

**NJ Department of Community Affairs
Community Housing Development Organization (CHDO) Certification**

The National Affordable Housing Act requires that each participating jurisdiction set-aside at least 15 percent of its HOME allocation for Community Housing Development Organizations (CHDOs).

Community Housing Development Organizations are nonprofit agencies that meet specific criteria outlined in 24 CFR Part 92, Section 92.300 of the HOME Program's Final Rule. The State of New Jersey requires all nonprofit agencies that want to be eligible for State CHDO funds to be certified as a CHDO by the Department of Community Affairs (DCA).

Please complete and submit the **CHDO Resolution** with all **Required Exhibits** and **Attachments** to the New Jersey Department of Community Affairs
Division of Housing and Community Resources
PO Box 051
Trenton, New Jersey 08625-0051
Attn: Darlene Stowers

The CHDO Certification is valid for a period of three years. The CHDO is responsible for submitting a new certification application prior to the end of the certification period to ensure that the certification does not lapse.

A CHDO's certification may be rescinded by DCA at any time if it is determined that the CHDO no longer meets the eligibility requirements.

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REQUIRED EXHIBITS

Exhibit 1 – Current IRS Exemption Ruling

Attach documentation that the nonprofit organization has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(C) (3) or (4) of the Internal Revenue Code (IRC) of 1986. If organization is a subordinate organization under Section 905, provide a tax exemption ruling, including documentation of the superior organization's group 501(C) (3) tax exemption.

Exhibit 2 – Articles of Incorporation

Attach a copy of the Articles of Incorporation and any amendments.

Exhibit 3 – By-Laws

Attach a copy of the organization's By-Laws.

The By-Laws must include a statement that no part of its net earnings inures to the benefit of any member, founder, contributor, or individual.

The By-Laws (preferably in Article I or the Purpose Section) must include a statement that the CHDO provides decent, affordable housing to low and moderate income families.

The By-Laws must discuss the organization's board composition. The board composition must comply with the requirements of 24 CFR Section 92.2:

- At least one-third of board membership reserved for residents of low income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations.
- If the nonprofit is sponsored by a for-profit entity, the for-profit may not appoint more than one-third of the board members. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members. Employees or officers of the for-profit cannot be employees or officers of the CHDO.
- Local governments may create a CHDO, but may not appoint more than one-third of the board member. Board members appointed by the local government entity may not appoint the remaining two-thirds of the board members. Employees or officers of the government entity cannot be employees or officers of the CHDO.

The By-Laws should include the organization's plan for soliciting advice from low-income program beneficiaries in all decisions regarding the design, siting, development, and management of affordable housing projects.

The By-Laws must state the organization's service area (list of counties for which certification is being requested)

Exhibit 4– NJ Department of Community Affairs CHDO Resolution

The resolution must be printed on the organization's letterhead, completed and signed.

Exhibit 5 –Tenant Participation Plan, Proposed Lease Agreement, and Proposed Grievance Procedures: (Not applicable if seeking CHDO certification only for homeownership activities.)

- Attach plan for tenant participation in management decisions for rental projects.
- Attach proposed lease agreement pursuant to 24 CFR Section 92.253.
- Attach proposed grievance procedures pursuant to 24 CFR Section 92.303.

Exhibit 6 – Corporation Financial Statement

Attach a copy of the organization’s **audited** financial statement that is dated no more than 12 months prior to the date of the application for certification.

Exhibit 7 – Financial Accountability Standards

Provide a certification that your organization is in compliance with the federal Office of Management Budget Circular A-110, Standards for Financial Management Services

This certification must be executed by either the President or Chief Financial Officer of the organization.

Exhibit 8 – Capacity of Organization

Attach the following documents demonstrating the organization’s capacity and staff experience to perform the duties of each role for which it is seeking certification. (Owner, Developer, Manager):

- Statements and resumes from key staff members and consultants (if applicable) describing their qualifications and experience in development and/or ownership and operation of affordable housing projects. Must specifically describe the role and duties performed on prior projects; Copy of contract for consultant services and detailed training plan (if applicable)
- Copy of contract for consultant services and detailed training plan (if applicable)
- Development Capacity: A list of projects completed by the organization which includes the type of project, project name, location, completion date and showing the roles of the organization and key staff in each project.
- Owner/Operator Capacity: A list of projects owned/operated by the organization showing the role of the organization and key staff in each project.
- Organization Chart

Exhibit 9 – History of Serving the Community

Describe the activities the organization has provided (or its parent organization provided), such as developing new housing, rehabilitating existing housing stock, or managing housing stock. If organization is newly created, include in the statement how the organization’s parent organization has at least one year of experience in serving the community. Include type of housing or service, population served, financing sources, and any on-going involvement.

Exhibit 10 – Federal List of Excluded, Debarred, or Suspended Contractors

Attach verification of non-debarment status dated no more than 60 days prior to the date of application. Verification is available at <https://www.sam.gov/portal/public/SAM/>

Exhibit 11 – Relationship with For-Profit Entities

If the organization is sponsored or organized by a for-profit entity, or has a for-profit parent company, attach a copy of the for-profit organization's By-Laws.

**EXHIBIT 4: NJ Department of Community Affairs
Community Housing Development Organization (CHDO) Resolution**

WHEREAS, we the Board of Directors of _____ have reviewed the applicable regulations and do certify to the following:

- 1) We are organized under state or local laws. No part of our net earnings inure to the benefit of any member, founder, contributor or individuals as evidenced in our Charter and/or Articles of Incorporation.
- 2) We are neither controlled by nor under the direction of individuals or entities seeking to derive profit or gain from the organization.
- 3) We have a tax exemption ruling from the Internal Revenue Service as evidence by a 501 © 3 or 501 © 4 certificate from the IRS; or a subordinate of a central nonprofit under Section 905; or wholly owned subsidiary of organization that has 501 © 3 or 501 © (4) status and meets the CHDO definition.
- 4) Our organization is not a governmental entity (including participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing authority, housing finance agency, redevelopment authority, zoning board or commission).
- 5) No more than one-third (1/3) of our board members are public officials and employees of a governmental entity.
- 6) If applicable, the governmental entity that created our organization may not appoint more than 1/3 of our board members and public-appointed members may not appoint the remaining 2/3.
- 7) If applicable, the for-profit that created our organization:
 - 1) may not be a housing builder, developer or manager;
 - 2) may not appoint more than 1/3 board members and for-profit appointed members may not appoint the remaining 2/3 of board.
- 8) Officers and employees of the for-profit entity that created the organization cannot be officers or employees of the CHDO.
- 9) The organization must be free to contract for goods and services with others.
- 10) At least one-third (1/3) of our Board's total membership is low income, resides in a low- income neighborhood, or is an elected representative of a low income neighborhood organization.
- 11) We have paid employees with demonstrated experience relevant to the CHDO's role in undertaking the HOME activity to be funded. This does not include volunteers, board members, donated or shared staff.

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12) We provide a formal process for low income, program beneficiaries to have input into our decisions regarding the design, siting, development and management of affordable housing as evidenced by the By-Laws.

13) We have been serving the community where HOME funds will be utilized for _____ years.

14) We are in compliance with the federal Office of Management Budget Circular A-110, Standards for Financial Management Services.

NOW, THEREFORE, BE IT RESOLVED by this Board of Directors that we certify that we have satisfied all of the applicable federal requirements mentioned above for qualification as a Community Housing Development Organization (CHDO).

BE IT FURTHER RESOLVED that the Board acknowledges that any false statements made with the intent to deliberately mislead shall result in the loss of CHDO status and the immediate repayment of any HOME Program funds received.

WE certify that this a true and accurate copy of a resolution adopted by the Board of Directors of _____
at its regular meeting held on _____

Board President

Date

Board Secretary

Date