



**PY 2023-2024**

**Maricopa HOME**

**Consortium**

**CHDO Certification**

SUBMIT CERTIFICATION APPLICATIONS, including all attachments labeled sequentially and attached separately, via email (cloud-accessible link is acceptable) to: [HCD@Maricopa.gov](mailto:HCD@Maricopa.gov)

Phone: 602.506.0131

TTY 1-800-367-8939 or Arizona Relay Service 711

Available online at: <https://www.maricopa.gov/3893/Notices-Documents>

## Overview of the CHDO set aside program

A Community Housing Development Organization (CHDO) is a special type of non-profit housing designation under the HOME Investment Partnerships Program created by the Cranston-Gonzalez 1990 National Affordable Housing Act (NAHA). Among the purposes of NAHA are to promote partnerships between states, units of general local government and non-profit organizations. NAHA also expands a non-profit organization's capacity to develop and manage decent and affordable housing.

The Maricopa HOME Consortium (Consortium) develops guidelines for its county-certified CHDO program based on the Code of Federal Regulations (CFR) Title 24- Housing and Urban Development, Part 92 – HOME Investment Partnerships Program (HOME). Attaining CHDO certification indicates that the organization has the capacity to own, sponsor or develop a particular type of HOME-assisted housing. It also indicates that the organization is in touch with the community it is chartered to serve.

The Consortium receives a yearly allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). Fifteen percent (15%) of those funds must be "set-aside" to be awarded to CHDOs to sponsor or develop housing. The terms and conditions of the distribution of all HOME funds can be found in the current Maricopa County Consolidated Plan.

The CHDO-set aside may be used for development and/or ownership of rental housing or the development of homeownership projects. Therefore, non-profit organizations seeking CHDO status should have a long-term commitment to the development of housing (for rental and/or homeownership properties) or to the management and long-term ownership of affordable rental properties. Preferably CHDO status should be attained by nonprofit organizations that have a desire to develop or own multiple projects, not simply to increase the chances of obtaining funding for a one-time only project.

## CHDO Certification considerations

HOME program rules require that housing development organizations (even previously certified CHDOs) must be certified as a CHDO *each time* they apply for a HOME-funded housing development. Consequently, an organization can only be a CHDO if it is involved in a particular HOME-funded development project.

In addition to confirming that your organization meets the federal CHDO definition, the Consortium will also focus on the following:

- The organization's demonstrated role in prior affordable housing developments
- The level of experience of your paid housing staff and whether it correlates to your role in the proposed development (owner or developer, or both)
- The financial capacity of the organization

## To apply for CHDO Certification

Follow the instructions below to apply for CHDO certification. Do not send illegible documents. Scanned documents must be readable. **Do not send information that is not requested.**

Applicants that cannot be certified because of missing or incomplete information will be given the opportunity to respond to the specific reasons why that the requirements were not met. They may submit any additional

information to the Consortium within one week of the notification to attempt to cure the deficiency. The Consortium will notify the applicant of their CHDO status within three weeks of receipt of the additional information.

## Application Format

Application material must be emailed to [HCD@Maricopa.gov](mailto:HCD@Maricopa.gov).

Attachments–label sequentially and save separately, as follows:

- #1. **Cover letter and CHDO Checklist.** Please include a cover letter briefly describing the organization, its mission and how it is related to the goal of being recognized as a Maricopa Consortium Certified CHDO. Include a brief description of the role the CHDO expects to pursue (owner, sponsor, or developer and rental or homeownership project). Include the completed “CHDO Checklist” below in this Attachment #1.
- #2. **Proof of Non-Profit Status.** Applicants must provide a copy of the non-profit 501(c) ruling from the Internal Revenue Service. If status is pending, you are not yet an eligible applicant.
- #3. **Staff Resumes.** Current resumes of key staff members must be included Attachment #3. Resumes should indicate that staff members have experience with HOME CHDO type activities or a consultant(s) with HOME experience should be engaged to train the agency for the first year of operation as a CHDO and the consultant’s resume should be included. Include the Housing Development Staff Experience table.
- #4. **Agency Audit and Management Letter.** Include a copy of the agency’s most recent audit, including a copy of the Management Letter.
- #5. **Articles of Incorporation or Charter.** Include a copy of the Agency’s Charter or Articles of Incorporation. Highlight any information that meets the criteria in the “CHDO Checklist Form”.
- #6. **Agency’s By-Laws.** Include a copy of the Agency’s By-Laws. Highlight any information that meets the criteria in the “CHDO Checklist Form”.
- #7. **Board Resolutions.** If any resolutions were passed to meet the CHDO Certification Regulations, include a copy of the applicable resolution. Highlight any information that meets the criteria.
- #8. **Financial Accountability Statement or HUD approved audit summary.** Include a notarized statement by the president or chief financial officer of the organization or certification from a Certified Public Accountant or HUD-approved audit summary.
- #9. **Community Service Experience.** Include the Community Service Experience Table to document that the agency has a history of serving the community where housing to be assisted with HOME funds will be used.
- #10. **Project Development Experience.** Include the Housing Development Staff Expertise Table. In addition, please provide a written narrative outlining the organization’s project development experience. Include the following information for each project used to demonstrate previous experience:
  - Development name and the city in which it is located.
  - Timeframe: Start Date/Completion Date

- Briefly describe the extent of the role of the organization in this development. Include its role in the actual construction, provision of services and/or management after construction. Also note if it is the current owner of the development.
- Populations served: Name all that apply. For example: seniors, families, those with severe and persistent mental health issues, those with developmental disabilities, those with mobility impairments, those aging out of foster care and any other distinct population.
- Size: Number of buildings and number of units
- Type of activity: New Construction (NC), Rehabilitation (R)
- Type of building: Single Family Ownership or Single-Family Rental or Multi Family Rental
- Funding: Name all sources used. HOME funds, LIHTC, private funds and any other funding sources)
- Describe any projects that are currently under development, and any future plans for development projects.

**#11. Low-Income Board Representative Certifications.** Complete the Board Composition and Self-Certification Tables.

**#12. Low-Income Beneficiary Advisement Process.** Include a narrative explaining the following:

- In what ways was low-income input sought and implemented in the past year and what were the results?
- How have the low-income residents and program beneficiaries in your service area been involved with the CHDO to advise on policies and procedures, program design, site location(s), and the development and management of affordable housing?
- Are there any unique approaches the CHDO has taken to obtain feedback, such as the formation of neighborhood advisory councils, tenant committees, etc.?
- Discuss any challenges the CHDO has encountered in obtaining feedback from low-income residents and what avenues will be pursued to overcome these barriers.

# CHDO Checklist

Include the completed form in **Attachment #1**

Highlight each requirement in the Governing Documents. "Governing Documents" refers to the organization's bylaws, code of regulations or charter. These documents must all reflect the most current status of the organization, including its legal name and service areas, and any changes to these documents must have been approved by the board and incorporated into the text prior to submitting this application. Highlight and label the pertinent sections of all documents that you are citing to fulfill these certification requirements.

Agency DUNS Number: \_\_\_\_\_

## Legal Status

- 01.  The organization is organized under state or local laws, as evidenced by the organization's Governing Documents. Title of Document \_\_\_\_\_ Page number: \_\_\_\_\_
- 02.  The organization declares that no part of its net earnings inure to the benefit of any member, founder, contributor or individual, as evidenced by a statement to that effect included in the Governing Documents. Title of Document \_\_\_\_\_ Page number: \_\_\_\_\_
- 03.  The organization has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by a 501(c)(3) or 501 (c)(4) Certificate from the IRS. Page number: \_\_\_\_\_
- 04.  The organization has among its purposes the provision of decent housing that is affordable to low-income persons, as evidenced by that statement to that effect included in the Governing Documents. Title of Document \_\_\_\_\_ Page number: \_\_\_\_\_
- 05.  The organization has a clearly defined geographic service area articulated in the Governing Documents. Title of Document \_\_\_\_\_ Page number: \_\_\_\_\_

## Capacity of the Organization

- C1.  The applicant must document that the organization employs staff with the particular housing development experience for the particular type of housing proposed. Staff must be paid by the organization. Volunteers, board members or staff "borrowed" or "donated" from other organizations do not fulfill this requirement. These qualifications can be acquired through a combination of education, training, and experience.
- C2.  The organization conforms to the financial management and internal controls detailed in 2 CFR 200.302 - 303 as evidenced by a notarized statement by the president or chief financial officer of the organization or certification from a Certified Public Accountant or HUD-approved audit summary.

## Serving the Service Area

- S1.  The organization has a history of serving the service area(s) where HOME-assisted housing will be located, as evidenced by a statement that documents at least one year of experience in all service areas

where HOME assisted housing is proposed. For newly created organizations formed by local churches or service and community organizations, a statement is required that documents that the parent organization has at least one year of experience in serving those areas.

## Organizational Structure

01.  The organization 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, as evidenced by such a statement, and highlighted in the Governing Documents. Title of Document \_\_\_\_\_Page number:\_\_\_\_\_
02.  The organization is not a governmental entity, including Participating Jurisdiction, other jurisdiction, Indian tribe, Public Housing Agency, Indian Housing Authority, Redevelopment Authority, Zoning or Planning Board or Commission.
03.  All board members have completed, signed, and dated a self-certification form (attached) that attests to his or her status as a representative of the low-income community or as an elected or appointed official of the governmental entity that created the CHDO, if that applies. All board members must complete this document, whether they have completed it for a previous application. Include self-certifications in **Attachment #11**.
04.  The organization provides a formal process for low-income program beneficiaries to advise the organization in all its decisions regarding the design, siting, development and management of all HOME-assisted or HOME-eligible affordable housing developments. This formal process (the plan itself, not the outcomes) appears in and highlighted in the Governing Documents.

Title of Document \_\_\_\_\_Page number:\_\_\_\_\_

The organization is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. If the organization was sponsored or created by a for-profit entity, check here  and submit the Governing Documents which reflect the following about the for-profit entity. Title of Document \_\_\_\_\_Page number:\_\_\_\_\_

- a. It does not have, as its primary purpose, the development or management of housing, such as a builder, developer, or real estate management firm. It may not 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. The CHDO created must be free to contract for goods and services from vendors of its own choosing. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.

## Community Service Experience

Include in Attachment #9

The Service Area. To be eligible, the organization must be able to show at least one year of serving the housing/service/cultural needs of the people who live in the listed Service Area(s). The organization must demonstrate that it holds an integral, on-going, and relevant position in its Service Area(s) and that it engages with the residents and businesses in its Service Area(s) to enhance the quality of life for the people who live there. The organization must document its history of serving the community by describing the affordable housing development which it provided, and/or by describing its non-housing services that have had lasting benefits for the community, such as, but not limited to, counseling, food relief, or childcare facilities.

This information should demonstrate to the reviewer that the organization served this area for at least a year; owned, developed, or sponsored affordable housing in the service area or plans to do so in the next three years; and is an integral and on-going part of the community.

Make sure to include relevant details, including dates, but be concise.

Service Area i.e., Name of City	List activities that demonstrate that the organization has provided at least one year of service in this service area. Include dates during which the service was provided. Include number of people served.	List housing development the organization proposes to undertake in that service area

## Housing Development Staff Experience

Include in Attachment #3

List all employees involved in housing development. This Table should include specialists, as well as all administrative staff who are in any way involved in housing development. List, but do not limit to, the Executive Director, Director of Finance, Director of Housing Development, Director of Operations and Human Resources. Do not leave any column items blank.

Employee Name	Title	Primary Responsibility as it Relates to Housing Development	Total Hours worked per week	Date Hired



## Housing Development Staff Expertise

Include in **Attachment #10**

Name the employees listed above who perform the specific housing development tasks listed in this Table. If you contract for a particular function, please note that.

Planning/Site Selection	
Land/Building Acquisition	
Development Team Selection	
Negotiation of Partnership Agreements	
Design	
Work Write-up for Rehab	
Financing Arrangements	
Contractor Selection	
Construction Management	
Marketing for Sale or Lease-up of Rental Units	
Ongoing Project Compliance	

## Board Composition

Include in **Attachment #11**

For CHDO certification purposes, a board member is a representative of the low-income community if the following applies:

1. Member of a household that has a combined total expected income which is less than 80 percent of the county area median income for that person’s household’s size.
2. Resident of a census tract in which more than 50% of its households have incomes less than 80% of the area median income (AMI).
3. An elected member of an organization whose membership is open to all residents of a defined community in which more than 50% of the households have incomes less than 80 percent of the area median income and whose position on the board is primarily as a representative of that neighborhood group. This is a group that directly serves the neighborhood in which it is located, including a neighborhood watch group, food pantry, faith-based community outreach organization, community garden club or book club.

Board Member Name	Representative of the Low-Income community (YES or NO)	Enter the number from above to describe how this member represents the low- income community. (1, 2, 3, or N/A)	Board Position	Date Elected or Appointed	Date Term Expires

## Self-Certification Form for CHDO Board Members

This form must be completed for each Board Member listed as one of the Low-Income Representatives. Include in **Attachment #11**

Name:
Address:
City/State/Zip:
Email Address:
Organization's Name:

Check the ONE box that defines your status on the organization's Board of Trustees

- A public official associated with, or an employee of the governmental entity that created the CHDO.

*The above can only be checked if this CHDO was created by a governmental entity (examples: a Participating Jurisdiction, a Public Housing Authority, a county, or village, OHFA or a redevelopment authority). The person who checks this box cannot also qualify as a low-income representative, even if she or he meets the qualifying criteria*

- Member of a Low-Income Household (*enter your household size in the parentheses below*)

I am a member of a household of ( \_\_\_\_\_ ) people. I certify that I have reviewed HUD's definition of low-income for the area and that I qualify to represent the low-income community because my income is at or below 80% of the area median income adjusted for family size.

- Resident of Low-Income Area (*enter the census tract in which you live in the parentheses below*)

I reside in census tract number ( \_\_\_\_\_ ), in which more than 50% of the households in that census tract had incomes less than 80% of the county area median income. (*See instructions*)

- Elected Representative of Organization Serving People of Low Income (*fill in information in the parentheses below*)

I am elected by the membership of an organization whose membership is open to all residents of a *DEFINED COMMUNITY*. This organization directly serves the community in which it is located. Examples include neighborhood watch group, food pantry, faith-based community outreach organization, community garden club or book club. In the community served, more than 50% of the households have incomes less than 80% of the county area median income. I serve on the CHDO Board primarily as a representative of that group.

The group's name is ( \_\_\_\_\_ )

The primary focus of the group is ( \_\_\_\_\_ )

The census tracts served by the group are ( \_\_\_\_\_ )

- I am not an elected or appointed public official, and I am not a representative of the low-income community as defined above.

Signature of Board Member \_\_\_\_\_ Date \_\_\_\_\_ a