

# Brevard County Housing and Human Services Department

Community Housing Development  
Organization (CHDO)

Technical Assistance Training

Monday, October 23, 2017

Viera Government Center

Florida Room, Building C

10 AM to 12 PM

# Community Housing Development Organization (CHDO)

(Guidebook Pages 3,4,7,9)

- non-profit organization
- must meet specific qualification criteria
- can be owners, developers, sponsors of affordable housing
- must be certified annually
- must be certified for each project

# Community Housing Development Organization (CHDO)

(Guidebook Page 7)

## Non-profit needs to meet qualifying criteria to become a CHDO:

- Expected to remain a CHDO during affordability period
- Affordability period is based on the amount of funds used and project type:  
10 to 30 Years

# Special Benefits

(Guidebook Page 3)

**Brevard County HOME Consortium can provide special assistance to CHDOS:**

- **Annual HOME allocation**
- **Open RFP Process**
- **Ongoing technical assistance**

# Regulatory Requirements

(Guidebook Page 4)

- To be eligible the non-profit must meet all regulatory requirements including, but not limited to:
  - Be organized under state and local law
  - Have as its purpose to provide decent and affordable housing to Low to Moderate Income (LMI) persons in Brevard County.
  - Provide no benefits to members, founders, etc.
  - Have a clearly defined service area within Brevard County
  - Have proof of IRS tax exempt status

# Regulatory Requirements

(Guidebook Page 4)

- A CHDO must be a private organization
- Local government entities cannot be designated as a CHDO, but can create a CHDO

Local non-profits, charities, neighborhood and religious organizations, and for-profit corporations can create CHDOs

# Regulatory Requirements

(Guidebook Pages 4 & 6)

- 1. Maintain a record of good standing with the Florida Secretary of State's office.**
- 2. Demonstrate capacity with full-time housing staff.**
- 3. Maintain a staffed, physical office location in the proposed service area that is open for business and accessible by potential program applicants during generally-accepted customary business hours.**

# County Requirements

(Guidebook Page 3)

- 1. Have established a minimum five-year strategic business plan, which must include housing development.**
- 2. Maintain compliance on HHS-funded projects.**



# Organizational Structure

(Guidebook Page 5)

A local CHDO board must have:

- At least  $\frac{1}{3}$  of members representing the low-income community served
- No more than  $\frac{1}{3}$  of members can be from the public government sector
- Balance of members is unrestricted, except when sponsored/organized by a for-profit or government entity

# Organizational Structure

(Guidebook Page 5)

- If a CHDO is created by a local government entity or a for-profit entity, the officers or employees of the local government or for profit entity can be board members

\*But can not be officers or paid employees.

# Low Income Representation

(Guidebook Page 5)

Three ways to meet the 1/3 minimum requirement:

- Residents of low-income neighborhoods in the community
- Low-income residents of the community
- Elected or appointed representative of low-income neighborhoods and organizations

# Low Income Input

(Guidebook Page 4)

**CHDO must provide ongoing process for low-income beneficiaries to provide input:**

- It must be described in writing
- It must be in by-laws or resolution

**Ways to achieve this process:**

- Neighborhood or civic organizations representing CDBG neighborhood strategy areas or open community meetings

# Public Sector Representatives

(Guidebook Page 5)

A maximum  $\frac{1}{3}$  member limit of the Board. Representatives can include:

- Elected officials
- Appointed officials
- Public employees
- Persons appointed by a public official

\*Low-income public officials count against the  $\frac{1}{3}$  public sector max, and not the  $\frac{1}{3}$  low income representatives

# Capacity & Experience

(Guidebook Pages 4 & 6)

**The non-profit organization must:**

- **Have at least one year of experience successfully providing services in Brevard County**
- **Examples can include services to the homeless, children, families, seniors and those with special needs**
- **Demonstrate staff capacity to carry out planned activities with professional staff**
- **Meet financial accountability standards that conform to 24 CFR Part 84.21**

# CHDO Roles

(Guidebook Pages 6-7)

**For Rental Projects CHDO must act as:**

- As a Owner
- As a Developer
- As a Sponsor

**For A Homebuyer Project CHDO must act as:**

- As a Developer

# CHDO as Rental Owner

(Guidebook Page 7)

**As a rental project owner the CHDO:**

- Holds valid legal title OR,
- Long term leasehold for the project affordability period (10 to 30 years)
- Must be the sole owner of the property
- May hire developer or contractor to oversee development of the rental project.
- May hire a property manager to oversee rental project management.



# CHDO as Rental Developer

(Guidebook Page 7)

The CHDO must be in charge of development

The CHDO must:

- Hold valid legal title OR
- Maintain a long term leasehold for affordability period
- Must solely own the housing during development and for the affordability period

# CHDO as Rental Sponsor

(Guidebook Page 7)

- **Develop a project that it solely or partially owns and be a project owned or developed by a wholly-owned subsidiary, as sole general partner, or a managing member of a LLC**
- **Convey ownership to a second non-profit after review and approval by Brevard County**

# CHDO as Homebuyer Developer

(Guidebook Pages 6-7)

- CHDO owns and develops residential properties for sale
  - The CHDO is in sole charge of site development and unit construction
- \*The CHDO may also provide direct homeownership assistance to eligible buyers

# A SUCCESSFUL CHDO

## 10 Tips\*

- 1. Spend quality time getting started.**
- 2. Establish and maintain solid practices for record keeping, accounting, reporting and tracking. Hire or train needed professionals.**
- 3. Form and adopt a clear Conflict of Interest Policy for board & staff. Follow it.**
- 4. Learn everything about the people you want to serve in the County and in relation to the current local housing market. Address critical housing needs.**

\*Slides Format & Tips Courtesy of the Florida Housing Coalition (FHC), 2017

# A SUCCESSFUL CHDO

## 10 Tips\*

5. **Actively advocate for affordable housing needs.**
6. **Take care in preparing proposals. Be responsive to the form & requirements. Ask questions if not sure.**
7. **Choose good project sites close to; community and health services, retailers, employers, schools and transit lines.**

\*FHC

# A SUCCESSFUL CHDO

## 10 Tips\*

8. Develop good projects meeting critical housing needs while avoiding zoning issues & negative environmental conditions or impacts.
9. Participate in available training, workshops and webinars.
10. Do not be afraid to seek technical assistance.

\*FHC

# CHDO Q & A

**Questions?**

**Comments?**

**Requests?**

# HHS Staff Contacts

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# Additional Resources

[https://www.hud.gov/sites/documents/19790\\_CHDO.PDF](https://www.hud.gov/sites/documents/19790_CHDO.PDF)

<https://www.hudexchange.info/programs/home/home-chdo/#policy-guidance>

<http://www.flhousing.org/wp-content/uploads/2017/08/Training-Schedule-Catalyst-2017-18.pdf>