

Community Housing Development Organizations

The HOME program, established under Title II of the National Affordable Housing Act, is the source of funding for Community Housing Development Organizations (CHDO). The HOME program is administered by the U.S. Department of Housing and Urban Development (HUD). Participating Jurisdictions (PJs) (the City) are required to set aside a minimum of 15% of their HOME allocation for housing development activities in which qualified CHDO's are the owners, developers and/or sponsors of the housing.

What is a Community Housing Development Organization (CHDO)?

A CHDO is a City designated, not-for-profit, community-based service organization that has, or intends to retain staff for the purpose of developing affordable or mixed-income housing in the community it serves.

How does an organization become a CHDO?

Legally recognized not-for-profit organizations with a 501(c)3 designation by the Internal Revenue Service, who for a period of at least one year, have been controlled by, and in service to, and capable of, engaging in the development of affordable and mixed income housing may apply to the City to become a CHDO. Non-profits that have been sponsored by other non-profit, charities, religious organizations, local or state government, public agencies or for-profit corporations may qualify as a CHDO, but certain additional requirements and board limitations apply.

What type of activities can a CHDO undertake?

Acting as a developer, sponsor, and/or owner a CHDO may use its HOME funding to undertake property acquisition, site improvements, rehabilitation, new construction, conversions, lease/purchase programs, interim financing, demolition, homeownership assistance, and rental assistance for the benefit of low-income residents. HOME funds can also be used to provide project predevelopment assistance in the form of loans to CHDO's. A CHDO sponsor must always own the project prior to and/or during the development phase of a project.