

Chapter 12

CHDO LOAN ACTIVITIES

In this chapter, you will learn how to set up, fund, draw funds for, and complete a HOME activity that is initially funded with a CHDO loan. Instructions are provided for CHDO loan activities that go forward to produce affordable housing and for those that do not go forward.

CHDO loans are intended to give CHDOs access to funds for eligible pre-development costs (see 24 CFR 92.301 for more information). The two types of pre-development assistance are:

- Site control/technical assistance loans, for covering the costs of establishing the feasibility of a specific activity, and
- Seed money loans, for paying the pre-construction costs of a specific activity.

CHDO loan assistance may be provided for rental activities or for homebuyer activities where the CHDO is acting as the owner, sponsor, or developer of the property. While the instructions below are for a single-address rental activity, you will follow the same steps to set up a CHDO loan for a homebuyer activity.

THE CHDO LOAN PHASE

The processing steps for the CHDO loan phase of an activity are:

1. Set up the activity by completing the common activity screen and filling in the first HOME setup screen.
2. Fund the activity with CHDO Loan (CL) money and draw the CL funds.
3. Indicate whether or not the activity is going forward to produce HOME-funded housing.

ACTIVITY SETUP FOR THE CHDO LOAN PHASE

Complete the common activity screen as you do for all activities (see page 3-2), selecting an ACTIVITY CATEGORY of **Rental** or **Homebuyer**. Click the <Add HOME> button to display the first HOME setup screen:

User ID: C00063 User Role: Grantee Organization: ATLANTA	Projects/Activities	Funding/Drawdown	Grant	Grantee/PJ	Admin	Reports						
Logout Activity Add Search Project Add Search Copy Utilities Home Data Downloads Print Page Help (Add) Help (Edit) Links PDF Viewer Support CPD Home RAMPS HUD Home	<p>Activity</p> <p>Add HOME Setup Detail (Page 1)</p> <p>Rental</p> <p>Save Save and Continue Cancel</p> <p>* Indicates Required Field</p> <table border="1"> <tr> <td>Grantee/PJ Activity ID: N/A</td> <td>Activity Name: Carleton Apartments</td> <td>Program Year/Project ID: 2009/7</td> </tr> <tr> <td>IDIS Activity ID: 3532</td> <td>Activity Owner: ATLANTA</td> <td>Project Title: ATLANTA AFFORDABLE HOUSING OPPORTUNITIES PROGRAM (AAHOP)</td> </tr> </table> <p>CHDO Questions</p> <p>Will the activity be funded with CHDO Reserve (CR)? <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>CHDO Acting As: Select <input type="text"/></p> <p>Will initial funding be a CHDO site control and/or seed money loan? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Save Save and Continue Cancel</p>						Grantee/PJ Activity ID: N/A	Activity Name: Carleton Apartments	Program Year/Project ID: 2009/7	IDIS Activity ID: 3532	Activity Owner: ATLANTA	Project Title: ATLANTA AFFORDABLE HOUSING OPPORTUNITIES PROGRAM (AAHOP)
Grantee/PJ Activity ID: N/A	Activity Name: Carleton Apartments	Program Year/Project ID: 2009/7										
IDIS Activity ID: 3532	Activity Owner: ATLANTA	Project Title: ATLANTA AFFORDABLE HOUSING OPPORTUNITIES PROGRAM (AAHOP)										

For a CHDO loan activity, fill this screen in as follows:

Field	Description
Fields in gray box	These read-only fields identify the activity you are processing.
Will the activity be funded with CHDO Reserve (CR)?	Change this field to Yes (CHDO Loan funds are subfunded from CR).
CHDO Acting As	Indicate if the CHDO is acting as the owner, sponsor, or developer: <p>Owner: The CHDO holds legal title to or has a long-term (99-year minimum) leasehold interest in the property. The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities.</p> <p>Sponsor: The CHDO develops a property that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time.</p> <p>Developer: The CHDO either owns and develops the property or is under a contractual obligation with the owner to obtain financing and develop the property.</p>
Will initial funding be a CHDO site control loan and or seed money loan?	Change this field to Yes .

When you are finished, click the <Save and Continue> button to save your data and display the Edit Activity screen:

User ID: C00063
User Role: Grantee
Organization: ATLANTA
[- Logout](#)

Activity
[- Add](#)
[- Search](#)

Project
[- Add](#)
[- Search](#)
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Activity
 ● HOME setup for CHDO loan phase is complete: Activity can now be funded with CL.

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***Indicates Required Field**

Activity Owner: ATLANTA, GA
IDIS Activity ID: 3532
***Program Year:** 2009
***IDIS Project ID/Project Title:** 7/ATLANTA AFFORDABLE HOUSING OPPORTUNITIES PROGRAM (AAHOP) (2009)
***Activity Name:** Carleton Apartments

Activity Status: Open
Completion Date: [Select Date](#)
(ex: mm/dd/yyyy)
Grantee/PJ Activity ID:
Initial Funding Date:

***Indicate if activity will be funded with Recover Funds:(tip)**
 Yes No

Program	*Activity Category (tip)	Ready to Fund	Funded	Setup Detail	Accomplishment
CDBG	None	No	No	<input type="button" value="Add CDBG"/>	<input type="button" value="Add CDBG Accomp."/>
ESG	None	No	No	<input type="button" value="Add ESG"/>	<input type="button" value="Add ESG Accomp."/>
HOME	Rental	Loan Phase Ready	No	<input type="button" value="Edit HOME"/>	<input type="button" value="Add HOME Accomp."/>
HOPWA	None	No	No	<input type="button" value="Add HOPWA"/>	<input type="button" value="Add HOPWA Accomp."/>

The message "HOME setup for CHDO loan phase is complete: Activity can now be funded with CL" is displayed, the READY TO FUND field is set to **Loan Phase Ready**, and the <Activity Funding> button is activated.

CHDO LOAN FUNDING AND DRAWS

PJs may use up to 10% of their CHDO Reserve funds for CHDO loans. Because this form of assistance is tracked separately in IDIS, you must create a CHDO Loan subfund before you will be able to fund the activity.

The funding and draw procedures for CHDO loan activities are the same as for other activities. The only difference is that, during the CHDO loan phase, the only fund type you can commit and draw is CHDO Loan (CL).

INDICATING IF THE ACTIVITY IS GOING FORWARD

Once all of the CL funds committed to the activity have been drawn, the next step is to return to the setup screen and indicate if the activity is going forward to produce housing.

Notice the new field at the bottom of the screen, CHDO LOAN (CL) FUNDS HAVE BEEN FULLY DISBURSED. IS THE ACTIVITY GOING FORWARD? If the activity is continuing to the development phase, change the answer to **Yes**. Otherwise, leave the field set to **No**.

When you have finished, click the <Save and Continue> button. The screen that is displayed next depends on how you answered the GOING FORWARD question.

IF THE ACTIVITY IS NOT GOING FORWARD

If the activity is not continuing beyond the loan phase, perform these two steps:

1. If any public or private funds were used for the CHDO loan, enter the amount(s) on the cost screen. The cost screen is the only HOME screen that is completed for a loan activity that does not go forward.
2. Update the ACTIVITY STATUS to Completed.

When you answer **No** to GOING FORWARD on the CHDO Questions screen and click <Save and Continue>, the HOME Costs screen is displayed. It differs from the regular cost screen in that (1) the CHDO Loan amount is displayed in a read-only field and (2) there are no input fields for HOME costs. The rental screen is shown below. The homebuyer cost screen has been similarly modified.

User ID: C00063
User Role: Grantee
Organization:
 ATLANTA
[- Logout](#)

Projects/Activities

Funding/Drawdown

Grant

Grantee/PJ

Admin

Reports

Activity

Edit HOME Costs

Rental

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Grantee/PJ Activity ID: N/A	Activity Name: Carleton Apartments	Program Year/Project ID: 2009/7
IDIS Activity ID: 3532	Activity Owner: ATLANTA	Project Title: ATLANTA AFFORDABLE HOUSING OPPORTUNITIES PROGRAM (AAHOP)

Costs

HOME Funds

Form of Assistance	Amount
HOME - CHDO Loan	\$ <input style="width: 80%;" type="text" value="2,500.00"/>

Public Funds

Form of Assistance	Amount
Other Federal Funds	\$ <input style="width: 80%;" type="text"/>
State/Local Funds	\$ <input style="width: 80%;" type="text"/>
Tax-Exempt Bond Proceeds	\$ <input style="width: 80%;" type="text"/>
Total	\$ <input style="width: 80%;" type="text" value="0.00"/>

Private Funds

Form of Assistance	Amount
Private Loans	\$ <input style="width: 80%;" type="text"/>
Owner Cash Contributions	\$ <input style="width: 80%;" type="text"/>
Private Grants	\$ <input style="width: 80%;" type="text"/>
Total	\$ <input style="width: 80%;" type="text" value="0.00"/>

Other

Form of Assistance	Amount
Low Income Housing Tax Credit Proceeds	\$ <input style="width: 80%;" type="text"/>
Total	\$ <input style="width: 80%;" type="text" value="0.00"/>

Activity Total

HOME Funds:

\$

All Funds:

\$

Total HOME Funds Disbursed:

\$

|

Field	Description
Fields in gray box	These read-only fields identify the activity you are processing.
HOME - CHDO Loan	<p>This display-only field shows the total amount of CL funds drawn for the activity.</p> <p>Because the activity is not going forward, there are no other input fields for HOME funds.</p>
Public Funds <i>through</i> Other	If funding for the CHDO loan phase of the activity was received from other sources, fill in these fields exactly as you do for a non-CHDO loan rental activity.
Activity Total	
HOME Funds	For a CHDO loan activity that is not going forward, this is always equal to HOME - CHDO LOAN.
All Funds	This read-only field shows the sum of all HOME, public, private, and other funds.
Total HOME Funds Disbursed	For a CHDO loan activity that is not going forward, this always equals the HOME FUNDS amount.

When you click the <Save> button, the Edit Activity screen is displayed. Remember to update the ACTIVITY STATUS to Completed (see page 3-10) within 120 days of the final CL draw.

IF THE ACTIVITY IS GOING FORWARD

If the activity is going forward to produce HOME-assisted housing, perform the following:

1. Fill in the HOME setup screens.
2. Commit and draw additional (non-CL) funds for the activity.
3. Fill in the HOME completion screens.
4. Update the ACTIVITY STATUS to Completed.

Processing differs only very slightly from that of a regular rental or homebuyer activity. Those differences are explained below.

ACTIVITY SETUP

With the exception of one field, the setup screens for a CHDO loan activity and a regular activity are identical. For a CHDO loan activity, the ESTIMATED HOME COST field on the Page 2 setup screen looks like this:

*Estimated HOME Cost	
	Amount
CHDO Loan	2,500.00
Other HOME Cost	\$ <input type="text"/>
Total	\$ 2,500.00

CHDO LOAN shows the amount of CL funds disbursed for the activity, and cannot be updated. In OTHER HOME COST, enter the amount of additional (non-CL) HOME funds you expect to expend on the activity.

FUNDING AND DRAWS

Perform these steps exactly as you do for a regular rental or homebuyer activity.

ACTIVITY COMPLETION

The completion screens for a CHDO loan activity are the same as those for a regular activity, except that the amount of CHDO Loan funds disbursed for the activity is displayed in the cost section of the Page 2 completion screen. The cost section of the rental screen is shown below; the same modifications have been made to the homebuyer screen for a CHDO loan activity.

Single-Address Activity Costs Screen

Costs	
HOME Funds	
Form of Assistance	
HOME - CHDO Loan	\$ 2,500.00
HOME Funds (including PI)	
Form of Assistance	
Amortized Loan	\$
Grant	\$
Deferred Payment Loan	\$
Other	\$
Total	\$ 0.00
Public Funds	
Form of Assistance	
Other Federal Funds	\$
State/Local Funds	\$
Tax-Exempt Bond Proceeds	\$
Total	\$ 0.00
Private Funds	
Form of Assistance	
Private Loans	\$
Owner Cash Contributions	\$
Private Grants	\$
Total	\$ 0.00
Other	
Form of Assistance	
Low Income Housing Tax Credit Proceeds	\$
Total	\$ 0.00

As with any regular activity, the HOME final rule at 24 CFR 92.502(d)(1) requires PJs to enter completion information and update the ACTIVITY STATUS to Completed (see page 3-10) within 120 days of the final draw for the activity.

MULTI-ADDRESS CHDO LOAN ACTIVITIES

Multi-address rental and homebuyer activities that are initially funded with CHDO loans follow the same processing pattern as single-address activities:

Complete the Common Path and CHDO Questions screen, commit and draw the CHDO Loan (CL) funds, and indicate if the activity is going forward to produce HOME-funded housing (see pages 12-1 through 12-4).

If the activity is not going forward:

1. If any public or private funds were used for the CHDO loan, enter the amount(s) on the cost screen. The cost screen is the only HOME screen that is completed for a loan activity that does not go forward.
2. Update the ACTIVITY STATUS to Completed.

If the activity is going forward:

1. Fill in the HOME setup screens (see page 12-7).
2. Fund and draw additional (non-CHDO loan) HOME funds for the activity.
3. Fill in the HOME completion screens. The cost screen for multi-address CHDO loan activities is completed a little differently from single-address activities, as explained below.
4. Update the ACTIVITY STATUS to Completed.

Multi-Address Activity Costs Screen

On the cost screen for multi-address CHDO loan activities that go forward, the CHDO loan amount is not protected as it is on the single-address screens. It is instead an input field:

Costs	
HOME Funds	
Form of Assistance	
HOME - CHDO Loan	\$ <input type="text"/>
HOME Funds (including PI)	
Form of Assistance	
Amortized Loan	\$ <input type="text"/>
Grant	\$ <input type="text"/>
Deferred Payment Loan	\$ <input type="text"/>
Other	\$ <input type="text"/>
Total	\$ <input type="text" value="0.00"/>

You can either prorate the CHDO loan amount across addresses, as you do all other HOME costs, or enter the entire amount of the loan on the cost screen for one address. The sum of the CHDO LOAN amounts you enter on the cost screens must equal the total amount of the loan before you will be allowed to update the ACTIVITY STATUS to Completed. The total of the CHDO loan amounts you have input is displayed on the Multi-Address Activity Cost Summary screen along with other HOME Funds totals:

Projects/Activities	Funding/Drawdown	Grant	Grantee/PJ	Admin	Reports
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User ID: C00063
User Role: Grantee
Organization: HUNTSVILLE
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Activity

Multi-Address Activity Summary

Rental

[Return to Accomplishment Page 2](#)

Grantee/PJ Activity ID: N/A	Activity Name: Williston Rental Development	Program Year/Project ID: 2009/7
IDIS Activity ID: 974	Activity Owner: HUNTSVILLE	Project Title: CHDO 2009
Activity Address: 301-303 Maple Avenue Huntsville, AL 35895		

Activity Totals, All Addresses

HOME Funds (including PI)

Form of Assistance	Amount
CHDO Loan	\$650.00
Amortized Loan	\$15,000.00
Grant	\$0.00
Deferred Payment Loan	\$0.00
Other	\$0.00
Total	\$15,650.00

As with any regular activity, the HOME final rule at 24 CFR 92.502(d)(1) requires PJs to enter completion information and update the ACTIVITY STATUS to Completed (see page 3-10) within 120 days of the final draw for the activity.