*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.*

|  |
| --- |
| **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:* |