

CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule. This checklist should be used as a tool to educate participating jurisdictions about the documents they must receive from a nonprofit before it may be certified as a CHDO.

I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

_____ A Charter, OR _____ Articles of Incorporation.

B. 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.

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

_____ A 501(c) Certificate from the IRS.

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

_____ Charter, _____ Articles of Incorporation, _____ By-laws, OR _____ Resolutions.

_____ A HUD approved audit summary

II. CAPACITY

A. Conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards for Financial Management Systems," as evidenced by:

_____ A notarized statement by the president or chief financial officer of the organization; _____ A certification from a Certified Public Accountant; OR _____ A HUD approved audit summary.

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

_____ 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, OR _____ Contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization.

C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:

_____ Statement that documents at least one year of experience in serving the community, OR _____ For newly created organizations formed by local churches, service, or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

NOTE: The CHDO or its parent organization must be able to show one year of serving the community from 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 of the organization or by a HUD-approved representative.

III. 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:

_____ By-Laws, _____ Charter, OR _____ Articles of Incorporation.

Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by:

_____ The organization's By-laws, _____ Resolutions, OR _____ A written statement of operating procedures approved by the governing body.

C. 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 are public officials, as evidenced by the organization's:

_____ By-Laws, _____ Charter, OR _____ Articles of Incorporation.

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:

_____ By-Laws, _____ Charter, OR _____ Articles of Incorporation.

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES A. 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 (MOU).

B. A CHDO may be sponsored or created by a for-profit entity, however: (1) The for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

_____ The for-profit organization's By-laws

AND;

(2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:

_____ By-Laws, _____ Charter, OR _____ Articles of Incorporation.

Liberia Economic and Social Development, Inc. has met the requirements and all qualifying criteria and submitted all documents referred to herein to be qualified as a CHDO.

Henry Graham, Executive Director
Liberia Economic and Social Development, Inc.

Date

Anthony Grisby, Manager
Community Development Division

Date

Wazir Ishmael, City Manager
City of Hollywood

Date