

## CHDO CHECKLIST AND DESIGNATION

This checklist is to be completed and submitted with supporting documentation only by nonprofit organizations seeking designation as a Community Housing Development Organization (CHDO) under the state's HOME program. This form is to be completed by the General Counsel for the organization. The information contained in this checklist refers to the definition of CHDO in Subpart A, Section 92.2 of the 2013 HOME Final Rule. For each requirement indicated, the General Counsel should cite the specific citation in the respective document indicated that evidences the requirement.

### ORGANIZATIONAL REQUIREMENTS

#### 1. Legal Structure

1.1 The organization is organized under Tennessee law, as evidenced by:

- A Charter, OR
- Articles of Incorporation AND
- Certificate of Existence from Tennessee Secretary of State.

1.2. The organization has among its purposes the provision of decent housing that is affordable to low-income and moderate income persons, as evidenced by:

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

Citation: \_\_\_\_\_

1.3. The organization has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual, as evidenced by:

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

Citation: \_\_\_\_\_

1.4. The organization is not under the control or direction of any individual or entity seeking to drive profit or gain, as evidenced by:

- A Charter, OR
- Articles of Incorporation.

Citation: \_\_\_\_\_

1.5. The organization has one of the following IRS tax exempt statuses, as evidenced by:

- A 501(c)(3) or 501(c)(4) Designation from the IRS; or
- Subordinate of a central non-profit under IRC Section 905; or

- Wholly owned subsidiary of an organization that has a 501(c)(3) or 501(c)(4) status and meets the CHDO definition.
- 1.6. The organization is not a government entity (including participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing authority, housing finance agency, redevelopment authority, zoning board or commission, as evidenced by:
  - A Charter, OR
  - Articles of Incorporation, OR.
  - By-Laws.

**2. Independence**

- 2.1. Public officials and employees of a governmental entity may comprise no more than one-third (1/3) of the board, as evidenced:
  - By-Laws,
  - Charter, OR
  - Articles of Incorporation.

Citation: \_\_\_\_\_

- 2.2. Officers and employees of a governmental entity cannot be officers (e.g. CEO, CFO or COO) or employees of a CHDO, as evidenced by:

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

Citation: \_\_\_\_\_

- 2.3. If the organization was created by a governmental entity, then the governmental entity that created the organization may not appoint more than one-third (1/3) of the board members and board members appointed by the governmental entity may not appoint the remaining two-thirds (2/3), as evidenced by:

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

Citation: \_\_\_\_\_

- 2.4. If the organization was created by a for-profit entity:

- 2.4.1 The for profit entity that sponsored or created the organization may not have as its primary purpose the development or management of housing, such as a builder, developer, or real estate management firm;

- 2.4.2 The for-profit entity that created the organization may not appoint more than one-third (1/3) of the board members, and for-profit appointed board members may not appoint the remaining two-thirds (2/3) of the board;

2.4.3 Officers and employees of the for-profit entity that created the organization cannot be officers or employees of the CHDO; and

2.4.4 The organization must be free to contract for goods and services with others.

Requirements of 2.4 are met, as evidenced by:

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

Citation: \_\_\_\_\_

### 3. Accountability to the Low Income Community

3.1. The organization has a designated service area (i.e. the “community” in which it produces housing). A community can be a neighborhood or neighborhoods, city, county, metropolitan area or multi-county area (but not the entire State), as evidenced by:

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

Citation: \_\_\_\_\_

3.2 At least one-third of the board members are: (1) low-income; (2) residents of a low-income neighborhood; or (3) elected representatives of a low income neighborhood organization as evidenced by Part VI to the HOME Application.

Total Number of Board Members on Date of Application Submission: \_\_\_\_\_

Number of Board Members on Application Date who are Low Income Representatives: \_\_\_\_\_

3.3. The organization has a formally adopted process for low-income beneficiaries to advise it on decisions regarding design, siting, development, and management of housing, as evidenced by:

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

Citation: \_\_\_\_\_

3.4. The organization has at least one year of serving the community, or if newly formed by local churches, service organizations, or neighborhood organizations, its parent organization meets this requirement, as evidenced by:

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

Citation: \_\_\_\_\_

**4. Capacity**

4.1. The organization has paid employees with demonstrated experience relevant to the nonprofit’s role in undertaking the HOME activity to be funded. Note: This does not include volunteers, board members, donated or shared staff, or consultants, as evidenced by:

List of staff members employed by the organization and copies of their current W-2s or W-4 issued by the nonprofit entity.

4.1.1 During the first year of an organization’s participation as a CHDO only, capacity can be demonstrated through a contract with a consultant who has housing development experience to train appropriate key staff of the organization, as evidenced by:

Copy of the contract and resume of the consultant.

4.2 Has standards of financial accountability that conforms to 2 CFR Part 200 “Uniform Administrative Requirements, Audit Requirements, and Cost Principles”, as evidenced by:

A certification from a Certified Public Accountant OR

A HUD approved audit summary.

**CHDO ROLE**

**5. CHDO Set-Aside Project**

5.1. The CHDO is undertaking a homebuyer projects with CHDO set-aside funds in accordance with §92.254 as a Developer.

5.1.1 The organization is or will be the owner in fee simple and the developer of new or rehabilitated units for sale to low-income buyers, and

5.1.2 The organization will control the development process including, at a minimum, arranging financing for the project and being in sole charge of construction.

**CHDO CERTIFICATION**

**6. CHDO Certification**

The organization meets all CHDO regulatory thresholds.

And one or more of the following:

The organization has a project that meets the eligibility requirements of §92.300 for a reservation of CHDO set-aside funds.

The organization qualifies for Operating Expenses.

I attest that to the best of my knowledge the above information is true and correct and that this information is supported by appropriate documentation in the organization's files.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

General Counsel for: \_\_\_\_\_

Date: \_\_\_\_\_