

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.

Planning and Coordination

Real Estate Market Analysis

Do *all* projects require a market assessment, including small rental or homebuyer development projects?

Updated: January 27, 2014

The 2013 Rule requires that prior to committing HOME funds-the PJ must evaluate the feasibility of all rental or homebuyer development projects regardless of size (number of units) or activity type (i.e., acquisition only, acquisition/rehabilitation, rehabilitation, or new construction). One component of this evaluation is an assessment of the current market demand in the neighborhood in which the project will be located. The 2013 Rule makes two exceptions to this requirement - homebuyer downpayment assistance only projects (i.e., homebuyer projects that do not also include rehabilitation or new construction) and owner-occupied rehabilitation projects.

Small development projects are not exempt from this requirement because the purpose of the requirement is to ensure that every unit in which the PJ invests HOME funds results in housing that will be rented or sold as quickly as possible, in order to provide affordable housing for low- and very low-income families. HUD recognizes that the PJ may approach the market assessment of a small rental or homebuyer development project differently than the assessment of a large project. HUD will issue additional guidance for PJs on market assessment in the near future.