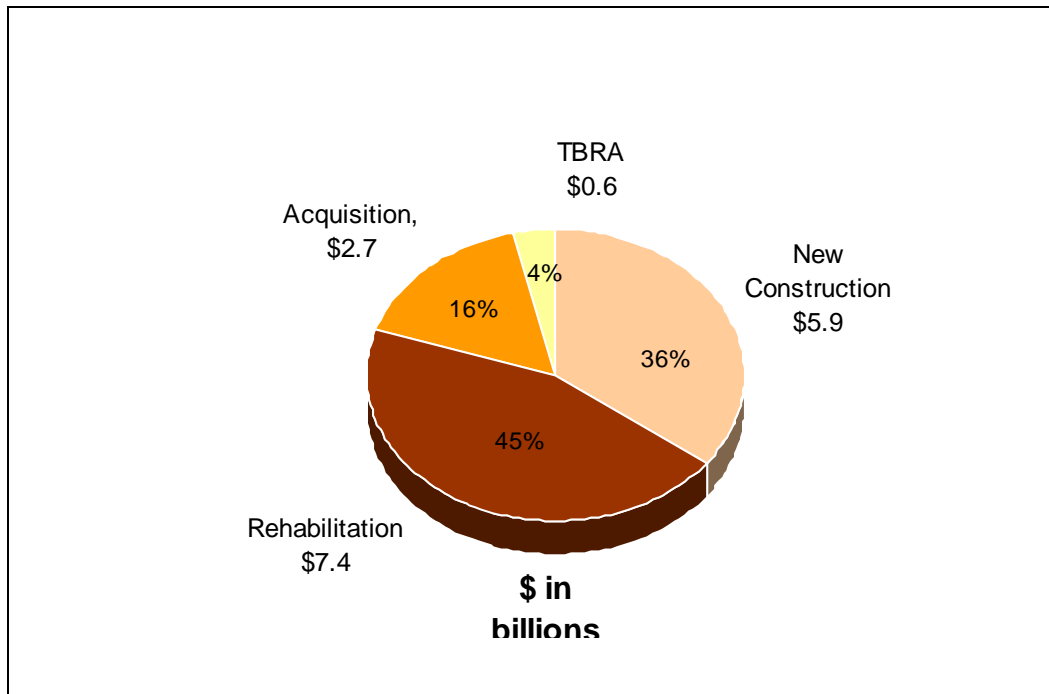
Source: Figure prepared by CRS on the basis of data from HUD's *HOME Program National Production Report as of 11/30/08*, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>. Numbers may not add due to rounding.

The breakdown of total HOME funding used for each eligible activity looks somewhat different than the number of units completed for each eligible activity. This is because some activities are more expensive than others. As **Figure 5** illustrates, nearly 45% of HOME funds actually spent since the program's inception were used for rehabilitation, 36% of funds were used for new construction, 16% were used for acquisition, and 3.5% were used for tenant-based rental assistance.

The difference between the percentage of funding going toward each activity and the percentage of completed units of each activity type reflects the difference in average costs for each activity: on average, an acquired unit costs \$8,985 in HOME funds, while a rehabilitated unit costs \$19,822 and a newly constructed unit costs \$28,238. The average amount of tenant-based rental assistance received by a household is \$2,855.⁵⁴

⁵⁴ Average activity costs are for completed units as of November 30, 2008, and can be found in HUD's *HOME Program National Production Report as of 11/30/08*, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>.

**Figure 5. Percentage of HOME Funding by Activity Type
(Through November 30, 2008)**



Source: Figure prepared by CRS on the basis of data from HUD's *HOME Program National Production Report as of 11/30/08*, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>. Numbers may not add due to rounding.

Beneficiaries of HOME Funds

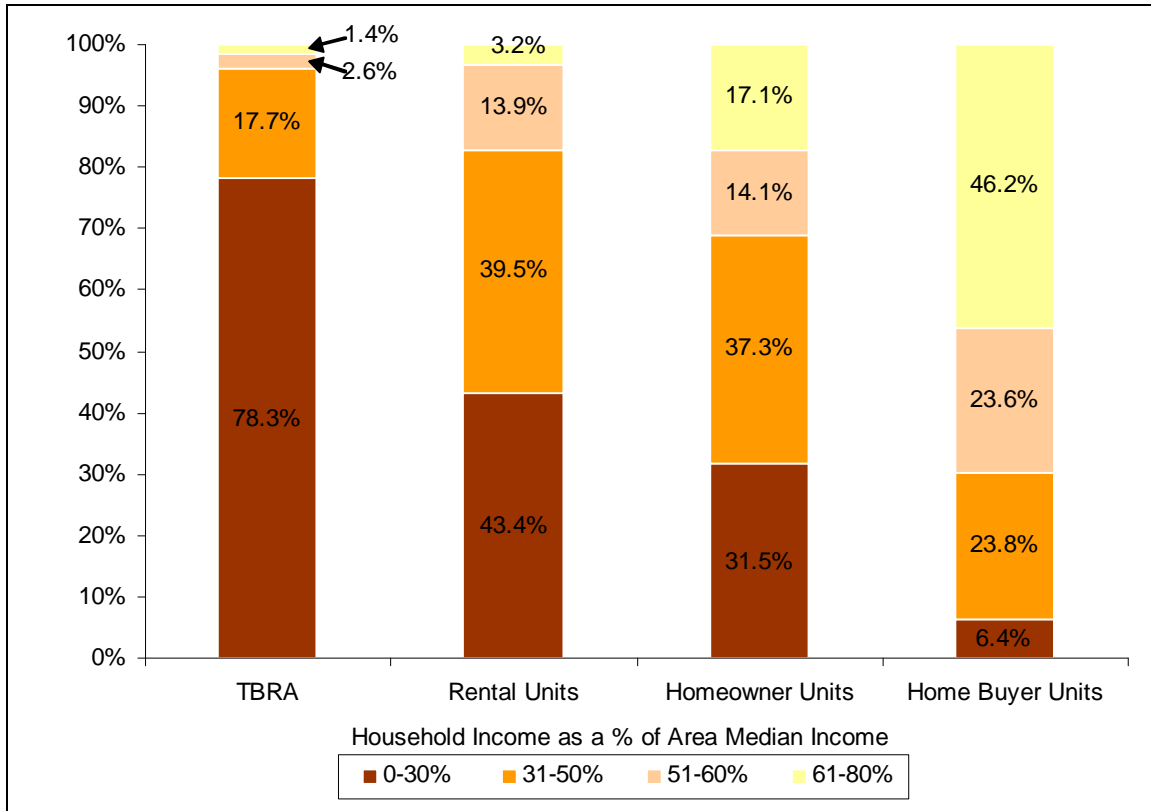
As required by statute, all HOME funds benefit families with incomes at or below 80% of area median income. Not surprisingly, HOME funds that are used for rental activities (including tenant-based rental assistance and the construction, acquisition, and rehabilitation of rental housing) benefit a lower-income population than funds that are used for homeowner and home buyer units. As explained earlier in this report, HOME funds that are used for rental activities must target a lower-income population than funds used for homeowner or home buyer activities.⁵⁵ Households at the lowest end of the income spectrum are also more likely to rent than to own their homes.

Figure 6 shows the percentage of funding for each HOME-assisted activity that has benefitted households at different income levels. As of November 30, 2008, HUD reported that more than three-quarters of funds disbursed for tenant-based rental assistance benefitted families with incomes at or below 30% of area median income, as did 43% of funds used for completed rental units. In contrast, less than one-third of funds used for completed occupied homeowner units

⁵⁵ 90% of funds used for tenant-based rental assistance or rental housing activities are required to benefit households with incomes at or below 60% of area median income, while the remaining 10% must benefit households with incomes at or below 80% of area median income. HOME funds used for homeowner and home buyer housing are only required to benefit households with incomes at or below 80% of area median income.

benefitted households with incomes at or below 30% of area median income, and only 6% of funds used for completed home buyer units benefitted households with incomes in this range.

Figure 6. Percentage of HOME Funds Used to Benefit Different Income Groups, by Eligible Activity (Through November 30, 2008)



Source: Figure prepared by CRS on the basis of data from HUD's HOME Program National Production Report as of 11/30/08, available at <http://www.hud.gov/offices/cpd/affordablehousing/reports/production/113008.pdf>. Numbers may not add due to rounding.

Appendix. Distribution and Funding Table

Table A-1. Distribution of Participating Jurisdictions and Formula Funding by State for FY2008

(\$ in millions)

State	Number of PJs	Formula Grant Funding (\$) ^a	% of Total Formula Grant Funding
Alabama	7	23.12	1.42
Alaska	1	3.97	0.24
Arizona	3	23.42	1.44
Arkansas	4	14.79	0.91
California	97	236.39	14.50
Colorado	11	19.82	1.22
Connecticut	6	18.94	1.16
Delaware	2	4.78	0.29
Dist. of Columbia	0	8.41	0.52
Florida	36	73.35	4.50
Georgia	12	39.09	2.40
Hawaii	1	7.15	0.44
Idaho	1	6.33	0.39
Illinois	17	68.64	4.21
Indiana	13	27.55	1.69
Iowa	6	13.73	0.84
Kansas	5	12.39	0.76
Kentucky	4	22.87	1.40
Louisiana	9	28.52	1.75
Maine	2	7.73	0.47
Maryland	7	22.98	1.41
Massachusetts	19	43.22	2.65
Michigan	22	46.35	2.84
Minnesota	6	20.60	1.26
Mississippi	3	15.81	0.97
Missouri	8	28.02	1.72
Montana	3	5.65	0.35
Nebraska	2	8.24	0.51
Nevada	5	11.01	0.68
New Hampshire	2	5.98	0.37
New Jersey	27	44.23	2.71

State	Number of PJs	Formula Grant Funding (\$) ^a	% of Total Formula Grant Funding
New Mexico	2	10.04	0.62
New York	28	183.33	11.25
North Carolina	19	37.77	2.32
North Dakota	1	3.51	0.22
Ohio	23	60.48	3.71
Oklahoma	5	18.62	1.14
Oregon	6	19.80	1.21
Pennsylvania	31	68.89	4.23
Puerto Rico	11	30.88	1.89
Rhode Island	3	8.64	0.53
South Carolina	13	18.38	1.13
South Dakota	1	3.91	0.24
Tennessee	9	28.26	1.73
Texas	43	107.53	6.60
Utah	4	8.43	0.52
Vermont	1	3.91	0.24
Virginia	20	32.06	1.97
Washington	14	31.18	1.91
West Virginia	5	11.97	0.73
Wisconsin	11	25.78	1.58
Wyoming	0	3.50	0.21
State Totals	591	1,629.94	100.00

Source: U.S. Department of Housing and Urban Development, Community Planning and Development Program Formula Allocations for FY 2008, spreadsheet available at <http://www.hud.gov/offices/cpd/about/budget/budget08/index.cfm>.

a. Formula funding totals include both the state grant and grants to PJs within the state.

Table A-2. Distribution of Participating Jurisdictions and Formula Funding, Insular Areas for FY2008

(\$ in millions)

Insular Area ^a	Number of PJs	Formula Grant Funding (\$) ^b	% of Total Formula Grant Funding
American Samoa	—	0.31	9.33
Guam	—	1.27	38.52
Northern Marianas	—	0.58	17.74
Virgin Islands	—	1.13	34.41
Insular Areas Total	—	3.29	100.00

Source: U.S. Department of Housing and Urban Development, Community Planning and Development Program Formula Allocations for FY 2008, spreadsheet available at <http://www.hud.gov/offices/cpd/about/budget/budget08/index.cfm>.

- a. The HOME appropriation for formula grants only includes funding for states and localities; insular areas are funded by a set-aside equal to 0.2% of the appropriation for HOME formula grants. The percentages of formula grant funding for insular areas reflect the percentage of the set-aside funding that each insular area received.
- b. Formula funding totals include both the state grant and grants to PJs within the state.

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