

**CITY OF CAMDEN
DEPARTMENT OF FINANCE
BUREAU OF GRANTS MANAGEMENT**

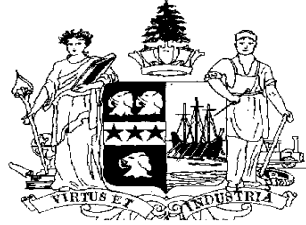
REQUEST FOR PROPOSAL

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
HOME INVESTMENT PARTNERSHIP PROGRAM
EMERGENCY SHELTER GRANT PROGRAM**

Deadline for Submission: 1/20/10

**THE HONORABLE GWENDOLYN A. FAISON, MAYOR
CHRISTINE JONES-TUCKER, BUSINESS ADMINISTRATOR
JOSEPH GALDO, DIRECTOR OF FINANCE
CYRUS SAXON, EXECUTIVE ASSISTANT**

CITY OF CAMDEN



**DEPARTMENT OF FINANCE
BUREAU OF GRANTS MANAGEMENT**

ENTITLEMENT GRANT FUNDING APPLICATION

Applicant Organization Name: _____

Mailing Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Phone: (____) _____ **Fax:** _____ **E-mail:** _____

Federal ID No: _____ **Charities Registration No.** _____

Dun and Bradstreet Number (required): _____

Date of Incorporation: _____

Executive Director: _____

Contact Person Name & Title: _____

Funding Program Requested: _____ **CDBG** _____ **HOME** _____ **ESG**

If requesting HOME Funds, is your organization applying for CHDO status? Yes No

Amount of Grant Requested: _____

Amount of Leveraging Funds: _____

Total Activity/Project Amount: _____

Name: _____

Signature: _____ **Date:** _____

Title: _____

Required Project Description:

1) Concise Description:

Submit a separate proposal for each purpose or fund and identify the category, amount requested, outcome/objective, and indicator within a concise description. The description must identify the primary purpose and categorize the *Objective, Outcome, and Indicator* according to standardized choices: *Objective - Suitable Living Environments, Decent Affordable Housing, or Economic Opportunity*; the *Outcome - availability/accessibility, affordability, or sustainability* and the measure of success from 18 *Indicator* choices. Simply, the terms tell who, what, when, where and how for each request.

Project Description: **Fund:** _____ **Amount:** _____ **Outcome/Objective:** _____

Optional Request):

2) Early Proposal Review – January 4, 2010 to January 19, 2010

The agency listed below is requesting an Early Proposal Submission Review to identify if minimum support documentation has been provided as listed on the attached checklist:

BGM Stamped Request Date:

Agency Name: _____

Contact Name: _____

Telephone #: _____

Email address: _____

Fax #: _____

Signature: _____

The non-profit agency representative that submits a proposal for an Early Submission Review certifies to sign-in the completed proposal by January 20, 2010 before 4:30 pm after notice of the missing information.

NOTICE OF FUNDS AVAILABILITY (NOFA)

For FY 2010/2011 the City of Camden will target its Entitlement Grant funds to the City's proposed objectives in the Annual Consolidated Plan. Organizations submitting proposals are asked to identify the activity category or categories to which the activities requested for funding belong. Funding will be made available for the following entitlement grants funded by the US Department of Housing and Urban Development:

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
EMERGENCY SHELTER GRANT PROGRAM (ESG)**

Basis for Allocation Funding

The primary objectives of the Consolidation Plan programs are to benefit low and moderate-income residents. Camden City's block grant programs are targeted to low and moderate-income neighborhoods and activities that benefit the City as a whole, the majority of whose residents are low and moderate income.

Geographic Location

Guided by the eligibility requirements of the various Consolidated Plan programs, the City of Camden recognizes the following priority need categories for the annual planning period. Relative priorities and targeted funding levels were established through the synthesis of the needs assessment review. A core component of the public outreach in preparation of the plan was to prioritize among the lengthy list of real needs given the limited amount of resources available through the Consolidated Plan programs.

The 2010 – 2011 Priority Needs Summary Table identifies Annual Consolidated Plan objectives and the corresponding priorities need level as low, medium, high, or not rated for each objective. Applicants must match the proposed project description with the objectives from the Priority List. See the Priority Needs chart below.

2010 – 2011 Priority Needs Summary Table	
GOAL: AFFORDABLE RENTAL HOUSING	
Objectives	Need Level
1. Maintain/expand tenant-based HACC and NJ DCA rental assistance	High
2. Provide new or converted HACC and CRA rental housing	High
GOAL: AFFORDABLE OWNER-OCCUPIED HOUSING	
Objectives	
1. Assist with emergency repairs	High
2. Assist with financing home repairs and improvement projects	High
3. Assist and or support new construction	High
4. Provide direct financing assistance to first time homebuyers	High

2010 – 2011 Priority Needs Summary Table	
GOAL: HOMELESS/HIV/AIDS/ NON-HOMELESS SPECIAL NEEDS	
	Need Level
Objectives	
1. Provide outreach assessment services	High
2. Maintain emergency shelters	High
3. Maintain/develop permanent supportive housing	High
4. Maintain/develop permanent housing	High
GOAL: CDBG: PUBLIC FACILITY NEEDS	
Objectives	
1. Youth Centers	High
Child care centers	High
Health Facilities	High
2. Senior Centers	Medium
Neighborhood Facilities	Medium
Parks and/or recreation Facilities	Medium
Parking Facilities	Medium
Other Public Facilities	High
GOAL: CDBG INFRASTRUCTURE IMPROVEMENT	
Objectives	
1. Water Improvements	High
Street Improvements	High
Sewer Improvements	High
2. Sidewalk Improvements	Medium
GOAL: PUBLIC SERVICE NEEDS	
Objectives	
1. Handicapped Services	High
Youth Services	High
Substance Abuse Services	High
Employment Training	High
Workforce Development Activities	High
Crime Awareness	High
Health Services	High
2. Senior Services	Medium
Transportation Services	Medium
Fair Housing Counseling	Medium
Tenant/Landlord Counseling	Medium
Child Care Services	Medium
Other Public Services Needs	Medium
GOAL: HISTORIC PRESERVATION NEEDS	
Objectives	
1. Non-residential Historic Preservation Needs	Low

2010 – 2011 Priority Needs Summary Table	
GOAL: ECONOMIC DEVELOPMENT NEEDS	
Objectives	
1. Commercial Industrial Rehabilitation	High
Commercial-Industrial Infrastructure	High
Other Commercial Industrial Improvements	High
2. Micro-Business	High
Other Businesses	N
Technical Assistance	Medium
Other Economic Development Needs	N
GOAL: OTHER COMMUNITY DEVELOPMENT NEEDS	
Objectives	
1. Lead Based Paint/Hazards	High
2. Energy Efficiency Improvements	Medium
GOAL: PLANNING	
Objectives	
1. Planning	High

Funds will be made available as follows:

<u>Projected Program/Activity:</u>	
<u>Community Development Block Grant</u>	\$ 2,242,616.00
▪ <u>Economic Development:</u> Amount contingent upon available funding and eligible proposed activities	
▪ <u>Public Facilities:</u> Amount contingent upon available funding and eligible proposed activities	
<u>HOME Partnership Investment Program</u>	
▪ CHDO Set-Aside	\$ 181,971.00
▪ Other HOME Activities -	\$ 909,859.00
➤ Housing rehabilitation for sale to low/mod Families	
➤ New Construction of housing for sale to low/moderate income families	
➤ Acquisition of property connected to a proposed HOME-funded activity	
➤ Site Improvements related to a proposed HOME-funded activity	
➤ Pre-development connected to a proposed HOME-funded activity (HOME-funded unit within 24 months of award)	
➤ See Addendum A	
<u>Emergency Shelter Grant Program -</u>	\$ 117,030.00
▪ Prevention of Homelessness	
▪ Essential Services	
▪ Operations of Winter & Short-Term Homeless Shelter	

You should submit the **original and one copy** of the completed proposal. Assembling instructions can be found on the next page of this document. Your proposal should be submitted to the **Bureau of Grants Management, Room 316, City Hall, Camden, NJ, between the hours of 8:30 a.m. and 4:30 p.m.** You will be required to sign in the proposal. A sign-in sheet will be available at the reception area front desk.

Questions

For answers to any questions, you may contact the Bureau of Grants Management at (856) 757-7688 or 757-7689.

Due Date

Completed applications are due **on or before January 20, 2010, no later than 4:30 p.m.** Late applications will not be accepted or will be returned to you as ineligible.

Application Instructions

I. Presentation and Organization of the Proposal

- A. Each exhibit must be clearly marked, pages must be numbered sequentially, and divider pages with tabs must be inserted in the package to identify and separate each exhibit and its supporting materials. Applications must be submitted on 8.5" x 11" paper of reproducible quality. Applications should be bound in a fashion that facilitates an efficient review of the material such as insertion in a ring binder. Submit only the original in a ring binder and one copy of the Proposal.
- B. Include a Table of Contents
- C. Do not submit a transmittal letter. The Application form (included herein) serves that purpose.
- D. Do not submit unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this Request for Proposal (RFP). Elaborate artwork, expensive paper, and visual or other presentation aids are neither necessary nor desirable.

II. Application Requirements

The items listed below (1 - 20) represent the required components for a complete submission this year. **You may use this checklist to verify that your application is complete prior to submission and in the correct order as specified by the list. Do not include the checklist with your application.**

- () 1. **Application Form.** Place the application form as the first page of the application, followed by the other documents specified below. The authorized representative of your organization **must** sign the application. **Make certain the form is completed and all applicable questions answered.**
- () 2. **Acknowledgment of Application Receipt** (optional) – A receipt is provided for you to submit with your application if you would like the City of Camden to notify you that your application has been received.
- () 3. **Table of Contents**
- () 4. **Budget.** You must submit a Budget indicating how you will use the funds requested and indicating other sources of funding committed for the activity/project. Follow the sample budget forms labeled Attachment A or B.
- () 5. **Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience.** Your narrative should not exceed 5 pages.
 - a. Describe the knowledge and recent and relevant experience of your proposed activity/project director and staff (including the day-to-day program manager, consultants and contractors) in planning and managing programs for which funding is being requested. Describe your readiness and ability to immediately begin the proposed work plan on the date specified in Ranking Factor No. 2.

For each identified employee and consultant/subcontractor to be allocated to the activity/project, identify the titles, and describe the roles to be performed by each.

- b. **Previous Awards.** If you were cited by the City of Camden as having a negative monitoring finding for which corrective action was required, include a copy of your response to the City outlining the steps to be taken to correct the finding(s), and describe the steps you have taken to date to correct said findings. The City will review any documentation concerning past noncompliance with any past awards or unexpended funds and will consider that information in making funding decisions.

() 6. **Rating Factor 2. Description of the Proposed Activity/Project and Its Relationship to the City's 5-year Consolidated Plan.**

- a. A detailed, but concise, description of the activity/project that you are proposing and its relationship between the proposed activity/project and the identified goals and priorities (contained herein).
 - 1) Describe how the activity/project *objective* will meet one of the National Objectives described in 24 CFR 570.208. Include a Map showing location and census tract of the proposed activity/project.
 - 2) The extent to which you document a critical level of need, for the proposed activities in the area/census tract where activities will be carried out;
 - 3) List one of the standard *indicators* to measure the primary *outcome* of the anticipated positive behavior;
 - 4) Provide a list of tools projected to track progress for the proposed activities; and
 - 5) The time required to implement the proposed activity/project. Include an **Implementation / Production Schedule**.

Preference will be given to activities/project that can be implemented within 6 months, no later than a year, after this award.

- If you are proposing a **Housing Rehabilitation or Construction of New Housing** activity, describe whether you have site control and list the properties targeted for rehabilitation or the lots to be constructed on. Attach documentation evidencing ownership of the property(s) in question or evidencing an Option Agreement to purchase such property(s).
- If proposing a **Public Facility** project, describe whether you have site control and list the address of the property(s) to be targeted with this request. Attach documentation evidencing ownership.
- If proposing an **Economic Development** activity/project, provide evidence of site control (if rehabilitation/new construction). Also, specify in your description the number of jobs to be created by the activity and or the number of low/mod income City residents to receive training.
- Limit your narrative to not more than 10 pages.

() 7. **Rating Factor 3: Leveraging Resources**

This factor addresses your ability to secure other resources that can be combined with this request to achieve program purposes. Your evidence of this would consist of document copies such as signed and dated letters or funding certifications from the funding source(s) that provide funds to the proposed activity/project. The statements must be from the funding source and must show the amount of funds available, and the period of time the funds are or will be available for use. In addition to the award letters, if there are multiple funding sources, please ensure that your budget indicates the name of the source and the amount of funds awarded.

() 8. Rating Factor 4: Affirmative Marketing and Outreach

Describe how you plan to carry out the proposed activity/project to all eligible segments of your target area regardless of race, color, national origin religion, sex, disability or familial status. Your strategy should include outreach to those who would be least likely to apply for and/or receive the service proposed in your application.

- a. Describe the specific steps your organization has taken or will take to identify and coordinate its proposed activity/project with those in other groups or organizations. Include in your description how the proposed activity/project will complement, support or augment other such efforts. Limit your response to two (2) pages.

() 9. Rating Factor 5: Status of Applicant's Tax Liabilities

If your organization owns property in the City of Camden that is not tax-exempt, you must provide evidence that all your tax, water and sewer obligations are paid up-to-date. Complete and submit the attached Certification of Current Tax Liability.

() 10. Section 3 Requirement

Section 3 is a provision of the Housing & Community Development Act of 1968 that is designed to help foster local economic development and individual self-sufficiency. The Section 3 Program requires that recipients of HUD financial assistance, to the greatest extent feasible, provide job training, employment and contracting opportunities to low and very low income residents. Specifically, the Section 3 regulations (which can be found at 24 CFR Section 135) apply to recipients of federal housing and community development assistance in excess of \$200,000 that is expended for: housing rehabilitation, housing construction, or other public construction projects; and to contracts and sub-contracts in excess of \$100,000 awarded in connection with a Section 3 covered activity.

Recipients subject to Section 3 must maintain appropriate documentation that demonstrates compliance with the requirements. Additionally, all recipients of Section 3 covered assistance must submit an annual accomplishments report that indicates employment and other economic opportunities provided to low and very low income persons.

() 11. Implementation Schedule

() 12. Organizational Chart and Résumés (identify staff Name and Title on the Organizational chart)

() 13. Up-to-date List of Board of Directors (Indicate resident members and provide addresses)

() 14. Conflict of Interest Form - Note: complete the attached Conflict of Interest Form for any Board Member/Government Official (See attachment)

() 15. Copy of 501(c) 3 Non-Profit Designation (not necessary if awarded funds last fiscal year)

() 16. Copy of 2007/2008 Agency Audit (or at a minimum, a current financial statement)

() 17. Copy of a current Charities Registration (not necessary if most recent renewal was previously submitted)

() 18. Copy of agency's Affirmative Action Plan/Process

() 19. Copy of agency's Procurement Procedures

() 20. Copy of agency's By-laws and Certificate of Incorporation (not necessary if awarded funds last fiscal year and the documents remain unchanged)

() 21. Applicant Certification and Authorization

() 22. Board Resolution Authorizing Application

III. Sample Budget Forms

(See Attachments A & B)

IV. CHDO Application, Affidavit, and FAQ Forms

() 23. Submit all CHDO requirements as a separate complete package (optional)

V. Addendum A

V. Review and Evaluation

The City of Camden, Bureau of Grants Management staff will review each proposal for eligibility and completeness based on the requirements of the RFP. The Citizen Participation Advisory Panel (CPAP) will review and evaluate each proposal based on the criteria in the RFP. There are five factors that will be used to evaluate each proposal as follows:

- Factor 1: Capacity of the Applicant and Relevant Organizational Experience
- Factor 2: Description of Proposed Activity and Its Relationship to the 5-Year Consolidated Plan
- Factor 3: Leveraging Resources
- Factor 4: Affirmative Marketing and Outreach
- Factor 5: Status of Agency Tax Liabilities

Following the CPAP review, the Department of Development and Planning and the Department of Health and Human Services will perform an administrative review. Prior performance, outstanding monitoring issues and the CPAP ranking of the proposal will be taken under consideration. The Administrative Review will produce a list of proposals to be recommended for funding. The proposed funding list will be presented to the Mayor for final approval. ***Submittal of a proposal does not guarantee a funding commitment.***

Two public hearings will be held prior to HUD submission for approval. All public hearings will be advertised in the Courier Post and flyers will be distributed to Community Centers, Libraries, Rutgers University, Rowan University and Camden County College.



CITY OF CAMDEN
 DEPARTMENT OF FINANCE
 BUREAU OF GRANTS MANAGEMENT

ACKNOWLEDGMENT OF RECEIPT OF PROPOSAL FOR FUNDING

The City of Camden, Department of Finance, Bureau of Grants Management, hereby acknowledges receipt of proposal submitted by _____
 (name of agency)
 on _____.

The proposal was () was not () received within the required deadline date of January 20, 2010, 4:30 p.m.

_____ (print name)
 _____ (signature)
 _____ Date



NON-PROFIT CONFLICT CERTIFICATION

I _____, being of legal age do hereby certify:
(Name)

1. I (am/am not) an employee for the City of Camden. My title is _____
_____. However, I function as a _____

2. A potential appearance of a conflict may exist with _____
(Organization)
for the reason that a dual relationship may exist (*check all applicable statements*):

I serve as _____ for the _____ organization.
(Title)

A (relative/other) _____ connected to said organization
(Name)
in the following capacity: _____
_____ Duration: _____

The relationship of _____ circle one *is/ is not* of a totally voluntary nature.

I receive no monetary or other benefits from my relationship to said organization.

3. I am aware that it is my responsibility to disclose any conflicts or potential appearance of conflict of interest: my outside relationship may generate for the City of Camden.

4. I have not and will not utilize my position with the City of Camden to influence benefits to _____.
(Organization)

5. I have attached another explanation Yes _____ No _____

My signature certifies that the statements provided are true. I am aware that if any of the statements are willfully false, the organization's grant may be forfeited or recaptured.

Date: _____

Signature

City Of Camden Personnel Only

Received by _____

SAMPLE BUDGET FORM

City Of Camden
 Entitlement Funding FY 2010-2011
 Term: 7/1/10-6/30/11
 Attachment A

BUDGET CATEGORY	APPROVED BUDGET: Entitlement Funding	Other Source Funding	Other Source Funding	Project Total
Construction				
Construction Management				
Engineering				
Space Rental				
800.00 monthly				
Office Supplies				
Travel				
Training				
Total				

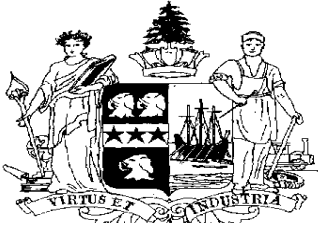
INSTRUCTIONS: When completing this form, you must list all applicable budget categories amounts and funding sources in the columns provided. Feel free to duplicate this form add any necessary rows or columns for applicable budget information.

SAMPLE BUDGET FORM

CITY OF CAMDEN
 HOME FUNDING - CONSTRUCTION/REHAB PROJECTS
 7/1/10-6/30/11
Attachment B

BUDGET CATEGORY	HOME BUDGET:	*Reinvestment Fund	Balanced Housing	HMFA	Developer Equity	Project Total
Building Property Acquisition						
Construction						
Construction						
Contingency						
Construction Management						
Contractor Overhead						
Professional Fees						
Legal						
Audit & Accounting						
Surveys						
Engineering						
Environmental						
Appraisal						
Other Soft Cost						
Financing						
Total						

INSTRUCTIONS: When completing this form, you must list all applicable budget categories, amounts and funding sources in the columns provided. Feel free to duplicate this form and add any necessary rows or columns for applicable budget information.



CITY OF CAMDEN

Department of Finance

Bureau of Grants Management

Community Housing Development Organization (CHDO) Certification

Application

Organization Name: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Phone: (____) _____ **Zip:** _____ **Fax:** _____

Email: _____ **Internet Address:** _____

Executive Director: _____

Contact Person (If different from above): _____

Date of Incorporation: _____

Dunn & Bradstreet Number: _____

Tax ID Number: _____

IRS Tax Status (Please check appropriate box):

501(c)(3) **Received** **Pending**

501(c)(4) **Received** **Pending**

Other: _____

Applications for Community Development Organization (CHDO) Certification will be processed within four weeks of submittal. CHDO Certification will expire within one year of the effective date unless recertified.

City Of Camden

Community Housing Development Organization (CHDO)

Certification



AFFIDAVIT OF BOARD REPRESENTATION

On this ____ day of _____, 2010 I, _____ hereby certify that the individuals identified in the attached exhibit are residents of a low income neighborhood, other low income community resident, or elected representatives of a low income neighborhood organization and 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.

Executive Director

Date

Notary Information:

FOR ALL HOUSING PROJECTS:

DESCRIBE INCOME RANGE OF POPULATION SERVED

e.g. Very Low Income: below 30% of area median
Low Income: above 30% but below 60% of area median
Moderate Income between 60 to 80% of area median

DEVELOPMENT BUDGET WITH A SOURCE AND USE STATEMENT DESCRIPTION

Development Budget with a Source and Use Statement that describes all anticipated funding sources including equity contributions and the requested Federal subsidy, the dollar amount for each source and their intended uses e.g. contribution, acquisition, professional fees, etc.

In addition all, respondents must include the status of the funding sources including commitment letters, copies of letters of support with financial terms and required security interests.

For rental projects, a 15 year pro forma is required that will describe all project income and expenses based on achievable rent levels, market vacancies and operating costs.

NOTE: Annual income and operating expense increases should not exceed 3 & 5% respectively.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS “CHDOs”

§92.2 Definitions

Community Housing Development Organizations means a private nonprofit organization that-

- (1) Is organized under state or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO may be sponsored by or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization’s governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The CHDO must be free to contract goods and services from vendors of its own choosing;
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c) (3) or (4) of the Internal Revenue Code of 1986; (26CFR1.501(c) (3)-1);
- (5) Does not include a public body (including the participating jurisdiction) or an instrumentality of a public body. An organization that is state or locally chartered may qualify as a community housing development organization; however, the state or local government may not have the right to appoint more than one-third of the membership of the organization’s governing body and no more than one-third of the board members can be public officials or employees of the PJ or State recipient. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21 “Standards for Financial Management System”;
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by-
 - i. Maintaining at least one-third of its governing board’s membership for residents for low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. For urban areas, “community” may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire state), provided the governing board contains low-income residents from each county of the multi-county area; and
 - ii. Providing a formal process for low-income, program beneficiaries to advise the organization in its decisions regarding the design, citing, development, and management of affordable housing;
- (9) Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced accomplished key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
- (10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community (from the data the participating jurisdiction provides HOME funds to the organization). However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Source: HOME Final Rule April 1, 2004



**City of Camden
Bureau of Grants Management
Community Housing Development Organization Checklist**

The information contained in the following checklist refers to the definition of a Community Housing Development Organization (CHDO) as stated in Subpart A, § 92.2 of the HOME Rule. Please attach the following documentation with your request for certification:

CHDO CHECKLIST

I. LEGAL STATUS

A. The nonprofit organization is organized under New Jersey 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 © (3) or (4) of the Internal Revenue Code of 1986, as evidence by:

- a 501 © (3) or (4) Certification from the IRS.

or

Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by:

- 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:

- Charter;
- Articles of Incorporation;
- Bylaws, or
- Resolutions.

II. CAPACITY

Checklist Page 2

- A. Conforms to the financial accountability standards of 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;
 - 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:
- resume and/or statement that describe the evidence of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, **or**
 - 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 within which housing to be assisted with HOME funds is to be located, as evidenced by:
- a 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.

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’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 president or other official of the organization must sign the statement.

III. ORGANIZATIONAL STRUCTURE

Checklist Page 3

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 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 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, 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 and employees of the PJ), 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

Checklist Page 4

A. The 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 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, evidenced by:
- In 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:

- By-laws,
- Charter, **or**
- Articles of Incorporation.

Note: All CHDO vendors providing goods and services to the City of Camden are required to comply with the City's procurement procedures in accordance with 24 CFR 84.

Frequently Asked Questions (FAQ) about CHDOs



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******Question One*

What is a CHDO?

A private nonprofit organization with a 501 (c) federal tax exemption, a CHDO must also include providing decent, affordable housing to low-income households as its purpose in its charter, articles of incorporation, or bylaws. It must serve a specific, delineated geographic area; a neighborhood, several neighborhoods, or the entire community. Merely serving certain population groups (by ethnicity; race, age, or gender) does not qualify. Note on the 501 (c); participating jurisdictions cannot contract with nonprofits as CHDOs with pending 501 (c) applications.

******Question Two*

Are these requirements for community participation in CHDOs?

The CHDO must have a formal process for involving potential and actual low-income HOME program beneficiaries in the design, siting, and development of CHDO programs and projects. The more complex standards involve low-income accountability, no less than one-third of the CHDO's governing board must be residents of low-income neighborhoods (defined as at least 51 percent of households with incomes below 80 percent or median), low-income residents of the CHDO's target area, or elected representatives of low-income neighborhood organizations. Some nonprofits may have trouble with both standards: the required board structure may necessitate restructuring or the creation of eligible subsidiaries plus, for CHDO projects, the establishment of project-specific advisory committees.

******Question Three*

What kind of experience does a CHDO have to possess?

A CHDO must demonstrate the capacity to carry out HOME development projects, by displaying a development track record, by hiring experienced development staff, or by hiring experienced consultants with a plan to train the CHDO development staff. The CHDO must also have at least one year of serving its HOME target community prior to receiving HOME funds.

Since some CHDOs are likely to be new organizations established specifically for HOME, they can inherit their required one-year of serving its HOME target community prior to receiving HOME funds. As new organizations established specifically for HOME, they can inherit their required one year of community service from a parent organization, such as an existing community development corporation (CDC), a human service organization (such as the local United Way affiliate), a community land trust, a mutual housing organization (MHA); a church group. Etc. Church organization can create and sponsor CHDOs, but CHDOs must be secular, and CHDO projects must be available to any eligible low-income households regardless of religious affiliation.

******Question Four******

Can local government create CHDOs?

The HOME program calls for the authentic community-based nonprofits as CHDOs. Public bodies or instruments of public bodies (public housing authorities, redevelopment agencies, housing finance agencies, etc.) do not qualify. Local or state governments can appoint no more than one-third of the membership of a CHDO board, and public officials can constitute no more than one-third of a CHDO board.

******Question Five******

Can for-profit organizations create CHDOs?

Yes, for-profits can sponsor CHDOs, but there are important limitations. The CHDO must be truly nonprofit and not controlled or directed by people wanting to profit from the CHDO’s activities. Like the government prohibition, a for-profit may appoint no more than one-third of the board members of a CHDO, and those members cannot appoint the remainder of the board. Despite its for-profit “parent,” the CHDO has to be free to contact with whomever it wants for goods and services. Note: a for-profit real estate builder, developer, or manager CANNOT sponsor a CHDO.

******Question Six******

Why should a participating jurisdiction bother with CHDOs?

If a PJ fails to contract for and commit its CHDO set-aside, the jurisdiction automatically loses the money, with no appeal. The participating jurisdiction has 18 months to reach a written agreement with a CHDO (or more than one CHDO) to reserve the funds for specific CHDO-sponsored projects and 24 months to commit the funds for specific CHDO project activities. CHDOs producing housing under rental housing production set-aside funds for communities eligible for new construction have 36 months.

******Question Seven******

What can CHDOs do with HOME funds?

Like any participating nonprofit developer in the HOME program, CHDOs can use the funds for any eligible HOME activities: acquisition, rehab, construction, first-time homebuyer assistance, relocation, etc. However, the only HOME activities that qualify for the CHDO set-aside are projects that are developed, sponsored, or owned by the CHDO. That means the CHDO must be the hands-on developer of a HOME project, with the financial risk for the deal, with effective management control of the fundamental decisions of development. In a federal Low Income Housing Tax Credit rental project, a CHDO or its wholly-owned for-profit subsidiary (also eligible as a CHDO for HOME set-aside purposes) must be the managing general partner or co-managing general partner. CHDO set-aside funds cannot be used for otherwise HOME-eligible tenant-based rental assistance.

******Question Eight*

Is the nonprofit participation limited to the CHDO set-aside?

The CHDO set-aside is for nonprofit CHDOs only. Other nonprofit developers can participate in the non-CHDO portions of HOME programs.

******Question Nine*

Is the PJ limited to only 15 percent for CHDOs?

The 15 percent set-aside is the floor for CHDO participation in local HOME program, not the ceiling. Some participating jurisdictions are anticipating much higher proportions of HOME funding for CHDOs, up to 100 percent.

******Question Ten*

Can CHDOs do things that other HOME program participants cannot?

One unusual part of the HOME program concerns new construction. Many jurisdictions are prohibited from using HOME funds for new construction. There are two exceptions; one for special needs housing, the other for new construction in conjunction with neighborhood revitalization efforts. In officially designated neighborhood revitalization areas (not the entire municipality), a CHDO or a public agency can own, develop, or sponsor HOME subsidized new construction projects with the following caveats:

- No less than 51 percent of all the public funds spent on the neighborhood revitalization program during the previous year were spent on rehabilitation of substandard housing.
- The participating jurisdiction must certify that rehab is not the most cost effective way of meeting the affordable housing needs of the neighborhood and that affordable housing need cannot be met solely through rehab.
- The neighborhood must be low-income.

The jurisdiction must certify that either the HOME-assisted new construction will not exceed 20 percent of the total number of HOME-assisted units in the neighborhood revitalization program, or (choose one) 1) the housing will be in severely distressed neighborhood with large expanses of vacant land and abandoned buildings, 2) the neighborhood has an inadequate supply of housing that can be economically rehabilitated to meet needs, or 3) the new construction is essential to accomplish the neighborhood revitalization program.

All those requirements mean that a CHDO-linked neighborhood revitalization program might be the only vehicle for some jurisdiction to do new construction.

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******Questions Eleven*

Are the additional eligible program uses for HOME funds in HDO projects?

The participating jurisdiction can reserve up to 10 percent of the CHDO set-aside for forgivable project – specific predevelopment loans. A CHDO can use these loans for project planning, feasibility studies, site control, architectural and engineering costs, legal fees, etc. For non-CHDO developments, such predevelopment loans must be repaid to the jurisdiction if the HOME-subsidized project does not proceed. The 10 percent seed loan reservation applies to the total amount of the CHDO set-aside established by the participating jurisdiction, not just the required 15 percent.

******Question Twelve*

Who will pay a CHDO for carrying out CHDO set-aside projects?

Unfortunately, there is no general administrative or operating money in HOME for participating jurisdiction, CHDOs, or other HOME development sponsors. However, direct project-related staff costs are HOME-eligible, such as a CHDO’s expense in hiring a project manager for HOME-assisted development. A CHDO staff member’s activity on tasks other than direct development roles in HOME developments will be ineligible expenditures. Homebuyer counseling is not an eligible HOME cost except when the CHDO, as project owner, has actually incurred the cost of counseling provided to households that will ultimately purchase a HOME-assisted unit.

******Question Thirteen*

Are there other benefits available to CHDOs?

A provision of HOME authorizes funding for national and single-state nonprofit intermediary organizations to assist CHDOs. Among eligible uses of HOME technical assistance funding is organizational support for CHDOs; that is, “pass-through” funding for CHDO administrative and operational expenses, housing counseling assistance, and training and technical assistance on nonprofit development and management. However, CHDOs cannot receive funding through the home technical assistance pot for operating and educational uses if, together with other federal assistance, they add up to more than 5 percent of the CHDO’s total fiscal year operating budget.

******Question Fourteen*

Are there non-HOME benefits from becoming a CHDO?

Currently working their way through HUD and the Office of Management and Budget (OMB) are regulations for the preservation of federally subsidized rental projects with expiring subsidies (known as Title VI or LIHPRJIA). Under Title VI, organizations that qualify as community-based nonprofit organizations (CBNOs) can be eligible for special financial incentives (federal moneys covering transaction costs and subsidizing the acquisition price) as priority purchasers of expiring use projects. Under the legislation, CBNOs and CHDOs look almost identical. A functioning CHDO, therefore, might be able to qualify as a CBNO priority purchaser under Title VI.

