

## HOME Investment Partnerships Program Frequently Asked Questions

### What is HOME?

The HOME Investment Partnerships Program (HOME) is a federal block grant program that 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 allows states and communities to react quickly to changes in their local housing markets.

HOME is the flagship affordable housing production program of the Department of Housing and Urban Development (HUD). In fact, no other HUD program is designed to increase the supply of affordable rental and owner-occupied housing.

Since 1992, HOME has been used to finance more than 1.39 million homes and has provided rental assistance help to more than 404,000 families.<sup>1</sup> HOME frequently provides critical gap financing to make affordable rental housing funded with the Low-Income Housing Tax Credit (Housing Credit) or other federal, state, and local housing projects feasible and allows the housing produced to reach even lower income populations. From 2020 – 2024, 58 percent of HOME units were located in Housing Credit developments, representing 65 percent of all HOME funding.<sup>2</sup>

### 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 renter households assisted with HOME may earn no more than 60 percent of AMI. In HOME rental properties with five or more units, at least 20 percent of those units must rent to households at no more than 50 percent of AMI. HOME consistently has exceeded these requirements by assisting families with incomes far below the HOME limits. Since 2013, 43 percent of those assisted with affordable rental housing have been extremely low-income families (at or below 30 percent of AMI), and 97 percent have been households with incomes at or below 60 percent of AMI.<sup>3</sup>

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. An ownership property must remain a family's

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<sup>1</sup> U.S. Department of Housing and Urban Development, "[HOME National Production Report](#)," January 2, 2025.

<sup>2</sup> U.S. Department of Housing and Urban Development, "[HOME Units Completed Within LIHTC Projects by State](#)," December 31, 2024.

<sup>3</sup> U.S. Department of Housing and Urban Development, "[HOME National Production Report](#)," January 2, 2025.

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 2024 reached 43.5 million households, or over one-third of all U.S. households. This includes a record-high 22.7 million renter households that were cost-burdened.<sup>4</sup> At the same time, home prices continue to rise, increasing 2.2 percent year over year as of November 2025, moving homeownership even further from the reach of low-income families.<sup>5</sup> Meanwhile, the nation continues to chronically underproduce new housing. The U.S. housing shortage grew to 4.7 million homes in 2023, despite a bump in inventory, as only 1.4 million housing units were built compared to 1.8 million new families formed, according to an analysis by Zillow.<sup>6</sup>

These pressures on households have enormous repercussions across the entire economy. The cost of shelter represented more than one-third of the Consumer Price Index as of December 2025, according to the Bureau of Labor Statistics, making housing one of the largest components of the inflation calculation.<sup>7</sup> To truly tackle inflation, we must add to the supply of affordable rental and for-sale housing. HOME is key to both.

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 more than three decades, HOME has been one of the most effective and flexible tools states and localities have had to meet their affordable housing needs.

### **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 — an alliance of organizations and businesses across the nation that support the HOME program — estimates this investment has supported more than two million jobs and generated \$140 billion in local income since the program began in 1992.

### **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,

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<sup>4</sup> Joint Center for Housing Studies of Harvard University, “[Housing Unaffordability Soared to New Highs in 2024](#),” February 4, 2026.

<sup>5</sup> Federal Housing Finance Agency, “[U.S. House Prices Rise 2.2 Percent Year Over Year; Up 0.2 Percent Quarter Over Quarter](#),” November 25, 2025.

<sup>6</sup> Zillow, “[US housing deficit grew to 4.7 million despite construction surge](#),” July 9, 2025.

<sup>7</sup> Bureau of Labor Statistics, “[Measuring Price Change in the CPI: Rent and Rental Equivalence](#),” April 9, 2025.

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 at the federal level by HUD. HUD allocates 60 percent of HOME funds to local PJs and 40 percent to state PJs, according to a statutory needs-based formula. Nearly all state HFAs administer HOME as either the PJ or a subrecipient. HUD monitors the PJs for program compliance, enforces HOME program rules and regulations, and generates multiple reports on PJ activity.

### **What should Congress do to improve HOME?**

If we are truly to tackle housing inflation, we must add to the supplies 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 2026, Congress provided \$1.25 billion for HOME. As Congress faces pressure to reduce total federal spending, it is critical that those reductions not be borne by the one HUD program dedicated to increasing the supply of affordable housing. Without sufficient supply available to meet the demand, the cost of housing simply will continue to go up, resulting in more inflation and hurting families. Recognizing fiscal pressures, NCSHA supports at least \$1.5 billion for HOME in FY 2027, matching the previous high-water mark in FY 2023.

Congress 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 efforts to reauthorize the program in ways that would increase flexibility, improve efficiency, and better align HOME with other housing finance resources, such as the Housing Credit. Many positive HOME changes have been included in the House-passed Housing for the 21st Century Act and the Senate-passed 21<sup>st</sup> Century ROAD to Housing Act, both of which NCSHA strongly supports.

### **What is the HOME-ARP program?**

Despite the similarities in their names, HOME and HOME-ARP are entirely different programs. HOME-ARP was a one-time infusion of \$5 billion intended to address unique housing challenges presented by the Covid-19 pandemic and targeting specific eligible populations with limited 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) tenant-based rental assistance; 3) supportive services, homeless prevention services, and housing counseling; and 4) purchase and development of non-congregate shelter facilities.



HOME-ARP serves a very different purpose than HOME itself and is not a substitute for robust annual funding for the core HOME program. For example, while HOME funds can be used to promote homeownership in a variety of ways, HOME-ARP cannot be used to help households become home buyers or to help existing homeowners maintain homeownership. While HOME-ARP funds may only be used to assist households under 30 percent of AMI, ordinary HOME funds may serve a much broader segment of the population, including households up to 80 percent of AMI.