

REQUEST FOR DESIGNATION AS A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

CHDO CHECKLIST

In order to be designated as a Community Housing Development Organization (CHDO), your agency must submit this form along with documentation that substantiates each question on the form. Please link the question and documentation in a format that will clearly indicate how your agency complies with each requirement.

CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, 92. 2 of the HOME Rule. The checklist is a tool for participating jurisdictions concerning the documents they must receive from a nonprofit before it may be certified or recertified as a CHDO. For monitoring purposes, PJs should be asked to maintain the completed checklist on file to document compliance with the regulations.

I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

_____ a Charter, OR
_____ Articles of Incorporation.

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ a Charter, OR
_____ Articles of Incorporation.

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) (3) or (4) of the Internal Revenue Code of 1986, as evidenced by:

_____ a 501(c)(3) or (4) Certificate from the IRS.
OR

Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by:

_____ a group exemption letter from the IRS that includes the CHDO.

D. Has among its purposes the provision of decent housing that is affordable to low-and moderate-income people, as evidenced by a statement in the organization's:

_____ Charter,
_____ Articles of Incorporation,

_____ By-laws, OR
_____ Resolutions.

II. CAPACITY

A. Conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by:

_____ a notarized statement by the president or chief financial officer of the organization;

_____ a certification from a Certified Public Accountant, OR 9

_____ a HUD approved audit summary.

B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

_____ resumes and/ or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

_____ contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

C. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by:

_____ a statement that documents at least one year of experience in serving the community, OR

_____ for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

III. ORGANIZATIONAL STRUCTURE

A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:

- By-Laws,
- Charter, OR
- Articles of Incorporation.

Under the HOME program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by:

- the organization's By-laws,
- Resolutions, OR
- a written statement of operating procedures approved by the governing body.

C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the PJ), as evidenced by the organization's:

- By-laws,
- Charter, OR
- Articles of Incorporation.

D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

- By-laws,
- Charter, OR
- Articles of Incorporation.

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

- the organization's By-laws, OR
- a Memorandum of Understanding (MOU).

B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however:

(1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:

_____ in the for-profit organization's By-laws

AND;

(2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:

_____ By-laws,

_____ Charter, OR

_____ Articles of Incorporation.