

U.S. Department of Housing and Urban Development

Programs of HUD



(Major Grant, Assistance, and Regulatory Programs)



During the past 5 years, the Department of Housing and Urban Development has expanded homeownership, increased access to affordable housing, strengthened communities through economic development, fought housing discrimination, and tackled chronic homelessness. HUD has implemented innovative solutions to address our nation's housing needs and has achieved great results.

Despite its many accomplishments, HUD recognizes that challenges remain to be addressed. Despite achieving the highest homeownership rate in American history, minorities are still less likely than non-Hispanic whites to own their homes. Opening doors to homeownership is a core aspect of HUD's mission. The most significant barriers to homeownership are downpayment and closing costs. To overcome this barrier, HUD's American Dream Downpayment Initiative (ADDI) provides low- and moderate-income individuals with funds needed to purchase their first home. In this respect, since its inception in Fiscal Year 2004, ADDI has already helped thousands of Americans, nearly half of whom were minority families.

While increasing homeownership is a top priority, HUD knows it is not a viable option for everyone. Therefore, providing decent affordable rental housing is a central part of HUD's mission. HUD's largest program, the Housing Choice Voucher program, promotes affordable rental housing for families and individuals. The program currently provides rental assistance to more than four million households through public and assisted housing programs.

The mission of HUD also includes strengthening communities. The Community Development Block Grant (CDBG) program is HUD's most important community development program and it is one of the most flexible programs provided to localities by the federal government. A significant portion of CDBG funds supports improving conditions in lower income and distressed communities.

Programs of HUD describes the major mortgage, grant, other assistance, and regulatory programs of the Department. It is through these programs that HUD works to fulfill its mission of increasing homeownership opportunities, promoting access to decent affordable housing, strengthening communities through economic development, ensuring equal opportunity in housing and promoting participation of faith-based and community organizations.

Programs of HUD is designed to be an informative resource for HUD's congressional partners, participants in HUD programs, and interested members of the public.

Alphonso Jackson
Secretary of Housing and Urban Development

PROGRAMS OF HUD

Major Mortgage, Grant, Assistance, and Regulatory Programs

2006

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Community Planning and Development

Community Development Block Grants (CDBG) (Entitlement)

Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs.

Nature of Program: Provides annual grants on a formula basis to entitled communities to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services.

Entitlement communities develop their own programs and funding priorities and consult with local residents before making final decisions. All CDBG activities must meet one of the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. Some of the activities that can be carried out with community development block grant funds include the acquisition of real property; rehabilitation of residential and nonresidential properties; provision of public facilities and improvements, such as water and sewer, streets, and neighborhood centers; public services; clearance; homeownership assistance; and assistance to for-profit businesses for economic development activities.

No less than 70 percent of the funds expended over a period specified by the grantee, not to exceed 3 years, must be used for activities that benefit low- and moderate-income persons.

Grantee Eligibility: Metropolitan cities and urban counties are entitled to receive annual grants. Metropolitan cities are principal cities of Metropolitan Areas (MAs) or other cities within MAs that have populations of at least 50,000. Urban counties are within MAs and have a population of 200,000 or more (excluding the population of metropolitan cities within their boundaries).

Funding Distribution: From each year's CDBG appropriation, excluding the amounts provided for grants under Section 107 of the Housing and Community Development Act of 1974 (Section 107 grants), specified other grants, and Indian tribes, 70 percent is allocated to metropolitan cities and urban counties. The amount of each entitlement grant is determined by statutory formula, which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth lag.

Legal Authority: Title I, Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*). Regulations are at 24 CFR part 570.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Local officials and HUD field offices. On the Web:
www.hud.gov/offices/cpd/communitydevelopment/programs/entitlement/index.cfm

Current Status: Active.

Community Development Block Grants (Non-Entitlement) for States and Small Cities

Federal funding to help states and units of local government in non-entitled areas meet their housing and community development needs.

Nature of Program: Provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Applicants must give maximum feasible priority to activities that will benefit low- and moderate-income families or aid in the prevention or elimination of slums and blight. Funds may also be used to meet other community development needs that present a serious and immediate threat to the health or welfare of the community. No less than 70 percent of the funds must be used for activities that benefit low- and moderate-income persons over a period specified by the state, not to exceed 3 years.

Some of the activities that can be carried out with community development funds include: the acquisition of real property; the rehabilitation of residential and nonresidential properties; the provision of public facilities and improvements, such as water and sewer, streets, and neighborhood centers; the clearance, demolition, and removal of buildings; homeownership assistance; and assistance to for-profit businesses for economic development activities.

Under the 1981 amendments to the Community Development Block Grant (CDBG) legislation, each state has the option to administer the block grant funds provided for its non-entitlement areas.

If this option is exercised, the block grant funds are provided to the state, which distributes them as grants to its eligible units of general local government. The states' objectives and methods of distributing the funds are determined in consultation with affected citizens and local elected officials. States are required to report annually on the use of funds.

Applicant Eligibility: Forty-nine states and Puerto Rico are entitled to receive grant funds for distribution to non-entitlement units of government (those that are not metropolitan cities or part of an urban county). Hawaii has elected not to administer funding under the state CDBG program. In Hawaii, HUD awards the funds directly to the three eligible non-entitled counties using statutorily determined formula factors.

Funding Distribution: From each year's CDBG appropriation, excluding the amounts provided for Section 107 grants or specified other grants, 30 percent is allocated to non-entitlement areas. This amount is then allocated among the states on a formula basis. Each state's allocation is distributed to units of general local government by either the state or, in Hawaii, by HUD.

Legal Authority: Title I, Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*). Regulations are at 24 CFR part 570.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: States and HUD field offices. On the Web:
www.hud.gov/offices/cpd/communitydevelopment/programs/stateadmin/index.cfm

Current Status: Active.

Community Development Block Grants (Section 108 Loan Guarantee)

Loan guarantee assistance for community and economic development.

Nature of Program: Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Under this section, HUD offers communities a source of financing for housing rehabilitation, economic development, and large-scale physical development projects.

Eligible activities are (1) real property acquisition, (2) rehabilitation of property owned by the applicant public entity or its designated public agency, (3) housing rehabilitation eligible under the CDBG program, (4) special economic development activities under the CDBG program, (5) interest payments on the guaranteed loan and issuance costs of public offering, (6) acquisition, construction, reconstruction, rehabilitation, or installation of public facilities, (7) assistance for public facilities in colonias, (8) debt service reserves for repayment of the Section 108 loan, (9) other related activities, including demolition and clearance, relocation, payment of interest, and insurance costs. When determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must meet CDBG's primary objective (use of 70 percent of funds must benefit low- and moderate-income persons) and one of the following three national objectives: (a) principally benefit low- and moderate-income persons, (b) assist in eliminating or preventing slums or blight, or (c) assist with community development needs having a particular urgency. Loans may be for terms up to 20 years.

The applicant pledges its current and future CDBG funds as the principal security for the loan guarantee. HUD may require additional security for each loan, and any additional security that may be necessary is determined on a case-by-case basis.

Applicant Eligibility: Metropolitan cities and urban counties that receive entitlement grants may apply directly to HUD for loan guarantee assistance. Non-entitlement communities under the state CDBG program may also apply, but must have a pledge of their state's CDBG funds from the appropriate agency. Non-entitlement communities in Hawaii may also apply directly to HUD for loan guarantee assistance. The public entity applicant may issue the Section 108-guaranteed obligation itself, or it may designate a local public agency with the necessary legal authority to do so.

Legal Authority: Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308). Regulations are at 24 CFR part 570, subpart M.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office and HUD field offices. On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/108/index.cfm

Current Status: Active.

Community Development Block Grants (Disaster Recovery Assistance)

Nature of Program: HUD provides flexible grants to help cities, counties, and states recover from presidentially declared disasters, especially in low- and moderate-income areas. Funds are subject to availability of supplemental appropriations. CDBG requirements apply unless modified by appropriations statute or waived.

When disasters occur, Congress may appropriate additional funding for the CDBG (or HOME) program as Disaster Recovery grants to rebuild the affected areas and bring crucial seed money to stimulate the recovery process. Because CDBG may fund a broader range of recovery activities than most other federal programs, CDBG Disaster Recovery assistance helps communities and neighborhoods that otherwise might not recover due to limits on other resources. Disaster Recovery grants supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration, and the U.S. Army Corps of Engineers. (HOME Disaster Recovery grants also can provide an important resource for providing affordable housing to disaster victims.)

Examples of eligible activities include:

1. Buying damaged properties in a flood plain and relocating residents to safer areas;
2. Relocation payments for people and businesses displaced by the disaster;
3. Debris removal not covered by FEMA;
4. Rehabilitation of homes and buildings damaged by the disaster;
5. Buying, constructing, or rehabilitating public facilities, such as streets, neighborhood centers, and water, sewer, and drainage systems;
6. Code enforcement;
7. Homeownership activities, such as downpayment assistance, interest rate subsidies, and loan guarantees for disaster victims;
8. Public services;
9. Helping businesses retain or create jobs in disaster-impacted areas; and
10. Planning and administration costs.

Applicant Eligibility: CDBG Disaster Recovery funds go to states and local governments in places that have been designated by the President of the United States as major disaster areas. Some supplemental appropriations may restrict funding solely to states. Applicant state or local governments must have significant unmet recovery needs and the capacity to carry out a disaster recovery program (usually these are governments that already receive HOME or Community Development Block Grant allocations).

Legal Authority: Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.). Public Laws: 107-206, 107-117, 107-73, 107-38, 106-31, 105-277, 105-276, 105-174, 105-18, 104-134, 104-19, 103-327, 103-211, 103-75, and 103-50.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office and HUD field offices. On the Web:
www.hud.gov/offices/cpd/communitydevelopment/programs/dri/index.cfm

Current Status: Active.

Community Development Block Grants (Section 107)

Grants and technical assistance for community development programs and related activities.

Nature of Program: Provides grants for community development and related programs as described below, and technical assistance awards to help implement the various programs authorized by Title I of the Housing and Community Development Act of 1974.

Applicant Eligibility:

Community Development Block Grant Technical Assistance (CDBG TA): States, units of general local government, Indian tribes, area-wide planning organizations, and other qualified groups designated by or assisting one or more such governmental units.

Current Status: Active

Historically Black Colleges and Universities (HBCUs) Program: The HBCU program helps HBCUs to expand their role and effectiveness in addressing community development needs in their own localities, including revitalization, housing, and economic development, principally for persons of low- and moderate-income. HBCUs that meet the definition determined by the Department of Education in 34 CFR 608.2, in accordance with the Executive Order 13256 dated February 12, 2002, are eligible to participate in the program.

Current Status: Active

Hispanic Serving Institutions Assisting Communities (HSIAC) Program: The HSIAC program helps Hispanic Serving Institutions (HSIs) to expand their role and effectiveness in addressing community development needs in their localities, including revitalization, housing, and economic development, principally for persons of low- and moderate-income. HSIs that meet the definition established in Title V of the 1998 Amendment of the Higher Education Act of 1965 are eligible to participate in the program.

Current Status: Active

Alaska Native/Native Hawaiian Institutions Assisting Communities (AN/NHIAC) Program: The Alaska Native/Native Hawaiian Institutions (AN/NHIs) program helps AN/NHIs to expand their role and effectiveness in addressing community development needs in their localities, including revitalization, housing, and economic development, principally for persons of low- and moderate-income. ANs and NHIs that meet the definition established in Title III, Part A, Section 317 of the Higher Education Act of 1965, as amended by the Higher Education Amendments of 1998, are eligible to participate in this program.

Current Status: Active

Tribal Colleges and Universities (TCUs) Program: The TCU program assists TCUs in building, expanding, renovating, and equipping their own facilities. TCUs that meet the definition established in Title III of the 1998 Amendments to the Higher Education Act of 1965 are eligible to participate in the program.

Current Status: Active

Community Outreach Partnership Centers (COPC) Program: The COPC program assists community colleges, colleges, and universities in establishing centers to carry out applied research and outreach activities addressing the problems of urban areas, in coordination with community-based organizations and local governments.

Current Status: Inactive

Community Development Work Study (CDWS) Program: The CDWS program assists colleges and universities, either directly or indirectly, or through area-wide planning organizations or states, in providing assistance to work study programs for economically disadvantaged and minority students in fields related to community development.

Current Status: Inactive

Funding Distribution: The amount appropriated for the Section 107 grants is allocated among the programs as directed by the appropriations act.

Legal Authority: Section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. 5307). Regulations are at 24 CFR part 570.

Administering Offices: For grants to colleges and universities, Assistant Secretary for Policy Development and Research, Office of University Partnerships, U.S. Department of Housing and Urban Development, Washington, DC 20410-6000.

For Community Development Block Grant Technical Assistance, Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering offices. On the Web:

Community Development TA: www.hud.gov/offices/CPD/about/cpdta/index.cfm

Historically Black Colleges and Universities: www.oup.org/programs/aboutHBCU.asp

Hispanic Serving Institutions Assisting Communities:

www.oup.org/programs/aboutHSAIC.asp

Alaska Native/Native Hawaiian Institutions Assisting Communities:

www.oup.org/programs/aboutANNHIAC.asp

Tribal Colleges and Universities Program: www.oup.org/programs/aboutTCUP.asp

Community Outreach Partnership Centers: www.oup.org/programs/aboutCOPC.asp

Community Development Work Study Program:

www.oup.org/programs/aboutCDWSP.asp

Community Development Block Grants (CDBG) for Insular Areas

Federal funding to help U.S. territories meet their housing and community development needs.

Nature of Program: Provides annual grants to four U.S. territories to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services.

Insular areas develop their own programs and funding priorities and consult with local residents before making final decisions. All CDBG activities must meet one of the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. Some of the activities that can be carried out with community development funds include the acquisition of real property; rehabilitation of residential and nonresidential properties; provision of public facilities and improvements, such as water and sewer, streets, and neighborhood centers; clearance, demolition and removal of buildings and improvements; homeownership assistance; and assistance to for-profit businesses for economic development activities. No less than 70 percent of the funds expended over a period specified by the grantee, not to exceed 3 years, must be used for activities that benefit low- and moderate-income persons.

Through Fiscal Year 2004, grants to insular areas were appropriated under Section 107 of the Housing and Community Development Act of 1974. The American Dream Downpayment Act of 2003 amended the Housing and Community Development Act to move the authorization for Insular Area CDBG program funding from Section 107 to Section 106. For Fiscal Year 2005 and thereafter, funds have been made available under Section 106.

Grantee Eligibility: American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Marianas Islands are eligible recipients. (The Commonwealth of Puerto Rico receives funding under the State CDBG program.)

Funding Distribution: Under Section 106 of the Housing and Community Development Act of 1974, \$7 million of the Title I CDBG appropriation is allocated for grants to insular areas. Funds for Section 107 grants are allocated to the insular areas and other programs as directed by the present year's appropriations act.

Legal Authority: Title I, Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*). Regulations are at 24 CFR part 570.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Local officials and HUD field offices. On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/insular/index.cfm

Current Status: Active.

The HOME Program: HOME Investment Partnerships

Grants to states and units of general local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans.

Nature of Program: Participating jurisdictions may use HOME funds for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs, for operating subsidies for rental housing, or for activities under the Low-Income Housing Preservation Act. The American Dream Downpayment Act established a separate formula for the American Dream Downpayment Initiative (ADDI) under the HOME program. ADDI will grant funds to all 50 states and to local participating jurisdictions that have a population of at least 150,000 or will receive an allocation of at least \$50,000 under the ADDI formula. Participating jurisdictions may use ADDI funds to provide downpayment, closing costs, and rehabilitation assistance to eligible first-time homebuyers.

All housing developed with HOME funds must serve low- and very low-income families. For rental housing, at least 90 percent of the families benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the families benefited must have incomes at or below 80 percent of area median income. Assistance to homebuyers and homeowners must be to families with incomes at or below 80 percent of the area median income. Each year, HUD publishes the applicable HOME income limits by area, adjusted for family size.

HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent of the units must be rented to very low-income families.

HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance. HOME-assisted homebuyer housing is also subject to resale or recapture requirements.

Participating jurisdictions must match their HOME funds. Participating jurisdictions must also set aside at least 15 percent of their allocations for housing to be owned, developed, or sponsored by community housing development organizations.

Applicant Eligibility: States, cities, urban counties, and consortia (contiguous units of local governments with a binding agreement).

Funding Distribution: HOME funds are allocated using a formula designed to reflect relative housing need. Forty percent of the funds are allocated to states, and 60 percent is allocated to units of general local government. All states are eligible for HOME funding. The remaining funds are allocated using a formula designed to reflect relative housing need. Units of general local government that receive a formula allocation of \$750,000 are eligible to receive HOME funds. To participate, jurisdictions that receive more than \$500,000, but less than \$750,000 must use local or state funds (including state HOME funds) to fill the gap between the formula allocation and \$750,000. Jurisdictions that would receive less than \$500,000 by formula may not receive HOME funds from HUD directly, but may receive HOME funding from their states. All participating jurisdictions must have a HUD-approved Consolidated Plan.

Legal Authority: Title II of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. 12701 et seq.). Regulations are at 24 CFR part 92.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: HUD local field offices and state and local community development agencies. On the Web: www.hud.gov/homeprogram

Current Status: Active.

Shelter Plus Care (S+C)

Grants for rental assistance, in combination with supportive services from other sources, to homeless persons with disabilities.

Nature of Program: Provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services. Funds are awarded by a nationwide competition. Program participants must be homeless with disabilities.

Rental assistance is provided through four S+C components: (1) Tenant-based Rental Assistance (TRA) provides rental assistance to homeless persons who choose the housing in which they reside. Residents retain the assistance if they move; (2) Sponsor-based Rental Assistance (SRA) provides rental assistance through contracts between the grant recipient and a private nonprofit sponsor or community health agency established as a public nonprofit entity that owns or leases dwelling units in which participants reside. The term for grants under TRA and SRA is 5 years; (3) Project-based Rental Assistance (PRA) provides rental assistance to the owner of an existing structure where the owner agrees to lease the units to homeless people. Residents do not take the assistance with them if they move. PRA grants are also for 5 years of assistance, but an owner may get 10 years of assistance if the owner rehabilitates the property; and (4) Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Dwellings provides grants for rental assistance. Assistance is provided for 10 years.

Applicant Eligibility: States and units of general local government.

Legal Authority: Subtitle F of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11403). Regulations are at 24 CFR part 582.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office and local HUD field offices.

On the Web: www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm

Current Status: Active.

Emergency Shelter Grants (ESG) Program

Provides grants to help increase both the number and quality of emergency and transitional shelters for homeless individuals and families. Grantees use ESG funds to rehabilitate and operate these facilities, provide essential social services, and prevent homelessness.

Nature of Program: Offers grants to states, metropolitan cities, urban counties, and U.S. territories based on the formula used in the Community Development Block Grant (CDBG) program. Eligible activities include renovation, major rehabilitation, or conversion of buildings for use as emergency or transitional shelters for the homeless.

With certain limits, grantees may spend funds on essential social services for the homeless and for homeless prevention efforts. Funds may also be spent on operating costs, such as maintenance, insurance, utilities, and furnishings. Each grantee must have an approved Consolidated Plan, including an action plan for new ESG projects.

Applicant Eligibility: States, District of Columbia, Puerto Rico, metropolitan cities, urban counties, and U.S. territories are eligible. Metropolitan cities and urban counties are eligible if, after applying the formula, their allocation is greater than 0.05 percent of the funds appropriated.

Funding Distribution: Program funds are awarded to grantees in proportion to their previous year's CDBG allocation. If metropolitan cities and urban counties do not meet the grant minimum, their funds are added to their state's allocation.

Legal Authority: Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). Regulations are at 24 CFR part 576.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office and local HUD field offices.
On the Web: www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm

Current Status: Active.

Surplus Property for Use to Assist the Homeless (Title V)

Makes suitable federal properties, which are categorized as unutilized, underutilized, excess, or surplus, available to states, local governments, and nonprofit organizations for use to assist homeless persons.

Nature of Program: HUD collects information from federal agencies about their unutilized, underutilized, excess, and surplus properties and determines which are suitable for use to assist homeless persons. The decision is based on information submitted by the agency controlling the property. Every Friday, HUD publishes a Federal Register notice listing the available property. States, local governments, and nonprofit organizations apply to the Department of Health and Human Services (HHS) to obtain the property.

Legal Authority: Title V of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411-11412). Regulations are at 24 CFR part 581.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office, local HUD field offices, and HHS. Further information on a specific property is available from the landholding agency. For the name and contact at these agencies, call the nearest HUD field office or HUD's toll-free number at (800) 927-7588.

On the Web: www.hud.gov/offices/cpd/homeless/programs/t5/index.cfm

Current Status: Active.

Supportive Housing Program

Grants offered through a competitive process for new construction, acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing, as well as supportive services to homeless individuals and families; grants to fund a portion of annual operating costs; and grants for technical assistance.

Nature of Program: The grants defray the cost of providing housing and supportive services for homeless persons. Projects are designed to assist homeless persons to move into independent living. Residents may live in transitional housing for up to 24 months. Residents must be disabled to be eligible for permanent housing assistance that imposes no limit on their client tenancy.

Applicant Eligibility: State or local governmental entities, private nonprofit organizations, or community mental health associations that are public nonprofit organizations.

Legal Authority: Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381-11389). Regulations are at 24 CFR part 583.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Administering office and local HUD field offices.
On the Web: www.hud.gov/offices/cpd/homeless/programs/shp/index.cfm

Current Status: Active.

Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program

Assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings.

Nature of Program: Under the SRO program, HUD enters into annual contributions contracts (ACCs) with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties in which some or all of the dwelling units may contain either food preparation or sanitary facilities. These PHAs make Section 8 rental assistance payments to participating landlords on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments generally cover the difference between 30 percent of the tenant's adjusted income and the unit's rent, which must be within the fair market limit established by HUD.

HUD provides rental assistance for SRO units for a period of 10 years. Owners are compensated for the cost of rehabilitation (as well as the other costs of owning and maintaining the property) through the housing assistance payments ("HAP") contract rent; the amount of rehabilitation to be compensated cannot exceed \$20,500 per SRO unit in 2006. At the same time, each unit must need a minimum of \$3,000 of eligible rehabilitation to qualify for the program.

Applicant Eligibility: HUD selects PHAs and private nonprofit organizations for funding on the basis of a national continuum of care competition, in which applicants must demonstrate a need for the assistance and the ability to undertake and carry out the SRO program. In their applications, applicants are required to identify the sponsors of proposed projects, specific structures to be rehabilitated, prospective sources of acquisition and/or rehabilitation financing, and a plan for providing supportive services for the homeless individuals in the units. Generally, very low-income, single, homeless individuals are eligible to occupy the assisted units.

Legal Authority: Section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401). Regulations are at 24 CFR part 882, subpart H.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: Headquarters Office of Special Needs Assistance Programs, local public housing agencies, or HUD field offices.

On the Web: www.hud.gov/offices/cpd/homeless/programs/sro/index.cfm

Current Status: Active.

Brownfields Economic Development Initiative (BEDI)

Grants for redevelopment of brownfields, to be used in conjunction with Section 108 Loan Guarantee assistance for the same project.

Nature of Program: BEDI provides competitive economic development grants to Community Development Block Grant (CDBG) recipients, in connection with notes or other obligations guaranteed under Section 108 of the Housing and Community Development Act of 1974, for the purposes of enhancing either the security of the guaranteed loans or the viability of the projects financed with these Section 108 loans. Grants provide financial assistance for industrial or commercial sites known as brownfields, on which redevelopment is hindered by the presence or potential presence of environmental contamination. BEDI funds may be used for virtually all activities eligible under the CDBG program, and also in conjunction with other CDBG and Section 108 Loan Guarantee proceeds, and must comply with national objectives and other eligibility requirements. The Section 108 funds must be a new commitment and be used to assist the same project as the BEDI funds.

Applicant Eligibility: CDBG recipients.

Legal Authority: Section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)).

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.

On the Web: www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/index.cfm

Current Status: Active.

Economic Development Initiative (“Competitive EDI”) Grants

Grants to directly enhance the security of Section 108 guaranteed loans or to improve the viability of the same Section 108 assisted project.

Nature of Program: HUD may make economic development grants to Community Development Block Grant (CDBG) recipients, in connection with notes or other obligations guaranteed under Section 108, for the purpose of enhancing either the security of the guaranteed loans or the viability of the projects financed by those loans. EDI enables localities to carry out eligible economic development activities where public and private dollars can be leveraged to create jobs and other benefits, especially for low- and moderate-income persons, and reduce the risk of potential future defaults on Section 108 loan guarantee-assisted projects. Eligible activities for which EDI funds may be used are the same as those under the Section 108 Loan Guarantee program. EDI funds are added to other CDBG funds (including Section 108 Loan Guarantee proceeds) for purposes of determining the grantee’s and the project’s compliance with the CDBG primary and national objectives. The EDI and Section 108 funds must assist the same project.

Applicant Eligibility: CDBG recipients.

Legal Authority: Section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)).

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.

On the Web: www.hud.gov/offices/cpd/economicdevelopment/programs/edi/index.cfm

Current Status: Inactive. No new appropriations have been provided for Competitive EDI grants since 2001. EDI grants currently consist of earmarks for funding.

Renewal Communities

Tax incentives for renewal of economically disadvantaged areas.

Nature of Program: The HUD Secretary is authorized to designate up to 40 “renewal communities” from areas nominated by states and local governments; at least 12 must be in rural areas. The eligibility criteria for such designations include the following: (1) each census tract within the nominated area must have a poverty rate of at least 20 percent; (2) in urban areas, at least 70 percent of the households must have incomes below 80 percent of the median income for households within the local government jurisdiction; (3) the unemployment rate must be at least 1.5 times the national rate; and (4) the area must be one of pervasive poverty, unemployment, and general distress.

State and local governments in which a renewal community is located must promise to take at least four of the following actions: (1) reduce taxes or fees; (2) make local services more efficient; (3) implement crime reduction strategies; (4) remove or streamline governmental requirements; (5) involve private entities, organizations, neighborhood organizations, and community groups in the program and elicit commitments from such private entities to provide jobs and job training, and technical, financial, or other assistance to employers, employees, and residents from the renewal community; and (6) give (or sell at a price below fair market value) surplus realty to neighborhood organizations, community development corporations, or private companies. In return, the following tax incentives would be available for the renewal communities: (1) a zero-percent capital gains rate; (2) renewal community employment tax credits; (3) commercial revitalization; (4) additional Section 179 expensing; and (5) extension of work opportunity tax credits.

Applicant Eligibility: States, Indian tribes, and local governments.

Legal Authority: Section 101 of the Community Renewal Tax Relief Act of 2000, as included in the Consolidated Appropriations Act, 2001 (Public Law 106-554). Regulations are at 24 CFR part 599.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.
On the Web: www.hud.gov/cr

Current Status: Active.

Empowerment Zones

Grants and tax incentives to locate businesses in, and hire residents of, economically disadvantaged areas.

Nature of Program:

Round I and Round II Empowerment Zones (EZs)

The Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) authorized the designation of nine empowerment zones (Round I EZs) and 95 enterprise communities (ECs) (65 urban and 30 rural) and provided tax incentives for businesses to locate within targeted areas designated by the Secretaries of HUD and Agriculture. The Taxpayer Relief Act of 1997 (1997 Act) authorized the designation of two additional Round I urban EZs. The 1997 Act also authorized the designation of 20 additional EZs (Round II EZs), of which 15 are located in urban areas, and five are located in rural areas. Pursuant to the Consolidated Appropriations Act, 2001, designations of Round I and Round II EZs are extended through December 31, 2009. In addition, the Consolidated Appropriations Act, 2001, conformed and enhanced the tax incentives contained in the earlier laws for the Round I and Round II EZs.

To be selected, EZs and ECs had to meet specified criteria to establish their relative need with respect to poverty, unemployment, and general economic distress. The state and local governments that nominated the areas for designation were required to submit a strategic plan detailing the way in which they intended to achieve the purposes of this program by addressing a set list of criteria. Written assurances were required that this strategic plan would be implemented.

Businesses in Round I and Round II EZs now qualify for the following tax incentives:

- (1) A 20 percent wage credit for qualifying wages for each employee who (a) is an EZ resident, and (b) performs substantially all employment services within the EZ in a trade or business of the employer (qualified zone businesses located in Round I EZs are currently eligible to claim this credit; businesses in Round II EZs can claim the credit for qualifying wages paid or incurred after December 31, 2001);
- (2) An additional \$35,000 of expensing is allowed for certain depreciable business property (excludes buildings) under Section 179 of the Internal Revenue Code of 1986 for qualifying zone property in taxable years beginning after December 31, 2001 (not applicable to the DC EZ); and
- (3) Tax-exempt bonds for qualifying zone facilities are not subject to the state private activity bond volume caps (but are subject to separate per-zone volume limitations) or the per unit size limitations (i.e., \$3 million for each qualified business with a maximum of \$20 million for each principal user for all zones and communities). (This benefit applies to

both ECs and EZs. It is currently available only to Round II EZs; it will be extended to Round I EZs for tax-exempt bonds issued after December 31, 2001.)

Round III Empowerment Zones

In addition to conforming and enhancing the tax incentives for the Round I and Round II EZs and extending their designations through December 31, 2009, the Consolidated Appropriations Act, 2001, also authorized the Secretaries of HUD and Agriculture to designate nine new EZs (Round III EZs). Seven of the Round III EZs were to be located in urban areas, and two were to be located in rural areas. The eligibility and selection criteria for the Round III EZs are the same as the criteria that applied to the Round II EZs. The Round III EZs were to be designated by January 1, 2002, and the tax incentives with respect to the Round III EZs generally are available during the period beginning on January 1, 2002, and ending on December 31, 2009. Businesses in the Round III EZs are eligible for the same tax incentives that are available to Round I and Round II EZs (i.e., a 20 percent wage credit, an additional \$35,000 of Section 179 expensing, and the enhanced tax-exempt financing benefits presently available to Round II EZs).

Applicant Eligibility: States and local governments.

Legal Authority: Sections 13301-11303 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66); Sections 951-956 of the Taxpayer Relief Act of 1997 (Public Law 105-34); and Sections 111-117 of the Community Renewal Tax Relief Act of 2000, as included in the Consolidated Appropriations Act, 2001 (Public Law 106-554). Regulations are at 24 CFR parts 597 and 598.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.

On the Web: www.hud.gov/cr

Current Status: Active for Round II empowerment zones. No recent funding has been provided for Round I EZs and ECs. No funds have been appropriated to date for the Round III EZs, authorized by the Consolidated Appropriations Act, 2001. Designations for the Round I ECs expired in December 2004.

Youthbuild

Grants to expand opportunities for economically disadvantaged young adults.

Nature of Program: The Youthbuild program provides economically disadvantaged young adults with opportunities to obtain education, employment skills, and meaningful on-site work experience and to expand the supply of affordable housing for homeless and low- and very low-income persons.

Public or private nonprofit agencies eligible to apply for Youthbuild grants include community-based organizations, administrative entities designated under the Job Training Partnership Act, community action agencies, state or local housing development agencies, community development corporations, state or local youth service and conservation corps, and any other entities eligible to provide education and employment training under other federal employment training programs.

Eligible participants in the Youthbuild program include individuals ages 16 through 24, at least 75 percent of whom are either very low-income individuals or members of very low-income families, and who have dropped out of high school. Up to 25 percent of the participants need not meet the income or educational requirements, but must have educational needs despite having attained a high school diploma or its equivalent. Any individual selected for full-time participation in the program may be offered full-time participation for a period of 6-24 months.

Applicant Eligibility: Public and private nonprofit entities.

Legal Authority: Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. 12899 *et seq.*). Regulations are at 24 CFR part 585.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office. On the Web:
www.hud.gov/offices/cpd/economicdevelopment/programs/youthbuild/index.cfm

Current Status: Active.

Rural Housing and Economic Development Program

Grants to meet rural communities' housing and economic development needs.

Nature of Program: Recent appropriations acts have provided funding for this program, which is used to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities.

Applicant Eligibility: Local rural nonprofit organizations, community development corporations, federally recognized Indian tribes, state housing finance agencies, and state economic development and/or community development agencies.

Legal Authority: The "Rural Housing and Economic Development" heading in the Fiscal Year 1999, 2000, 2001, 2002, 2003, 2004, 2005, and 2006 appropriations acts.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.

On the Web: www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/index.cfm

Current Status: Active.

Self-Help Homeownership Opportunity Program (SHOP)

Grants for self-help housing.

Nature of Program: SHOP authorizes HUD to make competitive grants to national and regional nonprofit organizations and consortia that have experience in providing or facilitating self-help housing opportunities. Grants are to be used by the grantee or its affiliates for eligible expenses in connection with developing non-luxury housing for low-income families and persons who otherwise would be unable to purchase a house. Eligible expenses for grants are limited to land acquisition (including financing and closing costs), infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure), and administrative costs (up to 20 percent of the grant amount). Homebuyers must contribute a significant amount of sweat equity toward the construction of their homes. SHOP also requires community participation through volunteers who assist the homebuyers on the construction of the homes.

Applicant Eligibility: National and regional nonprofit organizations and consortia.

Legal Authority: Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note).

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Source: Administering office.

On the Web: www.hud.gov/offices/cpd/affordablehousing/programs/shop/index.cfm

Current Status: Active.

