



HARRIS COUNTY COMMUNITY SERVICES DEPARTMENT  
Policies & Procedures Manual

SECTION: Planning &  
Development

Community Housing Development Organization (CHDO)

PAGE:

**A. Purpose:**

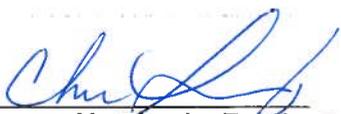
The Harris County Community Services Department (HCCSD) is responsible for ensuring appropriate utilization of the Department of Housing and Urban Development (HUD) HOME Investment Partnerships (HOME) funds. Harris County, as a participating jurisdiction (PJ), receives funds under the HOME Program. HUD HOME regulations require PJs to set aside 15 percent of their HOME allocation for Community Housing Development Organizations (CHDOs). A CHDO is a private, non-profit, community based organization whose primary purpose is to develop affordable housing for the community it serves. HCCSD is responsible for certification and recertification of CHDOs as well as the distribution of CHDO set-aside funds to organizations with qualified projects.

**B. Policy:**

Harris County Community Services Department (HCCSD) is responsible for the distribution of HOME funds, including the CHDO set-aside, and does so by evaluating submitted CHDO applications and certifying or recertifying CHDOs to ensure they meet HUD regulatory requirements for funding.

**C. Procedures:**

The CHDO policies, procedures and guidelines for organizations wishing to submit an application and certify or recertify as a Harris County CHDO are set forth in the attached documents.

  
Approved by Planning/Development Director

4-11-14  
Date

  
Approved by Community Development Director

4-11-14  
Date

  
Approved by HCCSD Executive Director

4-11-14  
Date  
Updated: \_\_\_\_\_



Harris County  
Office of Housing and Community Development  
Community Housing Development Organization (CHDO)  
Policies and Procedures

Harris County Community Services Department  
8410 Lantern Point Drive  
Houston, Texas 77054

Revised April 2014



**Harris County Community Services Department  
Community Housing Development Organization (CHDO)  
Policy & Procedures  
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# Harris County Community Services Department Community Housing Development Organization (CHDO) Policy & Procedures



**Reference: 24 CFR 92.300 HOME Investment Partnerships Program: CHDO Set-Aside**

## 1. Background

The HOME Investment Partnerships (HOME) Program was established under Title II of the National Affordable Housing Act. The purpose of HOME funding is:

A. To expand the supply of:

- Decent, affordable housing
- Nonprofit housing providers

B. To strengthen:

- Ability of state and local governments to provide housing
- Public-private partnership

The HOME Program is administered through the U.S. Department of Housing and Urban Development (HUD). Harris County, as a participating jurisdiction (PJ), receives funds under the HOME Program. HUD HOME regulations require PJs to set aside 15 percent of their HOME allocation for Community Housing Development Organizations (CHDOs). The CHDO funds can be obtained by organizations that have a qualified project.

## 2. Purpose

To provide a policy regarding the certifying and recertifying of CHDOs as well as the distribution of Community Housing Development Organization (CHDO) set-aside funds. Harris County Community Services Department (HCCSD) is responsible for ensuring appropriate utilization of the Department of Housing and Urban Development (HUD) entitlement funds allocated for housing and community development activities.

A CHDO is a private, non-profit, community based organization whose primary purpose is to develop affordable housing for the community it serves. The CHDO must have paid staff with demonstrated capacity to develop affordable housing.



### 3. Regulatory Requirements for CHDO Certification

HUD has established standard criteria for organizations to be eligible for CHDO certification.

- A. **Organized under State/Local Law:** The nonprofit organization must show their Charter or Articles of Incorporation as evidence of being organized under state and local law.
- B. **IRS Nonprofit Status:** Organizations must have a 501(c)(3) or 501(c)(4) nonprofit status of exemption letter of certification from the Internal Revenue Service (IRS).
- C. **Purpose of Affordable Housing:** Providing decent and affordable housing must be the organization's primary purpose. This is evidenced by the organization's By-Laws, Charter, Articles of Incorporation or Resolution.
- D. **Benefit No Individual:** No part of the CHDO's profits may benefit any members, founders, contributors, or individuals. This requirement must be evidenced in the organization's Charter or Articles of Incorporation.
- E. **Service Area:** The organization must have a clearly defined geographic service area and a map of the service area must be attached to the application.
- F. **Board Representation:** The board of directors must contain no more than one-third representation from the public sector and a minimum of one-third representation from the low-income community it serves.
- G. **For-Profit Sponsorship:** CHDOs may be sponsored by for-profits; however, the CHDO cannot be controlled by the for-profit and must be free to contract for goods and services evidenced by CHDO's By-Laws, Charter or Articles of Incorporation. The primary purpose of the for-profit cannot be housing ownership/management as evidenced by the for-profit's Articles of Incorporation.
- H. **Low-Income Input:** A formal process that is described in the By-Laws or Resolution has been established and implemented for low-income program beneficiaries from the organization's service area to advise the organization in all of its decisions regarding design, location, development and management of affordable housing.
- I. **Capacity and Experience:**
  - CHDO must have paid employee staff who have experience relevant to the specific role that they will undertake (as owner, developer, or sponsor) in order to be designated as a CHDO.
  - Key staff and Board Members must have significant experience and capacity to carry out CHDO eligible HOME-assisted projects in the community where it intends to develop affordable housing. Resumes of key staff and/or board members will serve as evidence of experience and capacity.
  - HCCSD is required to certify that the organization meets the definition of a CHDO each time it commits funds to the CHDO.



- HCCSD is required to document that the CHDO has the capacity to own, develop or sponsor housing each time it commits funds to the CHDO.
- J. **Serving the Community:** A minimum of one year of relative experience serving the community where the organization intends to develop affordable housing must be demonstrated via letters of community support and/or written statement of organization's community activities.
- K. **Accounting Standards:** The organization must meet and adhere to financial accountability standards found in 24 CFR 84.21.
- L. **Organizations having revenues in excess of \$300,000 **MUST** submit an audit performed by a Certified Public Accountant, along with their most recently filed IRS Form 990.**

Organizations having income less than \$300,000 **MUST** submit the organization's most recently filed IRS Form 990, along with the items from either (a) or (b):

a) A set of Basic Financial Statements, which **MUST** include the industry equivalent of a "Balance Sheet", "Statement of Cash Flows", "Income Statement" and the "Notes to the Financial Statements". These must have been certified as official financials and evidenced by a copy of the board minutes showing that they were presented and accepted as official financial statements by the entity's board or governing body.

**OR**

b) A compiled set of Basic Financial Statements, along with a letter that the compilation was performed in accordance with American Institute of Certified Public Accountants' industry standards. The compilation must include the industry's equivalent of the "Balance Sheet", "Statement of Cash Flows", "Income Statement" and the "Notes to the Financial Statements".

**NOTE:** Audit or Certified Financial Statements must be completed in accordance with generally accepted accounting principles and prepared during the last fiscal year.

#### **4. Harris County's Requirements for CHDO Certification**

In addition to the regulatory requirements from HUD, HCCSD has established additional criteria for CHDO certification. The organization must:

- A. Maintain a record of good standing with the Texas Secretary of State's office
- B. Maintain clear history of no significant compliance findings or deobligation of awarded funding on Harris County funded projects

The criterion above is not all-inclusive and Harris County may require additional information prior to determining CHDO certification. Meeting the above requirements does not guarantee CHDO certification and Harris County reserves the right to deny or revoke CHDO certification based on its evaluation of the nonprofit organization's performance.



## 5. Organizational Structure Requirements for CHDO Certifications

HUD has established organizational structure requirements for CHDOs to ensure that the governing board is not controlled by influence from outside the community it serves. These requirements are also designed to ensure that the CHDO is capable of independent decisions and actions designed to best serve the community needs.

The requirements relating to the organization's board must be evidenced in the Articles of Incorporation or By-Laws.

A. Low Income Representation: At least one-third of the organization's board must be representatives of the low-income community the CHDO serves. To meet the one-third minimum requirement, the organization's board may consist of either:

- Residents that live in the low-income community where 51 percent or more of the residents are low-income. The persons need not be low-income;
- Residents of the community who are qualified as low-income (80 percent or below the area median income); or
- Elected representatives of low-income neighborhood organizations where at least 51 percent of persons they serve are at 80 percent or below the area median income.

The CHDO is required to certify the status of all low-income representatives and the low-income Board representation should be included in the CHDO's By-Laws, Charter or Articles of Incorporation.

B. Public Sector Limitations: A CHDO cannot be a governmental entity but may be chartered by a state or local government entity, however restrictions apply. The CHDO must be separated from and not under the control of a governmental entity – which is not permitted to provide its employees to the CHDO as staff or as officers. Only one-third or less of the organization's board may consist of representatives from the public sector, including elected public officials, appointees of elected public officials, appointees by the chartering governmental entity or employees of Harris County, as discussed in the CHDO's By-Laws, Charter or Articles of Incorporation. If a person qualifies as a low-income representative and a public sector representative, the role of public sector representative supersedes their residency or income status. This person would therefore count toward the one-third public sector limitation.

C. Low Income Advisory Process: The CHDO must provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development and management of affordable housing. This process must be described in the CHDO's By-Laws, Resolutions or a written statement of operating procedures approved by the governing body. Each project the CHDO undertakes should allow for the potential program beneficiaries to provide input on the project from start to finish. This may be accomplished by creating a project advisory committee for each project located in the areas the project will serve. Proof of low-income beneficiary input will be required at the CHDO's annual recertification.



- D. For-Profit Limitations: If a CHDO is created or sponsored by a for-profit:
  - The for-profit may not appoint more than one-third of the board, as evidenced by the CHDO’s By-Laws, Charter or Articles of Incorporation. Board members appointed by the for-profit may not appoint the remaining two-thirds of the board members.
  - The officers and employees of the for-profit entity would be prohibited from serving as officers or employees of the CHDO, and the nonprofit entity would be prohibited from using the office space of the for-profit entity.

**6. Experience, Capacity and Financial Accountability Requirements for CHDO Certification**

Organizations must demonstrate sufficient experience, capacity and financial accountability to be certified as a CHDO.

- A. Experience and Capacity: CHDOs must demonstrate a history of serving the community in which the housing activities will take place. This can be demonstrated by providing:
  - A statement that documents one year of experience serving the community, or
  - A statement that a parent organization (if applicable) has at least one year experience serving the community.
- B. Financial Accountability: CHDOs must have financial accountability standards that conform to the requirements detailed in 24 CFR 82.21, “Standards for Financial Management Systems”. This can be evidenced by a notarized statement from Chief Financial Officer of the CHDO or a certification from a Certified Public Accountant to certify the organization’s financial system is in compliance with financial accountability standards of 24 CFR 82.21 or a HUD approved audit summary.

**7. CHDO Service Area**

The Harris County CHDO service area includes all of unincorporated Harris County and 14 cooperative cities:

<b>Bellaire</b>	<b>Humble</b>	<b>LaPorte</b>	<b>Shoreacres</b>	<b>Webster</b>
<b>Deer Park</b>	<b>Jacinto City</b>	<b>Morgan’s Point</b>	<b>South Houston</b>	<b>West University Place</b>
<b>Galena Park</b>	<b>Katy</b>	<b>Seabrook</b>	<b>Tomball</b>	

Houston, Baytown and Pasadena are not included in the Harris County service area.

CHDOs will be required to provide updates on how active and visible their organization’s contributions are to the community they are serving.

**8. CHDO Certification, Recertification and Revocation**

HCCSD accepts new CHDO applications throughout the year. As part of the certification process, HCCSD reviews the organization’s structure, Board make-up, service area, experience and capacity (as described



above) to assess the organization's ability to carry out a HOME funded project utilizing the required guidelines.

In addition to certification, HCCSD also has the responsibility of recertifying CHDOs. Non-profit organizations may experience transitions in Board composition and management. Charters or By-Laws may be amended at any given time. After the initial certification, HCCSD will re-certify CHDOs annually to keep all information current and verify that the organization still satisfies the criteria to be designated a CHDO.

In order to maintain CHDO status, the CHDO must re-apply on an annual basis during the annual recertification period. The CHDO annual re-certification period begins October 1<sup>st</sup> of each year. Upon review of completed re-certification applications and applicable documents, the CHDO will be certified from December 1<sup>st</sup> thru November 30<sup>th</sup> of the following year. If the re-certification application and applicable documents are not received by November 1<sup>st</sup> or the HCCSD stated due date, the CHDO will need to complete a new certification application. Failure to submit an application for re-certification may cause the CHDO certification to expire and the organization will be ineligible for HCCSD CHDO set-aside funds.

If the organization is not recertified, it is not eligible to receive any funds and/or services reserved for CHDOs until such time as the organization is able to prove to the satisfaction of HCCSD that they still meet all of the criteria necessary to obtain CHDO certification.

Additionally, Harris County reserves the right to provide conditional certifications that are conditioned on specific goals and/or objectives. Conditional certifications will require accomplishments by a specific date and terminate if established goals or objectives are not met.

The status of the CHDO certification will be verified by HCCSD prior to awarding CHDO funds. Certification may be revoked at any time following compliance findings or deobligation of funding. Recertification will only be considered upon submission of a new certification application and clearing of all findings.

## **9. Project Development Using CHDO Set-Aside**

The HOME requirements in 24 CFR Part 92.300 require HCCSD to set aside at least 15 percent of its annual HOME allocation for projects owned, developed or sponsored by CHDOs.

A certified CHDO must be an owner, developer or sponsor of a HOME-eligible project to use CHDO set-aside funds.

A. CHDO as Owner: As owner, the CHDO owns the property in fee simple absolute or has a long term ground lease. If the housing is to be rehabilitated or constructed, the CHDO hires and oversees the developer that rehabilitates or constructs the housing. At minimum, the CHDO must hire or contract with an experienced project manager to oversee all aspects of the development. The CHDO must own the housing during development and for a period at least equal to the period of affordability.



B. CHDO as Developer: A CHDO is a developer when the CHDO is the owner of the property in fee simple absolute or has a long term ground lease and the developer of new housing that will be constructed or existing substandard housing that will be rehabilitated.

- For HOME Assisted Rental Housing: The CHDO must be in sole charge of all aspects of the development process. At minimum, the CHDO must own the housing during development and for a period at least equal to the period of affordability.
- For HOME Assisted Homebuyer Projects: The CHDO must arrange financing of the project and be in sole charge of construction. The CHDO may provide direct homeownership assistance (e.g., downpayment assistance) when it sells the housing to low-income families and the CHDO will not be considered a subrecipient. The HOME funds for downpayment assistance shall not be greater than 10 percent of the amount of HOME funds for development of the housing.

C. CHDO as Sponsor: CHDOs may sponsor HOME-assisted rental housing or homebuyer projects. HUD offers two models of sponsoring a project by a CHDO.

- For HOME-assisted rental housing, Model 1 – The CHDO is sponsor if the rental housing is “owned” or “developed” by a subsidiary of a CHDO, a limited partnership of which the CHDO or its subsidiary is the sole general partner or a limited liability company of which the CHDO or its subsidiary is the sole managing member.
  - The subsidiary of the CHDO may be a for-profit or nonprofit organization. The subsidiary must also be wholly owned by the CHDO. If the limited partnership or limited liability company agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the CHDO must be replaced with another CHDO.
  - HOME funds must be provided to the entity that owns the project.
- For HOME-assisted rental housing, Model 2 – The CHDO is sponsor if the CHDO “developed” the rental housing project, that the CHDO agrees to convey the project to an identified private nonprofit organization at a predetermined time after completion of the developed project. The following requirements apply:
  - The identified private nonprofit organization may not be created by a government entity.
  - HOME funds must be invested in the project owned by the CHDO sponsor.



- The CHDO sponsor must name the nonprofit organization that will obtain ownership of the property prior to commitment of CHDO set-aside funds.
  - The identified private nonprofit must assume all HOME obligations (repayment of loans and tenant and rent requirements), including affordability periods, for the project after conveyance. If the property is not transferred, the CHDO sponsor will remain liable for all HOME obligations.
- For HOME-assisted homebuyer projects – The CHDO is a sponsor when it owns the property and shifts responsibility to an identified private nonprofit at a specified time in the development process. The following requirements apply:
- HOME funds must be invested in the project owned by the CHDO, and
  - The identified private nonprofit must acquire the completed units or complete the rehabilitation or construction of the property.
  - Upon completion of the project, the identified private nonprofit is required to transfer the property, along with all HOME obligations, to a HOME-qualified homebuyer.

## 10. Eligible and Ineligible Uses of CHDO Set-Aside Funds

A. Eligible Activities –A CHDO acting as owner, sponsor or developer may use the 15 percent CHDO set-aside for the following activities:

- Acquisition and/or rehabilitation of rental or homebuyer property;
- New construction of rental or homebuyer property; and
- Direct financial assistance to homebuyers of HOME-assisted property developed or sponsored by the CHDO.

CHDO set-aside HOME funds must be used for the construction or rehabilitation of property.

B. Ineligible CHDO Activities - Ineligible uses of the HOME CHDO set-aside are:

- Homeowner rehabilitation;
- Tenant-based rental assistance (TBRA); and
- Downpayment and/or closing cost assistance to purchasers of housing not developed with HOME CHDO funds.

C. Operating Assistance - Up to 5 percent of HCCSD's HOME allocation may be used to provide funds for CHDO operating assistance. This allocation does not count toward the 15 percent set-aside funds used by CHDOs for projects. To be eligible for CHDO operating assistance, the CHDO must have a currently funded pre-development loan or affordable housing project and submit a funding request at the same time it applies.



CHDO operating assistance may not exceed the greater of:

- \$50,000 each fiscal year, or
- Fifty percent (50%) of CHDO's total annual operating expenses for that year.

A certified copy of the CHDO's most recent operating budget must be submitted to HCCSD to determine amount of assistance. Operating funds are provided on a year-by-year basis provided funds are available and the organization has acceptable performance in the community. CHDOs applying for operating funds must be prepared to submit detailed project plans. Operating assistance is provided on a performance basis in accordance with the project submitted.

HCCSD reserves the right to delay payment of operating funds if it is evident that the CHDO project is experiencing delays.

HCCSD reserved the right to reduce the amount of or terminate operating assistance based on its evaluation of the CHDO's production and/or overall performance.

Eligible operating expenses are:

- Salaries, wages, benefits, and other employee compensation;
- Rent and utilities;
- Communication costs;
- Taxes and insurance; and
- Equipment, materials, and supplies.

The provision of CHDO operating assistance is to nurture successful CHDOs and HCCSD will periodically evaluate the performance of any CHDO receiving CHDO operating funds.

- D. Pre-development Loans: Cannot exceed 10 percent of the funding amount reserved as CHDO set-aside. HCCSD has established a one year deferred balloon pre-development loan. Loans for pre-development costs are available to certified CHDOs to ensure access to funds for upfront, eligible project expenditures.

The pre-development loan is only available to CHDOs with current certification from HCCSD. Eligible CHDOs requesting a pre-development loan must be prepared to submit a funding application for an eligible set-aside project within a year of completing all pre-development activities.

The maximum pre-development loan award is \$35,000 for pre-development activities at a zero percent interest rate. (Additional approval is required for loan requests exceeding \$35,000). The pre-development loan is amortized as a one year deferred balloon note. The term of the one year deferred balloon note is as follows:

*12 months* of deferred payments



11 months of amortized payments

24<sup>th</sup> month, final payment and balance due

HCCSD reserves the right to make changes as required to loan terms requested, based on an analysis of project feasibility.

Eligible Costs

- \* Market study
- \* Architect fees (plans and specifications)
- \* Legal
- \* Appraisals
- \* Environmental
- \* Engineering studies
- \* Cost of preliminary financial application
- \* Consultation fees
- \* Zoning approval

All costs must be related to a qualified HOME eligible set-aside project (rental housing or homeownership) in order to be eligible to receive pre-development loan funds.

Prohibited Costs

Pre-development loans may not be used to pay CHDO staff or administrative costs.

Cost associated with any non-HOME eligible projects.

Cost associated with projects other than those specified on funding application.

All pre-development loans must be repaid from construction loan proceeds or other project income. Pre-development loans contain a special provision allowing for the forgiveness of loan obligation if there are impediments to project development, permanent financing cannot be secured or other documented information indicates the project is not feasible, as determined by HCCSD.

**11. Progress Reporting**

To document progress, the CHDO must work with the Grants Management Section to provide regular progress reporting in accordance with HCCSD's monitoring schedule. Required reporting will be reviewed with organizations at the time of award; however, at a minimum, the CHDO must submit monthly payroll documentation (if applicable) and monthly reimbursement requests, including evidence of expenditure and payment of those expenses. Grants Management and Finance will verify project progress and eligibility of those expenses under both the project and operating assistance categories.

**12. CHDO Proceeds**

HCCSD allows CHDOs to retain proceeds. To be eligible for CHDO proceeds retention, the CHDO must provide a written plan for the use of such funds with the initial CHDO application. The written plan must be approved by HCCSD as part of contract development.



Proceeds are funds resulting from:

- Permanent financing of a CHDO project used to pay off a CHDO-financed construction loan;
- The sale of CHDO-developed homeownership housing to a homeowner or a second non-profit; and
- Interest and principle payments from a loan to buyer of CHDO-developed homeownership housing.

### 13. CHDO Procurement

CHDOs are not subject to requirements of 24 CFR, Part 84 in regard to procurement of goods and services. This exemption is for CHDO-funded projects only; CHDOs must still follow appropriate procurement procedures that are compliant with Part 84 for their non-CHDO projects. HCCSD may request a copy of the CHDO's procurement policy for any non-CHDO project.

### 14. How to Apply for Harris County CHDO Certification

- 1) Obtain Harris County Community Services Department CHDO Certification Application by one of the following:
  - Contact Development Housing Analyst at (713) 578-2000 to request an application
  - Email an application request to [rfp@csd.hctx.net](mailto:rfp@csd.hctx.net)
  - Download application found at [http://www.csd.hctx.net/PS\\_CHDOs.aspx](http://www.csd.hctx.net/PS_CHDOs.aspx)
- 2) Complete application and include all requested attachments, documentations and forms.
- 3) Mail or hand-deliver the application and attachments to the address below. Fax or e-mail copies are not acceptable.

**Harris County Community Services Department  
Attention: Development Section  
8410 Lantern Point Drive  
Houston, TX 77054**
- 4) Once all required information and/or documents are submitted to HCCSD, the review process is usually complete within 3-4 weeks.
- 5) CHDO certification application will be evaluated for the following criteria:
  - Conformance to CHDO regulatory requirements.
  - Organizational structure.
  - Experience and capacity.
  - Staffing.
  - Board composition.
  - Finance and accounting standards and procedures.



## **15. Applying for CHDO Funds**

As with all other Entitlement funding, CHDO funds are awarded on a calendar year basis during the annual Request for Proposals Process and/or the Unsolicited Request for Proposals Process.



# Appendix



**A Community Housing Development Organization (CHDO) is a private nonprofit organization that:**

- 1) Is organized under State or local law;
- 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 community housing development organization may be sponsored 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 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 community Housing Development Organization must be free to contract for 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;
- 5) Does not include a public body (including the participating jurisdiction). An organization that is State or locally 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 may be public officials or employees of the participating jurisdiction 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 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 of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
  - ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
- 9) Has demonstrated capacity for carrying out activities assisted with HOME funds by hiring experienced key staff members who have successfully completed similar projects. This requirement cannot be met through the use of volunteers.
- 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 before HOME funds are reserved for 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.

[Code of Federal Regulations, Title 24, Volume 1, Revised as of April 1, 2001 from the U.S. Governmental Printing Office via GPO Access] CITE: 24CFR92.2



## CHDO CERTIFICATION PROCESS

- 1) Organization must submit the complete CHDO Certification Application, including signed originals of the Board Member Form, with a cover letter to:

**Harris County Community Services Department  
Attention: Development Staff  
8410 Lantern Point Drive  
Houston, Texas 77054**

Failure to return all the required documentation will delay the application's review and processing.

- 2) Once all required information and/or documents are submitted to HCCSD, the review process is usually complete within 3-4 weeks.
- 3) Approximately four (4) weeks after submission of a complete application, the organization is notified in writing of the resulting determination:
  - i. The organization is granted certification.

**OR**

- ii. The organization is notified in writing that deficiencies exist in the application. The organization is given four (4) additional weeks to address deficiencies. Non-receipt of requested information during the following provided timeline will result in closing of the file. Once a file is closed, applicants will need to resubmit the entire package.



## Application Checklist

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

The CHDO Application must include all of the information in the following order. Failure to return all of the required documentation will delay the application's review and processing:

- Tab A**
- Certificate of Incorporation/Charter Granted by the Office of the Secretary of State
  - Charter or Articles of Incorporation
  - Signed By-Laws
  - Signed Amendments
  - Board Resolution(s) if not included in By-Laws
  - A 501 (c)(3) or (4) Certificate from the IRS
  - A map defining the geographic boundaries of organization's service area and a description of organization's service area
- Tab B**
- List of Board Members
  - Board Member Information forms - signed originals
  - Organizational chart
  - Resumes of key staff documenting successfully completed housing developments
  - Resumes of Board Members documenting involvement in housing developments
  - Statement documenting organization's service to community during previous year
- or
- Documentation of parent organization's service to the community during previous year
- Board minutes from a Board meeting in each quarter of the current or previous year
- or
- Board minutes of the parent organization may be submitted for a newly formed organization
- Detailed description of the organization, staff experience and capacity, and Board involvement, see question #12 on page 3-4
- Tab C**
- Notarized statement by CFO, see form on Tab 5
- or
- Certification from CPA regarding financial accountability standard
- Certified financial statement or audit conducted with generally accepted accounting principles
  - Most recently submitted IRS Form 990
  - Financial narrative, see question #15 on page 5-7



## Community Housing Development Organization (CHDO) Application

Please see Harris County Community Services Department's CHDO Policy and Procedures located at [http://www.csd.hctx.net/ps\\_chdo.aspx](http://www.csd.hctx.net/ps_chdo.aspx) to ensure your organization is eligible for CHDO certification. Complete this application in its entirety. (This form is fillable)

### APPLICATION INFORMATION

Organization Legal Name: \_\_\_\_\_

Executive Director: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Website: \_\_\_\_\_ Email Address: \_\_\_\_\_

Contact Person (if different from above): \_\_\_\_\_

Parent Organization (if applicable): \_\_\_\_\_

Date of Incorporation: \_\_\_\_\_ Tax ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

IRS Tax Status: (Please check appropriate box)

501 (c) (3) Date Received: \_\_\_\_\_

501 (c) (4) Date Received: \_\_\_\_\_

Other: \_\_\_\_\_

The following documentation and the page number where the reference is found must be submitted with your request for certification :

- 1) The nonprofit organization is organized under the Texas Nonprofit Corporation Act as evidenced by:
  - Charter, OR Page Number: \_\_\_\_\_
  - Articles of Incorporation Page Number: \_\_\_\_\_
- 2) No part of the organization's net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:
  - Charter, OR Page Number: \_\_\_\_\_
  - Articles of Incorporation Page Number: \_\_\_\_\_
- 3) Copy of your organization's Charter, signed Articles of Incorporation; signed By-Laws and amendments; and a copy of Certificate of Incorporation granted by the Office of the Secretary of State.



- 4) Board Resolution(s) (if not indicated in the organizations By-Laws) which outlines the organization's formal written process that allows low-income residents and program beneficiaries to advise the organization on relevant decisions concerning the development, design, location, and management of affordable housing, as evidenced by the CHDO's:
- By-Laws, OR Page Number: \_\_\_\_\_
  - Resolutions, OR Page Number: \_\_\_\_\_
  - A written statement or operating procedure approved by the governing body. Statement must be on original letterhead, signed by the Executive Director with evidence of Board approval.
- 5) Has as its primary purpose the provision of decent housing that is affordable to low-moderate income people, as evidenced by a statement in organization's:
- Articles of Incorporation OR Page Number: \_\_\_\_\_
  - By-Laws, OR Page Number: \_\_\_\_\_
  - Charter, OR Page Number: \_\_\_\_\_
  - Resolutions Page Number: \_\_\_\_\_
- 6) Has tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the IRS Code of 1986, as evidenced by below certificates:
- 501 (c) (3) Date Received: \_\_\_\_\_
  - 501 (c) (4) Date Received: \_\_\_\_\_
- OR**
- Is classified as a subordinate of a central organization non-profit under section 905 of the IRS Code, as evidenced by:
- A group exemption letter from the IRS that includes the CHDO  
Date Received: \_\_\_\_\_
- 7) A map defining the specific geographic boundaries of organization's service area and a description of organization's service area;
- 8) List of Board members and original Board Member Information forms signed and completed by each Board Member. Resumes should also be included for Board members documenting housing experience.
- 9) Organizational chart, resumes and summary of staff experience with affordable housing and HOME Program funds, including years of direct experience for each staff working directly with the program.



- 10) A list of activities or summary that documents the organization's service to the community during the previous year. New organizations have the option of providing a list of activities that document its parent organization's service to the community during the previous year.
- 11) Board minutes from at least one Board meeting in each quarter of the previous year. Board minutes of the parent organization may be submitted for a newly formed organization.
- 12) Thoroughly answer the questions provided below regarding the organization, experience and capacity, staffing and Board involvement.

**Organizational Information**

a) What is the primary business of the organization?

b) How have the services or programs changed since the organization was established?

c) Is there a current business plan? If yes, please provide a brief overview.

d) Does your organization receive a certificate of good standing or other documents from the State? If yes, please provide information and attach a copy of the most recent certificate or other documents.



**Experience and Capacity**

a) Please detail your organization's successful affordable housing developments?

b) Has your organization had any HUD findings? If so, thoroughly explain the resolution.

**Staffing**

a) How many paid staff members does your organization have? What are their roles?

b) Does your organization have staff training and evaluation procedures in place? Describe staff training and evaluation procedures for the organization.

**Board**

a) How regularly does the Board meet?

b) How are Board members recruited and are they involved in fundraising?



13) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems", as evidenced by:

- A notarized statement by the Chief Financial Officer, see form on Tab 5, OR
- A certification from a Certified Public Accountant OR
- A HUD approved audit summary

14) Organizations having revenues in **excess** of \$300,000 **MUST** submit an audit performed by a Certified Public Accountant, along with their most recently filed IRS Form 990.

- An audit performed by a Certified Public Accountant  
**and**
- Most recently filed IRS Form 990

Organizations having income **less** than \$300,000 **MUST** submit the organizations most recently filed IRS Form 990, along with the items from either:

- A set of Basic Financial Statements, which **MUST** include the industry equivalent of Balance Sheet, Statement of Cash Flows, Income Statement and the Notes to the Financial Statements. These must have been certified as official financials and evidenced by a copy of the board minutes showing that they were presented and accepted as official financial statements by the entity's board or governing body.  
**OR**
- A compiled set of Basic Financial Statements, along with a letter that the compilation was performed in accordance with American Institute of Certified Public Accountant's industry standards. The compilation must include the industry's equivalent of the Balance Sheet, Statement of Cash Flows, Income Statement and the Notes to the Financial Statements.

15) **Finance and Accounting Standards and Procedures**

Please provide a brief narrative for each of the following questions:

a) What is your current annual operating budget?

b) What was your operating budget for the last three (3) years?

c) What are the sources of your operating funds?



d) Will these funding sources continue?

e) Who currently maintains your organization's accounting records? Please provide their contact information.

f) Is the organization audited by a certified public accountant? Provide his/her name and address.

g) How are your financial records maintained?

h) Does your organization have errors and omissions insurance?

i) Describe the frequency that internal financial statements/reports are prepared and to whom the reports are distributed and the systems used for review and approval?

J) Describe frequency of audits and how the entity addresses resolution of audit concerns, management letter comments and/or audit findings. E.g. audit committee, system of approvals.



k) Describe system for budget preparation, review and adoption/approval and approvals for adjustments.

l) Describe system of internal controls/procedures for maintaining cash, bank accounts, reconciliations of general and project funds.

m) Describe system for disbursements and approvals for disbursements.

n) Describe types short and long term debts incurred, letter's and/or lines of credit and the payment terms.

o) Describe mechanisms used to ensure liquidity and adequate cash flow to meet current liabilities.

p) Describe what revenues sources are predictable from year to year, annual fund raising efforts and whether there is a large concentration of revenues from a single source.



**Please drop off or mail the requested information to:**

**Harris County Community Services Department  
Attention: Development Section  
8410 Lantern Point Drive  
Houston, Texas 77054**

**For further information, contact Development staff at (713) 578-2000.**

**NOTE**

Each CHDO will be required to submit a re-certification application during the Annual Re-certification Period. The Annual Re-Certification Period begins November 1st with certifications effective December 1st of each year. If the certification is allowed to lapse, the CHDO will be required to complete a full certification.

If the organization is not recertified, it is not eligible to receive any funds and/or services reserved for CHDOs until such time as the organization is able to prove to the satisfaction of HCCSD that it still meets all the criteria necessary to obtain CHDO certification.



## Board Information Description

At least one-third of the organization's Board must be representatives of the low-income community the CHDO serves. To meet the one-third minimum requirement, the organization's Board could consist of either:

- Residents that live in the low-income community where 51 percent or more of the residents are low-income. The persons need not be low income;
- Residents of the community who are qualified as low-income (below 80 percent of the median income); or
- Elected representatives of low-income neighborhood organizations.

1) Elected or Appointed Public Official -

A public sector representative or any elected public official, any appointed public official, any public/government employee of a public agency or department, or any individual who is appointed by a public official to serve on a CHDO board.

2) Public Employee -

All employees of public agencies, including schools.

3) Low-income resident of the community -

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 area, "community" is defined as one or several neighborhoods. Also income must be below 80 percent MFI for their family size.

4) Resident of a low income community -

This does not mean that you must be a low-income person, only that you reside in a low-income community within the organization's designated service area.

5) Elected rep of a low-income neighborhood organization -

A low-income neighborhood organization is an organization composed primarily of residents of a low-income neighborhood. Examples are block groups, civic associations, neighborhood church groups.



## Board of Directors - Member Information

Organization Name: \_\_\_\_\_

**Please complete and return the original of this form for each Board Member of the Organization (CHDO). Please print or type (this form is fillable).**

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

Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Telephone

Home: \_\_\_\_\_

Cell: \_\_\_\_\_

Email Address: \_\_\_\_\_

Occupation: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Board Member Since (Month & Year): \_\_\_\_\_

Term: \_\_\_\_\_

**Please answer all the questions below and check the appropriate box (all questions must be answered):**

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1) Elected or Appointed Public Official?                                     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2) Public Employee?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3) Low-income resident of the community?                                     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4) Resident of a low-income neighborhood in service area?                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5) Elected rep of a low-income neighborhood organization?                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6) Please detail your experience with the development of affordable housing. |                              |                             |

I certify that the information provided above is accurate and correct to the best of my knowledge.

Printed Name

Signature

Date

**\*Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)



## Affidavit of Standards for Financial Management Systems

Date: \_\_\_\_\_  
Affiant: \_\_\_\_\_  
Recipient: \_\_\_\_\_  
(Insert exact legal name of the organization)

**Affiant on oath swears that the following statements are true and are within the personal knowledge of Affiant:**

1. Affiant is the Chief Financial Officer of the Recipient and is authorized to make this affidavit on behalf of Recipient.
2. Recipients' financial management systems conform to the financial accountability standards set forth in 24 CFR 84.21, by providing for and incorporating the following:
  - a. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project;
  - b. Records which identify the source and application of funds for federally-sponsored activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest;
  - c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets shall be adopted to assure that all assets are used solely for authorized purposes;
  - d. Comparison of outlays with budget amounts for each award;
  - e. Written procedures to minimize the time elapsing between the receipt of funds and the issuance or redemption of checks for program purposes by the recipient;
  - f. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of Federal cost principles (Circular A-122) and the terms and conditions of the award;
  - g. Accounting records, including cost-accounting records that are supported by source documentation.

Affiant: \_\_\_\_\_  
Title: \_\_\_\_\_

NOTARY SEAL

Subscribed and sworn before me on the \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, on behalf of \_\_\_\_\_

\_\_\_\_\_  
Notary Public State of Texas

My commission expires: \_\_\_\_\_



## HOME Investment Partnerships Program CHDO Recertification Application

(This form is fillable)

Organization Legal Name: \_\_\_\_\_  
Executive Director: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, and Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email Address: \_\_\_\_\_ Web Site: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

In order for HCCSD to determine if your organization remains eligible for CHDO status, please answer the questions below by checking either Yes or No. Provide supporting documentation as indicated.

- 1) Yes  No  Have there been any amendments or other changes to your Charter, Articles of Incorporation or By-laws since your last CHDO certification? If yes, please attach a copy highlighting any such amendments.
- 2) Yes  No  Have there been any amendments or other changes to your tax-exempt ruling from the IRS under Section 501 (c)(3) or (4) of the Internal Revenue Code of 1986 since your last CHDO certification date? If yes, please attach a copy highlighting such amendments.
- 3) Yes  No  Does the CHDO continue to have among its purposes **the provision of decent housing that is affordable to low- and moderate-income persons**, as evidenced by its Charter, Articles of incorporation, By-laws or Board resolutions?
- 4) Yes  No  Does the CHDO continue to provide a formal process for low-income program beneficiaries to advise the organization on design, location of sites, development and management of affordable housing? Please comment below on any changes in the formal process since the last certification and attach any evidence of such changes.

Comments:

- 5) Yes  No  Has the service area for the organization's CHDO activities changed since the last CHDO certification date? If yes, please attach a map showing the new service area and documentation that this change has been adopted by the CHDO's governing body.



- 6) Yes  No  Has the CHDO had any changes in staffing? If yes, please provide *up-to date resumes* for new staff. In all cases, include a current organizational chart containing title and name.
- 7) Yes  No  N/A  For CHDOs that operate HOME-funded rental property, does the CHDO have a current Tenant Participation Plan that includes fair lease and grievance procedures and a plan for tenant participation in management decisions? Please attach the Tenant Participation Plan.
- 8) Yes  No  Board minutes from at least one Board meeting in each quarter of the current or previous year.
- 9) Please provide a brief description below of the activities that document the organization's service to the community during the previous year. Attach separate document if more space is required.

Comments:

- 10) Yes  No  Does the CHDO continue to have standards of financial accountability conforming to 24 CFR 84.21, "Standards for Financial Management Systems"? Please attach a notarized statement by the Chief Financial Officer (CFO) of the organization (see form on Tab 4 or a certification from a Certified Public Accountant).
- 11) Yes  No  Does your CHDO have revenues in excess of \$300,000? If yes, please attach a copy of an audit for the most recent fiscal year performed by a Certified Public Accountant and conducted in accordance with generally accepted accounting principles. In addition, please submit the CHDO's most recently files IRS form 990.
- 12) Yes  No  Does your CHDO has revenues less than \$300,000? If yes, please submit the CHDO's most recently filed IRS Form 990, along with the items from either (a) or (b):

a) A set of Basic Financial Statements, which MUST include the industry equivalent of a Balance Sheet, Statement of Cash Flows, Income Statement and the Notes to the Financial Statements. These must have been certified as official financials and evidenced by a copy of the board minutes showing that they were presented and accepted as official financial statements by the entity's board or governing body.

OR

b) A compiled set of Basic Financial Statements, along with a letter that the compilation was performed in accordance with American Institute of Certified Public Accountants' industry standards. The compilation must include the industry's equivalent of the Balance Sheet, Statement of Cash Flows, Income Statement, and Notes to the Financial Statements.

13) **Finance and Accounting Standards and Procedures**

Along with Financial Statements and copy of the organization audit requested in question #11 or #12, please provide a brief narrative for each of the following questions:



a) What is your current annual operating budget?

b) Who currently maintains your organization's accounting records? Please provide their contact information.

**Please mark the box to denote documentation submitted with your request for recertification. Missing documentation will delay your request for recertification:**

- If you answered "Yes" to question #1, please provide a copy of your organization's Charter, Articles of Incorporation or signed By-laws with highlighted changes.
- If you answered "Yes" to question #2, please provide a copy of the 501 (c)(3) or 501 (c)(4) certificate from the Internal Revenue Service (IRS) with highlighted changes.
- If there have been changes to your organization's formal process for low income beneficiaries since the last certification per question #4, please provide documentation of such changes.
- If you answered "Yes" to question #5, please provide a copy of a map defining your new service area the geographic boundaries of organization's service area.
- List of Board Members.
- Board Member Information form (signed originals) for each Board member with resumes if necessary to support affordable housing experience.
- Current organizational chart is required and attached.
- If you answered "Yes" to question #6, please provide a copy of updated staff resumes for new staff.
- If you answered "Yes" to question #7, please provide a copy of the Tenant Participation Plan.
- Board minutes from at least one Board meeting in each quarter of the current or previous year.
- Supplemental attachments, descriptions, activities & explanations per question #9.
- Notarized statement by the CFO (see form on Tab 4 )  
or  
Certification from a CPA certifying the organization's financial systems compliance with the financial standards of 24 CFR 84.21 per question #10.
- If you answered "Yes" to question #11, please provide a copy of the CHDO's most recently filed IRS Form 990 and Certified Public Accountant prepared audit.
- If you answered "Yes" to question #12, please provide a copy of the CHDO's most recently filed IRS Form 990 along with the items listed (a) or (b).
- Finance and Accounting Standards and Procedures narratives provided per question #13.



**Please mail the requested information to:**

**Harris County Community Services Department  
Attention: Development  
8410 Lantern Point Drive  
Houston, Texas 77054**

**For further information, contact Development Staff at (713) 578-2000**

*Signature of CHDO's Authorized Representative:*

I certify the information provided in this CHDO recertification application and all its attachments are true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (Print or type)

\_\_\_\_\_  
Title (Print or type)



## Board Information Description

At least one-third of the organization's Board must be representatives of the low-income community the CHDO serves. To meet the one-third minimum requirement, the organization's Board could consist of either:

- Residents that live in the low-income community where 51 percent or more of the residents are low-income. The persons need not be low income;
- Residents of the community who are qualified as low-income (below 80 percent of the median income); or
- Elected representatives of low-income neighborhood organizations.

1) Elected or Appointed Public Official -

A public sector representative or any elected public official, any appointed public official, any public/ government employee of a public agency or department, or any individual who is appointed by a public official to serve on a CHDO board.

2) Public Employee -

All employees of public agencies, including schools.

3) Low-income resident of the community -

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 area, "community" is defined as one or several neighborhoods. Also income must be below 80 percent MFI for their family size.

4) Resident of a low income community -

This does not mean that you must be a low-income person, only that you reside in a low-income community within the organization's designated service area.

5) Elected rep of a low-income neighborhood organization -

A low-income neighborhood organization is an organization composed primarily of residents of a low-income neighborhood. Examples are block groups, civic associations, neighborhood church groups.



## Board of Directors - Member Information

Organization Name: \_\_\_\_\_

**Please complete and return the original of this form for each Board Member of the Organization (CHDO). Please print or type (this form is fillable).**

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

Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Telephone

Home: \_\_\_\_\_

Cell: \_\_\_\_\_

Email Address: \_\_\_\_\_

Occupation: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Board Member Since (Month & Year): \_\_\_\_\_

Term: \_\_\_\_\_

**Please answer all the questions below and check the appropriate box (all questions must be answered):**

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1) Elected or Appointed Public Official?                                     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2) Public Employee?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3) Low-income resident of the community?                                     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4) Resident of a low-income neighborhood in service area?                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5) Elected rep of a low-income neighborhood organization?                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6) Please detail your experience with the development of affordable housing. |                              |                             |

I certify that the information provided above is accurate and correct to the best of my knowledge.

Printed Name

Signature

Date

**\*Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)



## Affidavit of Standards for Financial Management Systems

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

Affiant: \_\_\_\_\_

Recipient: \_\_\_\_\_  
(Insert exact legal name of the organization)

**Affiant on oath swears that the following statements are true and are within the personal knowledge of Affiant:**

1. Affiant is the Chief Financial Officer of the Recipient and is authorized to make this affidavit on behalf of Recipient.
2. Recipients' financial management systems conform to the financial accountability standards set forth in 24 CFR 84.21, by providing for and incorporating the following:
  - a. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project;
  - b. Records which identify the source and application of funds for federally-sponsored activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest;
  - c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets shall be adopted to assure that all assets are used solely for authorized purposes;
  - d. Comparison of outlays with budget amounts for each award;
  - e. Written procedures to minimize the time elapsing between the receipt of funds and the issuance or redemption of checks for program purposes by the recipient;
  - f. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of Federal cost principles (Circular A-122) and the terms and conditions of the award;
  - g. Accounting records, including cost-accounting records that are supported by source documentation.

Affiant: \_\_\_\_\_

NOTARY SEAL

Title: \_\_\_\_\_

Subscribed and sworn before me on the \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
\_\_\_\_\_, on behalf of \_\_\_\_\_

\_\_\_\_\_  
Notary Public State of Texas

My commission expires: \_\_\_\_\_