

JEFFERSON COUNTY CHDO APPLICATION
HOME Program
2017

Applicant Name: _____

Applicant Address: _____

Applicant Telephone: _____

Applicant E-mail: _____

Name of Authorized Representative: _____

Authorized Representative Telephone: _____

Authorized Representative E-mail: _____

Name and Location of Proposed Project: _____

Certification of Authorized Representative:

I, _____, as Authorized Representative for the CHDO Applicant, _____, hereby certify that all materials submitted in the application and funding proposal are true and correct to the best of my knowledge and belief. I understand that any attempt to falsify information in this application shall result in disqualification. Further, I hereby consent to requests that Jefferson County may make of third-parties for information to substantiate information provided in this application and funding proposal, and I authorize third-parties to release such information to the Jefferson County Office of Community & Economic Development.

Signed: _____

Date: _____

Background and Introduction

Jefferson County, Alabama as a participating jurisdiction (PJ) is a recipient of HOME Investment Partnership Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). The HOME statute requires PJs to set-aside funds to be invested in affordable housing projects that are owned, developed, or sponsored by CHDOs. The PJ must certify that the organization meets the CHDO requirements each time it commits CHDO set-aside funds to a project. Jefferson County, therefore, will only certify a CHDO in conjunction with an eligible funding proposal for a project. Once funded, CHDOs are required to maintain their status as a CHDO throughout the development of the project and, in the case of rental housing, the affordability period.

The CHDO checklist and certifications required by the County are necessary to ensure compliance. Jefferson County must document to HUD that only organizations meeting the requirements in the new HOME rule have received CHDO set-aside funds. If the applicant cannot provide adequate documentation that they meet all the criteria required for CHDO designation, they will not be considered for CHDO designation or CHDO set-aside funds. For more information regarding CHDO requirements, please review selected excerpts from the new rule found at 24 CFR Part 92 which are included in Appendix A.

CHDO Capacity Requirements

Paid Staff

There have been several changes in the 2013 HOME Program Final Rule. One of the most significant changes is related to capacity. To ensure that CHDO set-aside funds are only provided to organizations that have the capacity to carry out and complete the projects for which they are being funded, the definition of "community housing development organization" at 24 CFR 92.2 of the 2013 HOME rule requires that, at the time it commits CHDO set-aside funds, a PJ must certify that the organization has paid employees with housing experience in the role it will undertake (i.e., owner, developer, or sponsor) for that specific project.

Paid staff may be full or part-time. They must be paid directly by and accountable to the CHDO. A CHDO may not rely on staff who are actually employed by another entity and cost-allocated, contracted, or donated to the CHDO. Volunteers, board members, and donated services from other organizations do not count toward the capacity requirement, however, they may provide valuable organizational support if they have relevant skills or experience. Consultants do not count toward the capacity requirement. For its first year of funding as a CHDO, however, 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. CHDO staff members may not be employed, even on a part-time basis, by the for-profit parent entity of a potential CHDO, a government agency, or be elected/appointed officials.

Staff Experience

To certify that a non-profit has sufficient capacity to qualify as a CHDO, the County must reach a conclusion that an organization's employees collectively have sufficient experience and capacity to effectively manage the proposed project. While most projects involve various third-party professionals such as architects and attorneys in the development team, the CHDO's employees must themselves have core competencies that allow them to exercise control over the project and the development team. CHDO applicants must provide documentation of sufficient staff experience as well as the capacity to carry out the project given other staff duties and work-load.

Additional Organizational Capacity

In considering whether or not to fund a given project, the County will also consider broader aspects of organizational capacity. The County will take into account past performance of the CHDO or if newly formed, the parent non-profit, organizational structure, fiscal soundness concerns, and relationships with its other partners. CHDOs must have sound business planning, sufficient capital, keen marketing/customer knowledge, technical expertise, as well as strong leadership and staffing. The quality of the third-party development team members will also be considered in funding decisions. The CHDO set-aside is only 15%. CHDO proposals should be strong enough to compete with for-profit proposals for larger amounts of entitlement funding.

Instructions

Please review these materials carefully and provide **all** documentation requested. Sign and date where indicated. Complete the following using cover sheets tabbed A - C:

1. Appendix A: Selected Excerpts – 2013 *HOME* Final Rule
2. Appendix B: CHDO Threshold Checklist
3. Appendix C: CHDO Board Member Certifications
4. Appendix D: Summary of Board of Directors Composition
5. Appendix E: Staff Capacity Summary: Employee Roster and Project Roles



Appendix A
Selected Excerpts – 2013 *HOME* Final Rule

Title 24: Housing and Urban Development
PART 92—HOME INVESTMENT PARTNERSHIPS PROGRAM
Subpart A—General

§92.2 Definitions.

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 84.21, "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.

Title 24: Housing and Urban Development

PART 92—HOME INVESTMENT PARTNERSHIPS PROGRAM

Subpart G—Community Housing Development Organizations

§92.300 Set-aside for community housing development organizations (CHDOs).

(a) Within 24 months after the date that HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement, the participating jurisdiction must reserve not less than 15 percent of the HOME allocation for investment only in housing to be owned, developed or sponsored by community housing development organizations. For a State, the HOME allocation includes funds reallocated under §92.451(c)(2)(i) and, for a unit of general local government, includes funds transferred from a State under §92.102(b). The participating jurisdiction must certify the organization as meeting the definition of "community housing development organization" and must document that the organization has capacity to own, develop, or sponsor housing each time it commits funds to the organization. For purposes of this paragraph:

(1) Funds are reserved when a participating jurisdiction enters into a written agreement with the community housing development organization (or project owner as described in paragraph (a)(4) of this section) committing the funds to a specific local project in accordance with paragraph (2) of the definition of "commitment" in §92.2.

(2) Rental housing is "owned" by the community housing development organization if the community housing development organization is the owner in fee simple absolute of multifamily or single family housing (or has a long term ground lease) for rental to low-income families in accordance with §92.252. If

the housing is to be rehabilitated or constructed, the community housing development organization hires and oversees the developer that rehabilitates or constructs the housing. At minimum, the community housing development organization must hire or contract with an experienced project manager to oversee all aspects of the development, including obtaining zoning, securing non-HOME financing, selecting a developer or general contractor, overseeing the progress of the work and determining the reasonableness of costs. The community housing development organization must own the rental housing during development and for a period at least equal to the period of affordability in §92.252. If the CHDO acquires housing that meets the property standards in §92.251, the CHDO must own the rental housing for a period at least equal to the period of affordability in §92.252.

(3) Rental housing is “developed” by the community development housing organization if the community housing development organization is the owner of multifamily or single family housing in fee simple absolute (or has a long term ground lease) and the developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252. To be the “developer,” the community development housing organization must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME financing, selecting architects, engineers and general contractors, overseeing the progress of the work and determining the reasonableness of costs. At a minimum, the community housing development organization must own the housing during development and for a period at least equal to the period of affordability in §92.252.

(4) Rental housing is “sponsored” by the community development housing organization if it is rental housing “owned” or “developed” by a subsidiary of a community housing development organization, a limited partnership of which the community housing development organization or its subsidiary is the sole general partner, or a limited liability company of which the community housing development organization or its subsidiary is the sole managing member.

(i) The subsidiary of the community housing development organization may be a for-profit or nonprofit organization and must be wholly owned by the community housing development organization. If the limited partnership or limited liability company agreement permits the community housing development organization to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the community housing development organization must be replaced with another community housing development organization.

(ii) The HOME funds must be provided to the entity that owns the project.

(5) HOME-assisted rental housing is also “sponsored” by a community housing development organization if the community housing development organization “developed” the rental housing project that it agrees to convey to an identified private nonprofit organization at a predetermined time after completion of the development of the project. Sponsored rental housing, as provided in this paragraph (a)(5), is subject to the following requirements:

(i) The private nonprofit organization may not be created by a governmental entity.

(ii) The HOME funds must be invested in the project that is owned by the community housing development organization.

(iii) Before commitment of HOME funds, the community housing development organization sponsor must select the nonprofit organization that will obtain ownership of the property.

(A) The nonprofit organization assumes the community housing development organization's HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development.

(B) If the housing is not transferred to the nonprofit organization, the community housing development organization sponsor remains responsible for the HOME assistance and the HOME project.

(6) Housing for homeownership is "developed" by the community development housing organization if the community housing development organization is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families in accordance with §92.254.

(i) To be the "developer" the community development housing organization must arrange financing of the project and be in sole charge of construction. The community housing development organization may provide direct homeownership assistance (e.g., downpayment assistance) when it sells the housing to low-income families and the community housing development organization will not be considered a subrecipient. The HOME funds for downpayment assistance shall not be greater than 10 percent of the amount of HOME funds for development of the housing.

(ii) The participating jurisdiction must determine and set forth in its written agreement with the community housing development organization the actual sales prices of the housing or the method by which the sales prices for the housing will be established and whether the proceeds must be returned to the participating jurisdiction or may be retained by the community housing development organization.

(A) While proceeds that the participating jurisdiction permits the community housing development organization to retain are not subject to the requirements of this part, the participating jurisdiction must specify in the written agreement with the community housing development organization whether the proceeds are to be used for HOME-eligible activities or other housing activities to benefit low-income families.

(B) Funds that are recaptured because the housing no longer meets the affordability requirements under §92.254(a)(5)(ii) are subject to the requirements of this part in accordance with §92.503.

(7) The participating jurisdiction determines the form of assistance (e.g., grant or loan) that it will provide to the community housing development organization receives or, for rental housing projects under paragraph (a)(4) of this section, to the entity that owns the project.

(b) Each participating jurisdiction must make reasonable efforts to identify community housing development organizations that are capable, or can reasonably be expected to become capable, of carrying out elements of the jurisdiction's approved consolidated plan and to encourage such community housing development organizations to do so. If during the first 24 months of its participation in the HOME Program a participating jurisdiction cannot identify a sufficient number of capable community housing development organizations, up to 20 percent of the minimum community housing development organization setaside of 15 percent specified in paragraph (a) of this section, above, (but not more than \$150,000 during the 24 month period) may be committed to develop the capacity of community housing development organizations in the jurisdiction.

(c) Up to 10 percent of the HOME funds reserved under this section may be used for activities specified under §92.301.

(d) HOME funds required to be reserved under this section are subject to reduction, as provided in §92.500(d).

(e) If funds for operating expenses are provided under §92.208 to a community housing development organization that is not also receiving funds under paragraph (a) of this section for housing to be owned, developed or sponsored by the community housing development organization, the participating jurisdiction's written agreement with the community housing development organization must provide that the community housing development organization is expected to receive funds under

paragraph (a) of this section for a project within 24 months of the date of receiving the funds for operating expenses, and specifies the terms and conditions upon which this expectation is based.

(f) The participating jurisdiction must ensure that a community housing development organization does not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under §92.208.

§92.301 Project-specific assistance to community housing development organizations.

(a) *Project-specific technical assistance and site control loans*—(1) *General.* Within the percentage specified in §92.300(c), HOME funds may be used by a participating jurisdiction to provide technical assistance and site control loans to community housing development organizations in the early stages of site development for an eligible project. These loans may not exceed amounts that the participating jurisdiction determines to be customary and reasonable project preparation costs allowable under paragraph (a)(2) of this section. All costs must be related to a specific eligible project or projects.

(2) *Allowable costs.* A loan may be provided to cover project costs necessary to determine project feasibility (including costs of an initial feasibility study), consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, option to acquire property, site control and title clearance. General operational expenses of the community housing development organization are not allowable costs.

(3) *Repayment.* The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

(b) *Project-specific seed money loans*—(1) *General.* Within the percentage specified in §92.300(c), HOME funds may be used to provide loans to community housing development organizations to cover preconstruction project costs that the participating jurisdiction determines to be customary and reasonable, including, but not limited to the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies, and legal fees.

(2) *Eligible sponsors.* A loan may be provided only to a community housing development organization that has, with respect to the project concerned, site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

(3) *Repayment.* The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the community housing development organization.

APPENDIX B
JEFFERSON COUNTY
***HOME* PROGRAM**
CHDO THRESHOLD CHECKLIST

JEFFERSON COUNTY *HOME* PROGRAM

CHDO THRESHOLD CHECKLIST

INSTRUCTIONS: Potential CHDOs seeking funding from Jefferson County should complete this form and provide all indicated attachments. The County will review these attachments to determine whether or not the organization meets initial threshold requirement to be certified as a CHDO. To be certified the nonprofit seeking CHDO status will have to submit an application for project funding so that the County can also determine whether or not the proposed project meets the requirements for being CHDO owned, developed, or sponsored per the requirements of 24 CFR 92.300(a). This information will also be necessary to pursue eligibility for CHDO operating support (24 CFR 92.208) and/or a pre-development loan (24 CFR 92.301).

In the form below, the potential CHDO should indicate which attached document(s) provide evidence for specific threshold criteria. Additionally, the applicant should indicate where in the document applicable provision can be found. For example:

Criterion Met:	Documentation submitted to demonstrate this item:
Yes No This box for County Use Only	Charter; Articles of Incorporation; ✓ By-laws; OR See pg 7 of By-laws for board member requirements requirements Resolutions

REQUIRED ATTACHMENTS: Required attachments must be labeled using numbered tabbed cover sheets.

1. Articles of Incorporation/Charter
2. Bylaws
3. Certificate of Good Standing (issued not less than 60 days prior to application)
4. Certificate of Existence
5. IRS Nonprofit Designation letter
6. Current Board Roster, must indicate LI representatives and public official/employee status
7. Documentation of LI status for designated board members
8. Certification of Public Official/Governmental Employee Status
9. Corporate profile of for-profit entity that created organization (if applicable)
10. Description of Formal Process for LI Beneficiaries to Advise on development including notes/minutes/reports of input received on proposed project(s)

11. Corporate profile for prospective CHDO describing history of providing service within the community (i.e. organization's service area)
12. CHDO Staff Roster
13. W-2s for staff assigned to proposed project
14. Resumes of paid staff assigned to proposed project. You must demonstrate that paid staff has experience developing the type of project for which you are requesting funding. This must include information on specific projects for which each employee has worked with a description of their responsibilities for the various phases of development, e.g. identification, due diligence & acquisition of property; coordination of construction/permanent financing & closings; plans/specifications and local government approvals; bidding or contracting for services; construction; accounting; marketing and sales/leasing; property and asset management; etc.
15. List of public or private grants with annual amounts managed by staff
16. Provide a list of properties developed with type and number of units, year completed, total development costs, and funding sources (AHFA Relevant Experience forms are acceptable)
17. Provide a list of properties owned with type and number of units, year completed, total development costs, and funding sources (AHFA Relevant Experience forms are acceptable)
18. Provide a list of properties managed with type and number of units, year completed, total development costs, and funding sources (AHFA Relevant Experience forms are acceptable)
19. Copies of relevant license, certificates or evidence of education/training of paid staff
20. Qualifications of paid consultants and copy of contract, if applicable
21. 24 CFR 84.21 Financial Standards Certification/Documentation
22. Most recent audit, or if newly formed, audit of parent non-profit
23. Map and Description of Service Area
24. Other: _____
25. Other: _____

SUMMARY

<i>Organization Name and Address:</i>	<i>Contact Name, Telephone & Email Address:</i>
<i>County Date of Review:</i>	<i>Reviewed by County Representative:</i>
<i>County Determination:</i>	
<p>The organization meets initial CHDO Threshold requirements, including the capacity requirement as demonstrated by an attached CHDO Staff Capacity Evaluation Checklist</p> <p>The organization will not be preliminarily certified as a CHDO at this time for the following reasons:</p> <p style="padding-left: 40px;">The organization has failed to meet and/or document compliance with the threshold criteria as indicated in the notes below and/or</p> <p style="padding-left: 40px;">Staff does not have the necessary capacity given the project proposed by the organization.</p>	
<i>Other Notes:</i>	

SECTION 1: LEGAL STATUS

1. Requirement	
The nonprofit organization is organized under State or local laws [§92.2 CHDO definition paragraph (1)]	
<i>Criterion Met:</i>	<i>Documentation submitted to demonstrate this item:</i>
Yes No	Certificate of Existence <u>AND</u> Certificate of Good Standing <u>AND</u> one or more of the following Articles of Incorporation Bylaws Other: _____
<i>County Review Notes:</i>	

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)]

Criterion Met:

Yes No

Documentation submitted to demonstrate this item:

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

County 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)]

Criterion Met:

Yes No

Documentation submitted to demonstrate this item:

Organizational Charter, OR
Articles of Incorporation.

County Review Notes:

4. Requirement

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)]

Criterion Met:

Yes No

Documentation submitted to demonstrate this item:

The organization's By-laws, OR
A Memorandum of Understanding (MOU).

County Review Notes:

5. Requirement

The organization must be a recognized nonprofit by virtue of:

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).
[§92.2 CHDO definition paragraph (4)]

Criterion Met:

Yes No

Documentation submitted to demonstrate this item:

501(c)(3) or (4) ruling/designation from the IRS; or
A group exemption letter from the IRS under Section 905 that includes the CHDO.

County Review Notes:

6. Requirement

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)]

Criterion Met:

Yes No

Documentation submitted to demonstrate this item:

Charter;
Articles of Incorporation;
By-laws; OR

County Review Notes:

1. 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)]

<i>Criterion Met:</i> Yes No	<i>Documentation submitted to demonstrate this item:</i> By-laws, OR Articles of Incorporation, AND Current Board Roster indicating which members, if any, are public officials or employees of government entities
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County Review Notes:

2. Requirement

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

<i>Criterion Met:</i> Yes No	<i>Documentation submitted to demonstrate this item:</i> By-laws, Charter, OR Articles of Incorporation, AND Current Board Roster indicating which members, if any, are public officials or employees of government entities AND Separate CHDO Staff Capacity Evaluation Checklist (staff roster)
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County Review Notes:

3. Requirement

If the CHDO was created by a governmental entity then:

- 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)]**

<i>Criterion Met:</i> Not applicable, organization	<i>Documentation submitted to demonstrate this item:</i> By-laws,
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not created by a gov't entity Yes No	Charter, OR Articles of Incorporation, AND Current Board Roster indicating which members, if any, are public officials or employees of government entities AND Separate CHDO Staff Capacity Evaluation Checklist (staff roster)
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County Review Notes:

4. Requirement(s)
A CHDO may be sponsored or created by a for-profit entity, provided that

- 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 officers or employees of a CHDO.**

[\$92.2 CHDO definition paragraph 3(i) and (ii)]

<i>Criterion Met:</i> Not applicable, organization not created by a for-profit Yes No	<i>Documentation submitted to demonstrate this item:</i> By-laws, Charter, OR Articles of Incorporation Current Board Roster indicating which members, if any, are appointed by a for-profit parent entity
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County Review Notes:

5. Requirement
A Community Housing Development Organization 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><i>Criterion Met:</i></p> <p>Not applicable, organization not created by a for-profit</p> <p>Yes No</p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p>For-profit organization's By-laws</p> <p>CHDO's By-laws,</p> <p>Charter, OR</p> <p>Articles of Incorporation.</p>
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County Review Notes:

SECTION 3: ACCOUNTABILITY TO LOW INCOME COMMUNITY

1. 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>Criterion Met:</i></p> <p>Yes No</p>	<p><i>Documentation submitted to demonstrate this item:</i></p> <p>By-Laws,</p> <p>Charter,</p> <p>Articles of Incorporation, OR</p> <p>Board Resolution</p>
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County Review Notes:

2. Requirement

The organization must maintain 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>Criterion Met:</i></p>	<p><i>Documentation submitted to demonstrate this item:</i></p>
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Yes No	By-Laws, Charter, OR Articles of Incorporation. 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, designation by low income neighborhood organization)
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County Review Notes:

3. Requirement

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

<i>Criterion Met:</i> Yes No	<i>Documentation submitted to demonstrate this item:</i> By-laws, OR Resolutions, OR A written statement of operating procedures approved by the governing body, <u>AND</u> Statement signed by the president or chief executive officer describing input sought and received on the current project proposal
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County Review Notes:

4. 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 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.

<i>Criterion Met:</i> Yes No	<i>Documentation submitted to demonstrate this item:</i> A statement that documents at least one year of experience in serving the community, OR
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	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.
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County Review Notes:

SECTION 4: CAPACITY

1. 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 development experience appropriate to the project and will work on the project(s) assisted with HOME funds or, for the first year of operations as a CHDO, by contracting with a qualified consultant who has housing development experience to train the organization’s paid employees. 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. [§92.2 CHDO definition paragraph (9)]

<i>Criterion Met:</i>	<i>Documentation submitted to demonstrate this item:</i>
Yes No	<p>Project description from proposal/application</p> <p>Resumes/description of experience for staff assigned to development project</p> <p>See separate CHDO Staff Capacity Evaluation Checklist</p> <ul style="list-style-type: none"> ○ 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.)

County Review Notes:

2. Requirement
The organization must conform to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems" [§92.2 CHDO definition paragraph (6)]

<i>Criterion Met:</i>	<i>Documentation submitted to demonstrate this item:</i>
Yes No	<p>A notarized statement by the president or chief financial officer of the organization;</p> <p>A certification from a Certified Public Accountant, OR</p>

	A HUD approved audit summary.
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<i>County Review Notes:</i>

APPENDIX C

CHDO Board Member Certifications

CHDO Board Member Certification(s)

Instructions: All board members must complete all the Public Official/Governmental Employee certification. Board members who are themselves low income or who are residents of low income neighborhoods must complete the appropriate certification. If a prospective CHDO allows a low income neighborhood organization to appoint members to its board, please contact Jefferson County to discuss documentation needed.

CHDO Board Member Certification	
Name:	Address:
Name of Organization:	Board Term:
Public Official/Government Employee	
<p>All board members of the prospective CHDO must complete this certification.</p> <p>For purposes of this certification, governmental entities include any participating jurisdiction, other jurisdiction (e.g. state or local government), Indian tribe, public housing, public housing agency, Indian housing authority, housing finance agency, redevelopment authority, or zoning board or commission.</p> <p>Public officials include any individual who is an elected or appointed member of any of governmental entity (e.g. a city council member, a member of the local zoning board, a member of a local public housing authority board, etc.).</p> <p>A government employee is anyone who is employed by a governmental entity on a full or part time basis even if that individual's job function is not related to housing, HUD programs, or other federal funding (e.g. a county sheriff deputy, a sanitation department worker, a secretary in the city parks department, etc.).</p>	
<p><input type="checkbox"/> I am <u>not</u> a public official and/or employee of a governmental entity.</p> <p style="text-align: center;">OR</p> <p><input type="checkbox"/> I <u>am</u> a public official and/or an employee of a governmental entity. <i>If checked, describe role and identify the governmental entity:</i></p>	
<p>Certification: I hereby certify that the above is true and correct as of the date of my signature below. If my status as a public official and/or government employee changes at any time during my tenure on the board, I will immediately notify the board chair and executive director in writing and update my certification.</p>	
Signature:	Date:
Printed Name:	
CHDO Board Member Certification	

Name:	Address:
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Name of Organization:	Board Term:
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Low Income Community Resident

Only board members who are counted toward the low income representation requirement by virtue of themselves being low income need to complete this certification.

For purposes of this certification, a low income community resident is an individual who is a member of a low income household and who resides in the organization's designated service area. A low income household is a household whose gross household income, including the income from all members of the household whether or not they are related, does not exceed 80% of the area median income as determined by HUD for the county in which the household lives.

To qualify as a low income community resident, a board member who is individually low income need not live in a low income neighborhood. *Note that a board member who qualifies as a public official or governmental employee may not be counted toward the low income representation requirement.*

2015 Income Limits for Jefferson County AL

Household size	80% AMI Limit	Household size	80% AMI Limit
1	\$35,000	5	\$54,000
2	\$40,000	6	\$58,000
3	\$45,000	7	\$62,000
4	\$50,000	8	\$66,000

I am a member of a ____ person household, and my household income is at or below the applicable limit shown above.

Certification: I hereby certify that the above is true and correct as of the date of my signature below. If my status as a low income community resident changes at any time during my tenure on the board, I will immediately notify the board chair and executive director in writing and update my certification.

Signature:	Date:
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Printed Name:

CHDO Board Member Certification	
Name:	Address:
Name of Organization:	Board Term:
Resident of Low Income Neighborhood	
<p>Only board members who are counted toward the low income representation requirement by virtue of themselves being a resident of a low income neighborhood need complete this certification.</p> <p>For purposes of this certification, a resident of a low income neighborhood is an individual whose primary place of residence is located in a census tract where at least 51% of the residents have income at or below 80% of the Area Median Income. <i>Note that a board member who qualifies as a public official or governmental employee may not be counted toward the low income representation requirement.</i></p>	
Street Address	
City, State, Zip code	
Census Tract	
Percentage of tract residents at/below 80% AMI	
<p><input type="checkbox"/> I <u>am</u> a resident of a low income neighborhood and my neighborhood is located within the service area of the organization.</p>	
<p>Certification: I hereby certify that the above is true and correct as of the date of my signature below. If my primary place of resident changes at any time during my tenure on the board or I become aware of a change in the demographic data for my neighborhood, I will immediately notify the board chair and executive director in writing and update my certification.</p>	
Signature:	Date:
Printed Name:	