ALABAMA HOUSING FINANCE AUTHORITY

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) CERTIFICATION APPLICATION

Effective September 2017

|  |  |  |
| --- | --- | --- |
| Organization Name |  | |
| DUNS Number |  | |
| Tax ID Number |  | |
| Organization Address | Mailing | Physical |
|  |  |
|  |  |
|  |  |
| Contact Name / Title |  | |
| Contact’s Email Address |  | |
| Contact’s Phone Number |  | |
| Board President Name |  | |
| Board President’s Email |  | |
| Board President’s Phone |  | |
| Organization’s Fax Number |  | |

Please describe the CHDO eligible activity(ies) your organization plans to undertake?

|  |
| --- |
|  |

Please list each project to be considered for CHDO Certification:

|  |  |  |
| --- | --- | --- |
| Project Name | Project Location | CHDO Role in Project |
|  |  |  |
|  |  |  |

I certify that the submission of this application has been approved by a 2/3 vote of the Board of Directors.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) Date

Name of Signatory

Its:

Role of Signatory

Please complete the applicant portion of this checklist. Include the requested information in the Attachments indicated and check-off the **applicable** item in the checklist. Articles of Incorporation, By-Laws, Charters, Memorandums of Understanding, Contracts, Certifications and Resolutions must be signed and dated by the Board President or other authorized signor. In the checklist table, identify the document and page number where requirements are specified. All supporting documentation must be provided as indexed and labeled attachments to this application, with the specified requirements highlighted. Incomplete applications will not be considered.

|  |  |  |
| --- | --- | --- |
| **Checklist** | **List Document and Page #** | |
| **Organizational Status and Mission** | **Document** | **Page** |
| The nonprofit is organized under state or local laws, as evidenced  by **Attachment A** (**one** of the following):  A Charter , OR  Articles of Incorporation |  |  |
| The nonprofit has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c), as evidenced by **Attachment B** (**one** of the following):  A 501(c)(3) or (4) Certificate from the IRS, OR  A group exemption letter under Section 905 from the IRS that includes the CHDO |  |  |
| The nonprofit’s primary purpose is the provision of low- and moderate-income housing as provided in (**one** of the following):  Charter,  Articles of Incorporation  By-laws, OR (**Attachment C**)  Resolutions (**Attachment C**) |  |  |
| **Strategic Plan**  The organization has produced a strategic plan that specifies an action plan for housing development. (**Attachment D**) |  |  |
| **Certificate of Good Standing** The organization delivered a certificate of good standing or other documents from the State as provided in **Attachment E.** |  |  |
| **Service Area** The organization has a documented service area consistent with the proposed CHDO activities as provided in **Attachment F.** |  |  |
| **Organizational Structure** The organization has a development subsidiary or other structural method of ensuring that it can undertake development without diverting time and resources from other activities as evidenced by the documentation provided in **Attachment G**. |  |  |
| **Shared Commitment**  The Board and Staff exhibit a shared commitment to its housing development mission as evidenced by the documentation provided in **Attachment H**. |  |  |
| **Capital Advance Set-Aside**  The organization has set aside funds for meeting the equity and/or capital advance needs of the development as evidenced by the documentation provided in **Attachment I**. |  |  |
| **Board Composition B** | **Document** | **Page** |
| At least 1/3 of board membership consists of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidenced by:  Completion of the Certification of Low Income Representation **AND**  As provided in **one** of the following:  By-Laws,  Charter, OR  Articles of Incorporation |  |  |
| A CHDO may be chartered by a State or local government, however, the State or local government may not appoint:  (1) 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 may be public officials,  As provided in **one** of the following which describes the process for selecting the remaining 2/3 members:  By-laws,  Charter, OR  Articles of Incorporation |  |  |
| If the CHDO is sponsored or created by a for-profit entity, 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. As **provided** in one of the following, which describes the process for selecting the remaining 2/3 members:  By-laws,  Charter, OR  Articles of Incorporation |  |  |
| **Board Representation**  There is at least one Board member that resides in each of the organization’s proposed CHDO geographic service area(s), as evidenced by:  Completion of Certification of Board Status Form |  |  |
| **Board Stability**  The Board has exhibited stability/continuity over the last several years as evidenced by:  Completion of Certification of Board Status Form |  |  |
| **Development Oversight**  The Board has a committee structure or other means of overseeing planning and development as evidenced by documentation provided as **Attachment J**.  Board committee structure documentation |  |  |
| **Board Skills**  Do Board members have professional skills directly relevant to housing development (e.g., real estate, legal, architectural, finance, management)?  Certification of Board Status Forms |  |  |
| **Decision-Making**  The Board has demonstrated the ability to make timely decisions as evidenced by documentation provided as **Attachment K**.  Board minutes from the past six months |  |  |
| **Sponsorship / Independence** | **Document** | **Page** |
| 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 **(Attachment L)** |  |  |
| Is the CHDO sponsored or created by a for-profit entity?  No Yes  If Yes, a CHDO may be sponsored or created by a for-profit entity, however the for-profit entity’s primary purpose may not include the development or management of housing, as evidenced by:  The for-profit organization’s By-laws (**Attachment M**) AND  If sponsored or created by a for-profit entity, the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by:  By-laws,  Charter, OR  Articles of Incorporation |  |  |
| If sponsored by a religious organization, the CHDO is a separate secular entity from the religious organization, with membership available to all persons regardless of religion or membership criteria, as evidenced by**:**  By-laws,  Charter, OR  Articles of Incorporation |  |  |
| **Identity of Interest**  Are there any identity of interest issues between the organization and the contractors, consultants, and professionals it uses for its CHDO projects that might constitute a conflict of interest? Explanatory documentation regarding any such issue is provided as **Attachment N**.    Supporting documentation |  |  |
| **Relationship and Service to the Community** | **Document** | **Page** |
| The organization has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by **Attachment O**:  Statement signed by the Board President that details at least one year of experience in serving each community, OR  For newly created organizations formed by local churches, service or community organizations, a statement signed by the Board President that details that its parent organization has at least one year of experience in serving each community for which Certification is sought. |  |  |
| The organization provides a formal process for low-income program beneficiaries to advise the organization in decisions regarding design, siting, development, & management of all HOME–assisted affordable housing projects. As **provided** in the following:  The organization’s By-laws,  Resolutions, OR  A written statement of operating procedures approved by the governing body **(Attachment P).** |  |  |
| **Needs**  Current plans are well grounded in an understanding of current housing conditions, housing needs, and need for supportive services, as evidenced by **Attachment Q**:  Narrative statement of any current plans with supporting analysis of the local housing market and housing needs of low- income households. |  |  |
| **Community Relations**  The organization has a positive reputation and a strong relationship with its community, as evidenced by **Attachment Q1**:  Supporting documentation  To what extent does opposition exist to low-income housing in the service area? To what extent do channels exist for the organization to negotiate with the community and potential opponents? Provide Narrative as **Attachment Q2**.  Supporting documentation |  |  |
| **Local Government Relations**  How strong is the organization’s relationship with the local government? How strongly does local government support low-income housing activities? Provide documentation as **Attachment R**.  Supporting documentation |  |  |
| **Financial Management and Capacity** | **Document** | **Page** |
| The organization conforms to the financial accountability standards of 24 CFR 84.21, “Standards for Financial Management Systems”, as evidenced by **Attachment S**:  A notarized statement by the president or CFO;  A certification from a CPA, OR  A HUD approved audit summary |  |  |
| 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 |  |  |
| ***Please provide a detailed narrative and/or appropriate documentation for the following sections 1 through 11 in a separate document ( Attachment T)*** | | |
| **1. Audit**  Does the organization have an annual audit?  Yes  No  What is the date of the most recent audit? |  |  |
| **2. Audit findings**  Were there management or compliance findings in the last two years?  Yes  No  If yes, when were the findings resolved? |  |  |
| **3. Budgeting**  Does the organization perform annual budgeting of its operations and all activities or programs?  Yes  No  Does it track and report budget versus actual income and expenses?  Yes  No |  |  |
| **4. Reporting**  Is financial reporting regular, current and sufficient for the board to forecast and monitor the financial status of the corporation?  Yes  No |  |  |
| **5. Cash flow management**  Does the organization know its current cash position and maintain controls over expenditures? Does it experience cash flow problems? If so, how often? |  |  |
| **6. Internal controls**  Does the organization have adequate internal controls to ensure separation of duties & safeguarding of corporate assets? Is there sufficient oversight of all financial activities? |  |  |
| **7. Procurement/Conflict of Interest**  Does the organization have a conflict of interest policy governing employees and development activities, particularly in procurement of contract services and the award of housing units for occupancy? |  |  |
| **8. Insurance**  Does the organization maintain adequate insurance, e.g., liability, fidelity bond, workers compensation, property hazard & project? |  |  |
| **9. Financial stability**  Does the current balance sheet and budget indicate sufficient funds to support essential operations?  To what extent does the organization have a diversified and stable funding base for operations? Identify predictable annual revenue sources.  Does the CHDO have an established fundraising program for both capital & operational needs? |  |  |
| **10. Portfolio Financial Condition**  If the organization has a portfolio of properties, are they are in stable physical and financial condition?  Does it collect adequate management fees from the properties? |  |  |
| **11. Liquidity**  Does the organization have liquid assets available to cover current expenses?  Does it have funds available for predevelopment expenses or equity investments required for development? |  |  |
| **Development Capacity** | **Document** | **Page** |
| The organization has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by **Attachment U:**  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. Please use the attached Experience Certification Form, OR  Contract(s) with individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization. The contract shall include the training plan and activities to be accomplished. Please include attached Experience Certification Form and a copy of the executed contract.  ***\*The qualifications and experience of consultants is not relevant unless the CHDO is in its first year of operation and it is using a consultant to train its staff.*** |  |  |

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| ***Please provide a detailed narrative and/or appropriate documentation for the following sections 1 through 11 in a separate document as Attachment V.*** | | |
| **1. Portfolio**  Does the organization’s portfolio of projects/properties evidence competent management and oversight? Do the properties have adequate funding? |  |  |
| **2. Previous Performance**  Has the organization engaged in CHDO activities previously? Did it perform competently? |  |  |
| **3. Management capacity**  Does the current management have the ability to manage additional development activities? Does the organization have the capability to analyze alternative housing projects? |  |  |
| **4. Procedures**  Are the corporate lines of authority for development activities clear? Are policies & procedures in place governing development activities? |  |  |
| **5. Project management**  Does the organization have procedures for monitoring the progress of a project? Does it have the capacity to monitor project-level cash flow and schedule? |  |  |
| **6. Personnel**  Does the organization have staff that are assigned responsibilities for housing development? Are personnel policies and job descriptions clear? |  |  |
| **7. Staff skills**  How strong are staff in the following areas:  • Legal/financial aspects of housing development  • Management of real estate development Oversight of design & construction management  • Marketing, intake  • Property management (if applicable) |  |  |
| **8. Training**  Are staff encouraged to obtain training and develop new skills?  What is their potential for learning skills that they currently do not have? |  |  |
| **9. Member involvement**  Is the organization’s membership active and in support of housing activities? |  |  |
| **10. Use of consultants**  To what extent does the CHDO have access to and make use of qualified development consultants? How well do consultants interact with staff? Is the consulting focus on training staff? |  |  |
| **11.Funding**  Does the organization have funds available as equity in housing development projects? Does the organization have the ability to raise funds for the capital requirements of a project? How strong are relationships with funders of housing? With lenders? |  |  |

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| **Housing as Primary Purpose** | **Document** | **Page** |
| Certification is available only to organizations whose primary purpose is to provide and develop affordable housing. Please provide as **Attachment W**, a copy of the following:  Copy of current fiscal year’s full operating budget categorized by program AND  Description of current and planned affordable housing activity |  |  |

**EXPERIENCE ASSESSMENT FORM**

Please attach signed copies for each staff member whose experience should be considered for meeting the Development Experience/Capacity requirement. Attach one copy for each project. Resumes should be attached.

|  |  |  |
| --- | --- | --- |
| **Category** | **Description** | |
| Staff or Consultant Name |  | |
| Mailing Address |  | Phone Number |
|  |  |
|  | Email |
|  |  |
| Project Name |  | |
| Project Location |  | |
| Project Type | Number of Units | Population Served |
|  |  |  |
| Date of Occupancy |  | |
| Sources of Funds |  | |
| Description of Staff /  Consultant Role in Project |  | |
| Project References  *(Name Address Phone)* |  | |

***I certify that the information provided above is accurate and give my consent to contact references listed.***

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) Date

Name of Staff Member

**CERTIFICATION OF LOW INCOME REPRESENTATION**

Each board member representing the interests of low-income families in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files. These certifications will be reviewed during monitoring visits by AHFA.

Board Member Name: \_Name

I certify that I am a current member in good standing of the governing board for Organization Name and that I represent the interests of low-income families in the Applicant's target community.

**Please check and complete one of the following:**

I am a low-income resident of Community Name, the Applicant's target community.

*In order to qualify under this criterion, the board member must be a low-income resident of a community that the Organization serves.* ***Low-income*** *is defined as 80% or less of area median family income.*

I am a resident of a low-income neighborhood in Community Name, the Applicant’s target community.

*In order to qualify under this criterion, the board member must live in a low-income neighborhood where 51% or more of the residents are low-income. The board member does not have to be low-income.* ***Neighborhood*** *means a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government.*

I am an elected representative of Neighborhood Organization, a low-income neighborhood organization within Community Name, the Applicant’s target community.

*In order to qualify under this criterion, the board member must be elected by a low-income neighborhood organization to serve on the CHDO Board. The organization must be composed primarily of residents of the low-income neighborhood and its primary purpose must be to serve the interests of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups.*

**The group must be a neighborhood organization and IT MAY NOT BE THE CHDO ITSELF. If the board member is qualifying under this criterion, please attach copy of signed resolution from the neighborhood organization naming the individual as their representative on the CHDO.**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) Date

Name

Name of Board Member

**CERTIFICATION OF BOARD STATUS**

Applicants must complete the following Certification of Board Status and submit it along with their application for CHDO certification. Please list each board member by name, then place 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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BOARD OF DIRECTORS** | **SECTOR REPRESENTATION** | **LOW-INCOME QUALIFYING CRIERIA**  (1/3 of board must qualify in one of the below categories) | | |
| **NAME OF CHDO:**  **Page** **of** | At a minimum, one-third of the board must be comprised of low-income representatives and a maximum of one-third of the board may be public officials, appointees or employees of public agencies | **Low-Income**  (self-declaration on file with non-profit) | **Resident, Low-Income Neighborhood**  (identify census tract) | **Elected Representative of Low-Income Organization**  (identify organization) |
| Name:  Title:  Occupation:  Employer:      Term: from:       to:  Years as Board Member: | Public:  Private:  Low-Income: | Household Size:  % area Median Income: | Census Tract:  Address: | Organization: |
| Name:  Title:  Occupation:  Employer:      Term: from:       to:  Years as Board Member: | Public :  Private:  Low-Income: | Household Size:  % area Median Income: | Census Tract:  Address: | Organization: |
| Name:  Title:  Occupation:  Employer:      Term: from:       to:  Years as Board Member: | Public:  Private:  Low-Income: | Household Size:  % area Median Income: | Census Tract:  Address: | Organization: |
| Name:  Title:  Occupation:  Employer:      Term: from:       to:  Years as Board Member: | Public:  Private:  Low-Income: | Household Size:  % area Median Income: | Census Tract:  Address: | Organization: |

**DUPLICATE THIS PAGE AS NECESSARY TO INCLUDE ALL BOARD MEMBERS**

I certify that the above listing of current, participating board members is accurate.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) Date

Name of Signatory

Its:

Role of Signatory

**CERTIFICATION OF SIGNATURES AND ADDRESSES**

The Board of Directors of Organization Name met on Click here to enter a date. and authorized the below named individuals to sign contracts, amendments, disbursement requests and other documents requiring such signatures as a part of the CHDO Certification program:

|  |  |  |
| --- | --- | --- |
| Name | Title | Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name | Title | Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name | Title | Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

The following individuals have been authorized to serve as the primary and secondary contacts for the organization for matters relating to the CHDO Certification Program. Include the corresponding address to which all correspondence and payments to the organization shall be sent.

|  |  |  |
| --- | --- | --- |
| Category | Primary Contact | Secondary Contact |
| Name: |  |  |
| Title: |  |  |
| Address: |  |  |
| Phone: |  |  |
| Email: |  |  |

*Changes to authorized signatures, contact persons or address shall be made in writing to AHFA.*

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) Date

Name of Signatory

Its:

Role of Signatory