

Marion County CHDO Requirements Checklist

Before an organization can receive a Community Housing Development Organization (CHDO) designation, as defined in 24 CFR 92, Section 92.2 of the HOME Final Rule, the County must certify the following:

- 1.) Meets the definition of a “Community Housing Development Organization” per CFR 92.2
- 2.) Has a project eligible for the set-aside that the organization will own, develop, or sponsor in accordance with 92.300(a); and
- 3.) Has paid staff with demonstrated experience appropriate to the role the organization will play for the project being funded.
 - The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule. The following documents are required from a nonprofit before it may be certified as a CHDO. When submitting a request for CHDO status please mark the items that are being submitted and include the checklist in the submittal.

| CHDO Requirements | Rule Citation | Requirement Met |
|---|---------------|-----------------|
| Section 1: Legal Structure | | |
| The Organization is organized under State and Local | 92.2 (1) | |
| The Organization has among its purposes provisions of low income housing (should be in the by-laws) | 92.2 (7) | |
| The organization has no part of its net earning going to the benefit of individuals | 92.2 (2) | |
| The organization is not under the control or direction by an individual or entity seeking to derive profit or gain. | 92.2 (3) | |
| The organization has one of the following IRS tax exempt statuses: Exemption under 501 (C) (3) or 501 (C) (4) Subordinate of a central nonprofit under IRC Section 905; or Wholly owned subsidiary of an organization that has 501 (C) (3) or (C) (4) status and meets the CHDO Definition | 92.2 (4) | |
| The organization is not a governmental entity (including participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing authority, housing finance agency, redevelopment authority, zoning board or Commission | 92.2 (5) | |

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| Section 1: <u>Attach copies of the following documents:</u> Charter/Articles of Incorporation Certificate from the IRS regarding Taxing Status Evidence of mission documentation provision of decent housing that is affordable to low and moderate people. | | |
| Section 2: <u>Independence</u> | | |
| Public Officials & employees of a governmental entity may comprise no more than 1/3 of the board | 92.2 (5) | |
| Officers and employees of a governmental entity cannot be officers or employees of a CHDO | 92.2 (5) | |
| If the organization was created by a for-profit entity, then the following rules apply | | |
| The for-profit entity that created the organization may not be a housing builder, developer, or manager | 92.2 (3) (i) | |
| The for-profit entity that created the organization may not appoint more than 1/3 board members, and for profit appointed members may not appoint remaining 2/3 of board | 92.2 (3) (ii) | |
| Officers and employees of the for-profit entity that created the organization cannot be officers or employees of the CHDO | 92.2 | |
| The organization must be free to contract for goods and services with others | 92.2 (3) (iii) | |
| Section 2: <u>Attach copies of the following documents:</u> Complete and have each board member sign regardless of status: CH-03, Board Member Certification Public Official/Government Employee | | |
| Section 3: <u>Accountability to the Low-Income Community</u> | | |
| At least 1/3 of the board members are 1.) low-income; 2.) Residents of a low-income neighborhood; or 3.) elected representatives of a low-income neighborhood organization | 92.2 (8) (i) | |
| The organization has a formally adopted process for low income beneficiaries to advise on decisions regarding design, siting, development, and management of housing | 92.2 (8) (ii) | |
| The organization has at least 1 year of serving the community, or, if newly formed, its parent organization meets this requirement | 92.2 (10) | |
| Section 3: <u>Attach copies of the following documents</u> Complete and have each board member sign regardless of status:CH-04, Board Member Certification Low Income Representatives | | |

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| Section 4: Capacity | | |
| The organization has paid employees with demonstrated experience relevant to the CHDO's role in undertaking the HOME activity to be funded. (Note: this does not include volunteers, board members, donated or shared staff, or consultants except as described in 4.1.1. | 92.2 (9) | |
| During the first year of an organizations participation as a CHDO only, capacity can be demonstrated through a contract with a consultant who has housing development experience to train appropriate key staff of the organization | 92.2 (9) | |
| The organization has financial management systems that conform to 24 CFR 84.21 | 92.2 (6) | |
| | | |
| Section 4 - Attach copies of the following documents Resumes for all employees associated with HOME activities Copy of last timesheet (at the time of certification) Copy of employee's W-2 Copy of financial management system policy | | |
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| 5. CHDO Set-Aside Project | | |
| Homebuyer Project: To qualify under CHDO set-aside, must be either a Developer or Sponsor and be in control of the development process | | |
| Developer: The organization is or will be the owner in fee simple and the developer of new or rehabilitated units for sale to low income buyers, or | 92.300 (a) (6) | |
| Sponsor: The project will be developed by an eligible CHDO affiliate, including: A wholly owned subsidiary of the CHDO; or A limited partnership of which the CHDO or its wholly owned subsidiary is the sole general partner; or A limited liability company of which the CHDO or its wholly owned subsidiary is the sole managing member | | |
| The Organization will control the development process including at a minimum, arranging financing for the project and being in sole charge of construction. | | |
| | | |
| Rental Project Own: The organization is or will be owner in fee simple absolute (or will hold a ground lease) for at least the period of affordability. If project involves rehabilitation or construction, organization will oversee all aspects of development. | 92.300 (a) (3) | |

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| Develop: The organization is or will be owner in fee simple absolute (or will hold a ground lease) for at least the period of affordability, and will be in sole charge of all aspects of the development process | | |
| 6. Operating Expenses | | |
| If CHDO is requesting operating expenses the organization must meet the CHDO qualification requirements listed in items 1-4 above, or the organization must meet requirements in 1-3 above and be receiving the operating funds specifically to hire staff to meet the requirements in 4 above | | |
| The organization is funded from the set-aside for a project under development, or is reasonably expected to be funded within 24 months, from the CHDO set-aside | 92.3 (e) | |
| The operating expense funds will be used for eligible operating costs that are reasonable and necessary | 92.208 (a) | |
| Operating expense funding (including from other PJs and any pass through funding) in the fiscal year will not exceed the greater of \$50,000 or 50% of the CHDO's total operating expenses in that year | 92.3 (f) | |

| CHDO Board Member Certification: CH-03 | |
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| Name: | Address: |
| Name of Organization (Prospective CHDO): | Board Term: |
| <u>Public Official/Governmental Employee</u> | |
| <u>All Board Members of the prospective CHDO must complete this certification.</u> | |
| <p>For purposes of this certification, governmental entities are any of the following: any HOME participating jurisdiction (e.g. state or local government), Indian tribe, public housing agency, Indian housing authority, housing finance agency, or redevelopment authority.</p> <p>A governmental appointee is anyone who has been appointed to the board of directors by a governmental entity even if that person is not otherwise a public official or governmental employee (e.g. a member appointed to the board by the local mayor).</p> <p>Public officials include any individual who is an elected or appointed member of any governmental entity (e.g. a city council member, a member of the local zoning board, a member of a local public housing authority board, etc.)</p> <p>As government employee is anyone who is employed by a governmental entity on a full or part time basis even if that individual's job function is not related to housing, HUD programs, or other federal funding (e.g. a county sheriff deputy, a sanitation department worker, a secretary in the city parks department, etc.). A governmental employee also includes anyone appointed by a governmental entity to a position for which they are compensated for services.</p> | |
| <input type="checkbox"/> I am <u>not</u> a public official, employee, or appointee of a governmental entity. | |
| or | |
| <input type="checkbox"/> I <u>am</u> a public official, employee, or appointee of a governmental entity. If checked, describe your role and identify the governmental entity | |
| <p><u>Certification:</u> I hereby certify that the above is true and correct as of the date of my signature below. If my status as a public official and/or government employee changes at any time during my tenure on the board. I will immediately notify the board chair and executive director in writing and update my certification.</p> | |
| Signature: | Date: |
| Printed Name: | |

CHDO Board Member Certification CH-04

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| Name: | Address: |
| Name of Organization (Prospective CHDO): | Board Term: |

Low-Income Representatives

All Board Members of the prospective CHDO must complete this Certification.

I represent the interests of low-income families in this organizations targeted service area.
I have checked below the manner in which I meet the qualification as a low-income representative:

I qualify as a low-income resident under the HOME Program definition. The gross annual income of my household of _____ people is at or below 80% of Marion County Area Median Income in the amount of \$ _____ (80% AMI Limit); or

I live in a low-income area (where 51% or more of the households in my US Census Tract have at or below 80% of the median household income, as defined by HUD) which part of the CHDO's targeted service area. My Census Tract is _____ (Census Tract number). The Census Tract data must accompany this certification. or

I am an elected representative of _____ (name of low-income neighborhood organization), located within _____ (name of Neighborhood and City) which is part of the CHDO's targeted service area. A signed resolution or signed minutes and election roster from the neighborhood organization naming the individual as its representative on the CHDO's board of directors must be provided.

I am not and do not represent the low-income community and cannot be used as a part of the 1/3 CHDO requirement.

AND

Further, I have completed an accompanying CHDO Board Member Certification as to my status as a Public Official/Governmental Employee and re-affirm here that I am not a public official, employee, or appointee of a governmental entity.(Note: Board members who are public officials/governmental employees may not be counted as a low-income representatives for purposes of CHDO qualification.)

Certification: I hereby certify that the above is true and correct as of the date of my signature below. If my status as a public official and/or government employee changes at any time during my tenure on the board. I will immediately notify the board chair and executive director in writing and update my certification.

| | |
|------------|-------|
| Signature: | Date: |
|------------|-------|

Printed Name:

