



CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule. Before a nonprofit becomes certified as a CHDO, or prior to an existing CHDO being awarded HOME funds, these documents must be submitted to EHIP for review and consideration.

I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

- A Charter, **OR**
- Articles of Incorporation

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

- A Charter, **OR**
- Articles of Incorporation

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501 (c)(3) or (4) of the Internal Revenue Code of 1986, as evidenced by:

- A 501(c) (3) or (4) Certificate from the IRS

OR;

Is classified as a subordinate of a central organization nonprofit under section 905 of the Internal Revenue code, as evidenced by:

- A group exemption letter from the IRS that includes the CHDO

D. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organizations:

- Charter, **OR**
- Articles of Incorporation,
- By-laws, **OR**
- Resolutions

II. CAPACITY

A. Conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards for Financial Management Systems," as evidenced by:

- a notarized statement by the president or chief financial officer of the organization;
- a certification from a Certified Public Accountant; **OR**
- a HUD approved audit summary.

B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

- 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 consulting 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. Has a history of serving the community where housing to be assisted with HOME funds is to be Located, as evidenced by:

- A 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 from 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 or other official of the organization the organization or by a HUD-approved representative.*

III. ORGANIZATIONAL STRUCTURE

A. Maintains at least one-third of its governing board's membership from residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidenced by the organizations:

- By-Laws,
- Charter, **OR**
- Articles of Incorporation

AND

- Submits a list of the names and home addresses of the Board members and identifies those who are the low-income representatives.

Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

Please identify your organization's service area: _____

B. Provides 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, as evidenced by:

- The organization's By-laws
- Resolutions, **OR**
- A written statement of operating procedures approved by the governing body

C. A CHDO may be chartered by a State or local government, but the following restrictions apply:

- (1) the State or local government may not appoint: more than one-third 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 two-thirds of the board members; and
- (3) no more than one-third of the governing board members are public officials, (including any employees of the PJ), as evidenced by the organization's:

- By-Laws,
- Charter, **OR**
- Articles of Incorporation

D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third 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 two-thirds of the board members, as evidenced by the CHDO's:

- By-Laws,
- Charter, **OR**
- Articles of Incorporation

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The CHDO is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by:

- The organization's By-laws, **OR**
- A Memorandum of Understanding

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, as evidenced by:

The for-profit organization's By-laws; **AND**

(2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:

- By-Laws,
- Charter, **OR**
- Articles of Incorporation

V. Please attach the following:

- Articles of incorporation;
- By-Laws;
- 501(c)3 determination letter;
- Names and home addresses of board members, including which members belong to the categories enumerated in section III Organizational Structure A;
- Certification from a certified public accountant that the corporation complies with section II Capacity A;
- Proof of conformance with III Organizational Structure B as evidenced in:
 - By-laws;
 - Resolution;or
 - Written statement of operating procedures approved by the corporate board;
- Evidence of development capacity and history of servicing residents (statement of qualifications of key staff or consultants and listing of completed projects indicating address, number of units, tenure, year completed and subsidy sources).

Submitted By: _____ Date: _____

(Signature)

(Printed Name & Title)

(Name of Organization)

(Address)

(Phone)

(E-Mail)