

Chapter 14

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 on the following pages for CHDO loan activities that go forward to produce affordable housing as well as those that do not.

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 that is to be funded with a CHDO loan, you would follow the same steps for a homebuyer CHDO loan activity.

THE CHDO LOAN PHASE

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

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

ACTIVITY SETUP FOR THE CHDO LOAN PHASE

Complete the common activity screen the way you would for any other activity (see page 3-2) and select an ACTIVITY CATEGORY of **Rental** or **Homebuyer**. Click the [Add HOME] button to display the first HOME setup screen:

Organization: QUINCY
- Logout

Activity
- Add
- Search

Project
- Add
- Search
- Copy

Utilities
- Home
- Data Downloads
- Print Page
- Help (Add)
- Help (Edit)

Links
- Rules of Behavior
- RAMPS
- Support
- CPD Home
- HUD Home

Activity
Add HOME Setup Detail (Page 1)

Save | Save and Continue | Cancel

*** Indicates Required Field**

Grantee/PJ Activity ID: N/A	Activity Name: 1213 Barnes St. Predevelopment	Program Year/Project ID: 2011/45
IDIS Activity ID: 2569	Activity Owner: QUINCY	Project Title: MILTON CHDO AFFORDABLE HOUSING

CHDO Questions

Will the activity be funded with CHDO Reserve (CR)?
 Yes No

CHDO Acting As:

Will initial funding be a CHDO site control and/or seed money loan?
 Yes No

Save | Save and Continue | Cancel

For a CHDO loan activity, complete this screen as follows:

Field	Description
Fields in gray box	These read-only fields identify the activity that is being processed.
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: 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. 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. 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.
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:

Organization: QUINCY
[- Logout](#)

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

Project
[- Add](#)
[- Search](#)
[- Copy](#)

Utilities
[- Home](#)
[- Data Downloads](#)
[- Print Page](#)
[- Help](#)

Links
[- Rules of Behavior](#)
[- RAMPS](#)
[- Support](#)
[- CPO Home](#)
[- HUD Home](#)

Activity
 Edit Activity

• HOME setup for CHDO loan phase is complete: Activity can now be funded with CL.

|

***Indicates Required Field**

Activity Owner: QUINCY, MA

Activity Status: Open

IDIS Activity ID: 2569

Completion Date:
(ex: mm/dd/yyyy)

***Program Year:** 2011

Grantee/PJ Activity ID:

***IDIS Project ID/Project Title:** 45/MILTON CHDO AFFORDABLE HOUSING (2011)

Initial Funding Date:

***Activity Name:** 1213 Barnes St. Predevelopment

Program	*Activity Category (tip)	Ready to Fund	Funded	Setup Detail	Accomplishment	Completion Check
CDBG	None	No	No	<input type="button" value="Add CDBG"/>	<input type="button" value="Add CDBG Accomp."/>	
ESG	None	No	No			
HOME	Rental	Loan Phase Ready	No	<input type="button" value="Edit HOME"/>	<input type="button" value="Add HOME Accomp."/>	<input type="button" value="Check HOME"/>
HOPWA	None	No	No			
CDBG-R	None	No	No			
HPRP	None	No	No			
TCAP	None	No	No			
HESG	None	No	No		Grantees will enter Accomp data into e-SNAPS	
HOPWA-C	None	No	No			

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

For 2014 and earlier grants, PJs may use up to 10 percent of the amount of CR that has been subgranted to CHDOS for CHDO loans. For 2015 and later grants, PJs may use up to 10 percent of the amount of CR that has been committed to CHDO activities for CHDO loans. Because this form of assistance is tracked separately in IDIS, you must create a CHDO Loan (CL) subfund, and subgrant CL to the CHDO before you will be able to fund the activity.

The funding and drawdown 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 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 HOME-assisted affordable housing.

Organization: QUINCY
- Logout

Activity
- Add
- Search

Project
- Add
- Search
- Copy

Utilities
- Home
- Data Downloads
- Print Page
- Help (Add)
- Help (Edit)

Links
- Rules of Behavior
- RAMPS
- Support
- CPD Home
- HUD Home

Activity
Edit HOME Setup Detail (Page 1)

Rental

Save | Save and Continue | Cancel

* Indicates Required Field

Grantee/PJ Activity ID: N/A	Activity Name: 1213 Barnes St. Predevelopment	Program Year/Project ID: 2011/45
IDIS Activity ID: 2569	Activity Owner: QUINCY	Project Title: MILTON CHDO AFFORDABLE HOUSING

CHDO Questions

Will the activity be funded with CHDO Reserve (CR)?
* Yes No

CHDO Acting As:
Sponsor

Will initial funding be a CHDO site control and/or seed money loan?
* Yes No

* CHDO Loan (CL) funds have been fully disbursed. Is the activity going forward?
 Yes No

Save | Save and Continue | Cancel

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 whether or not the activity is going forward.

IF THE ACTIVITY IS NOT GOING FORWARD

If the activity is not continuing beyond the loan phase, complete the following 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 CHDO loan activity that does not go forward.
2. Update the ACTIVITY STATUS to **Completed**.

When you answer **No** to the question IS THE ACTIVITY 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 is similar.

Organization:
QUINCY

[- Logout](#)

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

Project
[- Add](#)
[- Search](#)
[- Copy](#)

Utilities
[- Home](#)
[- Data Downloads](#)
[- Print Page](#)
[- Help](#)

Links
[- Rules of Behavior](#)
[- RAMPS](#)
[- Support](#)
[- CPD Home](#)
[- HUD Home](#)

Activity

Edit HOME HOME Costs

Rental

|

Grantee/PJ Activity ID: N/A	Activity Name: 1213 Barnes St. Predevelopment	Program Year/Project ID: 2011/45
IDIS Activity ID: 2569	Activity Owner: QUINCY	Project Title: MILTON CHDO AFFORDABLE HOUSING

Costs

HOME Funds	
Form of Assistance	Amount
HOME - CHDO Loan	\$ 1,000.00

Public Funds	
Form of Assistance	Amount
Other Federal Funds	\$
State/Local Funds	\$
Tax-Exempt Bond Proceeds	\$
Total	\$ 0.00

Private Funds	
Form of Assistance	Amount
Private Loans	\$
Owner Cash Contributions	\$
Private Grants	\$
Total	\$ 0.00

Other	
Form of Assistance	Amount
Low Income Housing Tax Credit Proceeds	\$
Total	\$ 0.00

Activity Total

HOME Funds:
\$ 1,000.00

All Funds:
\$ 1,000.00

Total HOME Funds Disbursed:
\$ 1,000.00

|

Field	Description
Fields in gray box	These read-only fields identify the activity that is being processed.
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>

Field	Description
Public Funds <i>through</i> Other	If funding for the CHDO loan phase of the activity was received from other sources, complete these fields the way you would 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 the amount in the HOME - CHDO LOAN field.
All Funds	This read-only field shows the sum of all HOME, public, private, and LIHTC funding amounts.
Total HOME Funds Disbursed	For a CHDO loan activity that is not going forward, this always equals the HOME - CHDO LOAN amount.

When you click the [Save] button, the Edit Activity screen is displayed. Remember to update the ACTIVITY STATUS to **Completed** (see page 3-11) 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, complete the following steps:

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

Processing differs only 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		1,000.00
Other HOME Cost		\$ <input type="text"/>
Total		\$ 1,000.00

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

FUNDING AND DRAWS

The funding and drawdown process is the same as 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 on the Costs tab. The Costs tab for a rental activity is shown below; the Costs tab for a homebuyer activity is similar.

Location
Costs
Beneficiaries
i

HOME Funds

Form of Assistance	
HOME - CHDO Loan	\$ 50,000.00

HOME Funds (including PI)

Form of Assistance	
Amortized Loan	\$ 515,000.00
Grant	\$
Deferred Payment Loan	\$
Other	\$ 12,284.90
Total	\$ 527,284.90

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	\$ 527,040.00
Owner Cash Contributions	\$ 14,514.00
Private Grants	\$
Total	\$ 541,554.00

Other

Form of Assistance	
Low Income Housing Tax Credit Proceeds	\$ 4,333,111.00
Total	\$ 4,333,111.00

Activity Totals

HOME Funds		\$
	577,284.90	
All Funds		\$
	5,451,949.90	
Total HOME Funds Disbursed		\$
	577,284.90	

Save and Previous Page | Save | Cancel

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 3-11) 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 CHDO loan activities:

Complete the Add Activity and CHDO Questions screens, commit and draw CHDO Loan (CL) funds, and indicate if the activity is going forward to produce HOME-funded housing (see pages 14-1 through 14-4).

If the activity is not going forward:

1. Enter the amount of any public or private funds that were used for the CHDO loan on the cost screen. The cost screen is the only HOME screen that is completed for a CHDO loan activity that does not go forward.
2. Update the ACTIVITY STATUS to **Completed**.

If the activity is going forward:

1. Complete the HOME setup screens (see page 14-7).
2. Fund and draw additional (non-CL) HOME funds for the activity.
3. Complete the HOME completion screens. These screens are similar to the completion screens for non-CHDO loan multi-address activities (see page 7-3 for rental activities or page 9-3 for homebuyer activities). The only difference is that the cost screen for each address in a multi-address CHDO loan activity has a CHDO loan amount field, as shown below.
4. Update the ACTIVITY STATUS to **Completed**.

Multi-Address Activity Costs Screen

On the cost screen for a multi-address CHDO loan activity that goes forward, the CHDO loan amount is not protected as it is for a single-address CHDO loan activity. It is instead an editable field:

Utilities	Location	Costs	Beneficiaries	?	
<ul style="list-style-type: none"> - Home - Data Downloads - Print Page - Help <ul style="list-style-type: none"> Links - Rules of Behavior - RAMPS - Support - CPD Home - HUD Home 	HOME Funds				
	Form of Assistance				
	HOME - CHDO Loan		\$	<input type="text"/>	
	HOME FUND (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 may either prorate the CHDO loan amount across all addresses, the way you would for 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 entered 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 sum of the CHDO loan amounts entered is displayed on the Multi-Address Activity Cost Summary screen along with the other HOME Funds totals:

<p>Grantee Organization: ROCKFORD</p> <p>- Logout</p>	<p>Activity</p> <p>HOME Multi-Address Activity Summary</p>																
<p>Activity</p> <p>- Add</p> <p>- Search</p>	<p>Rental</p> <p>Return to Property Search</p>																
<p>Project</p> <p>- Add</p> <p>- Search</p> <p>- Copy</p>	<p>Grantee/PJ Activity ID: N/A</p> <p>IDIS Activity ID: 2352</p> <p>HOME Multiple-address: Yes</p> <p>Activity Address: 815 Carstairs Rockford, IL 61101-6622</p>	<p>Activity Name: 815-817 Carstairs Avenue</p> <p>Activity Owner: ROCKFORD</p> <p>HOME Completion Activity Type: Acquisition and New Construction</p>	<p>Program Year/Project ID: 2010/11</p> <p>Project Title: Homebuyer and Rental CHDO Projects</p> <p>Number of HOME-Assisted Units: 16</p>														
<p>Utilities</p> <p>- Home</p> <p>- Data Downloads</p> <p>- Print Page</p> <p>- Help</p>	<p>Activity Totals, All Addresses</p> <table border="1"> <thead> <tr> <th>Form of Assistance</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>CHDO Loan</td> <td>\$3,350.00</td> </tr> <tr> <td>Amortized Loan</td> <td>\$56,823.67</td> </tr> <tr> <td>Grant</td> <td>\$24,500.00</td> </tr> <tr> <td>Deferred Payment Loan</td> <td>\$0.00</td> </tr> <tr> <td>Other</td> <td>\$0.00</td> </tr> <tr> <td>Total</td> <td>\$84,673.67</td> </tr> </tbody> </table>			Form of Assistance	Amount	CHDO Loan	\$3,350.00	Amortized Loan	\$56,823.67	Grant	\$24,500.00	Deferred Payment Loan	\$0.00	Other	\$0.00	Total	\$84,673.67
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Total	\$84,673.67																
<p>Links</p> <p>- Rules of Behavior</p> <p>- RAMPS</p> <p>- Support</p> <p>- CPD Home</p> <p>- HUD Home</p>																	

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 3-11) within 120 days of the final draw for the activity.