

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 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 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 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:

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)

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:

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, 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: 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](#)
[- CPD 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

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 (CL) subfund and subgrant CL to the CHDO 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 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.

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 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.

<p>Organization: QUINCY</p> <p>- Logout</p> <p>Activity - Add - Search</p> <p>Project - Add - Search - Copy</p> <p>Utilities - Home - Data Downloads - Print Page - Help</p> <p>Links - Rules of Behavior - RAMPS - Support - CPD Home - HUD Home</p>	<p>Activity</p> <p>Edit HOME HOME Costs</p> <p>Rental</p> <p><input type="button" value="Save"/> <input type="button" value="Cancel"/></p> <table border="1"> <tr> <td>Grantee/PJ Activity ID: N/A</td> <td>Activity Name: 1213 Barnes St. Predevelopment</td> <td>Program Year/Project ID: 2011/45</td> </tr> <tr> <td>IDIS Activity ID: 2569</td> <td>Activity Owner: QUINCY</td> <td>Project Title: MILTON CHDO AFFORDABLE HOUSING</td> </tr> </table> <p>Costs</p> <table border="1"> <thead> <tr> <th colspan="2">HOME Funds</th> </tr> <tr> <th>Form of Assistance</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>HOME - CHDO Loan</td> <td>\$ 1,000.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Public Funds</th> </tr> <tr> <th>Form of Assistance</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Other Federal Funds</td> <td>\$</td> </tr> <tr> <td>State/Local Funds</td> <td>\$</td> </tr> <tr> <td>Tax-Exempt Bond Proceeds</td> <td>\$</td> </tr> <tr> <td>Total</td> <td>\$ 0.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Private Funds</th> </tr> <tr> <th>Form of Assistance</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Private Loans</td> <td>\$</td> </tr> <tr> <td>Owner Cash Contributions</td> <td>\$</td> </tr> <tr> <td>Private Grants</td> <td>\$</td> </tr> <tr> <td>Total</td> <td>\$ 0.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Other</th> </tr> <tr> <th>Form of Assistance</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Low Income Housing Tax Credit Proceeds</td> <td>\$</td> </tr> <tr> <td>Total</td> <td>\$ 0.00</td> </tr> </tbody> </table> <p>Activity Total</p> <p>HOME Funds: \$ 1,000.00</p> <p>All Funds: \$ 1,000.00</p> <p>Total HOME Funds Disbursed: \$ 1,000.00</p> <p><input type="button" value="Save"/> <input type="button" value="Cancel"/></p>	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	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
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																																											
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																																												

Field	Description
Fields in gray box	These read-only fields identify the activity you are processing.
HOME - CHDO Loan	This display-only field shows the total amount of CL funds drawn for the activity. Because the activity is not going forward, there are no other input fields for HOME funds.
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.

Field	Description
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 3-10) 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		1,000.00
Other HOME Cost		\$ <input type="text"/>
Total		\$ <input type="text"/> 1,000.00

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 on the Costs tab. The Costs tab for a rental activity is shown below; the same modifications have been made to the homebuyer tab for a CHDO loan activity.

Location	Costs	Beneficiaries	
HOME Funds			
Form of Assistance			
HOME - CHDO Loan	\$	1,000.00	
HOME FUND (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	
Activity Totals			
HOME Funds	\$	1,000.00	
All Funds	\$	1,000.00	
Total HOME Funds Disbursed	\$	1,000.00	

Save and Previous Page | Save | Cancel

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 CHDO loan activities:

Complete the Add Activity and CHDO Questions screens, commit and draw the 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. 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 14-7).
2. Fund and draw additional (non-CHDO loan) HOME funds for the activity.
3. Fill in the HOME completion screens. They are very similar to the completion screens for "regular" 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 input field:

Utilities	Location	Costs	Beneficiaries	?												
<ul style="list-style-type: none"> - Home - Data Downloads - Print Page - Help 	<p>HOME Funds</p> <table border="1"> <tr> <td>Form of Assistance</td> <td></td> </tr> <tr> <td>HOME - CHDO Loan</td> <td>\$ <input type="text"/></td> </tr> </table>				Form of Assistance		HOME - CHDO Loan	\$ <input type="text"/>								
Form of Assistance																
HOME - CHDO Loan	\$ <input type="text"/>															
<p>Links</p> <ul style="list-style-type: none"> - Rules of Behavior - RAMPS - Support - CPD Home - HUD Home 	<p>HOME FUND (including PI)</p> <table border="1"> <tr> <td>Form of Assistance</td> <td></td> </tr> <tr> <td>Amortized Loan</td> <td>\$ <input type="text"/></td> </tr> <tr> <td>Grant</td> <td>\$ <input type="text"/></td> </tr> <tr> <td>Deferred Payment Loan</td> <td>\$ <input type="text"/></td> </tr> <tr> <td>Other</td> <td>\$ <input type="text"/></td> </tr> <tr> <td>Total</td> <td>\$ <input type="text" value="0.00"/></td> </tr> </table>				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"/>
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 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>Utilities</p> <p>- Home</p> <p>- Data Downloads</p> <p>- Print Page</p> <p>- Help</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>Links</p> <p>- Rules of Behavior</p> <p>- RAMPS</p> <p>- Support</p> <p>- CPD Home</p> <p>- HUD Home</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
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															

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.