

Section-by-Section of the HOME Reform Act of 2025
Chairman Mike Flood & Ranking Member Emanuel Cleaver, II

The HOME Reform Act of 2025 makes commonsense updates to streamline and improve the US Department of Housing and Urban Development’s HOME Investment Partnerships Program. This bill is the result of a months-long bipartisan effort, including a House hearing and an open public comment process.

Section 1. Short Title: Short title of the bill is the “HOME Reform Act of 2025.”

Section 2. Definitions; Assistance for Low-Income Families: This section makes several refinements to the definitions within the Cranston-Gonzalez National Affordable Housing Act (Cranston-Gonzalez).

The Community Housing Development Organization (CHDO) definition is adjusted to provide some added flexibility in who can sit on a CHDO’s board.

A definition for the term “infill housing project” is added.

Section 2 expands eligibility of the HOME program to families up to 100 percent of area median income in the following areas of the program:

- It allows for participating jurisdictions to invest in single-family homeownership assistance that benefits families with up to 100 percent area median income.
- It allows for housing for homeownership that is occupied by a family with no less than 100 percent of area median income to qualify as affordable housing under the statute.
- It adjusts resale restrictions for single-family homes that receive HOME assistance to be open to families with up to 100 percent of area median income.
- It makes other technical changes clarifying uses of HOME dollars for single-family homeownership investment or repair are open to families with up to 100 percent of area median income.

Section 3. Choices Made by Participating Jurisdictions: This section replaces language in Cranston-Gonzalez that required participating jurisdictions to give a preference to rehabilitation projects over other uses of HOME funds.

Section 4. Use of Amounts by Certain Jurisdictions for Infrastructure Improvements: This section adds a new eligible use of HOME funds.

Under this section, funds may be used for infrastructure improvements directly related to HOME projects or Low-Income Housing Tax Credit (LIHTC) projects in areas that do not receive assistance from the Community Development Block Grant (CDBG) program. These activities would still be subject to Build America, Buy America and to the same prevailing wage requirements applied to infrastructure projects using CDBG funds. It directs the HUD Secretary to issue rulemaking within 360 days of enactment to carry out this amendment.

Additionally, this section makes a technical change to a statutory requirement related to multifamily housing per-unit subsidy caps.

Section 5. Affordable Rental Housing Qualifications: This section makes a change ensuring that units occupied by Section 8 voucher holders are considered affordable housing for the purposes of the statute as long as the rent and contributions align with Public Housing Authority guidelines.

Section 6. Affordable Homeownership Housing Qualifications:

This section increases the maximum median purchase price allowable for housing for homeownership in the statute from 95 percent of median purchase price for the area to 110 percent of median purchase price for the area.

Additionally, it codifies a range of commonly used mechanisms to maintain affordability as acceptable means of fulfilling the resale restriction requirements under the HOME program.

Finally, the bill creates two narrow exemptions from the statute's homeownership restrictions:

- It provides authority to a participating jurisdiction to suspend income restrictions for an owner of a property that is a member of the military that has received a change in station or deployment orders.
- For housing that qualified as affordable housing prior to the death of the owner, it may continue to qualify as affordable housing for the owner's heir or beneficiary if the home is the heir or beneficiary's primary residence and the heir or beneficiary assume the duties and obligations of the deceased owner.

Section 7. Removal of Expiration of Right to Draw HOME Investment Trust Funds: This section removes a deadline for participating jurisdictions to commit HOME funds from 24 months after they are received. This requirement is waived regularly as part of must-pass Appropriations bills.

Section 8. Adjusted Recapture and Reuse of Set-Aside for Community Housing

Developmental Organizations: This section ensures funds that go unused by CHDOs can be redistributed to participating jurisdictions.

Section 9. Asset Recycling Information Dissemination Expansion: This section makes a technical change to align a reporting requirement in statute with the new 110 percent median purchase price threshold in Section 6 of the bill.

Section 10. Environmental Review Requirements: This section creates new categories of activities under the HOME program that are exempt from review under the National Environmental Policy Act of 1969 (NEPA). New construction on infill lots, acquisition of real property for affordable housing, rehabilitation projects and new construction projects of 15 units or less would all be activities that are exempt from NEPA review pursuant to this section.

This section adds new requirements related to limiting duplicative environmental reviews in the HOME program. It requires that projects that have already undergone an environmental review

not undergo a second environmental review due to the addition or subtraction of other sources of federal assistance to the project.

It also requires that the Secretary of HUD issue regulations coordinating environmental review responsibilities between other federal agencies. Finally, it ensures an environmental review will not be required on a project that's scope, scale and location have not changed if a substantially similar review was already completed by another entity that assumes responsibility for environmental reviews pursuant to the Housing and Community Development Act of 1974. The bill requires rulemaking to be issued carrying out this subsection within 360 days of enactment.

Section 11. Application of Other Specified Statutory Requirements: This section ensures that the Build America, Buy America Act—as enacted in the Infrastructure Investment and Jobs Act— applies to newly authorized infrastructure uses, but does not apply to other housing-related uses under the HOME program.

This section also ensures that the requirements of Section 3 of the Housing and Urban Development Act of 1968 do not apply to projects of less than 50 units for participating jurisdictions receiving less than \$3 million in total allocations from the program.

Section 12. Technical Amendments: This section makes technical changes to the Cranston-Gonzalez National Affordable Housing Act.