

2013-2014



Community Housing Development Organization APPLICATION



Web www.richmond.ci.ca.us | telephone: 510.307.8140

City of Richmond
Housing and Community Development

The City of Richmond is an Equal Opportunity Services Provider. Services are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry.

CHDO's

HOME funds are available exclusively for qualified, eligible CHDO projects and operating expenses. If an organization becomes a certified CHDO, it is eligible to take advantage of the HOME funds set-aside just for CHDOs, as well as additional special technical assistance. CHDO set-aside funds provide equity for community-based organizations to undertake projects, build their capacity to serve a broad range of affordable housing needs and provide guaranteed resources for affordable housing development.

Set Aside (15%)- 92.300 (a)

Richmond is required to set-aside a minimum of 15% of their HOME allocations for housing development activities in which qualified CHDOs are the owners, developers, and/or sponsors of affordable housing in the communities that they serve. These funds may be committed to CHDO development projects if the following conditions are met:

- Acquisition, construction or rehabilitation of housing.
- Effective project controls, basically, own or develop or sponsor the project.
- Funds must be reserved and committed to CHDO projects within 24 months.

CHDO Op (5%)

Richmond MAY also provide up to 5% (not so exceed \$50,000) of the HOME entitlement annual allocation for operating expenses that are reasonable and necessary costs for the operation of the CHDO and that are consistent with 92.208. Eligible costs include salaries, wages, and other employees compensation and benefits; employees education, training and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. If these funds are provided, the CHDO must meet these conditions:

- Written agreement
- CHDO must be ready to initiate project within 24 months of receiving operating expenses.

Pre-Development Loans. 92.300(c), 92.301

Pre-development loans may be available for CHDO's and are limited to 10% of total amount reserved for CHDO's from annual allocation; no project specific limit. Repayment provision indicates that funds can be repaid from or rolled into construction/permanent financing and are forgivable if project impediments beyond the control of the CHDO appear. Eligible uses include:

- TA/Site Control Loans:

Feasibility studies, consultants, legal fees, preliminary applications, preliminary architectural/engineering, options/site control, title clearance

- Seed Money Loans

Pre-construction costs, loan commitments, plan and specs, zoning, engineering, legal. Note that these uses require environmental clearance and site control.

WHO IS A CHDO?

A private nonprofit that meets the following Legal Status, Organizational Structure and Capacity.

Legal Status	Organizational Structure	Capacity
Organized under state and local law	Board must have at least: 1/3 reps of low income community; No more than 1/3 reps of public sector.	Must have one year of experience serving the community
Have as its purpose to provide decent and affordable housing to low/mod income person	Low income representation can be met in three ways: Residents of low income neighborhoods; Low income residents of the community; Elected representatives of low income neighborhood organizations	Demonstrate staff capacity to carry out planned activities
Provide non individual benefit	Formal process for low income beneficiaries to provide input: In writing and included in by laws	Have financial accountability
Have a clearly defined service area	Low income public officials count against the 1/3 public sector max	
Have an IRS nonprofit status		

CHDO ROLES

CHDO ROLES: At least 15% of the HOME entitlement must be used for CHDO eligible activities in which the CHDO plays the role of owner, developer or sponsor.

DEVELOPER	SPONSOR	OWNER
CHDO owns property or has the contractual obligation to a property owner to develop a project	Home Assisted rental housing- CHDO develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at predetermined time.	CHDO is owner when it holds valid legal title to or has a long term leasehold interest in a property.
HOME assisted rental housing: CHDO may maintain ownership and manage the project over the long-term, or it may transfer the project to another entity for long-term ownership	Home assisted homebuyer project- CHDO owns a property and then shifts responsibility for the project to another nonprofit at some specified time in the development process. The second	While the CHDO may solely be the owner with another entity acting as developer, it can also be the owner and developer

nonprofit in turn transfers title, along with the HOME loan/grant obligations and resale requirements, to a HOME qualified homebuyer within a specified timeframe.

HOME assisted homebuyer: CDO transfers title of the property and the HOME obligations to an eligible homebuyer

CHDO must own the project prior to and or during the development phase of the project.

CHDO may own property in partnership with either a majority or minority interest. However, the CHDO must be managing general partner with effective control or the project.

If CHDO does not own the property, it must be under a contractual obligation with the owner to obtain financing and rehabilitate or construct the project.

If CHDO develops the property for an owner pursuant to a written agreement with the City, the CHDO is acting as sub recipient.

THE APPLICATION PROCESS

The City of Richmond is soliciting CHDO application from interested parties that will be effective December 15, 2013. The Certification will be renewable for a period of 12 months from July 1, 2014 through June 30, 2015. Interested parties must take the following steps.

- Register for Bids Online by going to www.ci.richmond.ca.us/bids
- For Bids Online information go to <http://www.planetbids.com/UsersGuides/PlanetBids%20BidsOnline%20Users%20Guide.pdf>
- Register Under the Category of **99820**
- Download all of the required documents and information from the City's website <http://www.ci.richmond.ca.us/index.aspx?nid=98>
- Refer to the guidelines frequently while completing the application.
- Some of the responses require the same document to substantiate multiple conditions. You only need to submit each document once, but you must **highlight** all of the relevant parts.
- You must also make sure that the document is readable. Do not send illegible documents.
- You are obliged to submit all of the required documents, along with this application, even if you submitted them in previous years.
- Do not send information that is not requested.
- When your application complete and includes all the necessary attachments, please submit two (2) binders. One (1) binder should contain all the original documents and the second binder should contain all the copies of the original documents.
- The City may contact any or all CHDOs for clarification or to request additional information that may be used to inform the decision of the reviewers.
- Substantially incomplete applications will not be considered for certification. You will be notified in writing and be invited to resubmit materials in the next program year.
- If you are using an older version of WORD, you may not be able to check the check boxes. In that case, type in the word "YES" to the right of the checkbox. Consider updating your software.

Mail the two (2) binders (one (1) binder with the original documents and one (1) binder with copy of the original documents) to the following person and address:

Harnoor Chatha
Housing and Community Development
City of Richmond
440 Civic Center Plaza
2nd Floor
Richmond CA 94804

**The application and the required TWO binders must
be postmarked or received by
December 2, 2013**

You will receive an email acknowledging the City's
receipt of your application

Determination of CHDO status will be announced on
or before December 15, 2013

PART 1- APPLICATION

Name of Organization	
Executive Director	
Executive Director email	
Address	
City, State, Zip Code	
County	
Phone	
Contact Person	
Title:	
Phone:	
Contact Email	
Name and Title of Person Completing this Application	
Is the person above an employee of the organization?	

FOR ALL APPLICANTS

Check all that apply:

- Your organization has never been a certified CHDO by any jurisdiction (local or state)
- Your organization is a state/locally-certified CHDO **prior to July 1, 2013**
- Your organization is currently a CHDO in another jurisdiction (**specify**) _____

SO WE CAN BETTER UNDERSTAND YOUR OPERATIONS, CHECK THOSE SERVICES BELOW PROVIDED DIRECTLY BY YOUR ORGANIZATION:

- Accessibility Retrofitting
- Construction Management Services
- Credit Counseling
- Down-payment Assistance
- Employment Training
- Emergency / Transitional Housing Services
- Financial Literacy Training
- Food Pantry
- Foreclosure Counseling
- Grant Writing
- Historical Rehabilitation
- Homebuyer Education
- Housing Construction Company Owner / Subsidiary
- HUD Certified Housing Counseling Agency
- Legal Services
- Real Estate Development
- Rental Property Management
- Rental Property Owner

- Single Family Rehabilitation
- Tool Bank
- Transportation & Delivery Services
- Weatherization Services

Supportive Housing Special Needs Provider to:

- Abused Spouses and Their Children
- Elderly
- Homeless
- Elderly
- Individuals with Developmental Disabilities
- Individuals with Mental Disabilities
- Individuals with Physical Disabilities
- Migrant Farm Workers
- Persons with Alcohol or Other Drug Addictions
- Persons with HIV/AIDS

Use the space below on this page to list additional services provided by your organization not listed above:

PART 2

All of the following conditions must be met to qualify as a state certified CHDO.

Check the boxes that apply to the documentation you will be including with this certification application. Highlight the sections of the document that you are citing to fulfill these certification requirements.

Note the definition of Governing Documents:

“Governing Documents” refers to your organization’s Articles of Incorporation, or Certificate of Amended Articles of Incorporation (if your current status is different than that which is reflected in your original Articles); By Laws; Code of Regulations, or Charter. These documents must all reflect the most current status of your organization, including its legal name and service areas, and any changes to these documents must have been approved by your Board and registered with the state of California, if that is required.

LEGAL STATUS

- L1. Your organization is organized under State or local laws, as evidenced by that information contained and highlighted in your
 Governing Documents
- L2. Your organization declares that no part of its net earnings benefit any member, founder, contributor, or individual, as evidenced by that statement contained and highlighted in your
 Governing Documents
- L3. Your organization 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)(3) Certificate from the IRS
- L4. Your organization has among its purposes the provision of decent housing that is affordable to low and moderate-income people, as evidenced by that statement contained and highlighted in your
 Governing Documents
- L5. Your organization has a clearly defined geographic service area as evidenced by it being contained and highlighted in your
 Governing Documents

CAPACITY OF THE ORGANIZATION

C1. Your organization conforms to the financial accountability standards detailed in 24 CFR 84.21 "Standards for Financial Management Systems," as evidenced by a

Notarized statement by the president or chief financial officer of the organization

OR

Certification from a Certified Public Accountant

OR

HUD approved audit summary

C2. Your organization has the financial capacity to maintain itself as a viable organization. This will be evidenced by

Submission of Findings from your 2012 Audited Financials* and how you intend to address them

OR

Submission of No Findings from your 2012 Audited Financials*.

OR

A statement signed by your Chief Financial Officer stating that you are not required to conduct an audit for 2012.

AND

Your Board Adopted Budget for Calendar Year 2013 along with approved Meeting Minutes documenting the budget approval process.

AND

Your Board Approved First Quarter Actuals vs Budget for Calendar Year 2013 along with the Approved Meeting Minutes documenting the approval process and explaining any variances from the budget.

AND

A copy of your most recent IRS Form 990, with all schedules and attachments

*If the 2012 Audit is not completed as of this application, submit the information requested from your 2011 Audit. You will need to submit the 2012 Audit upon its completion.

C3. Your organization must convey to the City that your staff members have the capacity to carry out affordable housing development, including development assisted with HOME funds or funds that are HOME-eligible. You must present evidence indicating that PAID staff members, individually, or in combination with other PAID staff members, can demonstrate **all** of the qualifications below:

1. Knowledge of and experience with real estate development functions including acquisition, finance, appraisal, market analysis, negotiation, public and private financing, planning and zoning regulations and environmental review requirements.
2. Ability to understand and explain financial transactions associated with LIHTC development and other affordable multi-family rental and homeownership development.
3. Knowledge of the HOME regulations.
4. Familiarity with all of the other affordable rental and homeownership programs administered by the City.
5. Ability to establish and maintain effective working relationships with area residents, property owners, business partners and the general public.

These qualifications can be acquired through a combination of education, training and experience. Resumes are useful, and will be evaluated as a supplement to more detailed information such as, but not limited to, a narrative describing the experience; detailed letters of recommendation from previous employers or colleagues; and information reported in the:*

[HOUSING DEVELOPMENT EXPERIENCE](#) section (below)

AND

[HOUSING DEVELOPMENT HISTORY](#) section (below)

AND

[STAFF SURVEY](#) section (below)

**HINT – the narrative should be a document set up with all 5 points above as headings. Under each heading explain in detail how each individual involved in housing development, by name and title, has demonstrated the necessary qualifications.*

C4. Your organization has a history of serving the service area(s) where HOME assisted or HOME eligible housing will be located, as evidenced by a statement that documents at least one year of experience in serving each of the service areas claimed in your governing documents. For newly created organizations formed by local churches, service or community organizations, a statement is required that documents that the parent organization has at least one year of experience in serving your service areas. To fulfill this requirement, complete

[SERVING YOUR SERVICE AREA](#) section (below)

C5. Your organization has a board-adopted strategic development plan that specifically addresses housing development in any or all of your service areas. The City will be evaluating that plan for goals that are **specific, attainable, measurable, realistic and timely**. Please do not confuse this with a business plan. Submit a scanned copy of the

Planning document, with the housing development section(s) highlighted

ORGANIZATIONAL STRUCTURE

O1. Your organization 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 such a statement and highlighted in your

Governing Documents

AND

Completion of the [BOARD MEMBER COMPOSITION](#) section (below)

AND

A signed and dated self-certification form completed by each board member, which you will also keep on file in your office.

O2. Your organization limits public officials to **at most** one-third of its governing board's membership. This includes elected officials, appointed public officials, public employees, and board members appointed by a public official, as evidenced by such a statement and highlighted in your

Governing Documents

The City recommends that O1 and O2 can be addressed by adopting the following language into your governing documents:

The Board of Trustees maintains at least one-third of its membership for residents of low-income neighborhoods, other low income community residents, or elected residents of low income neighborhood organizations.

No state or local government may appoint more than one-third of the membership of the Board of Trustees. Should some member of the board be appointed by the state or local government, such members may not, in turn, appoint any part of the remaining two-thirds of the members of the Board. No more than one-third of the board of Trustees may be public officials.

O3. Your organization 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 or HOME-eligible affordable housing developments. ***This plan must fully demonstrate that low-income residents actively participate in the above activities. A plan that does not demonstrate this will be cause for rejecting your certification as a CHDO and assigning your organization to provisional status while you are designing an effective plan. * Your plan must include effective outreach to all of the community. This formal process is not satisfied merely by having the required low-income person representation on your board.*** This formal process is spelled out and highlighted in your

- Tenant Participation Plan or
- Official Board action

**If you are denied CHDO status due to an ineffective or inadequate plan, the City will document the deficiencies and grant you provisional status while you develop and adopt more effective strategies to insure community participation. While you are in provisional status, you will not be eligible for HOME set aside funding as a partner in a LIHTC development, nor will you be eligible to apply for any state operating grants. You may not represent yourself as a CHDO while in provisional status. This is designed to give you some extra time to effectively bring a community voice into your housing developments, which is a federal requirement of the CHDO program.*

RELATIONSHIP WITH FOR-PROFIT ENTITIES

R1. Your organization may be 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 your

- Governing Documents

OR

- Not Applicable – not sponsored by a for-profit entity

R2. Your organization, if sponsored or created by a for-profit entity, is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by your

- Governing Documents

OR

- Memorandum of Understanding between your organization and the for-profit entity

OR

- Not Applicable – not sponsored by a for-profit entity

R3. Your organization may be sponsored or created by a for-profit entity, however the for-profit entity's primary purpose cannot include the development or management of housing, as evidenced by the for-profit organization's

Governing Documents

OR

Not Applicable – not sponsored by a for-profit entity

R4. Your organization may be sponsored or created by a for-profit entity, however, you are free to contract for goods and services from vendor(s) of your own choosing, as evidenced by your organization's

Governing Documents

OR

Not Applicable – not sponsored by a for-profit entity

PART 3

The application continues below with six sections:

SERVING YOUR SERVICE AREA

INVOLVING THE COMMUNITY

HOUSING DEVELOPMENT HISTORY

HOUSING DEVELOPMENT EXPERIENCE

STAFF SURVEY

BOARD MEMBER COMPOSITION

Section 1 - SERVING YOUR SERVICE AREA

List all of your service areas that are **specifically referenced** in your governing documents:

DEFINITION OF SERVICE AREA: For urban areas, a Service Area can be one or several neighborhoods, a city, a county, or a metropolitan area. For rural areas, it is defined as one or several neighborhoods, a town, a village, a county, or a multi-county area (but not the whole state.)

SERVICE AREA NAME	THIS SERVICE AREA IS A (choose one) NEIGHBORHOOD – DISTRICT-CITY	SPECIFIC TARGET POPULATION	Delineate Northern, Southern, Eastern and Western boundaries of all areas you have characterized as a neighborhood or district.

- This table below is used in order to claim those service areas for CHDO certification. Your organization must be able to show at least one year of serving the housing/service/cultural needs of the people who live in the communities you serve. The organization must describe its history of serving the community by describing the activities which it provided, such as developing, managing, or sponsoring new housing, rehabilitating existing stock, or delivering non-housing services that have had lasting benefits for the community, such as – but not limited to- counseling, food relief, or childcare facilities.
- Make sure to include relevant details, including dates, but be concise.
- This information should demonstrate to the City’s reviewer that your organization (1) Served this area for at least a year; (2) Developed, sponsored or managed housing in the service area, or plans to do so in the next 3 years (as referenced in your strategic development plan) and (3) is an integral and on-going part of the community.

Service Area	List activities your organization conducted in that Service Area for at least a year, and list housing development you plan to undertake in the next 3 years. Be clear about distinguishing between your current activities and your planned activities

Section 2 - INVOLVING THE COMMUNITY

- Use this table below to reflect the **actual outcomes for the time period July 1, 2012 through today** of your 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 or HOME eligible affordable housing developments.

IN THE LAST YEAR, ...	
In what ways was low-income resident input sought and implemented and what were the results?	
How have the low-income residents and program beneficiaries in your service area been involved with the organization to advise on policies and procedures, program design, site location(s), and the development and management of affordable housing in your community?	
Are there any unique approaches you have taken to obtain feedback from low/moderate-income residents?	
What options will be pursued to overcome any barriers to obtaining low/moderate-income resident input?	

Section 4 - HOUSING DEVELOPMENT EXPERIENCE

Who within your organization (name and title) performs the following tasks? You may type in more than one name for each task. Do not leave any spaces blank. If the particular task is not applicable to your operation, mark it N/A.

Project Management	
Planning, zoning, building inspection	
Site Selection	
Acquisition	
Development Team Selection	
Negotiation of Partnership Agreement	
Design	
Work Write-up for Rehab	
Feasibility Analysis	
Financing Arrangements	
Contractor Selection	
Construction Management	
Construction Close-out	
Marketing and Sales	
Lease-up of Rental Units	
Ongoing Project Compliance	
HOME program requirements, construction close out and long term obligations	
CEQU and NEPA	
Community outreach and participation	
Davis Bacon Act and Section 3 compliance	

Section 6 – BOARD MEMBER COMPOSITION

- No more than 1/3 of the Board Members may be elected or appointed officials.
- At least 1/3 of the Board Members must represent the low income community:
 1. As a member of a household that has a combined total expected income for 2013 which is less than 80% of the area median income for my household's size
OR
 2. As a resident of a census tract/block group which in the 2010 Census has more than 50% of its households with incomes less than 80% of the area median income
OR
 3. As an elected member of an organization whose membership is open to all residents of a defined neighborhood in which the 2010 census shows that more than 50% of the households have incomes less than 80% of the area median income, and whose position on the board is primarily as a representative of that neighborhood group
- The **one-third** low-income resident and public official representations are based upon the total maximum number of board members identified in the by-laws. **Vacancies in the board membership do not reduce these requirements.**

MAXIMUM NUMBER OF BOARD MEMBERS AS INDICATED IN YOUR GOVERNING DOCUMENTS _____

ACTUAL NUMBER OF ELECTED OR APPOINTED OFFICIALS ELECTED OR APPOINTED TO THIS BOARD _____

ACTUAL NUMBER OF LOW INCOME REPRESENTATIVES OF THE COMMUNITY ELECTED OR APPOINTED TO THIS BOARD _____

Board Member Name	Low Income Representative (YES or NO)	Elected or Appointed Public Official Representative (YES or NO)	Board Position	Date Term Expires	Self- Certification on File?

PART 4

The last part of this application consists of two forms:

For the SELF-Certification Form for CHDO Board Members:

- Download the form SELF-CERTIFICATION FORM FOR CHDO BOARD MEMBERS from the this link: <http://www.ci.richmond.ca.us/index.aspx?nid=98>
- Distribute it electronically to all of your board members.
- Every board member must complete and sign this certification form.
- Have them scan their signed forms and email them back to you, or use whatever arrangement works best for you.
- Include all of the completed forms on the application disk, preferably as one PDF.
- Retain a copy of each form for your records

For the Acknowledgement and Certification Form:

- Executive Director and Board President complete the electronic version (minus the signatures)
- Print out the form and send it, with original signatures, to the address on the form.

SELF-CERTIFICATION FORM FOR CHDO BOARD MEMBERS

Name:
Address:
City/State/Zip:
Email Address:
Organization's Name

Check the **ONE** box that defines your status on the organization's Board of Trustees. Be sure to fill in the required information in the grayed blocks.

Public Official or Employee

I am an elected or appointed public official.

*Elected or appointed representatives **cannot** be qualified as low-income representatives, even if they meet the qualifying criteria*

Member of a Low-Income Household

I am a member of a household of () people. Our combined total expected income for a household of this size for 2013 is less than 80% of the area median income in the county in which I live.

A third party verification of my income is attached (i.e. copy of taxes, letter from school district indicating free lunch status, etc.)

Resident of Low Income Area

I reside in census tract number (), which according to the 2010 Census has more than 50% of its households with incomes less than 80% of the area median income.

A third party address verification is attached (i.e. utility bill, driver license, etc.)

Elected Representative of Low-Income Group

I am elected by the membership of an organization whose membership is open to all residents of a **DEFINED NEIGHBORHOOD** in which the 2010 census shows that more than 50% of the households have incomes less than 80% of the area median income, and I serve primarily as a representative of that neighborhood group.

The group's name is ()

The census tracts served by the group are ()

A letter from this organization indicating that I am its representative is attached.

I am not an elected or appointed public official and I am not a representative of the low income community as defined above.

Signature of Board Member _____ Date _____

ACKNOWLEDGMENT AND CERTIFICATION

I understand that all information submitted to the City of Richmond Housing and Community Development relating to the 2013-2014 CHDO Certification Application is a public record. I certify that all representations, warranties, or statements made or furnished in connection with this are true and correct in all material respects.

Executive Director

Signature

Date

Board President

Signature

Date

Complete this electronic version with this application (minus the signatures), and also print this form out and send the original, signed document along with the rest of the application to:

H. Chatha
Housing and Community Development
City of Richmond
440 Civic Center Plaza
2nd Floor.
Richmond CA 94804

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be postmarked or received by
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