Attachment 22

CHDO Checklist and Listing of Miami-Dade Certified CHDOs

LIST OF
COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

CHDO NAME	LAST DATE CERTIFIED	DATE DUE FOR RE-CERTIFICATION
Carrfour Supportive Housing, Inc.	January 2011	RFA FY 2012
CODEC, Inc.	January 2011	RFA FY 2012
Opa-Locka Community Development Corporation, Inc.	March 2011	RFA FY 2012
St. John Community Development Corporation, Inc.	January 2011	RFA FY 2012

Miami-Dade Department of Housing and Community Development

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

QUALIFICATIONS CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDOs) in 24 CFR Part 92.2.

I. **Legal Status**		**REQUIRED EVIDENCE**
☐	A. Not-for-profit organization must be organized under State or Local Law.	Charter **or** Articles of Incorporation
☐	B. No part of the net earnings inure to the benefit of any member, founder, contributor, or individual.	Charter **or** Articles of Incorporation
☐	C. Must have tax exempt ruling from the IRS under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986. **OR** Must be classified as a subordinate of a central organization not-for-profit organization under Section 905 of the Internal Revenue Code.	501 (c)(3) **or** (4) Certificate from the IRS _____ IRS Group Exemption letter that includes the CHDO
☐	D. Must have among its purposes, the provision of decent housing that is affordable to low-and-moderate income people.	Charter, Articles of Incorporation, By-laws, **or** Resolution

II. **Capacity**		**REQUIRED EVIDENCE**
☐	A. Must conform to the financial accountability standards of 24 CFR 84.21 "Standards for Financial Management Systems".	__ Notarized Statement by the President or Chief Financial Officer of the organization; __ Certification from a Certified Public Accountant; **or** __ A HUD approved audit summary.
☐	B. Must demonstrate capacity for carrying out activities assisted with HOME funds.	__ Resumes **and/or** statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds; **or** __ Contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

☐	C. Must have a history of serving the community within which housing to be assisted with HOME funds is to be located.	__ Statement that documents at least one year of experience in serving the community; **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.
	Note: The CHDO, or its parent organization must be able to show one year of serving the community prior to 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. The statement must be signed by the president of the organization or by a HUD approved representative.	

III. **Organizational Structure**		**REQUIRED EVIDENCE**
☐	A. Must maintain at least 1/3 of its governing board's membership for residents of low-income neighborhoods, other low-income community (city or county) residents, or elected representative of low-income neighborhood organizations.	By-laws, Charter, or Articles of Incorporation
☐	B. Must have 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.	By-Laws, Resolutions, **or** a written statement of operating procedures approved by the governing body
☐	C. A CHDO which may be chartered by a State or local government must comply with the following rules: 1. The State or local government may not appoint more than 1/3 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 2/3 of the board members; and 3. No more than 1/3 of the governing board members are public officials including any employees of the participating jurisdiction.	By-laws, Charter **or** Articles of Incorporation

☐	D. If the CHDO is sponsored or created by a for-profit identity, the for-profit entity may not appoint more than 1/3 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 2/3 of the board members.	By-laws, Charter, **or** Articles of Incorporation

V. Relationship With For Profit Entities		**REQUIRED EVIDENCE**
☐	A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization.	By-Laws **or** a Memorandum of Understanding (MOU)
☐	B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however: 1. The for-profit entity's primary purpose does not include the development or management of housing; **AND** 2. The CHDO is free to contract for goods and services from vendor(s) of its own choosing.	For-Profit Organization's By-Laws By-Laws, Charter **or** Articles of Incorporation

MIAMI-DADE
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

QUALIFICATIONS, POLICIES AND PROCEDURES

I- INTRODUCTION AND BACKGROUND

These guidelines provide the policies and standards for the management and funding of Community Housing Development Organization (CHDO) operating funds by Miami-Dade Department of Housing and Community Development (DHCD). These policies and procedures are based on HOME Program regulations. It is the responsibility of the CHDO to understand and ensure compliance with these policies and procedures. It is the intent of these guidelines to create a consistent and equitable system by which CHDOs are identified and selected, and to build long-term relationships with the CHDOs.

The HOME program is administered through the U.S. Department of Housing and Urban Development (HUD). Miami-Dade County, as a participating jurisdiction (PJ), receives funds under the HOME Program. HUD HOME regulations require PJs to set aside 15% of their HOME allocation for Community Housing Development Organizations (CHDOs), and awards up to 5% of the HOME Program allocation for CHDO Operating Support to build capacity that will result in additional affordable housing units. The CHDO funds can be obtained by organizations that have a qualified project without match requirements. Each year, all organizations requesting CDBG or HOME funds from the County must submit an application which provides information concerning the organization, its corporate and financial structure, and a specific proposal for a program or project. Staff issues a Request for Applications (RFA) and accepts applications only once each calendar year. This is to allow staff sufficient time to review each proposal and make recommendations to the Board of County Commissioners, which allocates the available funds accordingly. Community Housing Development Organization (CHDO) applications are submitted each year with the applicant's RFA even if the agency is already certified since re-certification is required on a yearly-basis.

II- CHDO DEFINITION, CERTIFICATION AND RE-CERTIFICATION

1- Definition:

A Community Housing Development Organization (CHDO) is a private nonprofit organization that has among its purposes the provision of decent housing that is affordable to low- and moderate income persons as evidenced in its charter, articles of incorporation, resolutions, or by-laws. A CHDO may apply for funding in the capacity of a Developer, Owner, or Sponsor, but only CHDOs may apply for a HUD mandated set-aside percentage of local HOME funds. See "CHDO Qualifications checklist" attached hereto as Exhibit "A" for organizational requirements of a CHDO.

2- Certification:

In order to receive CHDO funds from the County, a local housing organization must be formally certified by the DHCD at the time of application for operating funds and CHDO eligible housing projects. In order to be certified as a CHDO, a local housing organization must:

- Meet all of the CHDO certification requirements per 24 CFR Part 92.208 (See Exhibit A, CHDO Qualifications Checklist), and;
- Enter into a Memorandum of Understanding (MOU) that states that the CHDO intends to use HOME CHDO set-aside funds to develop units of affordable housing within 24 months of the date of the agreement that specifies the expected uses for the funds.
- DHCD will provide a certification/re-certification letter to each CHDO to confirm the organization's CHDO status upon review and approval of the documents listed below.

If the organization is not recertified, it is not eligible to receive any funds and/or services reserved for CHDOs until such time as the organization is able to prove to still meet all of the criteria necessary to obtain CHDO certification.

III- APPLICATION PROCESS AND FUNDING PRIORITIES:

1. Application Process

- DHCD will accept applications for CHDO Operating Support once a year with the Request For Application and will award CHDO Set-Aside funds on an as-needed basis taking into consideration five (5) priorities:
    - Representation in underserved areas;
    - Response to community housing needs as identified by Housing Needs Assessments in the FY 2008-2012 Consolidated Plan;
    - Local Match provided;
    - Established CHDOs that are continuing to add units to their portfolio, and;
    - Demonstrate the capacity to complete the project(s).
- Upon finalizing the RFA recommendations, the CHDO certification process is initiated for those agencies that are recommended for CHDO funding. Applicants are provided with a "CHDO Qualifications Checklist" (Please see Exhibit "A" attached), which outlines the CHDO criteria and references to the HUD regulations governing the process.
- Staff reviews the documentation submitted to verify that all CHDO certification criteria are met, and issues a favorable or not favorable recommendation to senior management.
- Subsequently, staff recommendations are presented to senior management for review and signature of the certification/re-certification cover letter and certification /re-certification document.
- Once signed, the certification/re-certification documents are mailed to the agencies, hard-copies are kept in our central file and electronic copies are saved on DHCD's internal server.

- DHCD has also implemented a procedure which requires for the Fiscal Unit to verify systematically the CHDO-certification status before issuing approvals for reimbursements to the agencies.

Initiating the certification/re-certification process with the RFA ensures that re-certifications are completed every year, and decreases the amount of paperwork submitted and processed as some supportive documents such as articles of incorporation, by-laws, are also required for compliance with the RFA guidelines. Prior to the release of HOME funds from the County, a written agreement must be executed with the applicant or CHDO. The agreement remains in effect during any period that the applicant or CHDO is operating a program or implementing a project in which HOME funds are being invested.

2. Available Funding

- Up to 5% of the HOME Program allocation may be awarded for CHDO Operating Support to build capacity that will result in additional affordable housing units.

- HOME Program assistance for CHDO's operating expenses in each fiscal year may not exceed $50,000 or 50% of the CHDO's total annual operating expenses for that year, whichever is greater.

- DHCD sets aside 15 percent of the HOME Program allocation for CHDO Set-Aside Projects that result in affordable housing units.

3- Eligible uses of CHDO Operating Support Funds

Up to 5 percent of DHCD's HOME allocation may be used to provide funds for CHDO operating assistance. This allocation does not count toward the 15 percent set-aside funds used by CHDOs for projects. To be eligible for CHDO operating assistance, the CHDO must submit a funding application for a CHDO -eligible project. The following uses of CHDO Operating Support funds are permitted (24 CFR Part 92.208):

- Salaries, wages, benefits, and other employee compensation;
- Training and travel, resulting in increased capacity;
- Administrative expenses;
- Operating expenses, including rent and utilities;
- Equipment, materials and supplies, including communication costs;
- Taxes and insurance, and;
- Homebuyer education.

The purpose of CHDO operating assistance is to nurture successful CHDOs, DHCD will periodically evaluate the performance of any CHDO wishing to receive CHDO operating funds. No match is required for these funds.

4- Eligible and Ineligible Uses of CHDO Set-Aside Funds

The HOME requirements in 24 CFR Part 92.300 require DHCD to set aside at least 15 percent of its annual HOME allocation for projects owned, developed or sponsored by CHDOs.

A certified CHDO must be an owner, developer or sponsor of a HOME-eligible project to use CHDO set-aside funds. A CHDO may serve in one of these roles or in a combination of roles, such as being owner and developer.

- CHDO as Owner: As owner, the CHDO holds valid legal title or has a long-term leasehold investment to the property (99 year minimum). The CHDO may be an owner with one or more individuals, corporations, partnerships or other legal entities. However, the CHDO must be the managing general partner with effective control (decision making authority) of the property.

The CHDO may be both owner and developer of its own project.

- CHDO as Developer: A CHDO is a developer when the CHDO owns the property and develops the project or has contractual obligations to the property owner to develop the project.

If the CHDO *owns* the property, it must rehabilitate or construct the project and obtain financing. The CHDO may maintain ownership and manage the property for HOME-assisted rental housing or it may transfer title to another entity.

- **Eligible Activities:** A CHDO acting as owner, sponsor or developer may use the 15 percent CHDO set-aside for the following activities:
  - Acquisition and/or rehabilitation of rental or homebuyer property;
  - New construction of rental or homebuyer property; and
  - Direct financial assistance to homebuyers of HOME-assisted property developed or sponsored by the CHDO.

  CHDO set-aside HOME funds must be used during the construction or rehabilitation of the property.

- **Ineligible CHDO Activities** - Ineligible uses of the HOME CHDO set-aside are:
  - Homeowner rehabilitation;
  - Tenant-based rental assistance (TBRA); and
  - Downpayment and/or closing cost assistance to purchasers of housing not developed with HOME CHDO funds.

5- CHDO Proceeds

DHCD allows CHDOs to retain proceeds under few conditions. To be eligible for CHDO proceeds retention, the CHDO must provide a written plan for the specific use of such funds with the initial CHDO application. DHCD will verify that such uses are strictly for HOME-eligible activities or other low and moderate income housing activities to include CHDO operations. DHCD will respond in writing to the written plan.

Proceeds are funds resulting from:

- Permanent financing of a CHDO project used to pay off a CHDO -financed construction loan;

- The sale of CHDO -developed homeownership housing to a homeowner or a second non-profit; and
- Interest and principle payments from a loan to buyer of CHDO -developed homeownership housing.

III- RESOURCES

In addition to these Guidelines and Exhibits, DHCD recommends that all active CHDOs and organizations considering CHDO status consult the following resource documents for more information concerning CHDO Operating Support funds.

- ***Building HOME:*** A HOME Program Primer is available in Adobe Acrobat (PDF) format, which allows the document to be downloaded, viewed, and printed with all of its original formatting and graphics. Along with the Primer, you can choose to download a set of Companion PowerPoint Slides which are available in Microsoft PowerPoint format or in PDF format. See Chapter 8 for "CHDO Requirements and Activities". These documents are available at:
  http://www.hud.gov/offices/cpd/affordablehousing/library/building/index.cfm

- ***The Code of Federal Regulations (CFR)*** that concerns the HOME Program can be found at: http://www.gpo.gov/nara/cfr/waisidx_04/24cfr92_04.html