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**Community Housing Development  
Organization (CHDO)  
Certification Application**

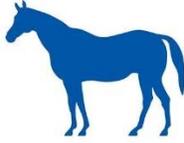
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Lexington-Fayette Urban County Government  
Division of Grants and Special Programs  
200 E. Main Street  
Lexington, KY 40507  
(859) 258-3070

Adopted: October 2017







## CHDO Certification Application Attachments Checklist

Please complete the applicant portion of this checklist. Include the requested information in the Attachments indicated and check off the item in the checklist. Articles of Incorporation, By-Laws, Charters, Memoranda of Understanding, Contracts, Certifications and Resolutions must be signed and dated by the Board President or other authorized signatory. Incomplete applications will not be considered.

LEGAL STATUS		DGSP Use Only
<b>A</b>	<p>The nonprofit organization is organized under State or local laws. As <b>Attachment A-1</b>, please provide a signed and dated copy of:</p> <p>_____ A Charter, <b>-OR-</b></p> <p>_____ Articles of Incorporation</p> <p>As <b>Attachment A-2</b>, please provide a Certificate of Good Standing from the Kentucky Secretary of State's office. If the organization is newly created and has been in Existence less than one year, a Certificate of Existence will suffice.</p> <p>Date of incorporation: _____</p>	<p style="text-align: center;">Requirement Met?</p> <p style="text-align: center;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
<b>B</b>	<p>No part of its net earnings inure to the benefit of any member, founder, contributor, or individual. As <b>Attachment B</b>, please provide and highlight the appropriate area in the following document:</p> <p>_____ A Charter, <b>-OR-</b></p> <p>_____ Articles of Incorporation</p>	<p style="text-align: center;">Requirement Met?</p> <p style="text-align: center;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
<b>C</b>	<p>Has either a tax exemption ruling or conditional designation from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. As <b>Attachment C</b>, please provide complete copy of:</p> <p>_____ A 501(c) Certificate from the IRS, <b>-OR-</b></p> <p>_____ Letter of conditional designation from the IRS</p>	<p style="text-align: center;">Requirement Met?</p> <p style="text-align: center;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>

LEGAL STATUS		DGSP Use Only
<b>D</b>	<p>Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people. As <b>Attachment D</b>, please provide and highlight the appropriate area in one of the following documents:</p> <p>_____ Charter</p> <p>_____ Articles of Incorporation</p> <p>_____ By-laws</p> <p>_____ Resolutions</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
<b>E</b>	<p>Conforms to the financial accountability standards of 2 CFR Part 200. As <b>Attachment E</b>, please provide a copy of one of the following:</p> <p>_____ A notarized statement by the president or chief financial officer of the organization;</p> <p>_____ A certification from a Certified Public Accountant;</p> <p><b>-OR-</b></p> <p>_____ A HUD approved audit summary.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
CAPACITY/EXPERIENCE		DGSP Use Only
<b>F</b>	<p>Has a demonstrated capacity for carrying out activities assisted with HOME funds. As <b>Attachment F</b>, please provide the following:</p> <p>_____ Resumes and/or narrative that describes the experience of key staff and board members who have successfully completed HOME-funded projects similar to those to be undertaken as a CHDO.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
CAPACITY/EXPERIENCE		DGSP Use Only
<b>G</b>	<p>Has a history of serving the community(ies) where housing to be assisted with HOME funds will be produced. As <b>Attachment G</b>, provide one of the following:</p> <p>_____ Statement signed by the Board President that details at least one year of experience in serving each community for which Certification is sought,</p> <p><b>-OR-</b></p> <p>_____ For newly created organizations formed by local churches, service or community organizations, a statement signed by the Board President that details that its parent organization has at least one year of experience in serving each community for which Certification is sought.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>

ORGANIZATIONAL STRUCTURE		
<b>H</b>	<p>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 <b>Attachment H</b>, highlight the relevant text in one of the following:</p> <p>_____ By-Laws            _____ Charter            _____ Articles of Incorporation</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
<b>I</b>	<p>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.</p> <p>As <b>Attachment I</b>, highlight the relevant text in one of following:</p> <p>_____ The organization's By-laws, <b>-OR-</b>            _____ Resolutions, <b>AND</b>            _____ A written statement of operating procedures approved and signed by the governing body.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>
ORGANIZATIONAL STRUCTURE		DGSP Use Only
<b>J</b>	<p>A CHDO may be chartered by a State or local government, however, the State or local government may not appoint:</p> <p>(1) more than one-third of the membership of the organization's governing body;</p> <p>(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</p> <p>(3) no more than one-third of the governing board members are public officials.</p> <p>As <b>Attachment J</b>, highlight relevant text in one of the following which describes the process for selecting the remaining two-thirds of the board members:</p> <p>_____ By-Laws            _____ Charter            _____ Articles of Incorporation</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>

<p><b>K</b></p>	<p>Is the CHDO sponsored or created by a for-profit entity?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>If yes, the for-profit entity may not appoint more than one-third of the membership of the CHDO's board and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members.</p> <p>As <b>Attachment K</b>, highlight the relevant text in one of the following which describes the process for selecting the remaining two-thirds of the board members:</p> <p>_____ By-Laws          _____ Charter          _____ Articles of Incorporation</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>
<p><b>RELATIONSHIP WITH FOR-PROFIT ENTITIES</b></p>		<p><b>DGSP Use Only</b></p>
<p><b>L</b></p>	<p>Does the CHDO have a relationship with a for-profit entity?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>If yes, the CHDO cannot be controlled by, nor receive directions from, individuals or entities seeking profit from the organization.</p> <p>As <b>Attachment L</b>, highlight the relevant text and provide one of the following:</p> <p>_____ The organization's By-laws, <b>-OR-</b>          _____ A Memorandum of Understanding (MOU).</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>
<p><b>M</b></p>	<p>Is the CHDO sponsored or created by a for-profit entity?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>If yes, A CHDO may be sponsored or created by a for-profit entity, however:</p> <p>(1) The for-profit entity's primary purpose does not include the development or management of housing.</p> <p>As <b>Attachment M-1</b> provide:</p> <p>_____ The for-profit organization's By-Laws, AND;</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>

	<p>(2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing. As <b>Attachment M-2</b>, highlight relevant text in the following CHDO:</p> <p>_____ By-Laws</p> <p>_____ Charter</p> <p>_____ Articles of Incorporation</p>	
<b>HOUSING AS PRIMARY PURPOSE</b>		
<b>N</b>	<p>Certification is available only to organizations whose primary purpose is to provide and develop affordable housing. Please provide as <b>Attachment N</b>, a copy of the following:</p> <p>_____ Copy of current fiscal year's full operating budget categorized by program, <b>AND</b></p> <p>_____ Description of current and planned affordable housing activities.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>
<b>BUSINESS PLAN</b>		<b>DGSP Use Only</b>
<b>O</b>	<p>Please provide as Attachment O, a copy of the following:</p> <p>_____ Copy of CHDO's 2-year business plan</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>
<b>BOARD CERTIFICATION</b>		
<b>P</b>	<p>The Board and its low-income representatives must certify that it meets the low-income CHDO requirements. As <b>Attachment O</b>, attach</p> <p>_____ Certification of Low Income Representation (form attached), <b>AND</b></p> <p>_____ Certification of Board Status</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>
<b>Q</b>	<p>_____ Do board members have professional skills directly relevant to housing development (e.g. real estate, legal, architecture, finance, management)? If so, as <b>Attachment P</b>, attach written documentation of each board member's profession and relative experience.</p>	<p>Requirement Met?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Comments:</p>

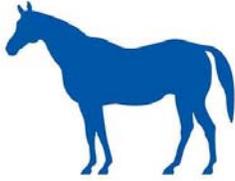
<b>R</b>	<p>All CHDOs, except those operating for their initial year, must have full time, experienced, paid employees. Please attach:</p> <p>_____ Three months of payroll records for at least one (1) CHDO employee.</p>
	<p style="text-align: right;">Requirement Met?</p> <p style="text-align: center;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Comments:</p>

**For DGSP Use Only:**

Approved     Disapproved

DGSP Director's Signature: \_\_\_\_\_

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



**CHDO Capacity Assessment**  
**(Attach to CHDO Certification Application)**

CHDO Applicant: \_\_\_\_\_

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_  
(name and title)

*Please provide **detailed** answers to the following questions regarding your organization's capacity to act in the role of a CHDO developer and to administer CHDO set-aside funds. Your responses to this assessment will be used in conjunction with the CHDO Certification Application to evaluate your organization's readiness and capacity to be a CHDO and will assist in DGSP's determination to award the CHDO designation.*

**Organizational Status**

1. Can your organization provide a Certificate of Good Standing from the Kentucky Secretary of State's Office? If yes, please attach.

Yes

No

**Board of Directors**

2. Has there been stability and continuity in the members of your organization's board of directors over the last several years? Please explain.

3. Does the board have a committee structure or other means of overseeing planning and development? Please describe.

4. Describe the professional skills of the board members that are directly relevant to housing development (e.g., real estate, legal, architecture, finance, management).

5. Describe the relationship between the board of directors and the staff of your organization. Do the board and staff have shared goals?

**Identity of Interest**

6. Are there any identity of interest issues between your organization and any of the contractors, consultants or other professional service providers that are used for development activities that might constitute a real or perceived conflict of interest? Please explain.







## **Development Capacity**

19. Describe the skills of key housing staff in the following areas:

- Market analysis
- Legal/financial aspects of housing development
- Management of real estate development
- Oversight of design and construction management
- Marketing and client intake
- Property management (if proposing rental activities)

20. Does your organization utilize the services of qualified consultants or other partners in your housing developments? Describe the training these third parties provide to your staff and board members to build their capacity.

**Certification of Low-Income Representation**

(complete this form for every Board Member that it applies to and attach signed forms to your application)

Board Member Name: \_\_\_\_\_

I certify that I am a current member in good standing of the governing board for

\_\_\_\_\_ (name of the CHDO organization)

and that I represent the interests of low-income families in this organization's targeted service area. I have checked below the manner in which I meet the qualification as a low-income representative:

I qualify as a low-income resident under the HOME Program definition. The gross annual income of my household of \_\_\_\_\_ people is at or below 80% of the Lexington-Fayette County area median income in the amount of \$\_\_\_\_\_.  
(80% AMI limit)

I live in a low-income area (where 51% or more of the households in my US Census tract have incomes at or below 80% of the area median household income, as defined by HUD), which is part of the CHDO's targeted service area. My census tract is \_\_\_\_\_. **The Census tract data must accompany this certification.**  
(census tract number)

I am an elected representative of \_\_\_\_\_,  
(name of low-income neighborhood organization)  
located within \_\_\_\_\_, which is part of the  
(name of CHDO's targeted service area)

CHDO's targeted service area. **The meeting minutes and election roster that demonstrates the election of the member must be provided.**

If the applicant is representing a low-income neighborhood organization, please attach a copy of the signed resolution from the neighborhood organization naming the individual as their representative on the CHDO's board of directors.

By signing and dating this statement, I hereby certify that I meet the low-income representation characteristic checked above.

\_\_\_\_\_  
Board Member Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Board President Signature

\_\_\_\_\_  
Date

CHDO Name: \_\_\_\_\_

**Board of Directors**

**SELECT ONLY ONE**  
 (Appropriate Documentation Must Be Provided)

	<b>Current Board Member Name</b>	<b>County of Residence</b>	<b>Employer</b> (If unemployed, indicate reason such as student, retired, disabled, etc.)	<b>Low-Income Household</b> (below 80% AMI)	<b>Resident of a Low-Income Neighborhood</b> (provide US Census tract data)	<b>Elected Representative of a Low-Income Neighborhood Organization</b>	<b>Public Official or Employee</b>	<b>Private Sector</b>	<b>Term Expiration Date</b>
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2.									
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12.									
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14.									
15.									

I certify that this listing of current, participating board members is accurate.

\_\_\_\_\_  
**Board President Signature**

\_\_\_\_\_  
**Date**

CHDO Name: \_\_\_\_\_

**Board of Directors**

**SELECT ONLY ONE**  
(Appropriate Documentation Must Be Provided)

**Page 2**

	<b>Current Board Member Name</b>	<b>County of Residence</b>	<b>Employer</b> (If unemployed, indicate reason such as student, retired, disabled, etc.)	<b>Low-Income Household</b> (below 80% AMI)	<b>Resident of a Low-Income Neighborhood</b> (provide US Census tract data)	<b>Elected Representative of a Low-Income Neighborhood Organization</b>	<b>Public Official or Employee</b>	<b>Private Sector</b>	<b>Term Expiration Date</b>
16.									
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30.									

I certify that this listing of current, participating board members is accurate.

\_\_\_\_\_  
Board President Signature

\_\_\_\_\_  
Date