

# HOME Investment Partnerships Program FAQs

Last Updated: December 30, 2015

Description:

This document contains the HOME Investment Partnerships Program FAQs posted on the HUD Exchange website (<https://www.hudexchange.info/home/>). The FAQs are organized by topic.

# Cross Cutting Requirements

## Environmental Review

### **What effect does the changing definition of commitment at 24 CFR 92.2 have on the practice of utilizing a conditional HOME Commitment prior to the completion of a full environmental review?**

Updated: January 27, 2014

The 2013 HOME Final Rule revised the definition of commitment to ensure that participating jurisdictions could account for the use of HOME program funds. When a PJ commits HOME funds, it must execute a binding written agreement, ensure that all necessary financing has been secured for the project, establish both the budget and schedule for the project and complete the requisite assessment of market demand, underwriting and subsidy layering per the criteria established in the regulations at 24 CFR 92.2.

The HUD Environmental Review regulations, 24 CFR part 58, require that PJs shall not commit HOME program funds to a project prior to completion of an environmental review. It is possible however to make a “conditional commitment,” in which the PJ conditions the commitment of HOME funds on the successful completion of the environmental review. Therefore, while the 2013 Rule changes the definition and requirements for a valid commitment of HOME funds, a PJ may still enter into an agreement for the “conditional commitment” of HOME funds for a specific project prior to the completion of the environmental review process. A conditional commitment (i.e., pending environmental review) may be included when determining whether the commitment and CHDO reservation requirements of 24 CFR 92.500 (d) have been met.