

CHDO Pre-Registration for Certification

WCDA, Housing & Neighborhood Development Department



Overview

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. A "Community Housing Development Organization" (CHDO) is a specific kind of community based nonprofit housing organization defined by the HOME Final Rule (24 CFR Part 92). CHDOs have a distinct and special status within HOME. Each Participating Jurisdiction (PJ) must set-aside at least 15% of its total HOME award each year for specifically for projects that will be owned, developed, or sponsored by CHDOs. WCDA is a PJ and manages HOME through its Housing & Neighborhood Development Department (HNDD).

At a high level, the CHDO definition can be grouped into four key elements. To be recognized as a CHDO, an organization must be:

- A legally incorporated tax-exempt nonprofit organization;
- An independent organization free of undue control by for-profit or governmental entities;
- Accountable to the Low-Income community it serves; and
- Capable of undertaking the development of affordable housing.

The evaluation of whether an organization can be designated as a CHDO always takes place in the context of awarding funds from the CHDO set-aside—that is in consideration of a housing project that is being or is likely to be funded. The HUD Rule requires that a PJ certify that an organization meets the CHDO definition "each time it commits funds to the organization."

The evaluation of an organization's capacity, in particular, is closely connected to the organization's role as an "owner," "developer," or "sponsor" of affordable housing. Those terms are carefully defined in the HOME regulation at §92.300(a)(2)-(6) and require that the CHDO be solely in charge of the project.

While WCDA must certify an organization as a CHDO *at the point of committing funds to a specific project*, this application for CHDO Registration can be submitted to "pre-register" as a potential CHDO. **In addition, WCDA requires that an entirely new Pre-registration Certification packet be submitted every 3 years.** This affords the HNDD staff time to evaluate the required documentation and also allows the CHDO applicant to be added to a list to receive direct notices of funding availability. These funding opportunities will be advertised through a Request For Proposal (RFP) by the CmDv.

At the point of applying for project-specific funding, a pre-registered CHDO will be required to update its registration with any changes and/or attesting to "No Change" in supporting documentation.

Instructions

Prospective CHDOs should complete Sections 1 and 2 of this pre-registration, sign the certification in Section 3, and provide all applicable required attachments in Section 3. For any required attachment not being submitted, provide an explanation as to why the attachment is not applicable to your organization. A separate application for project-specific funding or for CHDO operating assistance will be included in any RFP packages published.

As explained again at the beginning of Section 2 and 3, attachments should be highlighted by the prospective CHDO to mark key sections of core organizational documents (for example, highlighting where the Bylaws address limitations on the number of board members who are governmental officials or employees) to aid in WCDA's review.

CHDO Pre-Registration for Certification

Section 1: Organization, Key Contacts and Intent	
Organization Name	Tax ID Number:
	Duns Number:
Mailing Address (include physical address if different from mailing address):	
Name, Title, and Contact Information (phone and email) for the following:	
Organization President/CEO/Executive Director	
Application Contact Person (if different than President/Executive Director)	
Board President (provide personal cell phone and email address, not address of organization)	
<p>This application is being submitted solely as the first step for consideration to be pre-registered for CHDO consideration by WCDA and to be added to a notification list:</p> <p><input type="checkbox"/> Pre-registration for CHDO consideration by WCDA only Initial: _____</p>	
Section 2: CHDO Definition, Parts A-D	
<p><i>In this section, the applicant should indicate which attached document(s) provide evidence for specific threshold criteria. Additionally, the applicant should indicate where in the attached document applicable provision can be found. Finally, as appropriate, highlight the relevant sections of each document. For example:</i></p>	
<p>Criterion Met:</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p>Documentation submitted to demonstrate this item:</p> <p><input type="checkbox"/> Articles of Incorporation/Charter;</p> <p><input type="checkbox"/> By-laws; OR <i>See pg 7 of By-laws for board member requirements</i></p> <p><input type="checkbox"/> Resolutions</p>

Part A: Legal Status

1. Requirement

The nonprofit organization is organized under State or local laws [§92.2 CHDO definition paragraph (1)]

PJ Determination

Criterion Met:

Yes No

This box for PJ Use Only

Documentation submitted to demonstrate this item:

- Certificate of Good Standing (if the organization is newly formed and has been existence for less than one year, a Certificate of Existence will suffice) AND one or more of the following:
- Articles of Incorporation/Charter
- Other: _____

PJ Review Notes:

2. Requirement

The organization must have among its purposes the provision of decent housing that is affordable to low- and moderate-income people [§92.2 CHDO definition paragraph (7)]

PJ Determination

Criterion Met:

Yes No

This box for PJ Use Only

Documentation submitted to demonstrate this item:

- Articles of Incorporation/Charter
- By-laws; OR
- Resolutions

PJ Review Notes:

3. Requirement

No part of the organization's net earnings may inure to the benefit of any member, founder, contributor, or individual [§92.2 CHDO definition paragraph (2)]

PJ Determination

Criterion Met:

Yes No

This box for PJ Use Only

Documentation submitted to demonstrate this item:

- Articles of Incorporation/Charter

PJ Review Notes:

<p>4. Requirement</p> <p>The organization may not be controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization [§92.2 CHDO definition paragraph (3)]</p>	
<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> Articles of Incorporation/Charter;</p> <p><input type="checkbox"/> By-laws,</p> <p><input type="checkbox"/> A Memorandum of Understanding (MOU) with any “parent” organization.</p>
<p><i>PJ Review Notes:</i></p>	
<p>5. Requirement</p> <p>The organization must be a recognized nonprofit by virtue of:</p> <ol style="list-style-type: none"> 1. Having a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; OR 2. Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code; OR 3. Is a wholly-owned entity that is a disregarded entity separate from its owner for tax purposes and is owned by entity with a tax exemption ruling from the IRS under Section 501(c)(3) or 501(c)(4). <p>[§92.2 CHDO definition paragraph (4)]</p>	
<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> 501(c)(3) or (4) ruling or current conditional designation from the IRS; or</p> <p><input type="checkbox"/> A group exemption letter from the IRS under Section 905 that includes the organization.</p>
<p><i>PJ Review Notes:</i></p>	
<p>6. Requirement</p> <p>The organization may not be a governmental entity such as a participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing authority, housing finance agency, redevelopment authority, zoning board or commission [§92.2 CHDO definition paragraph (5)]</p>	
<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> Articles of Incorporation/Charter</p>

PJ Review Notes:

Part B: Independence

7. Requirement

No more than one-third of the governing board members may be public officials or employees of a governmental entity [§92.2 CHDO definition paragraph (5)]

PJ Determination

Criterion Met:

Yes No

This box for PJ Use Only

Documentation submitted to demonstrate this item:

- By-laws, OR
- Articles of Incorporation/Charter, **AND**
- Current Board Roster indicating which members, if any, are public officials or employees of government entities

PJ Review Notes:

8. Requirement

The officers (including elected or appointed officials) or employees of a governmental entity may not be employees of a CHDO. [§92.2 CHDO definition paragraph (5)]

PJ Determination

Criterion Met:

Yes No

This box for PJ Use Only

Documentation submitted to demonstrate this item:

- By-laws, or
- Articles of Incorporation/Charter
- Other: _____; **AND**
- CHDO Staff Roster

PJ Review Notes:

9. Requirement

If the organization was created by a governmental entity provided:

- a. The governmental entity may not appoint more than one-third of the membership of the organization's governing body; and
- b. The board members appointed by the governmental entity may not, in turn, appoint the remaining two-thirds of the board members. [§92.2 CHDO definition paragraph (5)]

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Not applicable, organization not created by a gov't entity</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> Organization [] was [] was not created by a governmental entity as evidenced by:</p> <p><input type="checkbox"/> By-laws,</p> <p><input type="checkbox"/> Articles of Incorporation/Charter, AND</p> <p><input type="checkbox"/> Current Board Roster indicating which members, if any, are public officials or employees of government entities along with certifications from all board members as to government official/employee status</p>
<p><i>PJ Review Notes:</i></p>	
<p>10. Requirement(s)</p> <p>A CHDO may be sponsored or created by a for-profit entity, provided that</p> <ol style="list-style-type: none"> a. The for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and b. The board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members c. The officers or employees of the sponsoring for-profit entity may not be employees of a CHDO. <p>[\$92.2 CHDO definition paragraph 3(i) and (ii)]</p>	
<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Not applicable, organization not created by a for-profit</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> Organization [] was [] was not created by a for-profit entity as evidenced by:</p> <p><input type="checkbox"/> By-laws,</p> <p><input type="checkbox"/> Articles of Incorporation/Charter, AND</p> <p><input type="checkbox"/> Current Board Roster indicating which members, if any, are appointed by a for-profit parent entity</p>
<p><i>PJ Review Notes:</i></p>	
<p>11. Requirement</p> <p>A CHDO 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 AND the CHDO is free to contract for goods and services from vendor(s) of its own choosing [\$92.2 CHDO definition paragraph (3)(i) and (iii)]</p>	

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Not applicable, organization not created by a for-profit</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> Organization [] was [] was not created by a for-profit entity. If organization was created by a for-profit entity, provide:</p> <p><input type="checkbox"/> For-profit organization profile and Articles/By-laws</p> <p><input type="checkbox"/> CHDO's By-laws,</p> <p><input type="checkbox"/> Articles of Incorporation/Charter, or</p> <p><input type="checkbox"/> Other: _____</p>
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PJ Review Notes:

Part C: Accountability to Low Income Community

12. Requirement

The organization must have a designated service area (i.e. the “community” in which it produces housing). A community can be a neighborhood or neighborhoods, city, county, metropolitan area, or multi-county area (but not the entire State). [§92.2 CHDO definition paragraph (8)(i)].

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> By-Laws,</p> <p><input type="checkbox"/> Articles of Incorporation/Charter, OR</p> <p><input type="checkbox"/> Board Resolution</p> <p><input type="checkbox"/> Other: _____; AND</p> <p><input type="checkbox"/> Map/description of service area</p>
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PJ Review Notes:

13. Requirement

The organization must 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 [§92.2 CHDO definition paragraph (8)(i)]

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p><input type="checkbox"/> By-Laws,</p> <p><input type="checkbox"/> Articles of Incorporation/Charter, AND</p> <p><input type="checkbox"/> Current Board Roster indicating which members meet this criterion along with documentation of each such board member’s qualification (e.g. certification of low income status, documentation of home address in low-income community, appointment by low income neighborhood organization)</p>
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PJ Review Notes:

14. Requirement

The organization must have a formally adopted process for low income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects [§92.2 CHDO definition paragraph (8)(ii)]

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <ul style="list-style-type: none"><input type="checkbox"/> By-laws, OR<input type="checkbox"/> Resolutions, OR<input type="checkbox"/> A written statement of operating procedures approved by the governing body, <u>AND</u><input type="checkbox"/> Statement signed by the president or chief executive officer describing input sought and received on the current project proposal<input type="checkbox"/> Other: _____
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PJ Review Notes:

15. Requirement

The organization must have a history of serving the community within which housing to be assisted with HOME funds is to be located [§92.2 CHDO definition paragraph (10)]

The prospective CHDO or its parent organization must be able to show one year of serving the community prior to the date the PJ provides HOME funds to the organization. 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. The statement must be signed by the president or other official of the organization.

<p><i>PJ Determination</i></p> <p><i>Criterion Met:</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>This box for PJ Use Only</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <ul style="list-style-type: none"><input type="checkbox"/> A statement that documents at least one year of experience in serving the community by the organization, or if newly formed, by the organization's nonprofit parent organization<input type="checkbox"/> Other: _____
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PJ Review Notes:

Part D: Capacity	
16. Requirement	
The organization must conform to the financial accountability standards of 2 CFR 200.302 and 200.303 [§92.2 CHDO definition paragraph (6)]	
<i>PJ Determination</i> <i>Criterion Met:</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>This box for PJ Use Only</i>	<i>Documentation submitted to demonstrate this item:</i> <input type="checkbox"/> A notarized statement by the president or chief financial officer of the organization; <input type="checkbox"/> A certification from a Certified Public Accountant, OR <input type="checkbox"/> A HUD approved audit summary.
<i>PJ Review Notes:</i>	
17. Requirement	
The organization must have demonstrated capacity appropriate to the organization’s role under §92.300 and to the nature of the proposed or anticipated project. This capacity must be satisfied by having paid employees with housing experience appropriate to the project or, for the first year of funding as a CHDO, by having a qualified consultant who will train the organization’s paid employees. [§92.2 CHDO definition paragraph (9)]	
<i>PJ Determination</i> <i>Criterion Met:</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>This box for PJ Use Only</i>	<i>Documentation submitted to demonstrate this item:</i> <input type="checkbox"/> Project description from proposal/application <input type="checkbox"/> CHDO Staff Roster, with attachments of: <ul style="list-style-type: none"> ○ Resumes/description of experience for staff assigned to development project ○ Include W-2s for identified staff, or in the absence of W-2s, copies of the employment contract between the CHDO and the employee (Social Security No. may be blacked out.)
<i>PJ Review Notes:</i>	

Section 3: Pre-Registration Certification Attestation

As the Board President of the organization named in Section 1 of this application for CHDO Pre-registration Certification, I hereby certify that all the information contained in this application is true and correct and that accurate versions of required attachments have been provided as part of this application. I acknowledge that submission of materially false or misleading information is grounds for rejection of this application and any related project funding application. Further, I certify that the submission of this application has been approved by a vote of the Board of Directors.

Acknowledgement:

- I attest that there all of the items listed below are being submitted for Certification consideration submitted on _____.
- These required attachments shall be labeled with cover sheets. Key sections of Articles, Bylaws, or other documents that highlight specific CHDO definitional elements shall also be highlighted in the attachments.

- C-1. Articles of Incorporation/Charter
- C-2. Current Bylaws
- C-3. Certificate of Good Standing or Existence (issued not less than 60 days prior to submission)
- C-4. IRS Nonprofit Designation letter
- C-5. Map and Description of Service Area
- C-6. Current Board Roster, must indicate LI representatives and public official/employee status
- C-7. Board Member Certifications of Governmental Official/Employee Status
- C-8. Board Member Certifications of Low Income Representation Status
- C-9. Corporate profile of for-profit entity that created organization (if applicable)
- C-10. Adopted policy (e.g. board resolution) defining process for Low Income Beneficiary Input
- C-11. Statement outlining results of input process, including documentation such as notes/minutes/reports of input received on proposed project(s)
- C-12. Corporate profile for prospective CHDO describing at least one year history of providing service within the organization’s service area; regional organizations should highlight service history in the specific local community where proposed CHDO project is located
- C-13. CHDO Staff Roster
- C-14. W-2s for staff assigned to proposed project
- C-15. Resumes/biographies for staff assigned to proposed CHDO project
- C-16. Job descriptions for key staff positions responsible for proposed CHDO project
- C-17. 2 CFR 200.302 and 200.303 Financial Standards Certification/Documentation
- C-18. Current fiscal year operating budget
- C-19. Most recent IRS Form 990
- C-20. Strategic business plan, including description of ongoing and pipeline projects
- C-21. Description of previous HOME funded CHDO projects, including any funded by other PJs
- C-22. Other: _____

Signature:

Date:

Printed Name:

Section 4: WCDA's PJ Preliminary Determination

This section for PJ Use only. PJ Preliminary Determination:

- The organization meets initial CHDO Threshold requirements, including the capacity requirement as demonstrated by the application and associated attachments,
- The organization will not be preliminarily designated as a CHDO at this time for the following reasons:
 - The organization has failed to meet and/or document compliance with the threshold criteria as indicated in the notes below and/or
 - Staff does not have the necessary capacity given the project proposed by the organization.

Other Notes:

Signature of PJ HOME Administrator:

Date: