HOME Investment Partnerships Program
2024 FAQs

What is HOME?

The HOME Investment Partnerships (HOME) program provides funding to state and local governments to support affordable housing activities for low-income families. States and localities target flexible HOME funds to the particular needs of their communities — construction or preservation of single- and multifamily housing for rental or homeownership, rehabilitation of owner-occupied housing, assistance to home buyers, and tenant-based rental assistance. This flexibility also means states and communities can react quickly to changes in their local housing markets.

Since 1992, more than 1.37 million units of housing have been produced with HOME funds. HOME funds also have helped families residing in more than 387,000 units through tenant-based rental assistance. HOME frequently provides critical gap financing to make affordable rental housing funded with Low-Income Housing Tax Credits (Housing Credits) or other federal, state, and local housing projects feasible and allows the housing produced to reach even lower income populations. Since 2017, 56 percent of HOME units were located in Housing Credit developments, representing 63 percent of all HOME funding.

Whom does HOME serve?

All HOME funds must be used to benefit low-income families (earning at or below 80 percent of area median income, or AMI), and 90 percent of rental funds must benefit very low-income families (at or below 60 percent of AMI). HOME consistently has exceeded these requirements by assisting families with incomes below the HOME limits. For example, since 2013, more than 40 percent of those assisted with affordable rental housing have been extremely low-income families (at or below 30 percent of AMI).

HOME rental units must remain affordable to low-income families for a period of five to 20 years, depending on the type and amount of HOME assistance they receive. New construction rental units must remain affordable for 20 years. Ownership properties must remain a family's principal residence for a period of up to 15 years, depending on the amount of HOME assistance they receive.

Why is HOME necessary?

According to Harvard University's Joint Center for Housing Studies, the number of renter households that were cost-burdened (spending more than 30 percent of their income on housing) in 2022 reached 42 million households, or nearly one-third of all U.S. households. This includes a record-high 22.4 million renter households that were cost-burdened.[1] At the same time, home price increases have continued at breakneck speed, rising 5.2 percent year-over-year as of November 2023, moving homeownership even farther from the reach of low-income families.[2] Meanwhile, the nation continues to chronically underproduce new housing; a reported 3.8 million homes were needed to meet housing demand in 2019, up from 1.65 million units in 2012.[3]

These pressures on households have enormous repercussions across the entire economy. The cost of shelter represents more than one-third of the Consumer Price Index as of December 2022, according to the Bureau of Labor Statistics, making housing one of the largest components of the inflation calculation.4 To truly tackle inflation, we must add to the supply of affordable rental and for-sale housing. HOME is key to both. Since 1992, the program has supported more than 1.37 million units of affordable housing for renters, home buyers, and homeowners — many of which are targeted to very low-income or extremely low-income households. Eighty-two percent of HOME rental units are occupied by very low-income or extremely low-income renters, and more than half of the home buyers assisted through HOME earn less than 60 percent of AMI.[5]

HOME is the only federal program that provides the resources and flexibility to meet both the supply and demand challenges of the affordable housing crisis. For three decades, HOME has been one of the most effective and flexible tools states and localities have had to meet their affordable housing needs — including the construction or preservation of rental housing, rehabilitation of owner-occupied housing, assistance to home buyers, and tenant-based rental assistance.

What is HOME's economic impact?

For every $1 billion in HOME funding, approximately 18,230 jobs are created or preserved. Moreover, every HOME dollar leverages nearly $5 of additional investment in affordable housing. The HOME Coalition estimates this investment has supported more than two million jobs and generated $135 billion in local income since the program began in 1992.

How does HOME work?

HOME is a block grant that can be used to support both rental housing and homeownership. It can be used for new construction, rehabilitation, down payment assistance, and tenant-based rental assistance. HOME's flexibility allows states and localities to tailor it to their unique needs. At least 15 percent of HOME funds must be set aside for specific activities to be undertaken by

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[1] Joint Center for Housing Studies of Harvard University, "More than 42 Million US Households Were Cost Burdened in 2022," January 19, 2024.
[2] Core Logic, "U.S. Home Price Insights," January 9, 2024.
[3] Up for Growth, "2022 Housing Underproduction in the U.S."
[4] Bureau of Labor Statistics, "Measuring Price Change in the CPI: Rent and Rental Equivalence," September 8, 2023.
[5] U.S. Department of Housing and Urban Development, "HOME National Production Report," January 2, 2024.

a specific type of nonprofit called a Community Housing Development Organization (CHDO), although this requirement has been loosened by Congress in recent years.

HOME also uniquely empowers states and localities to respond to the housing needs they judge most pressing, allowing them to serve the whole spectrum of need, from homelessness to ownership to disaster recovery assistance, from urban to rural areas, and all low-income populations, including families with children, the elderly, and people with special needs. For example, HOME funds provide essential gap financing for properties assisted by the Housing Credit. This makes affordable rental housing developments financially feasible and allows deeper income targeting to serve persons experiencing homelessness, seniors, veterans, and persons with disabilities.

Who administers the HOME program?

State and local governments — called participating jurisdictions (PJs) — administer HOME. PJs are responsible for managing the day-to-day operations of their HOME programs, ensuring HOME funds are used in accordance with all program requirements and written agreements, and taking appropriate action when performance problems arise. PJs also must match a minimum of 25 cents of every HOME dollar they use.

HOME is overseen by the U.S. Department of Housing and Urban Development (HUD). HUD allocates 60 percent of HOME funds to local PJs and 40 percent to state PJs, according to a needs-based formula. Forty-three state HFAs and NCSHA Associate members are HOME PJs. State HFAs in Pennsylvania and Ohio are HOME sub-recipients. HUD monitors the PJs for program compliance, enforces HOME program rules and regulations, and generates multiple reports on PJ activity.

What is the current funding level for HOME?

Despite its success, the HOME program has been underfunded for years — cut nearly in half between fiscal years 2010 and 2017. In FY 2023, Congress funded HOME at $1.5 billion, matching FY 2022, which was the highest level of funding for HOME in over a decade.

What should Congress do to improve HOME?

If we are truly to tackle housing inflation, we must add to the supply of affordable rental and for-sale housing for low-income people, and HOME is key to both. Congress should fund HOME at the highest possible level for the next several years. In FY 2023, Congress provided $1.5 billion for HOME, matching FY 2022, which was the largest funding level in over a decade. While a sizeable increase, we must do even more in FY 2024 to tackle housing inflation and address unmet housing needs by increasing the supply of affordable housing with HOME. Therefore, NCSHA supports at least $2.5 billion for HOME in FY 2024.

Congress also can do more to increase the efficiency of the HOME program. HOME was last reauthorized in the mid-1990s. In the decades since, we have learned much, and needs and priorities have evolved. NCSHA supports the HOME Investment Partnerships Reauthorization and Improvement Act (S. 3793/H.R. 7075), legislation introduced by Senator Cortez Masto and Congresswoman Joyce Beatty, to reauthorize the HOME program and increase flexibility, improve efficiency, and eliminate needless bureaucracy.

What is the HOME-ARP program?

HOME-ARP is a heavily modified version of the core HOME program that was established by a one-time infusion of $5 billion provided by the American Rescue Plan Act (ARPA). HOME-ARP was intended to address unique housing challenges presented by the Covid-19 pandemic and allows for funding to be used to serve specific eligible populations through specific eligible activities. Eligible populations for HOME-ARP include 1) homeless individuals and families; 2) those at risk of homelessness; 3) those fleeing or attempting to flee domestic violence or sexual assault; and 4) veterans and families that include a veteran family member meeting one of the preceding criteria. Eligible activities for HOME-ARP include 1) production or preservation of affordable housing; 2) providing tenant-based rental assistance; 3) supportive services, homeless prevention services, and housing counseling; and 4) purchase and development of non-congregate shelter facilities. However, it is important to note HOME-ARP serves a very different purpose than HOME itself and is not a substitute for robust annual funding for the core HOME program.