

Using CDBG & HOME for Affordable Housing Development

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HUD Intends for Grantees to Use the programs together!

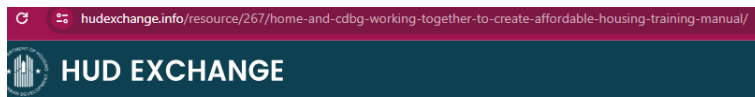


The Upside: HOME doesn't allow for much admin costs so using it with CDBG can assist with this problem



The Downside: Both programs rules apply; making the work a little more complex

HUD Provides Guidance on how to do this!



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Guides and Training Manuals

HOME and CDBG: Working Together to Create Affordable Housing - Training Manual and Slides

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Description

This training provides information on using HOME Program and CDBG funds for affordable housing activities as strategically as possible. It outlines differences between the two programs and provides a detailed consideration of how to use HOME Program and CDBG to support rental housing, homeownership, rehabilitation, and comprehensive neighborhood revitalization projects.

Resource Links

- Slides (PDF)
- Training Manual (PDF)

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Chapter 1: HOME and CDBG Basics

This chapter is a basic primer for housing practitioners who are new to the HOME or CDBG programs. It provides a general overview of the two programs, including their statutory bases and key program partners. For each program, the chapter describes basic eligible activities and highlights important administrative requirements. The subsequent chapters provide more detail on each of the eligible affordable housing activities. This chapter concludes with a detailed chart that compares the key requirements of the two programs.

Part 1: HOME Investment Partnerships (HOME) Program

What is HOME?

Created by the National Affordable Housing Act of 1990 (NAHA), HOME is the largest Federal block grant available to communities to create affordable housing. The intent of the HOME Program is to:

- Increase the supply of decent, affordable housing to low- and very low-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private sector participation.

Every year, the U.S. Department of Housing and Urban Development (HUD) determines the amount of HOME funds that states and local governments—also known as Participating Jurisdictions (PJs)—are eligible to receive using a formula designed to reflect relative housing need. After money has been set aside for America's insular areas and for nationwide HUD technical assistance, the remaining funds are divided between states (80 percent) and units of general local government (20 percent).

The HOME Program regulations are found at 24 CFR Part 92. The Final Rule was published on September 16, 1990 and was amended on March 30, 2004 to include ADDI. The HOME regulations may be found on HUD's Office of Affordable Housing Programs website at: <http://www.hud.gov/offices/opa/affordablehousing/letsunderstand/home/index.cfm>

HOME Program Partners

To ensure success in providing affordable housing opportunities, the HOME Program requires PJs to establish new partnerships and maintain existing partnerships. Partners play different roles at different times, depending upon the project or activity being undertaken with HOME funds. Key program partners include:

- **PJs.** A PJ is any state, local government, or consortium that has been designated by HUD to administer a HOME program.
 - **State governments:** States are given broad discretion in administering HOME funds. They may allocate funds to units of local government directly, evaluate and fund projects themselves, or combine the two approaches. States may also fund projects jointly with local PJs. They may use HOME funds anywhere within the state, including within the boundaries of local PJs.
 - **Local governments and consortia:** Units of general local government, including cities, towns, townships, and parishes, may receive PJ designation or they may be allocated funds by the state. Consortium units of local government may form a consortium for the purpose of qualifying for a direct allocation of HOME funds. The local government or consortium then administers the funds for eligible HOME uses.
- **Community Housing Development Organizations (CHDOs).** A CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. Each PJ must use a minimum of 25 percent of its annual allocation for housing that is owned, developed, or sponsored by CHDOs. PJs evaluate



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CDBG HOME



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