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I. Introduction

The National Affordable Housing Act of 1990 (the Act) created the HOME Investment Partnerships Program (HOME). The Act’s objectives include promoting partnerships between states, local governments and nonprofit organizations and increasing the capacity of nonprofit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that participating jurisdictions (PJs) set-aside at least 15% of their HOME funds for housing that is developed, owned, or sponsored by Community Housing Development Organizations (CHDOs). CHDOs are a specific type of nonprofit organization defined in the HOME Final Rule (24 CFR Part 92).

This application for CHDO certification covers the following topics:

1) Provides the HOME Program definition of a CHDO;
2) Outlines the criteria for qualifying as a CHDO;
3) Describes the eligible uses of CHDO set-aside funds;
4) Describes Spokane County’s process for certifying CHDOs;
5) Provides supplemental material for organizations interested in becoming a CHDO and information on technical assistance available to nonprofits; and
6) Provides reference materials as appendices.
II. Definition of a CHDO

The HOME Program definition of a CHDO is found in 24 CFR 92.2 (also see Appendix A of this Application).

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the legal status of the organization, its capacity and experience, the organizational structure, and the relationship of the CHDO to for-profit entities. The CHDO Checklist (see Appendix B) outlines these criteria in detail. The following is a summary of some of the key criteria to qualify as a CHDO.

Eligible Applicants

Eligible applicants, include community-based non-profit §501(c)(3) or (4) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in these guidelines. Spokane County determines non-profit organizations as an eligible CHDO as defined in the HOME Investment Partnership Program 2013 Final Rule Subpart A, §92.2.

Legal Status

1) The CHDO must be organized under state law.
2) One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons.
3) The CHDO must have nonprofit status under §501(c)(3) or (4) of the Internal Revenue Code of 1986.
4) The organization must have a clearly defined geographic service area that is not the whole state.

Capacity and Experience

This CHDO application has been updated to reflect the 2013 HOME Appropriation Act Capacity and Experience Requirements, as described below.

Experience

1) The CHDO must have at least one year of experience serving the community.
2) The organization must show that its key staff members have the capacity to implement housing activities.
3) The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) and A-133 may be obtained at https://www.whitehouse.gov/omb/information-for-agencies/circulars/.
4) The organization must not be out of compliance or disqualified from any program administered by Spokane County or under debarment, proposed debarment, or suspension by a federal agency.

5) The CHDO must have completed at least one CHDO-eligible development in the past two (2) years. Eligible developments are:
   - Acquisition and/or rehabilitation of rental housing
   - Construction of new rental housing
   - Acquisition and/or rehabilitation of properties for home ownership
   - New construction for home ownership

Organization Structure
1) At least one-third of the organization’s board of directors must be representatives of the low-income community; no more than one-third can be representatives of the public sector.
2) The CHDO must also involve low-income program beneficiaries in affordable housing project design. (This is in addition to serving on the board of directors).

Relationship to For-Profit Entities
The CHDO cannot be controlled by for-profit organizations or individuals (See Appendix A).

III. The CHDO Set-Aside

At least 15% of the County’s annual HOME allocation must be invested in housing developed, owned, or sponsored by a CHDO (see details below in Section IV. Alternative CHDO Roles). This is known as the “CHDO set-aside.” Other nonprofit organizations not meeting CHDO criteria can receive HOME funding for projects they develop, own, or sponsor, but these projects do not count toward the CHDO set-aside. CHDOs and other nonprofits can also receive HOME funds as a subrecipient but these funds also do not count toward the 15% CHDO set-aside.

Eligible and Ineligible CHDO Set-Aside Activities
Only certain types of activities count toward the 15% CHDO set-aside. The eligible activities (when carried out by a CHDO acting as a developer, owner or sponsor) are:

   A. Acquisition and/or rehabilitation of rental housing
   B. Construction of new rental housing
   C. Acquisition and/or rehabilitation of properties for home ownership
   D. New construction for home ownership

The following activities are not eligible for the CHDO set-aside:

   1) Tenant-based rental assistance
   2) Rehabilitation of owner-occupied properties
   3) Direct homebuyer assistance for existing housing (not developed, owned, or sponsored by the CHDO)
Eligible Costs

The following is a list of eligible activities under the HOME Program:

- **New Construction**: HOME funds may be used for new construction of housing. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.

- **Rehabilitation**: This includes the alteration, improvement or modification of an existing structure. Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure. Conversion, a type of Rehabilitation, is changing the use of an existing structure to one of affordable residential housing. Units cannot be added beyond the building envelope.

- **Site Improvements**: Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present. Building new, off-site utility connections to an adjacent street is also eligible.

- **Acquisition of Property**: Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible. This includes direct assistance to homebuyers.

- **Acquisition of Vacant Land**: Acquisition of vacant land is allowed. The use of the land must be protected by a restrictive covenant ensuring that the only eligible future use is housing for income-qualified households.

- **Acquisition and/or Acquisition with Rehabilitation**: Funds may be used to acquire a vacant building or building not currently being utilized for rental housing and adapt the building to residential multi-family housing. The acquisition price must be less than or equal to the value identified in an independent appraisal.

- **Housing Management/Project Soft Costs**: Housing Management /Project Soft Costs must be reasonable. These costs include: finance-related costs; credit reports; title binders and insurance; surety fees; recordation fees; transaction taxes; legal and accounting fees including: cost certification; appraisals; environmental reviews; builders’ or developers’ fees; architectural, engineering and related professional services; homebuyer counseling; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects.

Forms of HOME Assistance and Developer and Project Delivery Fees

Funds provided to CHDOs will be in the form of a loan from Spokane County. Program income generated must be returned to Spokane County.

Spokane County uses HOME funds to expand the supply of affordable rental housing for extremely low-income and very low-income households. To ensure that HOME funds are used effectively and efficiently, and to meet the requirements of the HOME Program, recipients of HOME funds must meet the rules set forth in the HOME handbook.

First, HOME has specific project requirements regarding eligible recipients and activities, forms of assistance, eligible costs and property type and property standards. After the rental project is established, it must be leased-up in accordance with HOME occupancy requirements. Over the course of its affordability period, the project must be managed to maintain compliance with HOME rent and occupancy requirements. This means continued attention must be given to eligible
tenants, income verification and recertification, adjusting rents as tenant incomes increase, and the requirements for proper leases. Recordkeeping responsibilities include the maintenance of records, at the both property and program level, to document compliance with all program requirements.

Additionally, to extend the impact and reach of these funds, Spokane County encourages the use of HOME funds with other resources (both public and private) available for the development of affordable rental housing. Developers of the affordable housing project may be local governments, public housing authorities, CHDOs and other nonprofits, and for-profit entities that Spokane County deems eligible. In particular, the eligible recipient will be the entity responsible for project development, but may also include all affiliated entities, such as an owner that is also the property manager.

CHDO as a Subrecipient
A CHDO, as well as other organizations, may also participate in HOME-funded programs as a subrecipient. This occurs when a CHDO undertakes an activity that is not an eligible activity for the CHDO set-aside (e.g., housing rehabilitation for owner-occupants). In these projects, the CHDO enters into a contract with Spokane County to administer all or part of a program for Spokane County.

IV. Alternative CHDO Roles
The 15% CHDO set-aside can only be used for projects in which a CHDO is the developer, owner, or sponsor.

CHDO as Developer
A CHDO is a “developer” when it either owns a property and develops a project or has a contract with a property owner to develop a project. The CHDO must perform all the functions usually expected of for-profit developers as well as assume all the risks and rewards associated with being a developer.

1) Rental Housing: For rental projects, the CHDO must obtain financing and build or rehabilitate the project. If it owns the property, the CHDO may maintain ownership and manage the project over the long term, or it may transfer the project to another entity for management.

2) Homeownership: For homeownership projects, the CHDO must obtain financing and build or rehabilitate the units. Title to the property and HOME obligations must be transferred to qualified homebuyers within a specified time frame of project completion

CHDO as Owner
A CHDO may be considered an “owner” of a rental development. The CHDO is an owner when it has a valid title or a long term leasehold interest (at least 99 years). A CHDO can own a rental property with other legal entities (including, but not limited to, individuals, corporations, and partnerships). If it owns the project in partnership, the CHDO or its wholly owned nonprofit or for-profit subsidiary must be the managing general partner with effective control (i.e., decision-making authority) of the project. The CHDO may be both owner and developer, or may have another entity as the developer.
CHDO as Sponsor
A CHDO may be a “sponsor” for either a rental or a home ownership project. When a CHDO is a sponsor, it must always own the property prior to the development phase of the project.

1) **Rental Housing:** The CHDO (or another entity) develops a project that the CHDO solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time prior to or during development or upon completion of the development of the project. The HOME funds are invested in the project owned by the CHDO. The CHDO sponsor selects, prior to commitment of the HOME funds, the nonprofit organization that will obtain ownership of the property.

2) **Homeownership:** The CHDO owns a property and transfers responsibility for development to another nonprofit organization at a specified time in the development process. The second nonprofit transfers title to the property, and HOME obligations, to qualified home buyers within a specified time frame.

For a more detailed description of the alternative CHDO roles, see [HUD Notice CPD 97-11](#).

V. Process for County CHDO Certification

In order to apply for HOME funds, it is important for applicants to review County’s most recent Consolidated Plan and Annual Action Plan, along with the full application guidelines.

The following is the process for obtaining County CHDO certification:

1) Complete this CHDO application, including the Appendices, and provide the required supporting materials.

2) Submit the application and supporting documentation to Spokane County.

3) If the application materials submitted are complete and meet the criteria for qualifying as a CHDO, Spokane County will notify the applicant organization in writing that it has been certified as a County CHDO.

4) If the application materials are not complete or if the applicant organization does not meet the requirements for CHDO certification, a letter will be sent to the applicant organization describing what it must do to meet the certification criteria.

5) Spokane County will maintain a list of County-certified CHDOs. Annually, County-certified CHDOs will be asked to recertify their status by providing updated information on the organization and its projects. This helps to ensure that these organizations still meet the criteria for CHDO status after certification.
VI. Supplemental Information

Timely Production and Occupancy of Assisted Housing

The HOME 2013 Final Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

1. HOME projects must be completed within four years of commitment. Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [§92.205(e)(2)]

2. HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion; if not, PJs must repay HOME funds for the vacant units. Note: For units that remain vacant six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD. [§92.252]

3. A homebuyer unit must have a ratified sales contract within nine months of construction completion, or the PJ must either convert it to a HOME rental unit or repay the full HOME investment. [§92.254(a)(3)]

4. CHDO set-aside funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation. The PJ can no longer “reserve” CHDO funds for projects that will be identified at a later date. [§92.2 Commitment, §92.300(a)(1)]

5. CHDO set-aside funds must be expended within 5 years of when the PJ receives its formula allocation. [24 CFR §92.500(d)(1)(A) and (C), and §92.500(d)(2)]

VII. Submittal Instructions

If you are submitting this application in response to a Notice of Funding Availability (NOFA), please carefully follow the NOFA submittal instructions and deadline, and include this CHDO application with your submittal.

This CHDO application form should be filled out electronically using the spaces provided herein. Once completed, print the application and have it signed and dated by someone with authority to bind your organization. Then, scan the form and send it as a PDF file (including all necessary supportive documentation) along with your application materials.

VIII. Questions and Technical Assistance

For questions or technical assistance with this CHDO application, please contact:

Pavel Parfilo
Affordable Housing Program Manager
(509) 477-4520
pparfilo@spokanecounty.org
Community housing development organization (CHDO) 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 community housing development organization may be sponsored or created by a for-profit entity, but:

   a. 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;

   b. 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

   c. 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 (26 CFR 1.501(c)(3)-1);

5) Does not include a public body (including the participating jurisdiction). 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 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;


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:

   a. 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

b. 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 a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced 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 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.
Appendix B

CHDO CHECKLIST

The information contained in this checklist refers to a Community Housing Development Organization (CHDO) as defined in Subpart A, Section 92.2 of the HOME Final Rule (24 CFR Part 92). Other information applicable to CHDOs is found in Subpart G of the Rule.

Please attach all supporting documentation to your completed CHDO application. Supporting documentation should be included for each item checked off below. Label each attached document with the corresponding checklist question number (e.g. “II.A,” “II.B,” etc.).

I. Contact Information
   
   Organization Name: Click or tap here to enter text.
   Phone Number: Click or tap here to enter text.
   Mailing Address: Click or tap here to enter text.
   Executive Director: Click or tap here to enter text.
   E-mail Address: Click or tap here to enter text.
   Service Area: Click or tap here to enter text.

II. Legal Status
   
   A. The applicant organization is organized under state or local laws, as evidenced by:
      - [ ] Charter
      - [ ] Articles of Incorporation
   
   B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:
      - [ ] Charter
      - [ ] Articles of Incorporation
   
   C. It has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by:
      - [ ] 501(c) (3) or (4) Certificate from the IRS.
   
   D. It 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
      - [ ] By-laws
      - [ ] Resolutions
III. Capacity

A. The applicant organization conforms to the financial accountability standards of Attachment F of OMB Circular A-110, “Standards for Financial Management Systems” 24 CFR 84.21, as evidenced by:
   - ☐ A notarized statement by the president or chief financial officer of the organization
   - ☐ A certification from a Certified Public Accountant
   - ☐ A HUD-approved audit summary

B. The applicant organization has demonstrated capacity and experience as described in the narrative of Appendix C.
   - ☐ Narrative in Appendix C

IV. Organization Structure

A. The applicant organization maintains at least one-third of its governing board’s membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization. Please check all that apply and attach the supporting documentation to this CHDO application.
   - ☐ By-laws
   - ☐ Charter
   - ☐ 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 entire state).

B. The applicant organization provides information on current board of directors as evidenced by:
   - ☐ A Complete Board of Directors table (see Appendix D)
   - ☐ Certification of Low-Income Representation (one form for each low-income representative on the Board) (see Appendix E)

C. The applicant organization provides a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by at least one of the following:
   - ☐ By-laws
   - ☐ Resolution (see model in Appendix G if necessary)
   - ☐ A written statement of operating procedures approved by the governing body
   - ☐ A description of your formal process for obtaining low-income input (Appendix F)

Approved CHDOs must maintain records that show the formal process has been followed for all projects receiving HOME from Spokane County.
D. A CHDO may be chartered by a government. In this case the following restrictions apply: (1) The state 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 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. This is evidenced in at least one of the following documents:
- Charter
- Articles of Incorporation
- By-laws
- Not applicable because this organization is not chartered by a unit of government

E. A CHDO may be sponsored or created by a for-profit entity. In this case the following restrictions apply: (1) The for-profit entity may not appoint more than one-third of the membership of the CHDO’s governing body; and (2) the board members appointed by the for-profit entity may not, in turn, appoint that remaining two-thirds of the board members. This is evidenced in at least one of the following documents:
- Charter
- Articles of Incorporation
- By-laws
- Not applicable because this organization is not chartered by a unit of government

V. Relationship with For-Profit Entities

A. The CHDO is not controlled by nor receives directions from individuals or entities seeking profit from the organization, as evidenced by either:
- By-laws, or
- Memorandum of Understanding (MOU)

B. A CHDO may be sponsored or created by a for-profit entity. The for-profit entity’s primary purpose does not include the development or management of housing, as evidenced by the following:
- Not Applicable
- In the for-profit organization’s By-laws

VI. Administrative Audit and Legal Issues

A. Has your organization been placed under administrative restrictions from federal, state, or local sources at any time in the past 5 years?
- Yes
- No

B. Has your organization been involved in any lawsuits?
- Yes
- No

C. Are there any outstanding judgments against your organization?
- Yes
- No
D. Has your organization defaulted on any loans in the past 5 years?
   ☐ Yes
   ☐ No

E. Has your organization had any audit findings in the past 5 years?
   ☐ Yes
   ☐ No

VII. Compliance with Other Federal Requirements

In addition to the basic HOME rules outlined above, a number of other federal and state regulations must be adhered to in the course of administering HOME funds. The certifying official of the organization seeking certification as a CHDO is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable federal laws, regulations and executive orders include, but are not limited to, the areas outlined below.

Non-Discrimination and Equal Access
Applicant organization must take measures to ensure non-discriminatory treatment, outreach and access to HOME resources. This applies to employment and contracting, as well as to marketing and selection of program participants. Spokane County does not discriminate based on disability of the administration of HOME funds.

Fair Housing and Equal Opportunity
Applicant organization and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

1. Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
2. The Fair Housing Act (41 U.S.C. 3601-3620)
3. Section 104(b) (2) of the Fair Housing Act
4. Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
5. Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
7. Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
8. Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et. seq. and implementing regulations, as amended)
9. Affirmative marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351
10. Section 3 of the Housing and Urban Development Act of 1968
11. RCW 49.60.222: Unfair Practices with respect to real estate transactions, facilities, or services
12. Accessibility for Individuals with Disabilities
   • Section 504 of the Rehabilitation Act of 1973
13. Equal Opportunity
   • Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60

2024 Application for CHDO Projects
Contracting Procurement
• 2 CFR Part 200, General Procurement Standards

Environmental
• National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD’s implementing regulations at 24 CFR Parts 50 and 58

Lead Based Paint
• Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

Contracting Procurement
• Uniform Relocation Act (URA)
• Section 104(d) of the Housing and Community Development Act, known as the Barney Frank Amendments

Financial Management
• 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

Housing
• The Truth in Lending Act (Regulation Z)
• Title I Consumer Protection Act (PL 90321)
• Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et. seq.)
• Mandatory State Construction Codes, as well as the International Energy Conservation Code
• Construction and Safety Standards at 24 CFR 3280 for new manufactured housing

Labor Standards
Every contract for the new construction or rehabilitation of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as pre-determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5). Such contracts are also subject to the overtime provisions, as applicable, of the Contract Work Hours and safety Standards Act (40 U.S.C. 327-332).

Contractors, subcontractors at any tier, and other HOME fund recipients must comply with regulations issued under these acts and with all federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs).

Property Standards
All funded properties must meet certain property standards. At minimum, all units must meet HUD’s Uniform Physical Condition Standards (UPCS). However, the HOME regulation also requires that all housing that is rehabilitated or financed with HOME funds must meet all applicable local codes (including state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of development completion.
Period of Affordability Compliance
During the Period of Affordability, the CHDO will be required to carry out ongoing compliance monitoring activities as dictated by HOME rules. Spokane County will monitor their performance in completing these activities. The period of affordability will be determined by the level of assistance provided to each unit as outlined in the HOME regulations in Sections 92.252 (e) for rental units and Section 92.254 for multifamily rental units and can vary from 5 to 20 years. All rental units funded will be subject to all HOME compliance and affordability requirements throughout this period of affordability, including periodic tenant file reviews and unit inspections to ensure all ongoing HOME requirements are met.

Requests for Disbursement of Funds
Per § 92.504, Spokane County must specify in the recipient agreement that the recipient may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before the recipient requests funds from the participating jurisdiction.

General
- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements

VIII. Certifications
By signing below:

A. The Applicant Organization certifies that the information provided in this application for certification as a County CHDO is true and complete;

B. The Applicant Organization understands that Spokane County may conduct its own independent review of the information herein and the appendices, and may verify information from any source; and

C. The Applicant Organization understands that Spokane County will not be responsible for any costs incurred by the Applicant Organization in developing and submitting this application, and that all applications submitted become the property of Spokane County.

Name of Authorized Official:  Click or tap here to enter text.

Title of Authorized Official:  Click or tap here to enter text.

Signature of Authorized Official:  
Date:  

2024 Application for CHDO Projects
NOTES TO THE CHDO STAFF EXPERIENCE & ORGANIZATIONAL CAPACITY CHECKLIST - PROGRAM YEAR 2020 CHDO FUNDING

The CHDO requirements under the 2013 HOME Appropriation law are more rigorous than in previous years. Under current rules, in addition to meeting all the previous standards to be a CHDO, an organization must also demonstrate that it has adequate capacity and experience to take on the specific project for which it is applying for CHDO status. Specifically, it must show that:

- It has staff with demonstrated development experience, and
- The organization itself (not merely the individual staff people currently employed by the organization) has experience developing projects of the same size, scope, and level of complexity as the activities for which HOME funds are being reserved or committed.

HUD recommends this checklist as adequate evidence to demonstrate capacity and experience requirements are met.

Spokane County is required to collect and keep documentation that your organization has met HUD’s requirements of capacity and experience. Spokane County intends to fulfill this requirement by having each organization that applies for funds as a CHDO write a narrative response which addresses each of the questions HUD requires and are included in this checklist.

Staff Development Experience

1. Staff classification and documentation: To be counted as staff, the person must be employed by the CHDO, and documentation is needed.
   a. Full time or part time employment – This would be evidenced by a payroll report or a W-4 or a W-2.
   b. Contracted staff – This would be evidenced by a “contract” for employment and a W-9 and 1099 (at the end of a year).

 Please submit this documentation for every staff member working on the project for which you are applying for funding. This is evidence that the key people who will be working on this project are indeed employed staff or contracted staff, and are not merely consultants, volunteers, or board members. Characteristics of consultants are: they have a specific contractual engagement for this activity or project, they are time-limited, they have discrete tasks not related to general operations, and they have limited or no authority to act on behalf of the CHDO. Indicators that the person is genuine staff are: they are responsible for day-to-day organizational duties for this project and beyond, they have authority to act on behalf of the CHDO for day-to-day decisions (e.g., approving contracts, payments, and change orders), and they oversee the development team (i.e., consultants).

Click or tap here to enter text.
2. **Relevant development experience:** Document the basis for answers to the applicable project type.

   a. **Rental development** – Has the staff person been involved in the acquisition, rehabilitation/construction and/or ownership/operation of rental housing?

   b. **Homeownership development** – Has the staff person been involved in the acquisition, rehabilitation/construction and sale of homebuyer housing? Previous experience purely in counseling, marketing, or financing activities is not sufficient to be considered development experience.

You are applying for funds for rental development (not homeownership). You must submit documentation that the key staff people and contracted staff have experience comparable to the type of work they will be doing for this project. You can either write out a summary of the experience (preferred) of each of the key people or you can submit a resume for each of the key people. If you submit a resume but it is not explicit on that resume which functions the staff person has performed in the past that they will be performing on this project, we may follow up with you to ask for clarification or a written description of how the experience on the resume parallels the work on this project. At least one staff person should have experience in each of the major areas of rental development listed in 2.a. The more explicitly you can draw those parallels in your summaries, the easier the CHDO certification process will be for both you and Spokane County staff.

Staff are sometimes shared with organizations in a parent/subsidiary relationship. Examples are: the CHDO subsidiary serves as a development entity for a multi-service parent, national nonprofit with local affiliates, or “public entity” parents. If that is the situation with this project, you will need to document the relationship between the agencies with an inter-agency agreement that: specifies staff (with their experience), specifies services and day-to-day responsibilities and authority, and specifies the payment for services. Please submit a copy of this inter-agency agreement to Spokane County. If this organization is not one with shared-staff, please merely indicate this in your response.

Click or tap here to enter text.

**Developer Capacity & Fiscal Soundness**

3. **Past and current performance**

   a. Has the CHDO performed adequately in the past in HOME, CHDO, and/or other real estate development activities?

   b. Is the CHDO currently in good standing on all its development and administrative activities? Does it show the capacity to take on this additional activity and continue to manage everything that it has ongoing?

Please summarize your past and current performance on rental development projects. As part of that summary please list any projects that you have worked on in which Spokane County has been a partner, so we can follow up with Spokane County staff involved with those projects and confirm that your understanding of adequate performance matches their understanding of your performance. Spokane County expects that the organization will have done at least one CHDO-eligible development in the last 2 years.

Click or tap here to enter text.
4. Capacity – CHDO Organization

a. Organizational structure – Can the current corporation structure support housing development activities, or is there a need for a subsidiary or other organizational structure for future development? Are there operations or activities that need to be organizationally separate from housing development activities and portfolios?

Please explain how the organizational structure is adequate. If your organization shares staff with another organization (e.g., a parent organization) please explain the duties of each organization, and how the roles played by shared staff on this project will be covered by the CHDO, and not by the organization sharing the CHDO’s staff.

Click or tap here to enter text.

b. Management structure/practices – Does the current management have the ability to manage additional development activities? Are the corporate lines of authority for development activities clear? Are policies & procedures in place governing development activities?

Please describe how your organization is on solid ground with regard to its management structure and practices.

Click or tap here to enter text.

c. Pipeline/portfolio – What does the CHDO have as its current project pipeline and program responsibilities? Will it be able to handle the additional project proposed? If the organization pursues housing development, what other activities are likely to suffer or not be able to be pursued due to the effort required for development activities? Does its portfolio of projects/properties evidence competent management and oversight? Do the properties appear to have adequate funding?

Please explain how your organization is on solid ground with regard to its pipeline/portfolio.

Click or tap here to enter text.

d. Staff capacity – Do(es) the identified staff have the time to direct toward management of the proposed project? How strong are staff in the following areas: Legal/financial aspects of housing development? Management of real estate development? Oversight of design & construction management? Marketing & intake? Property management (if applicable)? Are staff encouraged to obtain training and develop new skills? What is their potential for learning skills that they currently do not have?

Please explain how your organization is on solid ground with regard to its staff capacity.

Click or tap here to enter text.

e. Board expertise/skills – Do board members have professional skills directly relevant to housing development (e.g., real estate, legal, architecture, finance, management)? Has the board demonstrated the ability to make timely decisions? Is there a good relationship between board and staff? Does the board have a committee structure or other means of...
overseeing planning and development? Has there been stability/continuity of board members over the last several years?

*Please explain how your organization is on solid ground with regard to the expertise and skills of its board.*

Click or tap here to enter text.

f. Project specific capacity for marketing & sale of homebuyer units or operation of rental units – If a homebuyer project, does the CHDO experience and capacity to market the units and counsel and qualify homebuyers? If a rental project, does the CHDO experience and capacity to oversee the marketing, management and ownership of the project?

*You are applying to be a CHDO on a rental development. Please explain how your organization is on solid ground with regard to the operation of these rental units.*

Click or tap here to enter text.

5. Development Team Capacity

a. Development team roles – Are all of the key development team roles filled with qualified individuals or firms?

b. Partner/consultant – Does the CHDO have a need for a partner or a consultant to supplement its skills and help it to ensure success, while still maintaining development control?

c. Prior experience – Do team members have prior experience directly relevant to the proposed project?

d. Experience working together – Have the team members worked together before or demonstrated the ability to work effectively as a team?

*Please describe the organization’s development team capacity, addressing these topics.*

Click or tap here to enter text.

6. Fiscal Soundness

a. Financial management – Is there evidence that the CHDO meets the 84.21 standards? Does it do annual budgeting of its operations and all activities or programs? Does it track and report budget actual income and expenses? Does it have adequate internal controls to ensure separation of duties & safeguarding of corporate assets? Is there sufficient oversight of all financial activities? Is financial reporting regular, current, and sufficient for the board to forecast and monitor the financial status of the corporation?

*Please describe your financial management that addresses the topics in paragraph 6.a above.*

Click or tap here to enter text.
b. Financial stability – To what extent does the organization have a diversified and stable funding base for operations? How regularly does it experience cash flow problems?

Please describe your organization’s financial stability that addresses the topics in 6.b.

Click or tap here to enter text.

c. Liquidity – Does CHDO management know its current cash position and maintain controls over expenditures? Does the current balance sheet and budget indicate sufficient funds to support essential operations? Does it have funds available for pre-development expenses capital advances required for development?

Please describe your organization’s liquidity that addresses the topics in 6.c.

Click or tap here to enter text.

d. Audit – Does the CHDO have an annual audit? Is the most recent audit current? Were there management or compliance findings in the last two years? Are finding resolved?

Please describe your organization’s audit that addresses the topics in 6.d.

Click or tap here to enter text.

e. Portfolio & corporate liabilities – If it has a portfolio of properties, are they in stable physical and financial condition or are they a drain on corporate resources? Are there assets at risk of default? Does it collect adequate revenues and management fees from the properties? Does it maintain adequate insurance – liability, fidelity bond, workers comp, property hazard, & project?

Please include a summary of the properties in your portfolio which addresses the topics in 6.e.

Click or tap here to enter text.

7. Other Factors

a. Community relations – How strong are the current reputation of the corporation and the relationship with the community? To what extent does NIMBY opposition exist to low income housing in the service area? To what extent do channels exist for the CHDO to negotiate with the community and potential opponents?

Please describe your organization’s community relations which addresses the topics in 7.a.

Click or tap here to enter text.
b. Local government relations – How strong is the CHDO’s relationship with the local government? How strongly does local government support its housing activities?

*Please describe your organization’s local government relations which addresses the topics in 7.b.*

Click or tap here to enter text.

c. Lender relations – Does the CHDO have good working relationships with lenders, especially those who might participate in the proposed project?

*Please describe your organization’s lender relations which addresses the topics in 7.c.*

Click or tap here to enter text.
Appendix D

BOARD OF DIRECTORS CHART

Please insert the following information for each of the organization’s board members. Please indicate whether they are either representatives of the low-income community or state employees. (Additional copies may be attached as necessary.)

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CERTIFICATION OF LOW-INCOME REPRESENTATION

Each board member representing the interests of low-income families in the Applicant Organization’s service area must complete this certification. Please maintain a copy of this certification in your files.

Each board member needs to check at least one of the three criteria listed below but does not need to indicate the specific way in which he or she represents low-income community interests.

Board Member Name:

I certify that I am a current member in good standing of the governing board for ______________________ (name of the CHDO organization seeking certification) and that I represent the interests of low-income families in the Applicant Organization’s service area.

Date Completed: ________________

Signature: __________________________

Please check and complete one of the following:

_______ I am a low-income resident of _______ a community in the Applicant Organization’s service area.

*In order to qualify under this criteria, the board member must be a low-income resident of a community that the CHDO is planning to serve or is currently serving. Low-income is defined as 80% or less of area median family income.

OR

_______ I am a resident of a low-income neighborhood in _______ a community in the Applicant Organization’s service area.

*In order to qualify under this criteria, the board member must live in a low-income neighborhood where 51% or more of the residents are low-income. The board member does not have to be low-income.

OR

_______ I am an elected representative of _______ a low-income neighborhood organization within _______ a community in the Applicant Organization’s service area.

*In order to qualify under this third criteria, the person must be elected by a low-income neighborhood organization to serve on the CHDO Board. The organization must be composed primarily of residents of a low-income neighborhood and its primary purpose must be to serve the interests of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups. The group must be a neighborhood organization and IT MAY NOT BE THE CHDO ITSELF. If the Applicant Organization 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.
Appendix F

DESCRIPTION OF PROCESS FOR OBTAINING LOW-INCOME INPUT

This Appendix is one of the ways to satisfy the organizational structure requirement in Appendix B, Section IV. C.

Having low-income representatives on the board of directors does not satisfy the requirement to have a low-income advisory process. Your organization is required to have a process to collect input for the low-income community directly. If you have not formalized a process, feel free to satisfy this requirement by executing the Board Resolution document provided in Appendix G.

1. Please write a narrative describing your organization’s process for obtaining input from the low-income community.
   Click or tap here to enter text.

2. In what ways was low-income input sought and implemented in the past year and what were the results?
   Click or tap here to enter text.

3. How have the low-income residents and program beneficiaries in your service area been involved with the CHDO to advise on policies and procedures, program design, site location(s), and the development and management of affordable housing?
   Click or tap here to enter text.

4. Are there any unique approaches you have taken to obtain feedback from low-income residents?
   Click or tap here to enter text.
Appendix G

MODEL PUBLIC INPUT RESOLUTION

The following Resolution is one of the ways to satisfy the organizational structure requirement in Attachment B, Section IV. C.

The following is hereby resolved by the Board of Directors of

at a duly called meeting on (date)

at which a quorum was present:

The following provision is hereby added to the By-laws, and shall be designated as Article _____.

For any housing project undertaken by this organization there shall be a formal process by which we gather input from intended beneficiaries, low-income residents of the proposed area, and other community members. This process will include:

____ holding widely publicized open meetings;

____ creating ad hoc committees of neighbors of a proposed development sites;

____ forming a neighborhood advisory council;

____ temporarily expanding our governing board to include neighbors during the period of planning and development of the housing project;

_____ other:

Input will be sought on project design, location of sites, development, management, and any other relevant issues.

Name of Authorized Official: _

Signature of Authorized Official:

Title of Authorized Official: ___

Date: