



Community Housing Development Organization (CHDO) Requirements

What is a CHDO?

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based organization that develops affordable housing for the community it serves. CHDOs are eligible for special set-aside funding under the HOME Investment Partnerships Program (HOME).

CHDO Eligibility Requirements

To qualify as a CHDO, an organization must meet three categories of requirements:

1. Legal Structure

- a. Must be a 501(c)(3) or 501(c)(4) nonprofit organization.
- b. Must have articles of incorporation or bylaws stating a purpose of developing affordable housing.
- c. Cannot be controlled by a for-profit entity or public body.

2. Capacity

- a. Must have paid staff with housing development experience appropriate to the role (e.g., developer, sponsor, or owner).
- b. Use of consultants is allowed, but they cannot substitute for having in-house capacity.
- c. Board must have effective governance and oversight of housing activities.

3. Community-Based Accountability

- a. Must serve a defined geographic service area (City of Vancouver)
- b. At least one-third of the board must represent the low-income community served
- c. Must demonstrate community involvement and accountability in decision-making (there is a formal process for low-income program beneficiaries to advise the organization)

Low-income representation requirement

There are a few ways board members could meet the low-income community requirement:

- Residents of low-income neighborhood (defined as a neighborhood where more than half of residents are <80% area median income (AMI))
- Low-income beneficiaries of HUD programs
- Other low-income community residents (community may refer to the neighborhood, city, county, or metropolitan area)
- Designees of low-income neighborhood organizations
- Designees of nonprofit organizations addressing housing or supportive service needs of low-income residents, or residents of low-income neighborhoods, in Vancouver

CHDO Set-Aside Funds

Under HOME, 15% of a PJ's annual HOME allocation must be reserved for CHDOs for these purposes:

- Acquisition and/or rehab of rental housing
- New construction of rental or for-sale housing
- Direct financial assistance to buyers (when CHDO owns the property)