



Community Housing Development Organization (CHDO) Certification Application Process and Guidelines

Application Process and Guidelines (CHDO Certification & Re-certification)

This portion outlines the application process to qualify as a Community Housing Development Organization (CHDO).

Obtain certification/recertification applications by one of the following:

1. Contact David Kim at (713) 868-8323 or Arturo J. Pedraza at (713) 868-8492
2. E-mail an application request to arturo.pedraza@houstontx.gov and david.kim@houstontx.gov.
3. Visit HCDD online at <http://www.houstontx.gov/housing/multisingle.html>

Applications will be accepted by HCDD from May through early July of each year, unless otherwise noted. A CHDO must apply for re-certification each year in order to continue to be a CHDO in good standing. An application demonstrating the capacity to implement and/or administer the proposed projects is necessary for consideration of HOME CHDO set-aside funds. While HCDD reviews the applications and makes recommendations, City Council makes the final decision on the allocation of funds. HCDD is responsible for accepting and evaluating all applications for the use of HOME CHDO set-aside funds.

Applications must be submitted in electronic and hard copy format, and will not be accepted after July 22, 2011 at 3:00 p.m. CST. Include all required attachments, documentations and forms. Faxed applications are not acceptable.

Review shall be subject to its meeting eligibility, national objectives, funding availability and immediate need. HCDD will review all applications submitted, rate them and provide recommendations to City Council. The recommendations will be based on the applicant proposal scores. The City Council makes all final decisions on allocation of HOME set-aside funds.

1. CHDO Certification/Recertification Submittal Requirements

- Provide certification/recertification application
- Provide “Affidavit of Standards for Financial Management Systems” form
- Provide “Affidavit of Board Representation” form
- Provide “Board Member Information” form
- Provide resumes of principals and key personnel/proposed staff
- Provide licenses/designations/certifications, as applicable
- Provide an organizational chart of personnel/proposed staff
- Provide client references
- Provide a brief overview of organization(s) experience and services offered
- Provide a list of properties/projects where work was performed or administered, to include a brief description of each (single-family and multi-family)
- Provide most recent audited financial statements
- Provide most current unaudited financial statements
- Provide business plan

Additionally, the documents listed below must be provided with the proposal:

TABLE 1 - REQUIRED FORMS
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
All Applicable Licenses/Certifications as Required in Scope of Work/Specifications
Insurance Certificate

* All forms can be downloaded from the following link: <http://www.houstontx.gov/housing/chdo.html>. Applicant will be able to click and print each required document from this site.

Qualification Evaluation Criteria

In evaluating the submitted applications, HCDD will consider the following criteria:

EVALUATION CRITERIA	Possible Points
1.0 Experience, Abilities and Qualifications. Evidence of the organization’s ability to perform the work, as indicated by profiles of the principals, licenses, staff’s professional and technical competence, and experience in performing similar types of services, as evidenced by the sample reports provided in the submittal.	55
2.0 Prior Federal Experience. Knowledge of the City of Houston guidelines and HUD regulations including HOME.	15
3.0 Conformance to Requirements. The Score for Organization of submittal will be based on the provisions stated under the “Submittal Requirements” section of this manual.	20
4.0 Readiness to Proceed. The selected firms must be adequately staffed and ready to begin work immediately after a contract execution and issuance of a notice to proceed by the City.	10
TOTAL POINTS	100

1. Evaluation Criteria and Weights

The capacity of each applicant will be evaluated based on the scoring criteria stated below.

1.0 Experience, Abilities and Qualifications:

A. Number of Years in Business (0-15 Points): “How many years have you been engaged in the business?”

- a) 0 Points: If the submitting organization was recently formed - less than 6 months from the due date of this application.
- b) 3 Points: If the submitting organization was formed more than 6 months but less than 2 years from the due date of this application.
- c) 6 Points: If the submitting organization was formed more than 2 years but less than 5 years from the due date of this application.
- d) 9 Points: If the submitting organization was formed more than 5 years but less than 7 years from the due date of this application.
- e) 12 Points: If the submitting organization was formed more than 7 years but less than 10 years from the due date of this application.
- f) 15 Points: If the submitting organization was formed more than 10 years from the due date of this application.

B. Letters of Reference (0-10 Points): Letters of Reference will be scored based on the documentation provided in the “client references” section of the submittal. HCDD will accept letters of reference from public officials, neighborhood civic clubs/associations or similar organizations. Please attach letters to this application.

- a) 0 Points: If the submitting organization fails to provide letters of reference dated no later than 90 days prior to the due date of this application.
- b) 5 Points: If the submitting organization provides 3 letters of references dated no later than 90 days prior to the due date of this application.
- c) 10 Points: If the submitting organization provides more than 3 letters of references dated no later than 180 days prior to the due date of this application.

C. Experience/Performance History (0-20 Points): Information concerning organization’s experience should be provided under the “overview of experience” and “sample reports” section of the submittal.

- a) 0 Points: If in the past two years, the submitting organization has completed 0 projects.
- b) 5 Points: If in the past two years, the submitting organization has completed at least 5 projects and a brief description that demonstrates the organization’s ability to complete the work required under this application.
- c) 10 Points: If in the past two years, the submitting organization has completed at least 10 projects and a brief description that demonstrates the organization’s ability to complete the work required under this application.

- d) 15 Points: If in the past two years, the submitting organization has completed at least 15 projects and a brief description that demonstrates the organization’s ability to complete the work required under this application.
- e) 20 Points: If in the past two years, the submitting organization has completed at least 20 projects and a brief description that demonstrates the organization’s ability to complete the work required under this application.

D. Proof of licenses/designations/certifications (0-10 Points): Proof will be scored based on the documentation provided under the “licenses/designations/certifications” section of each submittal.

- a) 0 Points: If no documentation related to proof of licenses/designations/certifications is provided.
- b) 10 Points: If one or more board members have a professional designation in the architectural, engineering field or other related fields.

2.0 Prior Federal Experience (0-15 Points): Information and Identification of HUD or other federally funded housing projects should be tabbed and attached as “list of properties/projects”.

- a) 0 Points: If in the past two years, the submitting organization has completed reports on 0 HUD or other federally funded projects.
- b) 3 Point: If in the past two years the submitting organization has completed reports on 1 HUD or other federally funded projects.
- c) 6 Points: If in the past two years the submitting organization has completed reports on 2 HUD or other federally funded projects.
- d) 9 Points: If in the past two years the submitting organization has completed reports on 3 HUD or other federally funded projects.
- e) 12 Points: If in the past two years the submitting organization has completed reports on 4 HUD or other federally funded projects.
- f) 15 Points If in the past two years the submitting organization has completed reports on 5 HUD or other federally funded projects.

3.0 Conformance to Requirements (0-20 Points): The score for Organization of submittal will be based on the provisions stated under the “Submittal Requirements” section of this manual.

- a) 0 Points: If submittal fails to meet any of the provisions stated in the Submittal Requirements.
- b) 10 Points: If submittal meets the majority of provisions stated in the Submittal Requirements.
- c) 20 Points: If submittal meets all provisions stated in the Submittal Requirements.

4.0 Readiness to Proceed (0-10 Points): The selected firms must be adequately staffed and ready to begin work immediately, based on the “resumes” and “organizational chart” sections of each submittal.

- a) 0 Points: If organization does not have more than 3 professionals to complete the reports.
- b) 5 Points: If organization has between 3-5 professionals to complete the reports.
- c) 10 Points: If organization has more than 5 professionals to complete the reports.

In addition to the regulatory requirements from HUD, HCDD has established additional criteria for CHDO certification. The organization must:

- Maintain a record of good standing with the Texas Secretary of State’s office
- Maintain no history of awarded CHDO funding being deobligated or significant compliance findings on its City of Houston funded projects

The criterion above is not all-inclusive and HCDD may require additional information prior to determining CHDO certification. Meeting the above requirements does not guarantee CHDO certification and HCDD reserves the right to deny or revoke CHDO certification based on its evaluation of the nonprofit organization’s performance.

CHDO Regulatory Requirement Criteria

Information listed below must be submitted for each organization seeking City of Houston CHDO status or re-certification. Non Profit organizations seeking CHDO status must meet the following criteria:

LEGAL STATUS

- a. Evidence of organization as a non-profit under state and local law
- b. No part of its net earnings inure to benefit any member, founder, contributor or individual
- c. Has a tax exemption ruling from the Internal Revenue Service [IRS] under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986

OR

Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code

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

CAPACITY

- a. Conforms to the financial accountability standards of 24 CFR 84.21, “Standards of Financial Management systems”
- b. Has a demonstrated capacity for carrying out activities assisted with HOME funds
- c. Has a history of serving the community, within which housing to be assisted with HOME funds is to be located

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, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

ORGANIZATIONAL STRUCTURE

- a. 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 organization
- b. Provides a formal *written* 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 well as procedures as to how the formal process will be implemented [public hearings, flyers, media, etc.]
- c. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization’s governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials [including employees of the Participating Jurisdiction or State recipients]
- d. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO’s governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members

RELATIONSHIP WITH FOR-PROFIT ENTITIES

- a. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization

- b. A CHDO may be sponsored or created by a for-profit entity provided the for-profit entity's primary purpose does not include the development nor management of housing and the CHDO is free to contract for goods and services from vendor(s) of its own choosing

Community Housing and Development Organization [CHDO] Certification or Recertification Application

[This form is fillable.]

I. COVER SHEET

Organization Name: _____

Contact Person: _____

Address: _____

City: _____

State: _____

Zip: _____

Phone: _____

Fax: _____

Email: _____

Website: _____

Parent Organization, if any: _____

Funding Request: The organization is applying for HOME CHDO set-aside funds for the following project.

Name of Project: _____

Amount: _____

Location of project to be developed: _____

Date of Incorporation: _____

Tax ID Number: _____

IRS Tax Status: [Please check appropriate box]

- 501(c)(3) Received: _____
- 501(c)(4) Received: _____
- Other: _____

Note: If all requirements are met, the Department will certify the Applicant as a City of Houston CHDO upon the award of HOME funds. A new application for CHDO certification is required by the Department with each application for HOME CHDO set-aside or operating funds.

II. LEGAL STATUS

A. The nonprofit organization is organized under the Texas Nonprofit Corporation Act as evidenced by:

- Charter, Or Page Number _____
- Articles of Incorporation Page Number _____

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

- Charter, Or Page Number _____
- Articles of Incorporation Page Number _____

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

- A 501(c)(3) or 501(c)(4) Certificate from the IRS dated 1986 or later.

OR

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

- A group exemption letter from the IRS, which is dated 1986 or later, which specifically lists the CHDO as a part of the group exemption.

NOTE: The exemption ruling from the IRS must be effective on the date of application and must continue to be effective while the organization is certified as a CHDO. **Pending applications** with the IRS for either 501(c)(3) or 501(c)(4) status **cannot be used** to comply with this tax status requirement.

D. Has as its primary purpose the provision of decent housing that is affordable to low-moderate income people, as evidenced by a statement in organization's:

- | | |
|--|-------------------|
| <input type="checkbox"/> Articles of Incorporation, OR | Page Number _____ |
| <input type="checkbox"/> By-laws, OR | Page Number _____ |
| <input type="checkbox"/> Charter, OR | Page Number _____ |
| <input type="checkbox"/> Resolutions | Page Number _____ |

III. CAPACITY

A. Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Managementsystems," as evidenced by:

- Affidavit in a form prescribed by HCDD [see attached] signed by the President, Chairman, or Chief Financial Officer of the organization, OR
- A certification from a Certified Public Accountant, OR
- A HUD approved audit summary

B. Shows evidence of financial reporting ability by attaching the most recent financial statements of the organization [audited if possible] and a copy of the current year's operating budget as approved by the Board of Directors.

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

- Resume 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
- Contracts with experienced consulting individuals or firms that will train key staff. These consultants must have housing experience similar to the project that will be assisted with HOME

funds; AND

- Staff roster for organization that lists employee names and titles

D. Has a history of serving the community, within which housing to be assisted with HOME funds is to be located, as evidenced by ALL of the following:

A statement that documents at least one year of experience in serving the community where HOME funds will be used;

Board minutes from a board meeting **in each quarter of the previous year**. Board minutes of the parent organization may be submitted for a newly formed organization.

In the space below, identify the city and county of the proposed property where HOME funds are to be used and a statement of the boundaries of the service area or “community” that the organization serves. Attach a boundary map, as well, to this application.

IV. ORGANIZATIONAL STRUCTURE

A. 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:

Articles of Incorporation, OR Page Number _____

By-laws, OR Page Number _____

Charter Page Number _____

AND

Notarized affidavit signed by the Board of Director’s Chairperson.

AND

Current roster of all Board Members, including names, titles, professional affiliations, if any, and physical

home addresses.

AND

Board Member Information Form completed and signed by each member. “Low-income” as defined by the U.S. Department of Housing and Urban Development [HUD] is an annual income that does not exceed 80 percent of the median income for the area, after making adjustments for family size.

B. Provides a formal written 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 well as procedures as to how the formal process will be implemented [public hearings, flyers, media, etc.] as evidenced by:

By-laws, OR Page Number _____

Resolutions, OR Page Number _____

A written statement of operating procedures approved by the governing body. Statement must be on original letterhead, signed by the Executive Director and evidence date of Board approval.

The date of the most recent meeting between low-income beneficiaries and the Board for purposes of this Advisement Process was _____.

C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government **may not appoint** more than one-third of the membership of the organization’s governing body; (2) the board members appointed by the State or local government **may not, in turn, appoint** the remaining two-thirds of the board members; and (3) **no more than one-third** of the governing board members are public officials [including employees of the Participating Jurisdiction or State recipients], as evidenced by the CHDO’s:

Articles of Incorporation, OR Page Number _____

By-laws, OR Page Number _____

Charter Page Number _____

D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity **may not appoint** more than one-third of the membership of the CHDO’s governing body, and the board members appointed by the for-profit entity **may not, in turn, appoint** the remaining two-thirds of the board members, as evidenced by the CHDO’s:

Articles of Incorporation, OR Page Number _____

By-laws, OR Page Number _____

Charter Page Number _____

E. If the organization is sponsored or created by a for-profit entity, the CHDO **must be free to contract for goods and services** from vendors of its own choosing, as evidenced by:

Articles of Incorporation, OR Page Number _____

By-laws, OR Page Number _____

Charter Page Number _____

V. RELATIONSHIP WITH FOR-PROFIT ENTITIES

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

A Memorandum of Understanding [MOU], OR MOU Attached _____

By-laws Page Number _____

B. A CHDO may be sponsored or created by a for-profit entity provided the for-profit entity's primary purpose does **not** include the development nor management of housing, as evidenced by:

By-laws Page Number _____

Community Housing Development Organization [CHDO] Certification Affidavit of Standards for Financial Management Systems

Date:

Affiant:

Recipient:

[Insert exact legal name of the organization]

Affiant on oath swears that the following statements are true and are within the personal knowledge of Affiant:

1. Affiant is the President AND / OR Chief Financial Officer of the Recipient and is authorized to make this affidavit on behalf of Recipient.
2. Recipients' financial management systems conform to the financial accountability standards set forth in 24 CFR 84.21, by providing for and incorporating the following:
 - a. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project;
 - b. Records which identify the source and application of funds for federally-sponsored activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest;
 - c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets shall be adopted to assure that all assets are used solely for authorized purposes;
 - d. Comparison of outlays with budget amounts for each award;
 - e. Written procedures to minimize the time elapsing between the receipt of funds and the issuance or redemption of checks for program purposes by the recipient;
 - f. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of Federal cost principles [Circular A-122] and the terms and conditions of the award;
 - g. Accounting records, including cost-accounting records that are supported by source documentation.

Affiant:

NOTARY SEAL

Title:

Subscribed and sworn before me on the _____ day of _____, 20____, by _____,

on behalf of

My commission expires:

Notary Public State of Texas

Community Housing Development Organization [CHDO] Certification

Affidavit of Board Representation

On this _____, day of _____, 20____,

I [insert name], _____, hereby certify that each of the individuals identified in the attached exhibit are residents of a low income neighborhood, are other low income community residents, or are elected representatives of a low income neighborhood organization. Each is an active member of _____'s Board of Directors.

“Low income” is defined as households whose annual incomes do not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

I certify that the above statement is true and correct. I understand that any misstatement or falsification of information shall be grounds for denial or revocation of certification for CHDO status.

Affiant:

NOTARY SEAL

Title:

Subscribed and sworn before me on the _____, day of _____, 20_____

by _____ on behalf of _____

My commission expires:

Notary Public State of Texas

BOARD MEMBER INFORMATION FORM

This form must be completed, signed, and dated by each member of the Board of Directors of your organization.

I am a board member of the following nonprofit organization seeking CHDO status:

Name of Organization:

Board Member:

[Print]

Home Address:

Phone: Home

Business

Occupation and Employer:

Business Address:

PLEASE CHECK ANY OF THE FOLLOWING THAT APPLIES TO YOU:

- I am a resident of a low-income neighborhood. [This does not mean that you must be a low-income person; only that your residence is in a low-income neighborhood.]
- I am a low-income resident of the community. [Community can mean neighborhood, the city, county, or metropolitan area.]
- I am an elected representative of a low-income neighborhood organization. Name of organization and your title:

[Examples of such organizations are block groups, town watch organizations, civic associations, neighborhood faith-based groups, etc.]

I am a representative of the public sector. [A public sector representative is any elected public official, any appointed public official, any employee of a public agency or department, or any individual who is appointed by a public official to serve on a CHDO board.]

I certify that the information above is correct as of the date indicated below.

Signature

Date