

**Alabama Housing Finance
Authority**

**Community Housing
Development Organization
(CHDO) Manual**

Table of Contents

I.	HOME Investment Partnership Program	1
II.	Definitions	1
III.	General Requirements	2
	A. Application Submission	2
	B. Application Review Process	3
IV.	Negative Actions after Determination of CHDO Eligibility	4
V.	CHDO Requirements	4
VI.	CHDO Information	5
	A. CHDO Role	5
	B. Legal Status	6
	C. Independence	6
	D. Accountability to Low-Income Community	7
	E. Capacity	8
VII.	AHFA CHDO Determination and CHDO Eligibility	9
VIII.	AHFA CHDO Application Additional Instructions	9
	Sponsor Ownership Structure Examples	Appendix A
	Example of Board Resolution on Low-Income Community Input	Appendix B
	Identifying Paid Employees	Appendix C

I. HOME INVESTMENT PARTNERSHIPS PROGRAM

The Home Investment Partnerships Program (HOME) is a federally funded housing program established in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act (the “Act”). Under guidelines from the United States Department of Housing and Urban Development (HUD), Alabama Housing Finance Authority (AHFA) is the designated administrator and designer of Alabama’s HOME Program. AHFA has specifically designed the HOME Program to meet the needs of low- and moderate-income Alabamians consistent with HUD guidelines.

II. DEFINITIONS

Capitalized terms used in this HOME Community Housing Development Organization (CHDO) Manual have the meanings set forth below or elsewhere in the AHFA HOME Action Plan or this CHDO Manual. Capitalized terms not defined herein shall have the meanings assigned in the AHFA Plan Defined Terms available at www.AHFA.com or as regulations or other context require. Singular terms include the plural as well as the singular, and vice versa.

Act: the Cranston-Gonzalez National Affordable Housing Act passed in November 1990. This Act contains the provisions for the HOME Program and is further defined in 24 CFR Part 92.

AHFA-Approved CHDO: A CHDO that has received prior approval from AHFA to submit a funding application. The process for requesting such approval is set forth in the current year HOME Action Plan. Without this prior approval, a CHDO will be treated like a non-CHDO applicant under AHFA’s programs and will not be eligible for funding under the mandatory CHDO set-aside established by the HOME Program.

Alabama Housing Finance Authority (AHFA): AHFA was designated the administrator of Alabama’s HOME Program by the Governor of the State of Alabama on February 22, 1991.

Application Cycles: a period of time established by AHFA during which applications for funding under Alabama’s HOME Program may be accepted.

Community Housing Development Organization (CHDO): To qualify as a CHDO, an organization must be a non-profit organization and meet the requirements specified in 24 CFR Section 92.2 and the AHFA CHDO Checklist and forms. The qualifying CHDO must have staff that is experienced in developing projects of the same size, scope and level of complexity as the activities for which HOME Funds are being reserved or committed. HUD defines CHDO staff as paid employees responsible for day-to-day operations (volunteers, board members, and consultants are not considered staff). The organization must recertify annually to remain an active and qualified CHDO for purposes of applying for HOME Funds.

Consolidated Plan (Plan): the consolidated plan designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Housing Trust Fund (HTF), Emergency Solutions Grants (ESG) Program, and Housing Opportunities for Persons With AIDS (HOPWA) Program.

HOME Funds: funds made available under Alabama’s HOME Program through allocations and reallocations and may consist of any repayments and interest or other return on the investment of these funds.

Participating Jurisdiction: a unit of state or local government that has met the requirements of Section 216 of the National Affordable Housing Act and receives a separate appropriation of HOME Funds to be used within its jurisdictional boundary. The State of Alabama is the Participating Jurisdiction for the HOME Funds administered by AHFA. The local Participating Jurisdictions in Alabama: Anniston, Birmingham, Huntsville, Jefferson County, Mobile, Mobile County, Montgomery, and Tuscaloosa.

Project: a site or an entire building or two or more buildings, together with the site or (when permissible) sites on which the building or buildings are located, that are under common ownership, management, and financing and are to be assisted with HOME Funds made available under a Written Agreement, as a single undertaking. Project includes all the activities associated with the site(s) and building(s).

Recipient: an individual, public agency, for-profit developer(s), CHDO, non-profit developer(s), or any entity that receives State of Alabama HOME Funds.

Written Agreement: Alabama’s HOME Investment Partnerships Program Written Agreement. The Written Agreement is an agreement executed by AHFA and the entity approved to receive an allocation of HOME Funds.

III. GENERAL REQUIREMENTS

A. Application Submission

The CHDO applications are accepted annually for eligibility to compete for the CHDO set-aside in the annual competitive application cycle. In order for a CHDO application to be considered a complete application, the CHDO application must be submitted during the corresponding Competitive Application Cycle. All application deadlines will be published via Multifamily Notices and are posted on the AHFA website.

All correspondence and inquiries regarding the application are to be directed to the following:

Alabama Housing Finance Authority
Attn: Multifamily Division- CHDO Application

<u>Physical Address:</u> 7460 Halcyon Pointe Drive, Suite 200 Montgomery, AL 36117	<u>US Mail Address:</u> PO Box 242967 Montgomery, AL 36124-2967
--	---

- Facsimile or email transmissions will NOT be accepted.
- Provide one (1) original application (must include original, wet signatures on all AHFA provided Forms), and one (1) digital copy. Electronic signatures will not be accepted on AHFA provided Forms.

All AHFA CHDO Application Materials are found at:

<https://www.ahfa.com/multifamily/multifamily-programs/home-housing-credits/chdos>.

CHDO Application: The Application package (unless otherwise specified) must be two (2) hole punched at the top of each page, and submitted in Smead® Pressboard Fastener with Safeshield® Coated Fasteners, 3” Expansion, Legal Size, 60% Recycled, Gray/Green, Smead® Item # 19944. (Office Depot®/OfficeMax ® Item # 935783). Follow the instructions at the top of each form **and within the CHDO Application.**

B. Application Review Process

- AHFA Multifamily staff will review the CHDO application and the required documents to ensure the application package is complete.
- Applicants with eight (8) or more missing and/or incorrect documents will be disqualified from participation as a CHDO in the upcoming HOME funding cycle but may still apply as a non-profit.
- Applicants that receive a deficiency letter with seven (7) or fewer missing and/or incorrect documents will be allowed to submit corrected or missing documents. These Applicants will be allowed ten (10) business days to submit any missing or incomplete documents. There will only be one (1) opportunity for these applicants to submit missing and/or incomplete documents for review before being disqualified for CHDO eligibility.
- Applicants should receive a **CHDO Eligibility Statement** from AHFA prior to the Application Date for the AHFA Competitive Application Cycle. Those eligible to compete as a CHDO will include a copy of the **CHDO Eligibility Statement** in the CHDO Section of the Project’s Application.
- AHFA will publish the list of eligible CHDOs prior to the competitive application cycle.

AHFA CHDO Determination

Certification: Project is Applying in Current Competitive Cycle (New Request for CHDO set-aside funds). Organizations submitting a CHDO application for CHDO status with a new project applying during a competitive cycle, should identify the new project for which certification is requested. Complete forms 1-17b. Non-profit organizations intending to compete for the AHFA CHDO Set-Aside in a Competitive Application Cycle must apply for CHDO Eligibility prior to each Competitive Application Cycle in which they intend to apply.

Recertification: All Non-Profit organizations with Active previously awarded CHDO projects (within the compliance period) must recertify those projects annually. Complete Forms 1-3 for each project requiring recertification. If there are material changes affecting how the organization meets the AHFA CHDO Requirements since the award of the project(s), then also use the necessary AHFA CHDO Forms (4-17b) to provide the pertinent documentation. If there are no changes, only provide updated recertification forms 1-3 to confirm the original status exists. Non-Profit organizations with Active previously awarded CHDO projects (within the compliance period) must Recertify those projects annually.

The CHDO Recertifications for existing projects should also be submitted with the **Annual Owner Certification**. Information on the Annual Owner Certification is found in the Compliance section of the AHFA website (see link below).

<https://www.ahfa.com/multifamily/compliance/annual-project-submissions>

IV. NEGATIVE ACTIONS AFTER DETERMINATION OF CHDO ELIGIBILITY

Should any of the following actions occur after the **CHDO Application** has been submitted the application will terminate unless otherwise provided below:

Change or alteration of any kind in the organization or Board of Directors.

Change in ownership of the Ownership Entity (e.g., addition of a new general partner/member or removal of an existing general partner/member).

If AHFA receives a determination from a federal, state, or local regulatory authority or agency of significant or uncorrected non-compliance on applicant's Non-AHFA Projects, AHFA may terminate the application.

Any Development Team Member (listed in the application) who has instances of excessive, flagrant, or uncorrected non-compliance within the timeframe provided by AHFA, Housing Credit, HOME, TCAP/Exchange, National Housing Trust Fund, or Multifamily Housing Revenue Bond regulations on existing projects.

Any Development Team Member listed in the application is presently debarred, suspended, proposed for debarment or suspension, declared ineligible or voluntarily excluded from any transactions or construction projects involving the use of federal funds or Housing Credits.

Applicant has a project that goes into foreclosure or has been foreclosed within the last ten (10) years.

Any material adverse change relating to the Project or Responsible Owner. AHFA will determine whether the change(s) is material and/or adverse in its sole discretion and further reserves the right to terminate an application.

Applicant (including all Development Team Members listed in the application) has any outstanding fee(s) due to AHFA on other projects.

If AHFA determines that the applicant failed to materially adhere to AHFA's defined environmental standards, including without limitation, the failure by the applicant to identify any unsatisfactory environmental condition that the applicant (or any Responsible Owner of applicant) knew or should have known about or failed to investigate fully prior to application submission.

The above list of negative actions is not all-inclusive. The Application Package itself will list other necessary requirements via forms, related instructions, and other items. AHFA will terminate consideration of an application if it determines that the application contains Misleading Information.

V. CHDO REQUIREMENTS

HOME CHDO Requirements: The primary purpose of the HOME program is to expand the supply of decent, safe and affordable housing for low-income families. Federal regulations require a minimum of fifteen percent (15%) of HOME funds be set-aside annually for use by specific types of nonprofit housing organizations known as Community Housing Development Organizations (CHDO). CHDO set-aside requirements are set forth at 24 CFR Part 92.2 and 24 CFR Part 92.300. Additionally, AHFA requires nonprofit organizations to meet the definitions and requirements included in the AHFA CHDO Forms and this Manual. Although many nonprofit organizations share common characteristics with CHDOs, not all nonprofits qualify as CHDOs under the HOME program requirements.

VI. CHDO INFORMATION

A. AHFA CHDO Role

Rental housing is “sponsored” by the community development housing organization if it is rental housing “owned” or “developed” by a subsidiary of a community housing development organization, a limited partnership of which the community housing development organization or its subsidiary is the sole general partner, or a limited liability company of which the community housing development organization or its subsidiary is the sole managing member/ member.

(i) The subsidiary of the community housing development organization may be a for-profit or nonprofit organization and must be wholly owned by the community housing development organization. If the limited partnership or limited liability company agreement permits the community housing development organization to be removed as sole managing member/ member the agreement must provide that the removal must be for cause and that the community housing development organization must be replaced with another community housing development organization.

(ii) The HOME funds must be provided to the entity that owns the project.

HOME-assisted rental housing is also “sponsored” by a community housing development organization if the community housing development organization “developed” the rental housing project that it agrees to convey to an identified private nonprofit organization at a predetermined time after completion of the development of the project. Sponsored rental housing, as provided in this [paragraph \(a\)\(5\)](#), is subject to the following requirements:

(i) The private nonprofit organization may not be created by a governmental entity.

(ii) The HOME funds must be invested in the project that is owned by the community housing development organization.

(iii) Before commitment of HOME funds, the community housing development organization sponsor must select the nonprofit organization that will obtain ownership of the property.

(A) The nonprofit organization assumes the community housing development organization's HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development.

(B) If the housing is not transferred to the nonprofit organization, the community housing development organization sponsor remains responsible for the HOME assistance and the HOME project.

As some of these documents (specifically Partnership Agreement(s) and Articles of Incorporation for the Ownership Entity) may not be available at the time of the submission of the application for CHDO Eligibility, draft documents may be submitted. In that event, fully executed documents must be provided with the project application in the AHFA Competitive Cycle. This should be noted on the CHDO Checklist and in the appropriate tabbed location within the CHDO Application.

AHFA Eligible CHDO Activities: New construction of multifamily rental properties with no fewer than twelve (12) units and no more than fifty-six (56) units.

B. Legal Status

An organization must have received a tax-exempt ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986 before being designated by AHFA as a CHDO. The 501(c) designations permissible under HOME are:

- 501(c)(3) or 501(c)(4) status; or
- Section 905 status - a subordinate organization of a 501(c) organization; or
- The private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of “community housing development organization.”

See 24 CFR §92.2 (4) for complete Legal Status definition terms.

The organization must maintain a compliance status with the Alabama Department of Revenue as long as the organization is a CHDO. To show a nonprofit is in compliance, visit the Alabama Department of Revenue web page at: [Certificate of Compliance - Alabama Department of Revenue](#).

AHFA Combines the HOME Program funding with IRS Low Income Housing Tax Credits. Therefore, the only defined CHDO Role applicable within the AHFA HOME Program is that of sponsor/owner or sponsor/developer/owner. Rental housing is “sponsored” by the community development housing organization if it is rental housing “owned” or “developed” by a subsidiary of a community housing development organization, a limited partnership of which the community housing development organization or its subsidiary is the sole general partner, or a limited liability company of which the community housing development organization or its subsidiary is the sole managing member. Examples of acceptable legal structures of the ownership entity are provided in Appendix C.

C. Independence

CHDO Applicants must demonstrate the organization is independent and free to make decisions, take action, and has the capacity to fulfill its role in the CHDO project without influence or direction from external entities. CHDO organizations may be created by a government entity or for-profit entity, however, the following must be evidenced (behind Tab B) in those cases:

- 1) The organization is not a government entity.
- 2) If the organization is created by a government entity:
 - a. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members.
 - b. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the officers or

employees of a governmental entity may not be officers or employees of a community housing development organization.

- 3) The nonprofit organization is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization.
- 4) If sponsored or created by a for-profit entity:
 - a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - b. The for-profit entity may not have the right to 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.
 - c. The community housing development organization must be free to contract for goods and services from vendors of its own choosing.
 - d. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.

D. Accountability to the Low-Income Community

A CHDO is created to respond to a particular community's needs. The structure of a CHDO's Board of Directors is viewed as the main indicator of community control over the CHDO. A CHDO Applicant must have a minimum of five (5) board members with the majority situated within the defined service area(s) and must be composed as follows:

1. At least one-third (1/3) of the Board must be representatives of the low-income community. There are three ways to meet this requirement:
 - a) Residents of low-income neighborhoods in the community - Residents of low-income neighborhoods do not have to be low-income themselves. Low-income neighborhoods must be verified and identified as such through census tracts, CDBG targets areas, or other appropriate means.
 - b) Low-income residents of the community - Low-income residents do not have to live in a low-income neighborhood but the Board member must certify that their annual gross income (adjusted for family size) is at or below 80% of the area's county median income. See AHFA's website for area income limits <https://www.ahfa.com/multifamily/compliance/income-rent-limits>.
 - c) Elected representatives of low-income neighborhood organizations - The governing body of a low-income neighborhood organization may elect a representative to serve on a CHDO Board. Verification of a low-income neighborhood organization's election procedure, term, and minutes of the meeting in which the vote took place are required to be submitted.

2. No more than one-third (1/3) of the Board may be public officials or employees of a Participating Jurisdiction (PJ). A member of the governing board of a CHDO Applicant would be a representative of the public sector if he/she is a(n):

- a) Elected Official - council members, aldermen, commissioners, state legislators, members of the school board, mayors and so forth;
- b) Appointed Public Official - members of a planning or zoning commission or of any other regulatory and/or advisory boards, or commissions;
- c) Public Employee - all employees of public agencies (including schools) or departments of government; or
- d) Public Official's Appointee - any individual who is not necessarily the appointed public official, but who has been appointed by an appointed public official (as described above) to serve on the CHDO board.

Members of the board appointed by public officials cannot select other members of the board.

3. The balance of the Board is unrestricted. They may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise that do not also meet the "public official" description explained above.

Applicants must complete the AHFA CHDO Forms **Board Member Certification of Low-Income Representative** for each Low-Income member and **Board Member Certification of Public Official or Employee** for each public official or public employee member of the Board of Directors. An **AHFA Board Roster** will provide the full member listing of the Board of Directors. These forms will be used to determine if the organization's Board structure meets HUD regulatory requirements for board structure.

The organization will provide evidence detailing the formal process(es) by which the low-income beneficiaries advise the organization in decisions regarding the design, siting, development, and management of affordable housing. The organization will provide documentation evidencing the hierarchical structure of the Board and its relationship to the organization and the ownership entity. The organization must provide evidence of its history of service to the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before applying for the AHFA HOME CHDO Set-Aside.

E. Capacity

At a minimum, a CHDO Applicant must have financial accountability standards that conform to the requirements of 24 CFR 84.21, "Standards for Financial Management Systems." An applicant must demonstrate that it is financially viable and has a financial management system in place that provides proper controls and reporting of the organization's activities. Documentation to evidence the following must be provided per the application:

- Documentation to evidence 24 CFR § 92.2(2).
- Documentation to evidence 24 CFR § 92.2(6).
- Financial Statements: The organization's most recent financial statements compiled, reviewed, or audited by an independent CPA must be submitted. The financial statements must include a Statement of Financial Position, Statement of Activities (documenting one

full year of activity), and notes/footnotes or disclosure statements to the financial statements.

- The most recent income tax return or IRS Form 990 (must also provide evidence of delivery to the IRS). Board members must be appropriately documented in the IRS Form 990.
- Current Fiscal Year Operating Budget.

An organization applying for designation to become a CHDO must demonstrate the capacity of its key staff to carry out HOME-assisted activities. HOME regulations require that a CHDO have paid employees with housing experience appropriate to the role the CHDO expects to play in projects. The purpose of this capacity requirement is to build staff expertise. A CHDO must have its own professional, experienced staff. Skills necessary for a professional staff to sustain capacity include, but limited to:

- a) Management of the organization daily - time management; fiscal management; conflict management; team management; communication; and commitment.
- b) Defining the project - identify market, assemble/manage development team; test feasibility; and negotiate effectively.
- c) Undertake project - build and maintain relationships; attend to details; manage the development team; adapt and manage a crisis; and negotiate effectively.
- d) Complete or manage a project to completion - deliver on time and within the established budget and produce a quality product, recognize, and correct mistakes when made; and evaluate outcomes objectively.

For its first year of funding as a CHDO, an organization may satisfy the experience and capacity requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. Such consultant must first be approved by the Authority.

There are significant differences in the type of experience and capacity that is required to carry out CHDO eligible HOME activities. Therefore, experience in having completed similar projects draws a distinction between development/management of rental housing and development/sale of housing for a homeownership program. A CHDO must be separate from and not under the control of a government entity. A government entity is still permitted to create a CHDO, but it is not permitted to control the CHDO by providing its employees to the CHDO as staff or officers.

VII. AHFA CHDO DETERMINATION AND CHDO ELIGIBILITY

Only applicants that receive a **CHDO Eligibility Statement** from AHFA are eligible to apply for HOME funds from the fifteen percent (15%) CHDO set-aside. A copy of the **CHDO Eligibility Statement** should be retained by the non-profit for audit purposes. A copy of the **CHDO Eligibility Statement** must be included in the CHDO Section of a Project Application in a Competitive Application Cycle.

VIII. AHFA CHDO APPLICATION ADDITIONAL INSTRUCTIONS

THESE INSTRUCTIONS MAY BE EXPANDED TO INCLUDE COMPLETING AND SUBMITTING THE AHFA DMS AUTHORITY ONLINE APPLICATION. ADDITIONAL DOCUMENTATION MAY BE REQUIRED BY HOME PROGRAM REGULATIONS, HOUSING CREDIT PROGRAM REGULATIONS, MULTIFAMILY HOUSING REVENUE
2024 AHFA CHDO Manual

12/11/2023

BOND PROGRAM REGULATIONS, AHFA, AHFA’s LEGAL COUNSEL, OR BECAUSE OF THE SPECIFIC NATURE OF THE PROPOSED TRANSACTION. PLEASE CONTINUE TO MONITOR YOUR EMAIL AND THE AHFA WEBSITE FOR ADDITIONAL NEWS, UPDATES AND ANY AMENDMENT(S) TO THESE INSTRUCTIONS. IT IS THE RESPONSIBILITY OF THE CONTACTS LISTED IN THE APPLICATION TO MONITOR THEIR EMAILS AND RESPOND WITHIN THE ALLOTTED TIME FRAME. THE PRIMARY CONTACT AND ALTERNATE CONTACT SHOULD NOT BE THE SAME INDIVIDUAL AND/ OR ENTITY OR CONTAIN THE SAME CONTACT INFORMATION (CONTACT NAME, EMAIL, PHONE, ETC.). DIFFERENT CONTACTS AND CONTACT INFORMATION SHOULD BE PROVIDED AS TO THE TIME SENSITIVE MATTERS THAT WILL BE COMMUNICATED VIA EMAIL; NO TELEPHONE CALLS WILL BE MADE TO VERIFY THE RECEIPT OF EMAIL COMMUNICATIONS. IT IS IMPERATIVE TO ADD AHFA.MF.APPLICATION@AHFA.COM AND AHFA.MF.CHDO@AHFA.COM TO YOUR EMAIL CONTACTS TO ENSURE YOU RECEIVE THESE COMMUNICATIONS TO YOUR PRIMARY INBOX RATHER THAN JUNK OR SPAM INBOXES.

Certification: Project is Applying in Current Competitive Cycle (New Request for CHDO set-aside funds). Organizations submitting a CHDO application for CHDO status with a new project applying during a competitive cycle, should identify the new project for which certification is requested. Complete forms 1-17b. Non-profit organizations intending to compete for the AHFA CHDO Set-Aside in a Competitive Application Cycle must apply for CHDO Eligibility prior to each Competitive Application Cycle in which they intend to apply.

Form #	Form Name	Purpose/ Instructions
1	2024 CHDO Application Package Profile and Completeness Checklist	Please use the form as a partial guide and checklist for assembling your application Package. Please note that you must refer to the applicable Plans and other related documents to evidence compliance with all AHFA Plan requirements.
2	CHDO Application Information	This form must be completed in its entirety and submitted with the Application Package.
3	CHDO Project Information	This form must be completed in its entirety and submitted with the Application Package.
4a	CHDO Role- Owner	The applicable form should be completed pertaining to the CHDO role in the proposed Project. Provide a top- down Project ownership organizational flow chart.
4b	CHDO Role- Developer	
4c	Project Ownership Organizational Chart	

		Note: The ownership structure should match in all respects to the ownership structure provided in the AHFA Multifamily Competitive Application Package.
5	Ownership Entity	Complete each applicable form until each individual shareholder or partner of each ownership entity is identified.
6a	CHDO Legal Information	<p>Answer each question and provide the applicable page number for the supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number.</p> <p>Failure to correctly cite the supporting language will result in the item being incomplete or missing.</p> <p>Only ONE complete copy of each type of documentation should be provided for the entire application.</p>
6b	Memorandum of Understanding (MOU) with any Wholly Owned Subsidiary Organization	Provide a MOU for each wholly owned subsidiary organization in accordance with §92.2 CHDO definition paragraph (3)
7a	CHDO Board Roster	Complete the CHDO Board Roster for each Board member.
7b	CHDO Board Creation Information	<p>Answer each question and provide the applicable page number for the required supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number.</p> <p>Failure to correctly cite the supporting language will result in the item being incomplete or missing.</p> <p>Only ONE complete copy of each type of documentation should be provided for the entire application.</p>

7c	CHDO Board Member Certifications	All Board members of the prospective CHDO must complete this certification.
7d	CHDO Board Member Certification- Low-Income Representative(s)	<p>This Certification should be completed in addition to the Board Member Certification (Form #c) if "Yes" was answered to any of the following elections on the Board Roster (Form #a) for any board member:</p> <ol style="list-style-type: none"> 1. Member of Low-Income Household; or 2. Resident of Low-Income Neighborhood; or 3. Elected Representative of Low-Income Neighborhood Organization <p>*One form per Low- Income Representative should be completed.</p>
7e	Census Tract Data	If applicable, provide the Census Tract Data that aligns with the election on form 7d for each Board Member that is a Low Income Representative
7f	Low Income Representative(s) Board Minutes	If applicable, provide the signed minutes and election roster from the neighborhood organization naming the individual as its representative on the CHDO’s board of directors.
7g	Low Income Representative(s) Resolution	If applicable, provide the signed resolution from the neighborhood organization naming the individual as its representative on the CHDO’s board of directors.
8a	CHDO Staff Roster	Complete the Staff Roster for each Staff member.
8b	CHDO Staff Resumes	

11e	Project Description from Proposal/ Application	Provide a Project Description that corresponds to the submitted CHDO application.
12	Application Certification	This form must be completed in its entirety and submitted with the Application Package.
13-17b	Additional Items to be printed and placed in a separate folder	<p>The additional items 13-17b (unless otherwise specified) must be submitted. Two (2) versions of items 13-17b should be submitted: (a) A complete bound color hard copy within a 3-ring binder with each item indexed separately (b) an exact, complete, color copy in digital form (included with USB digital) (the text of which shall be in a searchable format)</p> <p>Note: These following items, but not limited to the 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(s). Supporting documents should be provided once in their entirety within the Application Package.</p>

Recertification: All Non-Profit organizations with Active previously awarded CHDO projects (within the compliance period) must recertify those projects annually. Complete Forms 1-3 for each project requiring recertification. If there are material changes affecting how the organization meets the AHFA CHDO Requirements since the award of the project(s), then also use the necessary AHFA CHDO Forms (4-17b) to provide the pertinent documentation. If there are no changes, only provide updated recertification forms 1-3 to confirm the original status exists. Non-Profit organizations with Active previously awarded CHDO projects (within the compliance period) must Recertify those projects annually.

Form #	Form Name	Purpose/ Instructions
1	2024 CHDO Annual Recertification Application Package Profile and Completeness Checklist	Please use the form as a partial guide and checklist for assembling your application Package. Please note that you must refer to the applicable Plans and other related documents to evidence compliance with all AHFA Plan requirements.
2	Annual Recertification Application Information	This form must be completed in its entirety and submitted with the Application Package.

		If this is an Application Recertification only this form should be completed. This form should be completed for each, unique Project that is being recertified. Multiple recertifications cannot be combined onto one form.
3	Application Recertification	This form must be completed in its entirety and submitted with the Application Package.
4	CHDO Project Information	This form must be completed in its entirety and submitted with the Application Package.
5a	CHDO Role- Owner	The applicable form should be completed pertaining to the CHDO role in the proposed Project. Provide a top- down Project ownership organizational flow chart. Note: The ownership structure should match in all respects to the ownership structure provided in the AHFA Multifamily Competitive Application Package.
5b	CHDO Role- Developer	
5c	Project Ownership Organizational Chart	
6	Ownership Entity	Complete each applicable form until each individual shareholder or partner of each ownership entity is identified.
7a	CHDO Legal Information	Answer each question and provide the applicable page number for the supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number. Failure to correctly cite the supporting language will result in the item being incomplete or missing. Only ONE complete copy of each type of documentation should be provided for the entire application.
7b	Memorandum of Understanding (MOU) with any Wholly Owned Subsidiary Organization	Provide a MOU for each wholly owned subsidiary organization in accordance with §92.2 CHDO definition paragraph (3)
8a	CHDO Board Roster	Complete the CHDO Board Roster for each Board member.

8b	CHDO Board Creation Information	<p>Answer each question and provide the applicable page number for the required supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number.</p> <p>Failure to correctly cite the supporting language will result in the item being incomplete or missing.</p> <p>Only ONE complete copy of each type of documentation should be provided for the entire application.</p>
8c	CHDO Board Member Certifications	All Board members of the prospective CHDO must complete this certification.
8d	CHDO Board Member Certification- Low-Income Representative(s)	<p>This Certification should be completed in addition to the Board Member Certification (Form #c) if "Yes" was answered to any of the following elections on the Board Roster (Form #a) for any board member:</p> <ol style="list-style-type: none"> 1. Member of Low-Income Household; or 2. Resident of Low-Income Neighborhood; or 3. Elected Representative of Low-Income Neighborhood Organization <p>*One form per Low- Income Representative should be completed.</p>
8e	Census Tract Data	If applicable, provide the Census Tract Data that aligns with the election on form 7d for each Board Member that is a Low-Income Representative

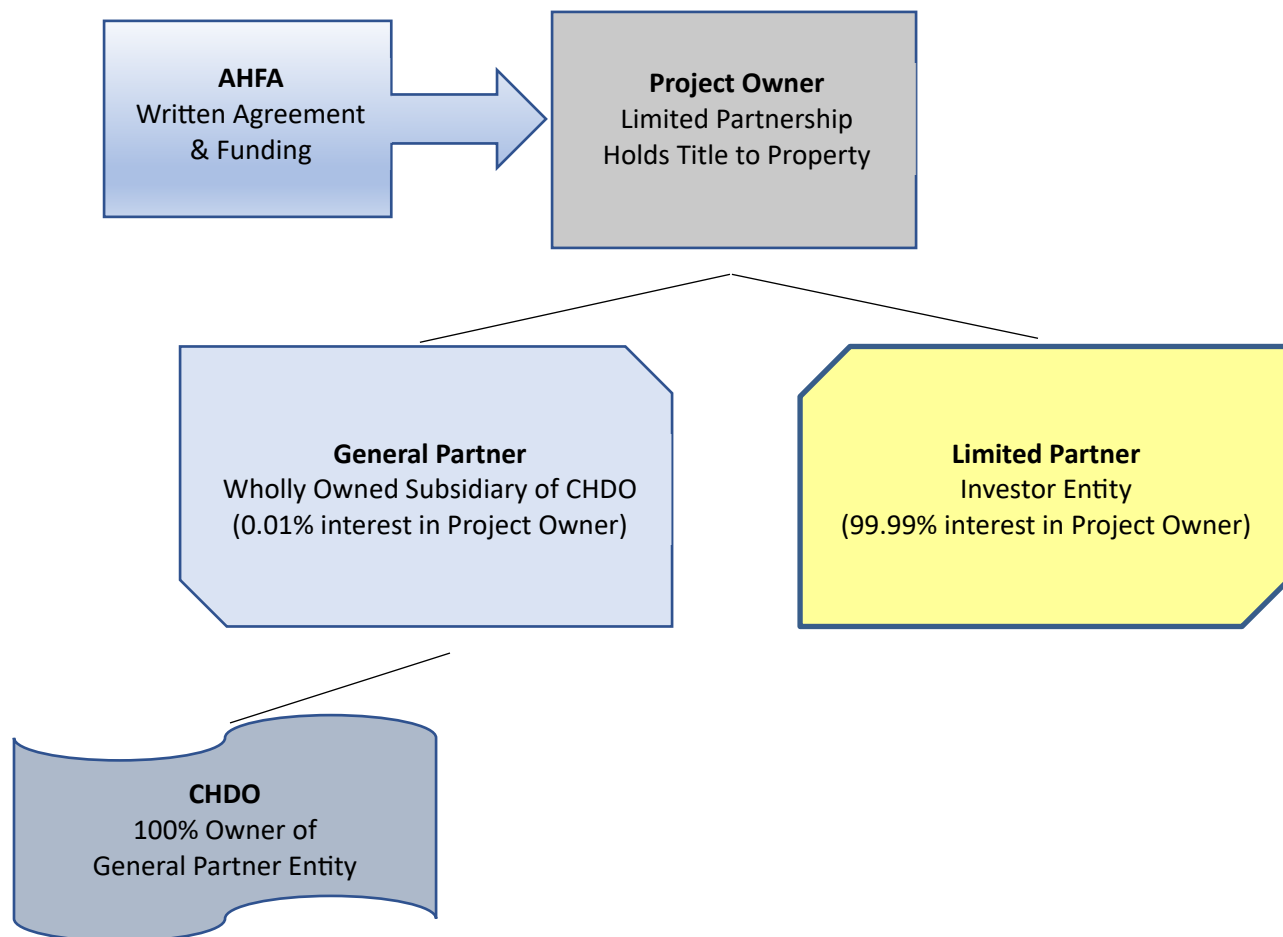
8f	Low Income Representative(s) Board Minutes	If applicable, provide the signed minutes and election roster from the neighborhood organization naming the individual as its representative on the CHDO’s board of directors.
8g	Low Income Representative(s) Resolution	If applicable, provide the signed resolution from the neighborhood organization naming the individual as its representative on the CHDO’s board of directors.
9a	CHDO Staff Roster	Complete the Staff Roster for each Staff member.
9b	CHDO Staff Resumes	Submit this form only (attachments or other resumes will not be accepted) for each staff member listed on the CHDO Staff Roster.
9c	Staff Payroll Documentation, W-2s/ 1099s	Provide individual payroll documentation for each staff member as identified in the CHDO Staff Roster.
10a	CHDO Accountability to the Low- Income Community	<p>Answer each question and provide the applicable page number for the required supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number.</p> <p>Failure to correctly cite the supporting language will result in the item being incomplete or missing.</p> <p>Only ONE complete copy of each type of documentation should be provided for the entire application.</p>
10b	Evidence of Low- Income Community Input Received for Current Project Proposal	Provide evidence of Low-Income Community Input received for the current Project proposal. Evidence should include but not be limited to a statement signed by the president or chief executive officer describing input sought and received on the current project proposal.

11	Affordable Housing Portfolio	List all low-income housing developed, owned or managed by the prospective CHDO.
12a	CHDO Capacity	Answer each question and provide the applicable page number for the required supporting documentation. For the documentation submitted for each question, highlight or circle the supporting language in the document(s) and cite the page number. Failure to correctly cite the supporting language will result in the item being incomplete or missing. Only ONE complete copy of each type of documentation should be provided for the entire application.
12b-d		Provide the required documentation that supports that the organization will conform to the financial accountability standards of 2 CFR 200.302 and 200.303 [§92.2 CHDO definition paragraph (6)]
12e		Project Description from Proposal/ Application Provide a Project Description that corresponds to the submitted CHDO application.
13-17b	Additional Items to be printed and placed in a separate folder	The additional items 13-17b (unless otherwise specified) must be submitted. Two (2) versions of items 14-18b should be submitted: (a) A complete bound color hard copy within a 3-ring binder with each item indexed separately (b) an exact, complete, color copy in digital form (included with USB digital) (the text of which shall be in a searchable format) Note: These following items, but not limited to the 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(s). Supporting documents should be provided once in their entirety within the Application Package.

Appendix A

Ownership Structure Examples

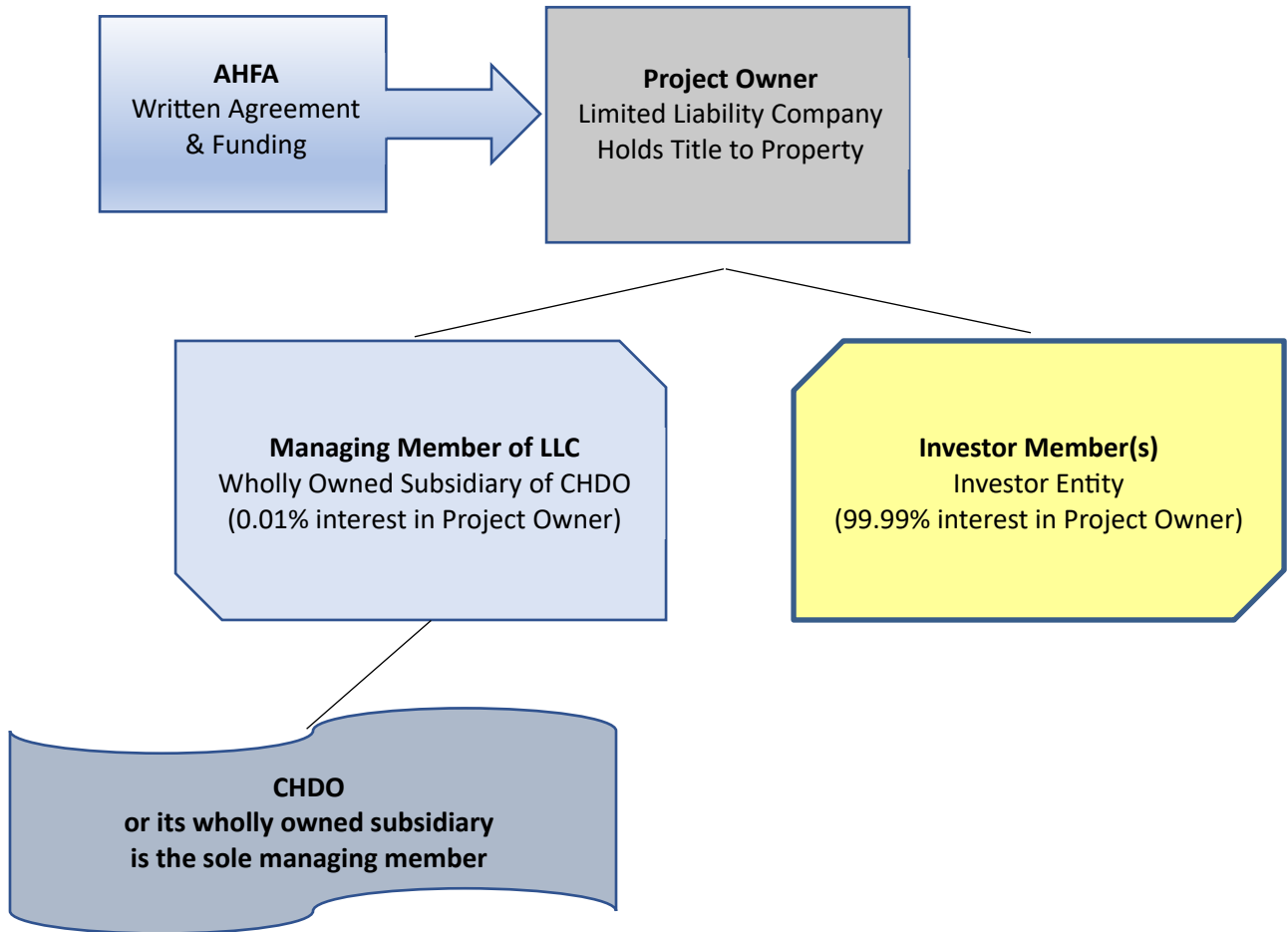
1. LIMITED PARTNERSHIP



Appendix A

Ownership Structure Examples

2. LIMITED LIABILITY COMPANY



Appendix B

Example of Board Resolution on Low Income Community Input

Resolution YEAR-X

WHEREAS, ACME CHDO manages its affairs consistent with the requirements of a "Community Housing Development Organization" (CHDO) outlined in the HOME Final Rule at 24 CFR Part 92; and

WHEREAS, among the requirements for CHDOs is maintaining a formal process by which potential low-income beneficiaries can advise the organization on decisions related to the design, siting, development, and management of affordable housing; and

WHEREAS, ACME CHDO wishes to provide operating guidance to its Board and staff about how the organization will seek input from low-income community members;

THEREFORE, BE IT RESOLVED that ACME CHDO will take the following actions to seek input from low-income community members about the development and operation of affordable housing that is or will be owned, developed, or sponsored by ACME CHDO:

- Hold not less than two (2) open neighborhood meetings annually (which can be held at previously established and scheduled neighborhood association meetings) to discuss all future development projects to be held within any neighborhood in which the agency shall be providing affordable housing.
- Maintain representation of at least one person from the neighborhood in which it is providing affordable housing on any one of agency's Advisory Boards.
- Invite organized neighborhood group(s) to attend the open meetings and allow them to appoint the one person (at minimum) who shall serve on the Advisory Boards as designated by the Board of Directors.
- Gather input as follows regarding satisfaction, preferences and needs in housing (including location, physical layout, size of units, number of units per building, etc.):
 - Conduct phone and paper surveys of low-income persons served. One survey will be provided at delivery of service. Another survey will be conducted six (6) months after delivery of service.
 - Hold a focus group annually with previous clients, members of their families, and representatives from neighborhood organizations within ACME CHDO's service area.
- Periodically review the adequacy of this process and adopt updates as needed to ensure that substantive input is being received.

The preceding resolution was adopted by the ACME CHDO Board of Directors at a regular meeting held MONTH DAY, YEAR.

Approval Moved by: _____ Seconded by: _____

Vote: ___ Yes ___ No

Attested by Board Secretary: _____ Date: ____/____/____
{Signature}

Appendix C

Identifying Paid Employees

Identifying a CHDO's Paid Employees

The HOME statute requires CHDO set-aside funds to be invested in affordable housing projects that are owned, developed, or sponsored by CHDOs. To ensure that CHDO set-aside funds are only provided to organizations that have the capacity to carry out and complete the projects for which they are being funded, the definition of "community housing development organization" at 24 CFR 92.2 of the 2013 HOME rule requires that, at the time it commits CHDO set-aside funds, a PJ must certify that the organization has paid employees with housing experience in the role it will undertake (i.e., owner, developer, or sponsor) for that specific project. The PJ must certify that the organization meets the CHDO requirements each time it commits CHDO set-aside funds to a project. This issue brief describes what constitutes a paid employee for the purpose of meeting the CHDO capacity requirements of the HOME rule.

Capacity and the Role of the Organization

The 2013 HOME Rule describes the roles of owner, developer, and sponsor for CHDOs. To qualify as a CHDO, the rule requires an organization to have paid employees with demonstrated housing experience relevant to the prospective CHDO's role for the project for which it seeks CHDO set-aside funds. Therefore, when assessing capacity, a PJ must consider the role an organization will undertake for the project.

- An "owner" must demonstrate the capacity to own and manage the housing, as well as oversee any development that is to occur.
- A "developer" must demonstrate the capacity to own, manage, and develop the housing.
- A "sponsor" must demonstrate the capacity to develop the housing and, if it is not transferring ownership of the housing to another organization at completion of the development, must also have the capacity to own and manage the housing. If the sponsor is acquiring standard rental housing it must have the capacity to own and manage the housing.

If the organization's paid employees do not have demonstrated housing experience, the capacity requirement may be met through a consultant with relevant housing experience, but only during the organization's first year of funding as a CHDO. The consultant must train the paid staff so that the CHDO will have in-house capacity at the end of the first year.

The capacity requirement cannot be met through board members, volunteers, or staff that is donated by another organization. Consultants or volunteers may fill occasional skill gaps or undertake activities that are required only on a periodic basis (e.g., project underwriting) but their experience cannot serve as the basis of a determination that an organization has paid staff with the required capacity.

Who Is A Paid Employee?

A person whose salary, payroll taxes, and unemployment insurance are paid by the organization and from whom the organization withholds payroll and income taxes is a paid employee. Receipt of a W-2 from the organization is sufficient evidence that an individual is a "paid employee." Paid staff may be full- or part-time depending on the needs of the project but must be directly paid by and accountable to the organization seeking CHDO project funding.

Appendix C

Identifying Paid Employees

What if the Employee Does Not Receive a W-2?

When considering if a person who does not receive a W-2 is a paid employee, the PJ should consider whether the organization has the right to direct and control how the person does the job. The employment contract between the organization and the individual worker will likely serve as the key documentation for making this decision.

If the organization gives the worker instructions about when, where, and how to work, the worker is likely an employee. However, an organization does not have to actually direct or control how the worker performs assigned tasks in order for a worker to be an employee. A worker is an employee as long as the employer retains the right to direct and control the work performed by the employee. In some organizations, especially those with highly specialized professionals or workers who require little or no instruction, directing and controlling work is functionally more difficult; but, if the organization retains the right to control the details of the worker's performance, the worker is an employee.

If the organization has an evaluation system to measure performance of the employee or provides training to the worker on how to perform the worker's job in a particular manner, the worker is likely an employee.

Who is not a paid employee?

To be counted as a paid employee, for the purpose of establishing capacity, the employee must be directly paid by the prospective CHDO and, therefore, cannot be donated by, contracted through, or cost-allocated through another organization, such as the entity that created the CHDO.

The regulations place additional restrictions on employees of for-profit organizations that create CHDOs and on employees of governmental entities. An organization cannot be designated as a CHDO if any of its employees are also employees of the for-profit organization that created the prospective CHDO. Similarly, an organization cannot be designated as a CHDO if any of its employees are also officials or employees of any governmental entity (any of the following: participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing authority, housing finance agency, or redevelopment authority).