

SUPPLEMENTAL DOCUMENT 3

CHDO QUALIFICATION CRITERIA AND APPLICATION



APPLICATION

**CERTIFICATION
AS A
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
(CHDO)**

Table of Contents

I.	Introduction.....	1
II.	CHDO Definition.....	1
III.	Eligible Use of CHDO Funds.....	1
IV.	CHDO Roles.....	1
V.	CHDO Capacity Requirements.....	2
VI.	Application Process for CHDO Certification	2

Appendices

Appendix A: CHDO Definitions (from 24 CFR 92.2)

Appendix B: NOFA Minimum Requirements

Appendix C: CHDO Certification Checklist or CHDO Recertification Checklist

Appendix D: CHDO Applicant Submission

Appendix E: Affidavit of Standards for Financial Management Systems

Appendix F: Key Staff Capacity

Appendix G: History of Serving the Community

Appendix H: Board Member Certification Requirements

Appendix I: Certification of Board Members

Appendix J: CHDO Board Compliance Certification

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) CERTIFICATION

I. Introduction

The National Affordable Housing Act of 1990 (the Act) created the HOME Investment Partnerships Program (HOME). The Act's objectives include promoting partnerships between states, local governments, and nonprofit organizations and increasing the capacity of nonprofit organizations to develop and manage affordable housing.

The Act requires that participating jurisdictions (PJs) set-aside at least 15% of their HOME funds for housing that is developed, owned, or sponsored by Community Housing Development Organizations (CHDOs). CHDOs are a specific type of nonprofit organization as defined in the HOME Final Rule (24 CFR 92.2).

II. CHDO Definition

A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet the requirements pertaining to their legal status, organizational structure, capacity, and experience set forth in 24 CFR 92.2, and be certified by the Los Angeles County Development Authority (LACDA).

III. Eligible Use of CHDO Funds

The 15% CHDO set-aside will be awarded by the LACDA to certified CHDO(s) applying for HOME funds available through a Notice of Funding Availability (NOFA). Funds are available for new construction or rehabilitation of affordable rental housing projects.

IV. CHDO Roles

On July 24, 2013, U.S. Department of Housing and Urban Development (HUD) issued a Final Rule amending the HOME Program regulations, referred to as 2013 HOME Final Rule. These regulations define the roles of CHDOs as an Owner, Sponsor or Developer.

The LACDA's NOFA typically awards funding to projects that seek an award of tax credits from the California Tax Credit Allocation Committee (CTCAC). Under HUD's guidelines, CHDOs would need to qualify as a "Sponsor" in order to participate in the limited partnership structure for a tax credit project.

The 2013 HOME Final Rule defines the role of Sponsor as the following:

Developer of rental housing: A CHDO that is a "Sponsor" of rental housing is defined in 24 CFR 92.300(a)(4).

*"Rental housing is "sponsored" by the community development housing organization if it is rental housing "owned" or "developed" by an affiliated subsidiary of a CHDO which is wholly owned by the CHDO, a limited partnership of which the CHDO or its wholly owned affiliated subsidiary is the sole general partner, or a limited liability company of which the CHDO or its wholly owned affiliated subsidiary is the sole managing member. **

**Please note if a partnership agreement permits removal of CHDO as sole managing member or partner, removal must only be permitted for cause. The partnership agreement must specify that the CHDO must be replaced with another CHDO.*

V. CHDO Capacity Requirements

The 2013 HOME Final Rule emphasizes that the CHDO must have **paid key staff** who have housing experience appropriate to the role the CHDO undertakes. Thus, a CHDO in the role of sponsor must demonstrate ownership and management experience and/or development experience, depending upon if the CHDO will be an owner and/or developer under the sponsor role. Capacity is evaluated during the certification process when the CHDO applies for NOFA funding and when project funds are committed to the project by a loan agreement.

The capacity requirement cannot be met through the use of volunteers or staff donated by an organization, including the parent organization.

Use of Consultants to Demonstrate Development Capacity (New CHDOs ONLY)

The CHDO may hire consultants for the first year to demonstrate development capacity provided that the following conditions are met:

- a) The CHDO and consultant must enter into a written agreement that specifies the tasks to be performed by the consultant;
- b) The consultant must demonstrate sufficient experience to perform the assigned tasks;
- c) The written agreement must include a provision that the consultant will provide training to CHDO staff; and
- d) A detailed training plan must be submitted with the certification application. The plan must specifically state the scope of the training and a timeline for completion of the training.

VI. Application Process for CHDO Certification

The CHDO Certification is valid for a period of three years. The CHDO is responsible for submitting a new certification application prior to the end of the three-year certification period to ensure that the certification does not lapse. To apply as a CHDO seeking funding through a NOFA, the CHDO must submit a full application or, if the organization was previously certified

within three years, submit a recertification checklist. In addition to approving the CHDO prior to a NOFA award, the LACDA will recertify the CHDO, per HUD requirements, at the time funds are committed as evidenced through a loan agreement.

The LACDA will notify the applicant in writing of any deficiencies and may request corrections or additional information. The LACDA expects to provide the applicant with either written notice of certification identifying the geographic area for which the CHDO is being certified or written notice indicating why the CHDO application is being denied within 7-10 calendar days of receipt of the CHDO's application.

A CHDO's certification may be rescinded by the LACDA at any time if it is determined that the CHDO no longer meets the eligibility requirements.

APPENDIX A

EXCERPT FROM HOME INVESTMENT PARTNERSHIPS PROGRAM FINAL RULE 07/24/2013

CHDO DEFINITIONS (24 CFR 92.2)

Community housing development organization means a private nonprofit organization that:

(1) Is organized under State or local laws;

(2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:

(i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;

(ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;

(iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and

(iv) The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.

(4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization;"

(5) Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than

one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;

(6) Has standards of financial accountability that conform to 24 CFR 200.302 and 200.303, "Standards for Financial Management Systems;"

(7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

(8) Maintains accountability to low-income community residents by:

(i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

(9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and

(10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

APPENDIX B

NOFA MINIMUM REQUIREMENTS

To receive an award of funds from the upcoming NOFA applicants must demonstrate the following minimum requirements for the proposed project:

Developer – minimum of three (3) affordable, rent-restricted, multifamily rental developments of over 10 units in operation for more than three (3) years.

General Partner – minimum of three (3) affordable, rent-restricted projects multifamily rental developments of over 10 units in operation for more than three (3) years.

Property Management Company – minimum of two (2) affordable, rent-restricted, multifamily project in operation for at least 24 months, as of the application date. The projects must have been over 10 units in size, subject to a recorded regulatory agreement, and must have dedicated at least 10% of its units to a qualifying special needs population, with the restriction reflected in a recorded regulatory agreement.

Lead Service Provider – minimum of one (1) project in Los Angeles County providing services to a special needs target population(s) in a housing setting, and in operation for at least 24 months, as of the application date. The project must have dedicated at least 10% of its units to a qualifying special needs population, with the restriction reflected in a recorded regulatory agreement. The organization's resume, as well as those of its principals, must document the provider's experience.

CHDO Additional Requirements – In addition to the minimum requirements listed above, applicants must show capacity to qualify as a sponsor under the 2013 Final HOME Rule per 24 CFR 92.2 and 24 CFR 92.300. All applicants must submit a resume(s) that describes the experience of paid key staff members.

APPENDIX C

CHDO CERTIFICATION CHECKLIST

NEW APPLICANTS

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. Please check each item submitted with the CHDO Certification Checklist and include a signed copy of Appendix C with your application.

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. The organization is not under the control or direction by any individual or entity seeking to derive profit or gain, as evidenced by:

_____ **Articles of Incorporation,**
_____ **By-laws**

D. Has one of the following IRS tax exempt statuses:

_____ **A 501(c)3 or 501(c)4 Certificate from the IRS.**
_____ **Subordinate of a central nonprofit under IRC Section 905**
_____ **A private nonprofit that is a wholly owned subsidiary of an organization that has 501(c)3 or (c)4 status and meets the CHDO definition**

E. 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**

F. CHDO must define a service area (i.e. the community in which it produces housing). Under the HOME Program, for urban areas, the term "community" is defined as one or several

neighborhoods, a city, county, or metropolitan area or multi-county area **but not the entire state**. (*CHDO's may service communities in multiple states*)

- _____ **Charter,**
- _____ **Articles of Incorporation,**
- _____ **By-laws, OR**
- _____ **Resolutions**

II. CAPACITY

A. Conforms to the financial accountability standards of 2 CFR 200.302 and 200.303 as evidenced by:

- _____ **Audited Financial Statement; AND**
- _____ **A notarized statement by the president or chief financial officer of the Organization (Appendix E); AND**
- _____ **A certification from a Certified Public Accountant; OR**
- _____ **A HUD approved audit summary.**

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

- _____ **Resumes and/or statements that describe the experience of paid key staff members who have successfully completed projects similar to those to be assisted with HOME funds, AND**
- _____ **Complete Appendix F; OR**
- _____ **Contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization (applies only to CHDO's in first year of operations); AND**
- _____ **Training Plan (*applies only to CHDO's in first year of operations*)**

C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:

- _____ **Statement that documents at least one year of experience in serving the community, AND**
- _____ **Appendix G; 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, AND**
- _____ **Appendix G.**

NOTE: *The CHDO or, if a new CHDO, its parent organization, must be able to show one year of serving the community from 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.

III. ORGANIZATIONAL STRUCTURE

The CHDO's board must meet all of the applicable requirements set forth below to be eligible for certification. The chairman of the board must complete and sign Appendix I and Appendix J and submit with the application.

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:

- _____ **Appendix I (REQUIRED)**
- _____ **Appendix J (REQUIRED) and;**
- _____ **By-Laws,**
- _____ **Charter, OR**
- _____ **Articles of Incorporation**

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 all HOME-assisted 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, however, the State or local government may not appoint: (1) 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, 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**

E. Evidence the Board Chairperson has authority to sign documents

_____ **Corporate Resolution of Signing Authority**

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The for-profit entity that sponsored or created the organization may not have as its primary purpose the development or management of housing, such as a builder, developer, or real estate management firm.

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation**

B. 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**

C. Officers and employees of the for-profit entity that created the organization cannot be officers (ex, CEO, CFO, or COO) or employees of the CHDO.

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation**

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

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation**

V. CERTIFICATIONS

By signing below:

A. the Applicant Organization certifies that the information provided in this application for certification as a Community Housing Development Organization is true and complete;

B. the Applicant Organization understands that the LACDA may conduct its own independent review of the information herein and the attachments, and may verify information from any source; and

C. the Applicant Organization understands that the LACDA will not be responsible for any costs incurred by the applicant in developing and submitting this application, and that all applications submitted become the property of the LACDA.

Name of Authorized Official:

Signature of Authorized Official:

Title of Authorized Official:

Date: _____

CHDO RECERTIFICATION CHECKLIST

CHDO'S PREVIOUSLY APPROVED BY THE LACDA

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.

Please check each item and indicate if there are any changes. If there are changes to any of the items or persons in the CHDO organization have changed, submit the required document for review and approval to the Community Development LACDA.

All recertification applicants are required to submit the organization's most recent Audited Financials, Appendix I, and Appendix J. If staff has changed applicants are required to submit Appendix E and Appendix F.

I. LEGAL STATUS

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

- A Charter**
- Articles of Incorporation**
- No Change**
- Change**

Describe any changes:

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

- A Charter**
- Articles of Incorporation**
- No Change**
- Change**

Describe any changes:

C. The organization is not under the control or direction by any individual or entity seeking to derive profit or gain, as evidenced by:

- Bylaws**
- Articles of Incorporation**
- No Change**
- Change**

D. Has one of the following IRS tax exempt statuses:

- A 501(c)3 or 501(c)4 Certificate from the IRS**
- Subordinate of a central nonprofit under IRC Section 905**
- A private nonprofit that is a wholly owned subsidiary of an organization that has 501(c)3 or (c)4 status and meets the CHDO definition**
- No Change**
- Change**

Describe any changes:

E. 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**
- Resolutions**
- No Change**
- Change**

Describe any changes:

F. CHDO must define a service area (i.e. the community in which it produces housing). Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area or multi-county area **but not the entire state**. (*CHDO's may service communities in multiple states*).

- Charter**
- Articles of Incorporation**
- By-laws**
- Resolutions**
- No Change**
- Change**

II. CAPACITY

A. Conforms to the financial accountability standards of 2 CFR 200.302 and 200.303 as evidenced by:

- Audited Financial Statement (REQUIRED);**
- A notarized statement by the president or chief financial officer of the Organization (Appendix E, if staff has changed since last application)**
- A certification from a Certified Public Accountant; OR**
- A HUD approved audit summary.**
- No Change**
- Change**

Describe any changes:

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

- _____ Resumes and/or statements that describe the experience of paid key staff members who have successfully completed projects similar to those to be assisted with HOME funds (If staff has changed since last application), AND
- _____ Complete Appendix F (If staff has changed since last application); OR
- _____ Contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization (*applies only to CHDO's in first year of operations*); AND
- _____ Training Plan (*applies only to CHDO's in first year of operations*)
- _____ No Change
- _____ Change

Describe any changes:

C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:

- _____ Statement that documents at least one year of experience in serving the community, AND
- _____ Appendix G; 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, AND
- _____ Appendix G
- _____ No Change
- _____ Change

Describe any changes:

NOTE: *The CHDO or, if a new CHDO, its parent organization, must be able to show one year of serving the community from 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.*

Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area.

III. ORGANIZATIONAL STRUCTURE

The CHDO's board must meet all of the applicable requirements set forth below to be eligible for certification.

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:

- Appendix I (REQUIRED for recertification)**
- Appendix J (REQUIRED for recertification)**
- By-Laws**
- Charter**
- Articles of Incorporation**
- No Change**
- Change**

Describe any changes:

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 all HOME-assisted affordable housing projects, as evidenced by:

- The organization's By-laws**
- Resolutions**
- A written statement of operating procedures approved by the governing body.**
- No Change**
- Change**

Describe any changes:

C. A CHDO may be chartered by a State or local government, however, the State or local government may not appoint: (1) 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, as evidenced by the organization's:

- By-Laws**
- Charter**
- Articles of Incorporation**
- No Change**
- Change**

Describe any changes:

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**
- Articles of Incorporation**
- No Change**
- Change**

Describe any changes:

E. Evidence the Board Chairperson has authority to sign documents

- Corporate Resolution of Signing Authority**
- No Change**
- Change**

Describe any changes:

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The for-profit entity that sponsored or created the organization may not have as its primary purpose the development or management of housing, such as a builder, developer, or real estate management firm.

- By-Laws,**
- Charter**
- Articles of Incorporation.**
- No Change**
- Change**

B. 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**
- Articles of Incorporation**
- No Change**
- Change**

C. Officers and employees of the for-profit entity that created the organization cannot be officers (ex, CEO, CFO, or COO) or employees of the CHDO.

- _____ **By-Laws,**
- _____ **Charter**
- _____ **Articles of Incorporation**
- _____ **No Change**
- _____ **Change**

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

- _____ **By-Laws**
- _____ **Charter**
- _____ **Articles of Incorporation**
- _____ **No Change**
- _____ **Change**

V. CERTIFICATIONS

By signing below:

A. the Organization certifies that the information provided for re-certification as a Community Housing Development Organization is true and complete;

B. the Organization understands that the LACDA may conduct its own independent review of the information and may verify information from any source; and

C. the Organization understands that all information submitted become the property of the LACDA.

Name of Authorized Official:

Signature of Authorized Official:

Title of Authorized Official:

Date: _____

APPENDIX D

CHDO APPLICANT SUBMISSION

Please create an individual folder for each Appendix and label all narratives and attachments.
E-mail the application to:

Marina Brookins-Odom, Supervisor
Phone: (626) 586-1807
Email: Marina.Brookins-Odom@lacda.org

FOR LACDA USE ONLY

Date Received:

Certification Date:

Applicant to Complete

APPLICANT
(organization
name):SN/TIN/EIN:

Chief Executive (name):
Title:

Address (physical):
Address (PO Box):
City/State/Zip

Organization Phone:
Organization Fax:

Contact Person:
Phone:
Email:
Fax:

APPENDIX E

AFFIDAVIT OF STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

APPLICANT (exact legal name of organization):

Applicant certifies that the following statements are true:

1. Signor is the President and/or Chief Financial Officer of the organization that is applying for certification as a CHDO and is authorized to make this affidavit on behalf of the organization.

2. The organization's financial management systems conform to the financial accountability standards set forth in 24 CFR 200.302, by providing for and incorporating the following:

(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450 Lobbying.

(b) The financial management system of each non-Federal entity must provide for the following (see also §§ 200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):

(1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual

accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303 Internal controls.

(5) Comparison of expenditures with budget amounts for each Federal award.

(6) Written procedures to implement the requirements of § 200.305 Payment.

(7) Written procedures for determining the allowability of costs in accordance with Subpart E - Cost Principles of this part and the terms and conditions of the Federal award.

3. The organization's financial management systems conform to the financial accountability standards set forth in 24 CFR 200.303, by providing for and incorporating the following:

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

(c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

Signature: _____

Print Name:

Title:

Date:

APPENDIX F

KEY STAFF CAPACITY

Indicate the experience and skill set **for each key staff member** by marking the appropriate boxes. The staff member should have a particular knowledge, skill, and ability to perform listed tasks. If a consultant will be used to fill any capacity “gaps”, the consultant must be included in this checklist. Additional sheets may be needed to list all staff.

	Staff Name and Title	Staff Name and Title	Staff Name and Title
Core Competencies:			
A. Conduct market analysis and conceptual project design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Choose and negotiate purchase of a suitable site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Select and work with architects and other consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Understand and comply with local planning, zoning and building requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Create a development pro forma and operating budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Set rents or sales prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Identify financing sources and apply for financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Comply with other lender requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Deal with community concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Comply with CEQA and NEPA requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Choose and work with construction contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L. Manage the construction process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. Choose and work with a management agent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. Successfully market a project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O. Comply with HOME program requirements, construction close-out and long-term compliance requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX G

HISTORY OF SERVING THE COMMUNITY

The organization or its parent organization must be able to show at least one year of serving the community for which the organization is seeking CHDO certification. Parent organization experience counts for this purpose only if the proposed CHDO has been in existence for less than a year. Solely engaging in predevelopment activities for a housing project shall not satisfy the requirement.

Indicate type of housing or service, population served, financing sources, and any on-going involvement. Specifically identify under "Location" column all projects or services that are in the immediate geographic area for which CHDO certification is being sought.

Describe Completed Development or Services Provided	Type of Development and Type of Financing	Duration of Project or Service	Serves Tenants (T) or Homeowners (H)	Location (City and County*) and Population Served <small>* Identify projects/services in geographic area for which CHDO certification is sought</small>

APPENDIX H

BOARD MEMBER CERTIFICATION REQUIREMENTS

There are four specific requirements related to an applicant organization's board which must be evidenced in the organization's by-laws, charter, or articles of incorporation. These are:

1. No more than one-third of the board may be representatives of the public sector, including any employees of the participating jurisdiction.
2. At least one-third of the board must be representatives of the low-income community served by the CHDO.
3. If a CHDO is sponsored by a for-profit entity, the for-profit may not appoint more than one-third of the board. The board members appointed by the for-profit may not appoint the remaining two-thirds of the board members.
4. States or local governments who charter CHDOs may not appoint more than one-third of the board, and the board members appointed by the state or local government may not appoint the remaining two-thirds of the board members.

Part A: Public Official Representation

For the purposes of 24 CFR Part 92, a "public official" is defined as any person serving in any of the following capacities:

- An elected official such as but not limited to a city council member, county supervisor, state legislator, or school board representative.
- An appointed public official such as members of a planning or zoning commission or of any other regulatory and/or advisory commissions appointed by a public official.
- A public employee such as any employee of the city, county, or state of California.
- A person appointed by a public official to serve on the CHDO board.

Part B: Low-Income Representation

For the purposes of 24 CFR Part 92, a person who does not serve as a "public official" in any elected or appointed capacity and who meets any of the following characteristics is recognized as representing the low-income community.

- A low-income resident of a community in the CHDO's geographic service area.
(To qualify under this criterion, the board member must be a low-income resident of a community in the CHDO's service area. "Low-income" is defined as having a gross annual household income at or below 80 percent of the area median income, as defined by HUD.)
- A resident of a low-income neighborhood in a community in the CHDO's service area.
(To qualify under this criterion, the board member must live in a low-income neighborhood where 51 percent or more of the households in the US Census tract have incomes at or below 80% of the median household income, as defined by HUD. The board member does not have to be low-income.)
- An elected representative of a low-income neighborhood organization within the community in the CHDO's service area.
(To qualify under this criterion, the person must be elected by a low-income neighborhood organization to serve on the CHDO Board. The organization must be composed primarily of residents of a low-income neighborhood and its primary purpose must be to serve the interest of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups. The group must be a neighborhood organization and may not be the CHDO itself. If the board member

is representing a low-income neighborhood organization, please attach a copy of the signed resolution from the neighborhood organization naming the individual as its representative on the CHDO Board.)

APPENDIX I

CERTIFICATION OF BOARD MEMBERS

Please provide the requested contact information for all Board Members. Check one designation next to each Board Member. If a person qualifies as both low-income and a public official they must be designated as a public official.

Please list only current or approved Board members. Do not list prospective Board members who have not been approved to join the Board. Use as many pages as necessary to include all Board members.

Board Member's Name, Residential Address, Telephone, and Email	General Board Member	**Low-Income Representation	Public Institution (Public Official or Employee)	For-Profit (Appointed by For-Profit)	Appointed by Public Board Member	Appointed by For-Profit Board Member	Board Appointment Date/Term
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

I certify that the above listing of current, participating Board members is accurate.

Board Chairperson Signature

Date

** For Board of Directors who are low-income representatives, please provide documentation of their low-income status, as evidenced by one (1) of the following:

- i. Photocopy of driver's license to show residence in a low-income neighborhood; or
- ii. Section 8 Certificate, or Self Certification Form (see attached) as proof of low-income household qualification;
- iii. Signed letter on letterhead from a low-income neighborhood organization describing the purpose of the organization and certifying the Board Member is a representative;

**Community Housing Development Organization Board Members
Self-Certification Form**

This Self-Certification Form is to be completed by low-income representatives of the community serving on a Community Housing Development Organization (CHDO) Board of Directors.

CHDO: _____

BOARD MEMBER NAME: _____

ADDRESS: _____

1. Household information (Check one):

_____ A female heads the household where the person listed above resides.

_____ A male heads the household where the person listed above resides.

2. Number of people in the household: _____

3. Please check your household size and household income level:

Household	2021 HUD Income Limits
<u>Size</u>	<u>Income Limits</u>
1 _____	\$24,850 – \$66,250
2 _____	\$28,400 – \$75,700
3 _____	\$31,950 – \$85,150
4 _____	\$35,450 – \$94,600
5 _____	\$38,300 – \$102,200
6 _____	\$41,150 – \$109,750
7 _____	\$44,000 – \$117,350
8 _____	\$46,800 – \$124,900

I certify that the above information is true and accurate and that supporting documentation can be provided upon request. Additionally, I understand that this information is subject to verification by authorized government officials.

Signature

Date

APPENDIX J

CHDO BOARD COMPLIANCE CERTIFICATION

I, _____, (Chairperson of the Board) certify that _____ (the CHDO) will at all times maintain at least one-third of the membership of the Board of Directors for: 1) residents of the CHDO's geographic service area who are low-income; 2) residents of the CHDO's geographic service area who live in a low-income neighborhood; or 3) representatives elected by a low-income neighborhood organization as evidenced by some action by the low-income neighborhood organization's governing body.

I further certify that the Board of Directors regarding the investment of HOME funds shall take no action without one-third low-income representation on the Board.

I further certify that no more than one-third of the Board membership shall be public officials, including elected officials, appointed public officials, public employees, and board members appointed by a public official.

I further certify that a State or local government has not appointed more than one-third of the Board membership and that Board members appointed by a State or local government have not appointed the remaining two-thirds of the Board members.

I further certify that, if my organization is sponsored or created by a for-profit entity, (a) the for-profit entity has not appointed more than one-third of the membership of the Board membership and that Board members appointed by a for-profit entity have not appointed the remaining two-thirds of the Board members and (b) the for-profit entity is not an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.

I further certify that the CHDO is free to contract for goods and services from vendors of its own choosing.

Board Chairperson Signature

Date