# Community Housing Development Organization
# CERTIFICATION APPLICATION

A Community Housing Development Organization (CHDO) is a private, non-profit, community-based service organization that has obtained staff with the capacity to develop affordable housing in the community it serves.

The following application details the requirements that non-profit corporations must satisfy in order to be certified as a CHDO by the Neighborhood Housing and Community Development Office (NHCD). A set of current Certification Policies are also enclosed as **Attachment D** and detail additional requirements NHCD will use in reviewing your application submission.

Please fully complete the application and supply all requested documentation. An incomplete application package will significantly delay the consideration of your application.

**We are here to help if you have any questions in completing the application. Please do not hesitate to contact Sherry Cardino at (512) 974-3153 for assistance.**

***We look forward to receiving your application!***

***Submit Certification Application Package to:***

Sherry Cardino
City of Austin
Neighborhood Housing and Community Development (NHCD)
1000 E. 11th Street
Austin, Texas 78704

***APPLICANT INFORMATION REQUIRED:***

Name of Applicant Organization

Address

City | State | Postal Code

Contact Person | Position with Organization

Telephone Number | Email Address

Fax Number | Federal Tax I.D. Number

## STATEMENT OF CERTIFICATION

I hereby certify that all statements I have provided in this application and in the attachments herein are true; that I am authorized to sign this application, and to make these statements, on behalf of the applicant organization; and that the organization understands that misrepresentation of any facts which lead to the improper allocation and expenditure of public funds may result in legal action against the organization for retrieval of any such funds and appropriate penalties.

Signed:

Signature | Date

Name: (typed or printed)

Title: (Executive Director)

Name of Organization

## I. LEGAL STATUS

1. **ORGANIZED**: In order to receive certification, your organization must be organized under state or local laws and must provide evidence of your legal status. Which of the following have you supplied?

   - ❑ Charter
   - ❑ Articles of Incorporation along with confirmation from the Secretary of State.

   **Provided in Exhibit #_____ (please specify Exhibit #)**

2. **PURPOSE OF ORGANIZATION**: An organization must have among its purposes the provision of 'decent housing that is affordable to low and moderate-income persons'. Which of the following have you included that demonstrate compliance with this requirement?

   - ❑ Charter
   - ❑ By-laws signed by the board Secretary
   - ❑ Articles of Incorporation

   **Provided in Exhibit #_____ (please specify Exhibit #)**

3. **NO INDIVIDUAL BENEFIT**: No part of your organization's net earnings can inure to the benefit of any member, founder, contributor or individual. Which of the following have you included that demonstrate compliance with this requirement?

   - ❑ Charter
   - ❑ By-laws signed by the board Secretary
   - ❑ Articles of Incorporation

   **Provided in Exhibit #_____ (please specify Exhibit #)**

4. **SERVICE AREA:** In order to receive certification an organization must have a clearly defined geographic service area. The service area can be an area larger than a single neighborhood but must be an area smaller than an entire state. If you will be serving a special population the geographic boundaries and your service area must also be defined. Which of the following have you included to demonstrate that your organization has a clearly defined geographic service area?

   - ❑ Charter
   - ❑ By-laws signed by the board Secretary
   - ❑ Articles of Incorporation

   **Provided in Exhibit #_____ (please specify Exhibit #)**

5. **TAX EXEMPT RULING**: Your organization must have a tax exempt ruling from the Internal Revenue Service (IRS), under section 501 (c) (3), 501 (c) (4) or a Section 905 of the Internal Revenue Code of 1986. Which of the following have you provided to indicate receipt of such a ruling?

   - ❑ A 501 (c) (3) Certificate Letter from the IRS
   - ❑ A 501 (c) (4) Certificate Letter from the IRS
   - ❑ A group exemption letter, that is dated 1986 or later, from the IRS that includes the agency seeking certification as a CHDO (acceptable for Section 905 organizations only)

   **Provided in Exhibit #_____ (please specify Exhibit #)**

## II. ORGANIZATIONAL STRUCTURE

6. **BOARD COMPOSITION**: In order to be certified a CHDO, an organization must structure the board of directors to consist of **at least** one-third representatives of the low-income community and no more than one-third representatives of the public sector. These provisions and examples are as follows:

   a) An applicant organization must ensure that at all times **at least** one-third of its governing board consists of representatives of the low-income community. There are three ways to meet this requirement: 1) Individuals can be residents of a low-income neighborhood in the organization's service area (but do not necessarily have to earn a low income themselves), 2) they can be low-income residents of the community, or 3) they can be appointed representatives to the board from a low-income neighborhood association. Which of the following documents have you provided that demonstrate that the one-third requirement will be maintained?

   - ❑ Charter
   - ❑ By-laws signed by the board Secretary
   - ❑ Articles of Incorporation

   **Provided in Exhibit # _____ (please specify Exhibit #)**

   b) An organization's board of directors may consist of no more than one-third representatives of the public sector. Representatives of the public sector include: 1) ***elected officials*** such as council members, 2) ***appointed public officials*** such as planning or zoning commission, regulatory or advisory boards, 3) ***public employees*** which include employees of public agencies or departments of the City such as fire and police, and 4) any individual who is not necessarily a public official, but has been ***appointed by a public official*** to serve on the organization's Board of Directors. Which of the following have you provided that demonstrate that the one-third cap on public representation will be met?

   - ❑ Charter
   - ❑ By-laws signed by the board Secretary
   - ❑ Articles of Incorporation

   (Under the HOME Program,"community" is defined as one or several neighborhoods or the city at large)

   In order to verify that your **current board** meets both the low-income requirement and the limits on public-sector representation above, please complete the worksheet included as **Attachment B** to this application. In order to complete the worksheet, you will need to know whether the board member resides in a 'low-income' neighborhood or whether the board member qualifies as a low-income resident. An individual residing in a household earning 80 percent of the area median family income or less meets the "low-income" designation. **Attachment E** provides the dollar amount of that income cap by family size. If you are uncertain as to whether the neighborhood your board member resides in can qualify as a 'low-income neighborhood," please call Sherry Cardino at (512) 974-3153 for verification of the zip code in which the board member resides.

7. **LOW-INCOME INPUT**: In order to be certified a CHDO, an organization must provide a specific formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, location of sites, development and management of affordable housing projects. Specifically, a detailed plan for ensuring that input from low-income program beneficiaries will be solicited and integrated into the decision-making and project development processes of the organization. Which of the following has your organization provided, that detail the systems you will use to gather community involvement/input from those affected by your projects?

   - ❑ By-laws signed by the board Secretary
   - ❑ A Board Resolution, (written statement of operating procedures approved by the governing body).

   **Provided in Exhibit # _____ (please specify Exhibit #)**

## III. RELATIONSHIP WITH OTHER ENTITIES

**RELIGIOUS ORGANIZATION SPONSORSHIP:**

8. Is your nonprofit organization sponsored or created by a religious organization?

- ❑ Yes, (please continue with the following)
- ❑ No, (if no, skip to # 9)

A religious organization cannot qualify as a CHDO, but they may sponsor the creation of a wholly secular nonprofit. The developed housing must be used exclusively for secular purposes. It must also be ensured that housing will be made available to all persons, regardless of religious affiliation or belief. The religious organization can appoint an unlimited number of board members to the housing organization's board, but the religious organization cannot control the housing organization. Which of the following has been provided to demonstrate that all of these provisions will be met in the operation of the organization?

- ❑ By-laws
- ❑ Charter
- ❑ Articles of Incorporation

**Provided in Exhibit # _____ (please specify Exhibit #)**

**PUBLIC ENTITY SPONSORSHIP:**

9. Was your organization chartered by a state or local government?

- ❑ Yes, (please continue with the following)
- ❑ No, (If no, skip to # 10)

The state or local government may not appoint more than one-third of the organization's governing body, and the board members appointed by the state or local government may not, in turn, appoint the remaining two-thirds of the board members. Which of the following has been provided that demonstrate compliance with these requirements?

- ❑ By-laws signed by the board Secretary
- ❑ Charter
- ❑ Articles of Incorporation

**Provided in Exhibit # _____ (please specify Exhibit #)**

**FOR-PROFIT RELATIONSHIPS**:

10. Is the nonprofit organization being sponsored by or was it created by a for-profit entity?

- ❑ Yes, (please continue with the following, # 11-14)
- ❑ No, (If no, skip to # 15)

11. A CHDO cannot be controlled by, nor receive direction from individuals or entities seeking profit from the organization. Which of the following has been provided to address compliance with this requirement?

- ❑ By-laws signed by the board Secretary
- ❑ A Memorandum of Understanding (MOU)

**Provided in Exhibit # _____ (please specify Exhibit #)**

## III. RELATIONSHIP WITH OTHER ENTITIES, Continued...

12. An organization may be sponsored or created by a for-profit entity, however; the for-profit entity's primary purpose may not include the development or management of housing. Please provide the following to evidence compliance:

    ❑ The By-laws of the for-profit entity

    **Provided in Exhibit # _____ (please specify Exhibit #)**

13. The non-profit organization is free to contract for goods and services from vendor(s) of its own choosing. Which of the following items has been provided to demonstrate that the non-profit is free to do this?

    ❑ By-laws signed by the board Secretary
    ❑ Charter
    ❑ Articles of Incorporation

    **Provided in Exhibit # _____ (please specify Exhibit #)**

14. If the non-profit is sponsored by a for-profit entity, the for-profit entity may not appoint more than one-third of the organization's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members. Which of the following items has been provided to demonstrate that the non-profit is free to do this?

    ❑ By-laws signed by the board Secretary
    ❑ Charter
    ❑ Articles of Incorporation

    **Provided in Exhibit # _____ (please specify Exhibit #)**

## IV. EXPERIENCE and CAPACITY

15. **FINANCIAL ACCOUNTABILITY**: The organization must have financial accountability standards that conform to 24 CFR 84.21, "Standards for Financial Management Systems", which is included as **Attachment** A to this application. These standards are a variation on OMB Circular A-133 but are an updated version to that circular. The organization must certify that its financial management systems comply with this specific standard. Which of the following have you provided to evidence compliance with this federal requirement?

    - ❑ A notarized statement by the Treasurer or Chief Financial Officer of the organization
    - ❑ Certification from a Certified Public Accountant
    - ❑ HUD approved audit summary

    **Provided in Exhibit # _____ (please specify Exhibit #)**

16. **AUDIT REQUIREMENT:** The City of Austin requires that your organization submit audited financial statements for the organization's most recent program year. The audits financials should include all components conducted, including any A-133 analysis of compliance with federal grants, analysis of internal controls, letter to the Board of Directors or management letters. If your organization does not have audited financial statements because it has been operating for less than one year, you must submit the audited financial statements of the parent or sponsor organization, along with your organization's current unaudited financial statements.

    **Provided in Exhibit # _____ (please specify Exhibit #)**

    **NOTE: No non-profit organization shall be certified as a CHDO if the organization's most recent audit reflects an outstanding finding, material weakness or other unresolved matter, which would prevent the City of Austin from certifying the capacity of that organization to successfully develop a CHDO project.**

17. **EXPERIENCE:** In order to become a certified CHDO, the organization must have ***at least*** one year of experience serving the community where the housing to be assisted with HOME funds is to be located. The year of service does **not** have to be directly related to housing. Newly created organizations wishing to become CHDOs can meet the requirement if the parent (or sponsoring) organization is a nonprofit and has provided services to the community for at least one year. These are the two forms in which capacity may be documented and accepted. Which of the two have you provided to demonstrate compliance with this requirement?

    - ❑ A statement signed by the Executive Director that documents at least one year of experience serving the community prior to seeking CHDO certification and details the type of service provided, **OR**,
    - ❑ A statement signed by the Executive Director that documents that its parent or sponsoring organization has at least one year of experience serving the community prior to seeking CHDO certification and details the type of services that were provided

    **Provided in Exhibit # _____ (please specify Exhibit #)**

18. **PROJECT DETAIL:** As a next step toward assessing your organization's capacity, please provide the following information about the type of project(s) your organization is currently developing or expects to develop in the next 6 months:

**NUMBER OF UNITS IN FIRST PROJECT:**_____

| BUILDING TYPE: | EXPECTED USE: | CONCENTRATION: | CONSTRUCTION ACTIVITY |
|---|---|---|---|
| ❑ **Single Family buildings**<br>❑ **Multi-family buildings** | ❑ **Rental**<br>❑ **Homeownership** | ❑ **Single Site**<br>❑ **Scattered Site** | ❑ **Acquisition**<br>❑ **New Construction**<br>❑ **Rehabilitation** |

| FOR RENTAL ONLY: | FOR HOMEOWNERSHIP ONLY: |
|---|---|
| ❑ **CHDO will do Property Management**<br>❑ **CHDO will contract out for Property Management** | ❑ **CHDO will do Homeownership Counseling**<br>❑ **CHDO will work with established Homeownership Counseling or replace homeowners** |

Additional comments about the project? _____

_____

_____

_____

_____

_____

_____

19. **STAFF AND CAPACITY**: In order to be certified as a CHDO, the organization must have staff. Additionally, the organization must demonstrate the capacity of its key staff to carry out the activities it is planning to undertake. Specifically, the key staff who will be responsible for the project must have successfully completed projects **similar to those the organization expects to undertake**. If the key staff responsible for the project have limited or no experience successfully completing such projects, the organization must have a contract in place with an experienced consultant -- a firm or individual(s) – who has successfully completed projects similar to those the organization will undertake. The consultant must be contractually involved in the planning and development activities for the project. The contract must also detail the specific steps the consultant will undertake to ***train*** the key staff. Which of the following have you supplied to document satisfaction of the capacity requirement?

- ❑ Resumes of key staff members who have successfully completed project similar to that being proposed, (include project descriptions of relevant completed projects), **OR**,

- ❑ Copy of an executed contract with an experienced consultant who has successfully completed projects similar to that being proposed, (include the resume of the consultant, along with a list of successfully completed projects).

**Provided in Exhibit # _____ (please specify Exhibit #)**

Please submit a roster of the organizations current board composition and their positions on the board. Please describe the organization's current staffing by completing **Attachment C**

**PLEASE REVIEW THE FOLLOWING CHECKLIST TO BE SURE YOUR APPLICATION SUBMISSION INCLUDES ALL OF THE ITEMS LISTED BELOW:**

- ❑ All questions have been answered, exhibit numbers indicated, and the Executive Director has signed the certification statement on page one.
- ❑ Attachment B, Board information has been completed for every board member and is enclosed.
- ❑ Attachment C, Staff information has been completed for every staff person and is enclosed.
- ❑ All exhibits referenced in the application are numbered and enclosed.

**Thanks very much for applying for CHDO Certification with the Neighborhood Housing and Community Development Office. We will work diligently to provide you with a quick response to your application.**

# ATTACHMENT A TO CHDO CERTIFICATION APPLICATION

## HUD–Required Standards for Financial Management Systems

Code of Federal Regulations, Title 24, Volume 1, Parts 84 Section 21
Revised as of April 1, 2000
From the U.S. Government Printing Office via GPO Access [CITE: 24CFR84.21], Page 425-426

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 84--GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS--Table of Contents

Subpart C--Post-Award Requirements

Sec. 84.21 Standards for financial management systems.

(a) HUD shall require recipients to relate financial data to performance data and develop unit cost information whenever practical.
(b) Recipients' financial management systems shall provide for the following:
    (1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 84.52. If a recipient maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for their reports on the basis of an analysis of the documentation on hand.
    (2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
    (3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
    (4) Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.
    (5) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient. To the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern, payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury-State Agreements or the CMIA default procedures codified at 31 CFR part 205, ``Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs."
    (6) Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
    (7) Accounting records including cost accounting records that are supported by source documentation.
(c) Where the Federal Government guarantees or insures the repayment of money borrowed by the recipient, HUD, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the recipient are not deemed adequate to protect the interest of the Federal Government.
(d) HUD may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal Government's interest.
(e) Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 223, ``Surety Companies Doing Business with the United States."

**ATTACHMENT B - BOARD MEMBER REQUIREMENTS**
**Org Name Here:**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |
| **2** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |
| **3** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |
| **4** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |

**ATTACHMENT B - BOARD MEMBER REQUIREMENTS**
**Org Name Here:**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **5** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **6** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City: | | | | | | | | | | |
| | State: | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **7** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City | | | | | | | | | | |
| | State | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **8** | Name: | | | | Elected or appointed Public Official? | Public Employee? | * Low-income resident of the community? | Resident of the low-income neighborhood in service area? | Elected rep of low-income neighborhood organization? | * NOTE: If a low-income resident, provide a signed statement from the individual confirming that their income is below 80% MFI for their family size. | |
| | Address: | | | | | | | | | | |
| | City: | | | | | | | | | | |
| | State: | | | Yes | | | | | | | Included |
| | Zip | | Phone: | No | | | | | | | N/A |
| | Place of Employment: | | | Additional Comment: | | | | | | | |
| | Position: | | | | | | | | | | |

**ATTACHMENT C**

**Staff Member Information**

**(Please make additional copies as needed to include *all* staff members)**

## STAFF INFORMATION:

| | | |
|---|---|---|
| Name: | | Please indicate if this position is:<br>❑ Paid<br>❑ Unpaid<br><br>Resume Included?<br>❑ Yes<br>❑ No<br>(Required) |
| Title: | | |
| Position: | | |
| Hours of work: | | |
| Duties and Responsibilities | | |
| | | |
| | | |
| | | |
| | | |

| | | |
|---|---|---|
| Name: | | Please indicate if this position is:<br>❑ Paid<br>❑ Unpaid<br><br>Resume Included?<br>❑ Yes<br>❑ No<br>(Required) |
| Title: | | |
| Position: | | |
| Hours of work: | | |
| Duties & Responsibilities | | |
| | | |
| | | |
| | | |
| | | |

| | | |
|---|---|---|
| Name: | | Please indicate if this position is:<br>❑ Paid<br>❑ Unpaid<br><br>Resume Included?<br>❑ Yes<br>❑ No<br>(Required) |
| Title: | | |
| Position: | | |
| Hours of work: | | |
| Duties & Responsibilities | | |
| | | |
| | | |
| | | |

# Austin Housing Finance Corporation
# Community Housing Development Organization
# CERTIFICATION POLICY

In order to be certified as a Community Housing Development Organization (CHDO), an organization must meet the minimum certification criteria as required by the U.S. Department of Housing and Urban Development. Additionally, the organization must comply with the following policies in order to receive CHDO certification from the Neighborhood Housing and Community Development Office (NHCD).

## NO DISTRIBUTIONS

An applicant organization's charter or the articles of incorporation must specify that no net earnings of the corporation can inure to the benefit of any member, founder, contributor or individual. All net income must be reinvested in the projects developed by the organization or in subsequent affordable housing projects.

## BOARD COMPENSATION

Board members may receive a reasonable fixed sum and expenses for each board meeting he/she attends. However, board members cannot receive a salary for their service as a board member. In order for NHCD to verify the reasonableness of compensation, CHDO applicants are required to submit all financial statements and, upon request, any other documents necessary for NHCD to verify the amount of compensation provided to board members and the services for which the sum was paid.

## SPONSORSHIP OR CREATION BY A RELIGIOUS ORGANIZATION

A religious organization cannot become a CHDO, but can create a wholly secular nonprofit housing organization. The sponsoring organization can appoint an unlimited number of board members to the board of the housing organization. Beyond that, however, the housing organization cannot be controlled by the religiously-based sponsor organization. That is, the housing organization must be free to select its projects, to procure its goods, services and financing, and to otherwise operate the organization without influence or intervention by the religiously based sponsor. Additionally, the housing developed by the housing organization must be made available to all persons, regardless of religious belief or affiliation. The **by-laws** of the housing organization must include language that ensures compliance with all of the above requirements.

## REPRESENTATIONS AND WARRANTIES

Any applicant who submits fabricated information, documentation or signatures as part of or along with its CHDO application, or any applicant who misrepresents any aspect of the board, staff or organizational accomplishments, experience or expertise shall be disqualified from the CHDO certification process for a period of one (1) year. The one-year disqualification period will begin at the time the misrepresentation is made by the NHCD and is reported in writing by NHCD staff to the applicant organization. If an applicant believes the NHCD determination of misrepresentation is in error, the applicant organization may appeal the decision in writing to the Director of the Neighborhood Housing and Community Development.

## AUDIT

The Neighborhood Housing and Community Development requires that your organization submit audited financial statements for the organization's most recent program year. If your organization does not have audited financial statements because it has been operating for less than one year, you must submit the audited financial statements of the parent or sponsor organization, along with your organization's current unaudited financial statements. No nonprofit organization shall be certified as a CHDO if the organization's most recent audit has an outstanding finding, material weakness or other unresolved matter which would prevent the Neighborhood Housing and Community Development from certifying the capacity of that organization to successfully develop a CHDO project. The audit will also be used in assessing the organization's financial capacity for executing the affordable housing activities it intends to pursue.

## VERIFICATION OF COMPLIANCE WITH BYLAWS

As part of the certification process, the Neighborhood Housing and Community Development may do all necessary due diligence to verify that the operations of an applicant organization are being conducted in keeping with the by-laws submitted in the CHDO Certification application.

## ATTACHMENT E TO CHDO CERTIFICATION APPLICATION

**HUD Income Limits by Household Size**
**Effective Date: June 1, 2011**

***FY 2011 Median Family Income***
***Austin, Travis County, Texas***
***$74,900 (4-person household)***

**Austin-Round Rock MSA**

| Household Size: | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|---|---|---|---|---|---|---|---|---|
| **30% Median Income** (extremely low-income HUD) | 15,750 | 18,000 | 20,250 | 22,450 | 24,250 | 26,050 | 27,850 | 29,650 |
| **50% Median Income** (very low-income HUD) | 26,250 | 30,000 | 33,750 | 37,450 | 40,450 | 43,450 | 46,450 | 49,450 |
| **80% Median Income** (low-income HUD) | 41,950 | 47,950 | 53,950 | 59,900 | 64,700 | 69,500 | 74,300 | 79,100 |

# Community Housing Development Organization
# SELF-CERTIFICATION FORM

For the purpose of determining income eligibility, I, _____ (print name), do hereby understand that in order to qualify as a representative of the low-income community, my total household income cannot exceed 80% of the Median Family Income for the Austin area as established by the Federal Government. Currently, the amounts are:

HUD Income Limits by Household Size
***Effective Date:*** **June 1, 2011**
FY 2010 Area Median Family Income for Travis County, Texas

| 1 PERSON | 2 PERSON | 3 PERSON | 4 PERSON | 5 PERSON | 6 PERSON | 7 PERSON | 8 PERSON |
|---|---|---|---|---|---|---|---|
| **41,950** | **47,950** | **53,950** | **59,900** | **64,700** | **69,500** | **74,300** | **79,100** |

The following is a list of all persons who are currently occupying this household:

| Name | Age | Relationship | Gross Monthly Income (Before Taxes) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

_____ _____
Signature Date

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

***FOR CITY STAFF ONLY:***

Based on the information provided above, the information has been verified by NHCD Staff to reflect that the person named above

☐ **DOES** ☐ **DOES NOT**

qualify as a representative of the low-income community as defined by HUD.

_____ _____
NHCD Staff Name: Date: