

2013 CHDO Certification Guidelines

INTRODUCTION

A Community Housing Development Organization (CHDO) is a special type of non-profit housing designation under the HOME Investment Partnership Program created by The Cranston-Gonzalez 1990 National Affordable Housing Act (NAHA). Among the purposes of NAHA, as amended, are to promote partnerships between States, units of general local government and nonprofit organizations, and to expand a nonprofit organizations' capacity to develop and manage decent and affordable housing. The State of Georgia's HOME allocations contain, at a minimum, a fifteen (15%) percent set aside for CHDOs.

For the 2013 certifications period, every non-profit organizations applying to be a CHDO must complete a new application and be approved in accordance with the new appropriation rules as described in the HOME regulation that enacted in April 2012. For more information on the new CHDO requirements, please visit:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd

Certifying CHDO Timeline

The following conditions must be met to qualify as a state certified CHDO. If a CHDO was active in 2012, your application will be considered as a new application for 2013. The 2013 CHDO Certification period is from March 1, 2013 through February 28, 2014.

**All applications must be received in our office
on February 15, 2013 by 3:00 p.m.**

Questions concerning the CHDO application should be forwarded to Brandon Bruce (404) 679-4855 or by email at brandon.bruce@dca.ga.gov. PLEASE DO NOT SUBMIT THE APPLICATION TO THIS EMAIL. YOU WILL SUBMIT THE APPLICATION TO ANOTHER EMAIL.

APPLICATION REVIEW PROCESS

All applications will be reviewed by to determine whether the certification is approved. The application review is not a competitive process; therefore, DCA does not use a scoring process to determine who will receive certification. The process is determined based on the responses and documentation provided by the organization in the application and DCA's risk assessment of the organization. At the conclusion of this initial review, the DCA may request additional information, if necessary. The organization is responsible for providing the required documentation by the stated deadlines for review and to assist the DCA with making a decision. All organizations will be notified in writing of the final decision.

NOTE: DCA will no longer issue CHDO certification to nonprofits organizations that cannot demonstrate that a housing project is underway and/or that they have the staff capacity to initiate, implement or manage the project within the next two years. No Exception!!!

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- **For Board Self-Certification – Qualification for the low-income representation**
Requirements: The average median income (AMI) for the county, the census tract in question, and the number of households that are below 80% of the AMI:
 1. Find the average median income for your area
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>
 2. Census Tract – select Geographies then address
 3. Household – select People and Income & Earnings-Households
- **Staff Survey – Qualification to ensure you have the staff capacity**
If your agency's focus is primarily housing developer, then you must submit the staff capacity assessment with application. If your organization's mission is multi-purpose, then you should report on all staff members that are directly or indirectly related to housing development activity.

INSTRUCTIONS:

- Read the CHDO Guideline before starting the application. Where you see “and” send ALL documents. Where you see “or” pick from the list and identify in the application which document applies for that requirement.
- Some of the guidelines require the same documentation to authenticate multiple conditions. You will need to submit each document once but must identify all of the relevant parts. You must also make sure that the documents are clear and readable. Do not send illegible documents.
- You are obligated to submit all of the required documents, along with the application, even if you submitted them for a prior year's certification. **PLEASE DO NOT SEND INFORMATION THAT IS NOT REQUESTED!**

REQUIRED FORMS:

- ✓ BOARD MEMBER ROSTER
- ✓ INDIVIDUAL BOARD MEMBER CERTIFICATION FORM (EACH BOARD MEMBER MUST COMPLETE AND FORM)
 1. Copy the form for each of your members
 2. After each member completes the form, scan it and save as a PDF. Upload as an attachment and submit them with the application.
 3. Mail originals and keep a copy of each for your records
- ✓ OFFICER'S CERTIFICATION FORM
 1. Complete and sign
 2. Repeat 2 and 3 from above

NEW SUBMISSION METHOD:

- ✓ 2013 Certification application can only be submitted electronically by the due date of February 15, 2013.
- ✓ When you are ready to submit the file, do the following:
 1. Create a file folder
 2. Save the application to the file and upload the PDF attachments and save to the file folder.
 3. Make sure all the items have been uploaded to the file folder before sending the file. Multiple files will not be considered as complete.

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CHDO CERTIFICATION CHECKLIST

LEGAL STATUS:

- ✓ Organized under the State of Georgia or local laws
 - Charter or Articles of Incorporation; **and**
 - Georgia Secretary of State Certificate and Good Standing Certificate
- ✓ Purpose of the organization for the provision of providing decent housing that is affordable to low- and moderate-income people
 - Charter, Articles of Incorporation or By-laws (purpose); or
 - Mission Statement and Board Resolutions
- ✓ No part of its net earnings benefit any member, founder, contributor, or individual, as evidences by that
 - Charter or Articles of Incorporation; **and**
 - Resolution adopted by Board of Directors
- ✓ Tax exemption ruling under Section 501(c) of the Internal Revenue Code Designation (Conditional rulings are acceptable. Pending or Classified as a subordinate of a central organization non-profit under Section 905 is NOT acceptable.)
 - 501(c)(3) Certificate from the IRS; or
 - IRS group exemption letter that includes the CHDO
- ✓ No owner, developer, or sponsor (officer, employee, agent, elected or appointed official or consultant of the owner, developer, or sponsor) of a project assisted with HOME funds may occupy a HOME Assisted Unit
 - By-laws; and
 - Resolution adopted by Board of Directors
- ✓ Clearly defined geographic service area
 - Charter, Articles of Incorporation or By-laws; **and**
 - Map (Goggle Earth)

NOTE: The organization will only be able to claim a service area(s) for the 2013 certification if multiple areas are defined in it governing documents. In addition, if the organization is currently a state-certified CHDO as of December 31, 2012 and its service area(s) have changed since the last certification, that change must be evidenced by submission of the amended documents and by Board meeting minutes that show that they were in effect prior to the application submission date and reflect the reasons for the service area change.

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ORGANIZATIONAL BOARD STRUCTURE:

- ✓ 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
 - By-laws or Board Resolution (Low Income Input); and
 - Low Income Self Certification (Low Income Residents); and
 - Census Tract (Low Income Area); and
 - Minutes from THREE BOARD MEETINGS of the low income organization (Low Income Representative)
- ✓ Formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, development, and management of all HOME-assisted or HOME-eligible affordable housing developments
 - By-laws or Board Resolutions; and
 - Written statement of operating procedures approved by the governing body; and
 - Copies of minutes of input from the board meeting; and
 - Copies of correspondence from low individuals or organizations
- ✓ No more the one-third board from public sector (for-profit) and the board
 - By-laws, Charter or Articles of Incorporation; and
 - Board names, addresses, employers, category (Low Income or Public Sector)
- ✓ If sponsored or created by a for-profit entity, is not controlled, nor receives directions from individuals or entities seeking profit from the organization,
 - By-laws, Charter or Articles of Incorporation; and
 - Memorandum of Understanding between your organization and the for-profit entity
- ✓ May be sponsored or created by a for-profit entity, however, the for-profit entity's primary purpose does not include the development or management of housing
 - By-laws

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CAPACITY AND EXPERIENCE:

- ✓ Has a history of serving the service area(s) where HOME-assisted or HOME-eligible housing will be located
 - Certification statement from the President of the organization that documents at least one year of experience in serving each of the service areas claimed in the governing documents; **and**
 - Letter of support from at least two (2) community supporter – at least one from the local government; **and**
 - Executed documentation that demonstrate partnerships with other community stakeholders

(NOTE: For newly created organizations formed by local churches, service or community organizations, a statement is required, that documents that the parent organization has at least one year of experience in serving the service areas.)

- ✓ Current copy of strategic plan that specifically addresses housing development in any or all of the service areas
 - A planning document or board resolutions that were in effect prior to the submission of this application

DCA will be evaluating the plan for goals that are specific, attainable, measurable, realistic and timely.

- Conform to the financial accountability standards detailed in 24 CFR 84.21 “Standards for Financial Management Systems”
 - Notarized statement by the president or chief financial officer of the organization; or
 - Certification from a ; or
 - HUD approved audit summary
- ✓ Financial capacity to maintain itself as a viable organization
 - Current financial information; **and**
 - a. Operating budget
 - b. Balance Sheet & Profit & Loss Statement including Cash Flow Statement
 - c. Fund raising plan
 - Audited financials for the calendar year 2012 (If the 2012 audited statements are not available at the time of submission, the latest available audited statements will be accepted along with the 2012 unaudited statements); **and**
 - Certification statement from the President of the organization that states the organization’s financial strength and solvency is strong and that the organization has access to funds to support housing development activities (cash, line of credit, board financial support, etc.)

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- ✓ Staff members have the capacity to carry out affordable housing development including development assisted with HOME funds or that is HOME-eligible
 - Organization employs paid staff with housing development experience and can demonstrate all of these qualifications in the following areas:
 1. Knowledge of and experience with real estate development functions including acquisition, finance, appraisal, market analysis, negotiation, public and private financing, planning and zoning regulations and environmental review requirements
 2. Ability to understand and explain financial transactions associated with LIHTC development and other affordable multi-family rental and homeownership development
 3. Knowledge of the HOME regulations
 4. Familiarity with all of the other affordable rental and homeownership programs administered by DCA
 5. Ability to establish and maintain effective working relationships with area residents, property owners, business partners and the general public
 - Documentation highlighting past successes and relevant skills, including but not limited to project and team management, project financial structuring, design and/or construction oversight, and marketing/sales or ownership management

DCA is currently development the application materials, the components of which will be fillable forms, and various spreadsheets tailored to easily comply with these guidelines. The application will include an updated section for those organization that are renewing their state-certified CHDO status that was awarded in 2012, Upon completion, the application materials will be posted to the DCA website.