*WCDA will use this checklist to help guide its review of a CHDO’s overall organizational capacity when considering funding from the CHDO set-aside or for CHDO Operating Expenses. This checklist is intended to be qualitative and may not encompass all perspectives WCDA will incorporate when reviewing applications for funding.*

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| **CHDO Organizational Capacity Checklist** | |
| **Past & Current Performance** | * Has the CHDO performed adequately in the past in HOME, CHDO, and/or other real estate development activities? * Is the CHDO in good standing on all its development and administrative activities? * Does it show the capacity to take on this additional activity and continue to manage its other projects and programs? |
| **Past & Current Performance Conclusion**  [ ] Past & Current Performance demonstrates a likelihood of success with the proposed project.  [ ] Past & Current Performance raises concerns about the proposed project.  *Review Notes:* | |
| **Organizational Structure/Governance** | * Corporate/Legal Structure: * Can the current structure support housing development activities, or is there a need for a subsidiary or other organizational structure for future development? * Are there operations or activities that need to be organizationally separate from housing development activities and portfolios? * Management structure/practices: * Does the CHDO have a current strategic plan that guides its activities? * Does management have the capacity for additional development activities? * Are the corporate lines of authority for development activities clear? * Are policies & procedures in place governing development activities? * Does the organization have conflict of interest and/or ethics policies in place? * Pipeline/portfolio: * Does the CHDO have a clear picture of its current pipeline and program responsibilities? * Will it be able to handle the additional project proposed? * Are there other activities that may suffer or not be able to be pursued due to the development activities? * Does its portfolio of projects/properties evidence competent management? * Do the properties appear to have adequate funding? * Board expertise/skills: * Do board members have skills directly relevant to housing development (e.g., real estate, legal, architecture, finance, management)? * Has the board demonstrated the ability to make timely decisions? * Is there a good relationship between board and staff? * Does the board have a committee structure or other oversight of development? * Has there been stability/continuity of board members recently? |
| **Organizational Structure/Governance Conclusion**  [ ] Organizational Structure & Governance demonstrates a likelihood of success with the proposed project.  [ ] Organizational Structure & Governance raises concerns about the proposed project.  *Review Notes:* | |
| **Staff Capacity** | * Are the roles/responsibilities of individual staff clear, esp. for the proposed project? * Do assigned staff have appropriate experience relative to their role? * Do assigned staff have adequate time to devote to new projects, taking into account whether they are full- or part-time and other ongoing responsibilities? * Do staff have access to ongoing education/training to maintain/enhance skills? * Are staff cross-trained, providing uninterrupted capacity in the case of turnover? |
| **Staff Capacity Conclusion**  [ ] Staff Capacity demonstrates a likelihood of success with the proposed project.  [ ] Staff Capacity raises concerns about the proposed project  *Review Notes:* | |
| **Development Team Capacity** | * Are all of the key development team roles filled with qualified individuals or firms? * Does the CHDO have a need for a partner or a consultant to supplement its skills and help it to ensure success, while still maintaining development control? * Do team members have prior experience directly relevant to the proposed project? * Have the team members worked together before or demonstrated the ability to work effectively as a team? |
| **Development Team Capacity Conclusion**  [ ] Development Team Capacity demonstrates a likelihood of success with the proposed project.  [ ] Development Team Capacity raises concerns about the proposed project  *Review Notes:* | |
| **Fiscal Soundness** | * Financial management: * Is there evidence that the CHDO meets the federal financial management standards? * Does it do annual budgeting of its operations and all activities or programs? * Does it track and report budget v. actual income and expenses? * Does it have adequate internal controls to ensure separation of duties & safeguarding of corporate assets? * Is there sufficient oversight of all financial activities? * Is financial reporting regular, current, and sufficient for the board to forecast and monitor the financial status of the corporation? * Financial stability: * Does the organization have a diversified and stable funding base for operations? * How regularly does it experience cash flow problems? * Does the organization have the ability to raise funds from the community and a history of meeting fundraising goals? * Liquidity: * Does CHDO management manage its current cash position and maintain controls over expenditures? * Does the current balance sheet and budget indicate sufficient funds to support essential operations? * Does it have funds available for both pre-development expenses and working capital advances required for development? * Audit: * Does the CHDO have an annual audit? * Is the most recent audit current? * Were there management or compliance findings in the last two years? * Are findings resolved? * Portfolio & corporate liabilities: * Is its portfolio of properties in stable physical and financial condition? * Are there assets at risk of default? * Does it collect adequate revenues and management fees from the properties? * Does it maintain adequate insurance – liability, fidelity bond, workers comp, property hazard, & project? |
| **Fiscal Soundness Conclusion**  [ ] Fiscal Soundness reflects a likelihood of success with the proposed project.  [ ] Fiscal Soundness raises concerns about the proposed project  *Review Notes:* | |
| **Stakeholder Relations** | * Community relations: * How strong are the current reputation of the corporation and the relationship with the community? * Can the CHDO reasonably be expected to overcome any NIMBY opposition in the service area? * Does the CHDO have effective channels to negotiate with the community and potential project opponents? * Does the CHDO have effective working relationships with other local organizations (e.g., community/neighborhood organizations, area nonprofits, Continuum of Care members and service providers, etc.? * Local government relations: * How strong is the CHDO’s relationship with the local government? * How strongly does local government support its housing activities? * Lender/funder relations:   + Does the CHDO have good working relationships with lenders, especially those who might participate in the proposed project?   + Does the CHDO have established relationships with other funders that might participate in the proposed project (e.g., state/local funding programs, equity investors, local foundations)? |
| **Stakeholder Relations Conclusion**  [ ] Partner Relations reflect a likelihood of success with the proposed project.  [ ] Partner Relations raise concerns about the proposed project.  *Review Notes:* | |