

Contra Costa Affordable Housing Program – HOME Investment Partnerships Program

Community Housing Development Organization (CHDO)—Application

A CHDO is a private nonprofit, community-based organization that has staff capacity to develop affordable housing for the community it serves. Contra Costa County must set aside 15% of each annual HOME Investment Partnership Program (HOME) allocation of funds for specific homebuyer or rental housing which is owned, developed, or sponsored by certified CHDOs.

The following CHDO application requirements are consistent with the HOME Final Rule published July 24, 2013 in the Federal Register.

APPLICATION INFORMATION

Name of Organization: _____	Contact Name: _____ Title: _____
Address: _____	Telephone #: _____ Email Address: _____
City, State, Zip Code: _____	Date Submitted: _____

IMPORTANT DEFINITIONS

Developer - 92.300 (a)(3)	Owner - 92.300(a)(2)	Sponsor - 92.300 (a)(4)
The CHDO is the owner (in fee simple absolute or long-term ground lease) <u>and</u> developer of the project.	The CHDO is required to own (in fee simple absolute or long-term ground lease) the project.	As a CHDO Sponsor, the project is owned or developed by wholly-owned subsidiary as sole general partner or managing member (LLC) OR
The CHDO develops the project as the sole organization in charge of the entire development.	The CHDO may hire a developer or contractor to oversee development of rental project.	The project is developed and then transferred following project completion to pre-identified nonprofit.
The CHDO must solely own the property during development and for a period at least equal to the long-term affordability period.	The CHDO must solely own the property during development and for a period at least equal to the long-term affordability period.	
The CHDO as a Homebuyer Developer must own and develop the property (new construction or rehabilitation). CHDO must		

arrange financing. CHDO in sole charge of construction. Unit pricing covered by CHDO agreement.

DOCUMENTATION

In order to be considered for designation as a CHDO, you must demonstrate that your organization satisfies ALL of the following criteria by providing the information listed. The certification of an organization as a CHDO takes place in the context of a project that will be funded from the CHDO set-aside. The HOME Program requires Contra Costa County to certify an organization as a CHDO each time HOME funds are committed. Outside of the context of committing funds to the organization for a specific project, a general “certification” as a CHDO is not allowed.

1. Legal Status
 - a. Organization is a nonprofit as evidenced by a 501(c) Certificate of Nonprofit Status from the Internal Revenue Service. Certification may be conditional or final; pending IRS applications are **not** adequate. Include a copy of the IRS letter as Attachment 1.a.
 - b. Identify below the specific section of your Articles of Incorporation, By-laws, charter, or resolution by Board of Directors (included as Attachment 1.b) which states that the provision of decent housing affordable to low/moderate income households is a major objective of your organization.
 - c. Organization is a subordinate of a central organization under IRS 905.
 - d. Organization is a wholly-owned entity that is regarded as an entity separate from its owner for tax purposes, when the owner has a tax exemption ruling from the IRS under Section 501 (c)(3) or 501 (c)(4) of the IRC.
 - e. Clearly Defined Geographic Service Area - one or more neighborhoods, town, village, city, county, or multicounty area that includes Contra Costa County.
2. Organizational Capacity and Experience – CHDO must demonstrate that it has at least one year of experience serving the community where it intends to develop HOME-assisted housing.
 - a. Demonstrate that organization conforms to the financial accountability standards of Attachment F of OMB Circulars A-110 and A-133, “Standards for Financial Management Systems” by providing ONE of the following as Attachment 2.a:
 - A notarized statement by the President or Chief Financial Officer of the organization; or
 - A certification from a Certified Public Accountant; or
 - A HUD approved audit summary.

- b. Describe your organizations capacity to carry out activities assisted with HOME funds.

NOTE: the CHDO must have paid staff (part-time staff is sufficient) whose experience qualifies them to undertake CHDO set-aside activities. Capacity cannot be demonstrated by the use of a consultant, except for the first year that a CHDO becomes certified.

In addition, provide the following as Attachment 2.b:

- Resumes and/or statements that describe the experience of key paid staff members (part time is sufficient) who have successfully completed projects similar to those to be assisted with HOME funds. Capacity cannot be demonstrated by use of a consultant, except for the first year that a CHDO becomes certified.
- c. Demonstrate that organization has a history of serving the community where your organization proposes to implement HOME-activities by providing ONE of the following signed by the Chairman of the Board or Executive Director of the organization as Attachment 2.c. Include a description of the area to be served.
- An annual report or statement that documents at least one year of experience in servicing the community, including a summary of the services provided; or
 - For newly created subsidiary organizations, a statement that documents that the parent organization has at least one year of experience in serving the community.

3. Organizational Structure

Use the following definitions in responding to this section:

Low-income neighborhood: neighborhood where 51 percent or more of resident households have incomes which are less than or equal to 80 percent of area median income (based on 1990 Census tract data or other identified source).

Community: one or more neighborhoods, town, village, city, county, or multicounty area.

- a. A minimum of one-third of a CHDO's governing board must be composed of residents of low-income neighborhoods, other low-income community residents, and/or elected representatives of low-income neighborhood organizations. Demonstrate that your organization satisfies these criteria by providing ALL of the following information:

- Reference section of By-laws or Articles of Incorporation (provided in Attachment 1.b) which defines Board membership and demonstrates that Board composition satisfies CHDO criteria.
 - Provide a certification from the President or Chairman of the current governing board stating that the Board composition meets the minimum CHDO criteria (use form provided as Attachment 3.a).
 - Provide a copy of the list of the current board members which indicates which board members meet CHDO requirements below.
- b. Demonstrate that organization provides a formal process for low-income program beneficiaries to advise the organization on the design, siting, development, and management of all HOME-assisted projects by providing ONE of the following:
- Appropriate citation in organization By-laws or Article of Incorporation
 - A written statement of operating procedures approved by the governing board to accomplish this purpose (include as Attachment 3.b).

c. A CHDO may be chartered by a State or local government. However, the government entity may not appoint more than one-third of the organization's governing board; board members appointed by the government entity may not appoint the remaining two-thirds of the board; and public officials cannot compose more than one-third of the governing board. The state or local government officers and agents cannot serve as officers or employees of the CHDO. Provide evidence that your organization satisfies this criterion by citing the appropriate section of your By-laws or Articles of Incorporation:

_____ or

Organization is not chartered by State or local government.

d. A CHDO may be sponsored or created by a for-profit entity. However, the for-profit entity may not appoint more than one-third of the organization's governing board; and board members appointed by the for-profit may not appoint the remaining two-thirds of the board. The for-profit officers and employees cannot serve as officers or employees of the CHDO. Provide evidence that your organization satisfies their criterion by citing the appropriate section of your By-laws or Articles of Incorporation:

_____ or

Organization is not sponsored or created by for-profit entity.

4. For organizations sponsored by for-profit entities only

- a. Demonstrate that your organization is not controlled by nor receives direction from individuals or entities seeking profit from the organization as evidenced by ONE of the following:
- Appropriate citation in the organization's By-laws or Articles of Incorporation
 - A memorandum of Understanding between your organization and the for-profit included as Attachment 4.a.

- b. A for-profit sponsor of a CHDO **may not** have as its primary purpose the development or management of housing. Provide evidence that this is the case by including and citing the appropriate section of the for-profit's By-laws or other appropriate documentation as Attachment 4.b.
- c. A CHDO sponsored by a for-profit must be free to contract for goods and services from vendor(s) of its own choosing. Demonstrate that this is the case by citing the appropriate section of your organization's By-laws or Articles of Incorporation.

Required Attachments

The following attachments must be submitted with all CHDO applications:

- Attachment 1.a 501(c)(3) Certificate of Nonprofit Status from the Internal Revenue Service

501(c)(4) a Community or Civic Organization

Section 905 Status – a subordinate organization of a 501(c)(3) or 501(c)(4) organization
- Attachment 1.b Articles of Incorporation and By-laws
- Attachment 2.a Notarized statement by organization's President or CFO or certification from CPA that organization conforms to financial accountability standards of OMB Circular A-110, or HUD-approved audit summary.
- Attachment 2.b Organizational capacity documentation (statement of qualifications or resumes of key staff only.)
- Attachment 2.c Annual report or statement of history in serving community
- Attachment 3.a CHDO Certification: Low-Income Community Representation

The following attachments are required only for CHDO applicants with selected characteristics as indicated in the application:

- Attachment 1.C A subordinate of a central organization under IRS 905, if applicable.
- Attachment 1.D A wholly-owned entity that is regarded as an entity separate from its owner for tax purposes, if applicable.
- Attachment 3.b If not included in By-laws or Articles of Incorporation, a written statement of operating procedures, approved by the governing board, to provide a formal process for low-income beneficiaries

- Attachment 1.D to advise in the design, siting, development, and management of all HOME-assisted projects.
A copy of the current board of directors members that includes which board members meet the CHDO requirements.
- Attachment 4.a Memorandum of Understanding (MOU) between organization and for-profit, if applicable.
- Attachment 4.b Articles of Incorporation and By-laws of for-profit sponsor of CHDO, if applicable.

Attachment 3.a

Certification: Low-Income Community Representation

In an effort to ensure low-income community representation in the development of affordable housing, federal regulations require that a minimum of one-third of the governing board of a Community Housing Development Organization (CHDO) must be composed of members who are:

1. residents of a low-income neighborhood;
2. other low-income community residents; or
3. elected representatives of low-income neighborhood organizations.

Federal regulations define a low-income neighborhood as a neighborhood where 51 percent or more of resident households have incomes which are 80 percent or less of area median income. A low-income resident or household is defined as an individual residing in a household with a combined income of 80 percent or less of the area median income, adjusted for household size as defined by the U.S. Department of Housing and Urban Development.

Roster of Current Board Members (Public Official and Low-Income Status)

Board Member	Most Recent Appointment Date	Low Income Representative (Y/N)?	Public Official (Y/N)?

I hereby certify that the current governing Board of _____ (organization name) meets the minimum federal requirement.

Signature

Date

Print Name

Chairperson of the Board

Signature of CHDO's Authorized Representative:

I certify the information provided in this CHDO recertification application and all its attachments is true and correct to the best of my knowledge.

Signature

Date

Print Name

Title

SUBMISSION PROCEDURES

Please submit an original completed application and all required attachments to:

Christine Louie, Senior Housing Planner
Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553

And e-mail to: Christine.Louie@dcd.cccounty.us