Appendix C: Application For State Community Housing Development Organization (CHDO) Certification

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CHDO Requirements

To be certified as a CHDO, the organization must meet all requirements under 24 CFR section 92.2. In addition to the Final Rule, HOME is governed by state HOME regulations, found in Title 25 of the California Code of Regulations ("25 C.C.R."), Division 1, Chapter 7, Sub-Chapter 17 (the "State Regulations").

Certification is not a guarantee that a NOFA application will receive funding.

CHDO Definition

A CHDO is a private, nonprofit, community-based service organization which has among its purposes the provision of decent housing that is affordable to low- and moderate-income people. The CHDO must meet the requirements set forth in 24 CFR section 92.2 and be certified by the California Department of Housing and Community Development (the "Department")

NOTE: Tribal governments are not CHDOs; however, tribally affiliated nonprofit organizations may apply for CHDO certification if they meet HUD's CHDO requirements—including private nonprofit status and limitations on governmental control—at 24 C.F.R. § 92.2 and complete the Department's certification process.

Owner

The CHDO is required to own (in fee simple absolute or long-term ground lease) the HOME project during development and throughout the period of affordability. As owner, the CHDO is required to oversee all aspects of the development process. When a CHDO lacks developer capacity, the CHDO may own the project and hire a qualified project manager or contract with a development contractor to oversee all aspects of development. This option is available to CHDOs having experience and capacity to own

and operate affordable rental housing but lack the experience or capacity to develop the project. This option is NOT available for projects owned by a partnership entity (see Sponsor).

Developer

The CHDO may act as developer if the CHDO owns (in fee simple absolute or long-term ground lease) the HOME project. As a developer, the CHDO must be solely responsible for the entire development process to include obtaining local zoning and all applicable permits and approvals, securing financing, selecting contractors, overseeing work progress and determining reasonableness of costs. The CHDO must own the project during development and for multi-family rental projects, throughout the period of affordability. This option is NOT available for project owned by a partnership entity (see Sponsor).

Prior to publication of the 2013 HOME Program federal regulations ("Final Rule") at 24 CFR Part 92, CHDOs were allowed to act as developer in projects where the CHDO had no long- term ownership interest if the CHDO had a contractual relationship with the project owner (i.e. a Development Services Agreement) to develop the project. This option is no longer available.

Sponsor

The Final Rule provides two definitions of "Sponsor" of HOME-assisted rental housing:

1. A CHDO "sponsors" a project when the property is "owned" or "developed" by:
   a. An affiliated subsidiary of the CHDO, which is wholly owned by the CHDO;
   b. A limited partnership in which the CHDO or its wholly owned affiliated subsidiary is the sole general partner; or
   c. A limited liability company in which the CHDO or its wholly owned affiliated subsidiary is the sole managing member.

   Note: 1(b) is the most commonly-used definition for tax credit projects.

2. A CHDO may "sponsor" a project when the CHDO owns (in fee simple absolute) the housing and agrees to grant the housing to a different private non-profit organization at an established future date after completion of the project. The non-profit grantee is not required to be a CHDO, but it must be approved by the Department prior to commitment of HOME funds. Additionally, a government agency cannot create the non-profit. If, for any reason, the project is not transferred to the non-profit; then, the CHDO remains liable for the HOME funds and the project for the life of the affordability period for the project.

Required Uploads

To submit a CHDO Certification with a HOME 2025 Projects NOFA application, the Applicant must fill out the CHDO Certification tab on the Application Workbook AND upload the following documents into the EUNA Grants portal. Some of the documents listed are also a requirement of the NOFA application. In those cases, the Applicant is not required to submit the form again. However, the Applicant is encouraged to read the information below, as there may be additional requirements that don't necessarily apply for a non-CHDO Applicant. Uploads that are exclusively required for the CHDO Certification are listed in red.

1. **A copy of the Internal Revenue Service exemption letter**
   Attach the CHDO's 501(C)(3) or (4) non-profit tax exemption ruling issued within the last 12 months by Internal Revenue Service (IRS), as established in the Internal Revenue Code (IRC) of 1986. If the CHDO seeking certification is a subordinate organization, the application must include the parent organization's 501(C)(3) or 4 tax exemption ruling issued by the IRS within 12 months prior to submitting the CHDO certification application.

2. **A letter of good standing from the California Franchise Tax Board**
   Attach a current Letter of Good Standing from the California Franchise Tax Board. Letter must be dated within the last 12 months of the application date.

3. **Corporate Audited Financial Statements**
   Attach Corporate Audited Financial Statements dated no more than 12 months prior to the date of the application for certification.

4. **By-Laws**
   Upload a copy of the organization's By-Laws, which must be compliant with 25 C.C.R. 8204.1 and 24 CFR section 92.2. The By-Laws should include:
   - the governing board composition,
   - the fulfillment and maintenance of the 1/3 representation requirement contained in 24 CFR Section 92.2,
   - a description of the manner in which board members are selected,
   - evidence that the purposes of the organization comply with 24 CFR Section 92.2 (unless provided in the Articles of Incorporation, resolution or charter), and
   - relationships to for-profit individuals or entities, if any, as they relate to the governance of the corporation

5. **Article of Incorporation**
   Upload a copy of the organization's Articles of Incorporation and any amendments.

6. **Certificate of Status**
   Upload a Certificate of Status from the California Secretary of State that dated no more than 12 months prior to the date of application.

7. **Sponsor Certification**
   The Sponsor Certification form in the Application Workbook includes a section for Applicants seeking CHDO Certification. The Applicant must agree to the terms in that document, sign, and upload with its HOME Projects Application.

8. **Purpose Statement**
   24 CFR Part 92 requires that CHDOs "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."
   If such a purpose is not indicated in either the Applicant's By-Laws or Articles of Incorporation, then upload a board-adopted resolution or charter that meets this requirement. If the purpose statement is present in the By-Laws or Articles, the Applicant is not required to upload a document to this field in EUNA, but must indicate in the field in the EUNA Grants portal in which document this information can be found.

9. **Formal Process to Solicit Advice from Low-Income Beneficiaries**
   Upload a description of the formal process used to solicit advice from low-income program beneficiaries in decisions regarding design, siting, development, and management of affordable housing.
   If this plan is listed in the By-Laws, Articles or Incorporation, or other documents already uploaded, then the Applicant is not required to upload a document to that field in EUNA, but must indicate in the field in the EUNA Grants portal in which document this information can be found.
   Note: The requirement to solicit advice from low-income beneficiaries is not met solely by a board member being a representative of a low-income community.

10. **Tenant Participation Plan, Including Fair Lease and Grievance Procedures** Upload a Tenant Participation Plan that describes how tenants will be involved in management decisions. This must include a commitment to fair lease terms for tenants that adhere to 24 CFR section 92.253, as well as grievance procedures that describe how a tenant may file a grievance, and how management must respond to grievances. This requirement only applies to Rental Projects. First Time Homebuyer Project Applicants are not required to upload this document.

11. **Staff Capacity**
    Upload a list of current paid staff members responsible for any proposed HOME activity and their resumes. Summarizing resumes into one document with a single paragraph per key staff person is acceptable.

12. Staffing Plan

If the organization is in its first year of being funded as a CHDO, and doesn't have the current staff capacity to carry out the proposed Project, the Applicant must upload a Staffing Plan that describes how the organization will utilize consultants to achieve capacity. This plan must satisfy the terms of 25 C.C.R. 8204.1(d).

13. Attachment - CHDO 1: History of Serving the Community

Upload Attachment – CHDO 1: History of Serving the Community to show the organization's history of serving the community or geographic area in which the Applicant is applying for CHDO Certification.

14. Map of Geographic Area Served

Upload a map of the geographic area for which the Applicant is applying for CHDO Certification, as indicated in Attachment – CHDO 1: History of Serving the Community. A screenshot is acceptable.

15. Geographic Area Served

Pursuant 25 C.C.R. 8204.1(b)(12), the geographic area served by the organization must be indicated in the By-Laws, Articles of Incorporation, or a board charter or resolution. If this information is listed in the By-Laws, Articles or Incorporation, or other documents already uploaded, then the Applicant is not required to upload a document to that field in EUNA, but must indicate in the field in the EUNA Grants portal in which document this information can be found. If not, upload the appropriate documentation.

16. Attachment - CHDO 2: Board Member Certification

Complete and upload Attachment – CHDO 2: Board Member Certification.

17. Business Plan

If the organization meets any of the following conditions, then the Applicant must upload a business plan that complies with 25 C.C.R. 8204.1(b)(11).

(a) This is the first CHDO certification application submitted for HOME.
(b) There has been 5 or more years since the expiration of last certification.
(c) The organization was incorporated within the last 10 years.

Attachment - CHDO 1: History of Serving the Community

In order to demonstrate that the applicant, or its parent, has a history of serving the community where anticipated HOME funds will be used for housing related services, the applicant, or its parent, must have provided a housing-related service in the community for at least one year prior to application for certification, pursuant to 24 CFR section 92.2.

A housing-related service is one that provides a benefit to a tenant or homeowner in the community. Solely engaging in predevelopment activities for a housing project does not satisfy the requirement.

In the following table, indicate the organization's, or its parent's, history serving the geographic area for which the CHDO seeks certification. The history must show housing related programs and projects. If the organization is newly founded, then the information must be specific to the performance of parent organization.

Describe Completed Development or Services Provided	Type of Development and Type of Financing	Duration of Project or Service	City and County, and Population Served

Attachment – CHDO 2: Certification of Board Status

Please list each Board member, placing a check indicating the representation that member brings to the Board. Please list only current or approved Board members. Do not list prospective Board members who have not been approved to join the Board. Use as many pages as necessary to include all Board members.

Board Member's Name Residential Address, Telephone, Email, Employer, Employer City	Board Representation					
	Low-Income Community	Public Institution (Official or Employee)	For-Profit	Public Board Member	For-Profit Board Member	Board Appoint Date /Term
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	
	☐	☐	☐	☐	☐	☐

Board Member's Name Residential Address, Telephone, Email, Employer, Employer City	Board Representation					
	Low-Income Community	Public Institution (Official or Employee)	For-Profit	Public Board Member	For-Profit Board Member	Board Appoint Date /Term
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐

As Chair of the Board, I certify that each named member and their respective status is accurately and truthfully identified in the *Certification of the Board List of Members*. Any misrepresentations may result in the termination of organization's CHDO designation.

_____

Chairperson of the Board Signature Date

_____

Print Name