

Guide for Review of Community Housing Development Organization (CHDO) Qualifications and Activities			
Participating Jurisdiction (PJ):			
Staff Consulted:			
CHDO:		Agreement Date:	
		Amount:	
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: This Exhibit is to be used to examine: a) the eligibility of individual nonprofit organizations as CHDOs; and b) the eligibility of projects undertaken by, and funding provided to, individual CHDOs. It is divided into five sections: CHDO Legal Status; CHDO Capacity; Organizational Structure; Relationship with For-Profit Entities; and CHDO Eligibility/Performance. A separate Exhibit is to be completed for each CHDO reviewed.

Questions:

A. CHDO LEGAL STATUS

1.

The nonprofit organization is organized under State or local laws, as evidenced by (check appropriate category):	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • _____ a Charter; OR • _____ Articles of Incorporation. [24 CFR 92.2]	Yes	No
Describe Basis for Conclusion:		

2.

No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by (check appropriate category):	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • _____ a Charter; OR • _____ Articles of Incorporation. [24 CFR 92.2]	Yes	No
Describe Basis for Conclusion:		

3.

<p>The nonprofit organization 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 (check appropriate category):</p> <ul style="list-style-type: none"> • _____ a 501(c)(3) or (4) Certificate from the IRS; OR <p>Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by:</p> <ul style="list-style-type: none"> • _____ a group exemption letter from the IRS that includes the CHDO. [24 CFR 92.2] 	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

4.

<p>The nonprofit organization 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 organization's (check appropriate category):</p> <ul style="list-style-type: none"> • _____ Charter; • _____ Articles of Incorporation; • _____ By-laws; OR • _____ Resolutions. <p>[24 CFR 92.2]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

B. CHDO CAPACITY

5.

<p>The nonprofit organization conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by (check appropriate category):</p> <ul style="list-style-type: none"> • _____ a notarized statement by the president or chief financial officer of the organization; OR • _____ a certification from a Certified Public Accountant. <p>[24 CFR 92.2]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

6.

<p>The nonprofit organization has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by (check appropriate category):</p> <ul style="list-style-type: none"> • _____ résumés 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. <p>[24 CFR 92.2]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

7.

<p>The nonprofit organization has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by (check appropriate category):</p> <ul style="list-style-type: none"> • _____ 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. <p>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 (e.g., counseling, food relief, or childcare facilities). The statement must be signed by the chief executive of the organization.</p> <p>[24 CFR 92.2]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

C. ORGANIZATIONAL STRUCTURE

8.

<p>The nonprofit 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 the organization's (check appropriate category):</p> <ul style="list-style-type: none"> • _____ By-Laws; • _____ Charter; OR • _____ Articles of Incorporation. <p>Note: 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).</p> <p>[24 CFR 92.2]</p>	<p style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<p>Describe Basis for Conclusion:</p>	

9.

<p>The nonprofit organization provides 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 affordable housing projects, as evidenced by (check appropriate category):</p> <ul style="list-style-type: none"> • _____ the organization's By-laws; • _____ Resolutions; OR • _____ a written statement of operating procedures approved by the governing body. <p>[24 CFR 92.2]</p>	<p style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<p>Describe Basis for Conclusion:</p>	

10.

<p>The CHDO, which may be chartered by a State or local government, complies with the following restrictions</p> <p>(1) the State or local government may not appoint more than one-third of the membership of the organization's governing body;</p> <p>(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</p> <p>(3) no more than one-third of the governing board members are public officials (including <u>any</u> employees of the PJ)</p> <p>as evidenced by the organization's (check appropriate category):</p> <ul style="list-style-type: none"> • _____ By-laws; • _____ Charter; OR • _____ Articles of Incorporation. <p>[24 CFR 92.2]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
<p>Describe Basis for Conclusion:</p>					

11.

<p>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 (check appropriate category):</p> <ul style="list-style-type: none"> • _____ By-laws; • _____ Charter; OR • _____ Articles of Incorporation. <p>[24 CFR 92.2]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> <td style="text-align: center;">N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

D. RELATIONSHIP WITH FOR-PROFIT ENTITIES

12.

<p>The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by (check appropriate category):</p> <ul style="list-style-type: none"> • _____ the organization's By-laws; OR • _____ a Memorandum of Understanding (MOU). <p>[24 CFR 92.2]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
<p>Describe Basis for Conclusion:</p>					

13.

<p>If this CHDO has been sponsored or created by a for-profit entity:</p> <p>(1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:</p> <ul style="list-style-type: none"> • _____ in the for-profit organization's By-laws; <p>AND</p> <p>(2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's (check appropriate category):</p> <ul style="list-style-type: none"> • _____ By-laws; • _____ Charter; OR • _____ Articles of Incorporation. <p>[24 CFR 92.2]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> <td style="text-align: center;">N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

E. CHDO ELIGIBILITY/PERFORMANCE

14.

<p>Based upon the responses to Sections A through D of this Exhibit, does the CHDO meet the requirements of 24 CFR 92.2? (See Sections A – D of this Exhibit for a list of the requirements.)</p> <p>[24 CFR 92.2]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
<p>Describe Basis for Conclusion:</p>					

15.

<p>Is compliance with 24 CFR 92.2 documented in the file (e.g., CHDO checklist and supporting documentation)?</p> <p>[24 CFR 92.508(a)(4)]</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
<p>Describe Basis for Conclusion:</p>					

16.

Has the PJ re-examined the CHDO's designation each time HOME funds were provided? [24 CFR 92.300(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

17.

Were all CHDO set-aside funds used for housing projects owned, developed or sponsored by CHDOs? [24 CFR 92.300(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

18.

If the CHDO receives capacity building funds, operating funds or TA pass-through funds:			
a. Were the funds used for eligible costs? [24 CFR 92.208 and the Cranston-Gonzalez National Affordable Housing Act of 1990, Sec. 233(b)(1), (2) and (6)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. Is the total received in each fiscal year less than the greater of \$50,000 or 50% of its annual budget? [24 CFR 92.300(f)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

19.

If the PJ provided operating funds under 24 CFR 92.208 to the CHDO that was not also receiving set-aside funds, did the CHDO receive, or is it expected to receive, CHDO set-aside funds to undertake a project within 24 months of the date that the operating funds were provided? [24 CFR 92.300(e)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

20.

If the CHDO also acts as a subrecipient for the PJ's HOME program, are financial records maintained for subrecipient and CHDO activities that identify the source and application of funds? [24 CFR 92.505(b) and 24 CFR 84.21(b)(2)]	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
Describe Basis for Conclusion: 							

21.

Have CHDO reservations resulted in project commitments within a reasonable timeframe based upon review of the IDIS PR25 "Status of CHDO Funds" Report or PJ documents?	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
Describe Basis for Conclusion: 					

22.

Have CHDO projects been completed in a reasonable timeframe based upon review of the IDIS PR25 "Status of CHDO Funds Report," "HOME Open Activities Report," or PJ documents?	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
Describe Basis for Conclusion: 					