Handouts & Resources

Property Standards for HOME-Assisted Housing

HOME Monitoring Training
As of Spring 2021
# Property Standards for HOME-Assisted Housing

<table>
<thead>
<tr>
<th>Upon completion, HOME rental and homebuyer housing must meet the following requirements, per 24 CFR 92.251</th>
<th>Documentation</th>
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</thead>
<tbody>
<tr>
<td><strong>New Construction</strong></td>
<td>• Scope of work in construction contract and related documents – must be in sufficient detail to perform inspection and determine costs are reasonable</td>
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| • State/local codes & standards; or, in their absence, International Residential Code or International Building Code of the International Code Council, for the property type | • Plans and specifications  
  o Consistent with scope of work  
  o Evidence of accessibility, as applicable  
  o Evidence of broadband infrastructure, as applicable |
| • Accessibility, per Section 504 of the Rehabilitation Act of 1973 (24 CFR part 8); Titles II and III of the American Disabilities Act; and, for multifamily dwellings, design and construction requirements of the Fair Housing Act (24 CFR 100.205) | • Progress inspection(s) reports – must verify compliance with standards and scope of work in construction contract |
| • Disaster mitigation, as applicable | • Final inspection report – must verify compliance with applicable property standards upon completion |
| • Broadband infrastructure for buildings with five or more units, if HOME funds committed after 1/19/2017, except in limited situations when PJ makes exception | • Evidence of disaster mitigation, as applicable |

| **Rehabilitation** | • PJ’s written rehabilitation standards - details methods, materials, & requirements. Must include:  
  o State/local codes & standards, or in their absence, International Existing Building Code of the International Code Council for the property type  
  o Health and safety - life threatening deficiencies that must be addressed immediately if housing is occupied  
  o Evaluation of remaining useful life of major systems  
    ▪ For rental housing with more than 26 units in project, capital needs assessment required  
    ▪ For rental housing, if remaining useful life is less than affordability period, system must be replaced as part of rehab or sufficient capital reserves must be set aside for replacement later  
    ▪ For homeownership housing, upon completion, each major system must have remaining useful life of 5 year minimum, or the major system(s) must be rehabilitated or replaced as part of the rehabilitation work  
  o Lead-based paint (pre-1978 housing), per 24 CFR part 35 | • Initial (pre-rehab) inspection report – to identify deficiencies to be addressed in rehab (i.e., scope of work) |
| | • Scope of work in construction contract and related documents – must be in sufficient detail to ensure compliance with rehab standard and correct deficiencies identified in initial inspection |
| | • Plans and specifications  
  o Consistent with scope of work evidence of accessibility, if applicable  
  o Evidence of broadband infrastructure, for rental housing, as applicable |
| | • Progress inspection(s) reports – must verify compliance with standards and scope of work in construction documents |
| | • If lead paint present – evidence of evaluation and treatment of paint per 24 CFR part 35 along with clearance and issuance of all required notices |
| | • Final inspection report – must verify compliance with PJ’s written rehab standards |
| | • Evidence of disaster mitigation, as applicable |
## Property Standards for the HOME Program | Spring 2021

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### Acquisition

- **For rental housing** that will be acquired:
  - New construction standards apply when housing was newly constructed within 12 months of commitment date
  - Rehabilitation standards apply when housing was rehabilitated within 12 months of commitment date
  - PJ must inspect property within 90 days of commitment. If housing does not meet standards, it must be rehabbed to meet rehab standards

- **For homeownership** units that will be acquired:
  - Housing must meet PJ-established standards of decent, safe, sanitary and in good repair at the time title is transferred to the buyer.
  - PJ standard must include state and local standards and must address, at a minimum, specific deficiencies based on inspectable items and areas in HUD’s Uniform Physical Condition Standards, as identified by HUD
  - PJ must inspect property within 90 days of commitment. If housing does not meet standards, it must be rehabbed to meet rehab standard

### Manufactured Housing - new or replacement unit (reconstruction)

- Manufactured Home Construction and Safety Standards codified at 24 CFR part 3280 (pre-empts State and local codes that do not meet federal standards)
- Applicable State and local laws or codes for manufactured housing; in their absence, must follow manufacturer’s instructions for installation
- Permanent foundation must comply with 24 CFR 203.43f(c)(i)

### Acquisition

- Approved building plans and certificate of occupancy, if recently constructed or rehabilitated
- Copy of property inspection report, no earlier than 90 days before the commitment of HOME funds for acquisition

### Manufactured Housing - new or replacement unit (reconstruction)

- Copy of inspection report, per PJ’s inspection procedures
- Title search or land records search showing land ownership by manufactured housing unit owner; or if manufactured housing unit owner is leasing the land on which the unit sits, copy of lease
At completion, unit must be connected to permanent utility hook-ups
Manufactured housing unit owner must own land where unit is installed, or have lease for length of affordability period, at minimum
For rehab of existing manufactured housing:
  - Foundation and anchoring must meet applicable State and local codes and requirements; in their absence, it must meet Model Manufactured Home Installation Standards at 24 CFR part 3285
  - Upon completion, unit must meet PJ’s written rehabilitation standard, described under Rehabilitation above
See Notice CPD-03-05, Guidance on Manufactured Housing under the HOME Program for more information on the standards that apply to manufactured housing.

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<th>Ongoing Property Condition Standards (Rental housing)</th>
<th>Tenant-based Rental Assistance Programs</th>
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| • PJ-established standards to ensure property remains in decent, safe, and sanitary condition throughout affordability period
  • Must include:
    - Compliance with State/local codes and standards; or in their absence, address inspectable items and areas from the Uniform Physical Conditions Standards (UPCS), as identified by HUD
    - Health & safety – must be free of health and safety defects; life-threatening defects must be addressed immediately
    - Ongoing compliance with lead-based paint requirements, per 24 CFR part 35
  • For projects with HOME funding commitments made prior to 1/24/15, all applicable State or local housing quality standards or code requirements apply; absent such standards/codes, the housing must meet the HUD housing quality standards at 24 CFR 982.401 | • HUD housing quality standards at 24 CFR 982.401

| • Annual certification by owner that units are suitable for occupancy
  • PJ inspection procedures that include:
    - Inspection checklists
    - Description of how and by whom inspections will occur
    - Frequency of inspections
    - Procedures for training and certifying inspectors
    - Procedures for ensuring timely corrective and remedial action by owners to correct deficiencies.
  • Inspection reports to determine if property meets applicable standards
    - If deficiencies found, re-inspection report(s) conducted within 12 months to show deficiencies are corrected, or other documentation for non-hazardous deficiencies
    - Inspections dated w/in 12 months of completion & at least every 3 years during affordability period | • Inspection report prior to initial move-in
  • Annual re-inspection reports for duration of tenancy

NOTE: On January 13, 2021, HUD issued a Proposed Rule related to the implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE). This proposed Rule would revise the way HUD-assisted housing is inspected and evaluated. It proposes to align and consolidate the inspection regulations used to evaluate HUD housing and create a unified assessment of housing quality across HUD programs. Any changes to the HOME property standards requirements that may result from these efforts will be announced on the HUD Exchange.