

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

Application for Certification in the Montana Department of Commerce HUD Home Investment Partnerships (HOME) Program

Application Date:		
Name of Organization:		
Contact Person:		
Address:		Phone:

To qualify as a CHDO under federal regulations governing the HOME Program, a nonprofit organization must meet the criteria listed below. Please document in the appropriate space below each item that your agency meets the criterion and cite the relevant page and paragraph of any appropriate supporting document upon which you are relying. Each application must include the following items, in addition to other items, which specifically document a particular criterion:

- Articles of Incorporation
- By-laws
- Charter
- Resolutions
- IRS 501 (c) ruling or group exemption letter

Documentation is required for all items.

I. LEGAL STATUS

- A. The nonprofit organization is organized under State of Montana, as evidenced by:
1. A Charter, OR
 2. Articles of Incorporation.
- B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:
1. A Charter, OR
 2. 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:
1. A 501 (c) Certificate from the IRS; OR
 2. Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code, as evidenced by:
 - a. A group exemption letter from the IRS that includes the CHDO.
- 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:

1. Charter
2. Articles of Incorporation
3. By-laws, OR
4. Resolutions.

II. CAPACITY

- A. Has standards of accountability that conform to 24 CFR84.21, "Standards of Financial Management Systems," as evidenced by:
 1. A notarized statement by the president, or chief financial officer of the organization
 2. A certification from a Certified public Accountant, OR
 3. A HUD approved audit summary.
- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, evidenced by:
 1. 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
 2. Contract(s) with consultant 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:
 1. A statement that documents at least one year of experience in serving the community, OR
 2. 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.

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 child care 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 election

by representatives of low-income neighborhoods organizations as evidenced by the organization's:

1. By-laws
2. Charter, OR
3. Articles of Incorporation.

Under the HOME program for urban areas, the term, "community," is defined as one or several neighborhoods, a city, a 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), provided that the governing board contains low-income residents from each of the multi-county areas.

- 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:
1. The organization's By-laws
 2. Resolutions, OR
 3. A written statement of operating procedures approved by the governing body.
- C. A CHDO may be chartered by a State or 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 boards members are public officials, as evidenced by the organization's:
1. By-laws
 2. Charter, OR
 3. 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:
1. By-laws
 2. Charter, OR
 3. Articles of Incorporation.

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

- A. Is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by:
1. The organization's By-laws, OR
 2. A Memorandum of Understanding (MOU).

- B. A Community Housing Development Organization 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:
 - a. 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 in the CHDO's:
 - a. By-laws
 - b. Charter, OR
 - c. Articles of Incorporation.

I. CHDO BOARD

- A. Include with this application a list of all Board Members including name, addresses and phone number. Identify which board members are residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhoods/organizations.

II. GEOGRAPHIC AREA

- A. Provide a map of the geographic designated area highlighted, for which the CHDO will be responsible.