

Application Instructions for Certification
as a
Community Housing Development Organization (CHDO)

State of Alaska
HOME Investment Partnerships Program (HOME)

The HOME program was created under the National Affordable Housing Act of 1990. The primary purpose of HOME is to expand the supply of decent, safe and affordable housing for low-income families. Alaska Housing Finance Corporation (AHFC), acting as the "Participating Jurisdiction" for the State of Alaska, currently receives \$3 million annually from the federal government under the HOME program. A minimum of fifteen percent (15%) of federal funds received, or \$450,000, must be set-aside for use by specific types of non-profit housing organizations, known as Community Housing Development Organizations (CHDOs).

CHDO funds are restricted to eligible HOME activities in which the CHDO acts in the capacity of developer, sponsor, or owner of HOME-assisted housing. CHDO set-aside requirements are set forth at 24 CFR Part 92.300.

State of Alaska HOME-CHDO funds may be used for housing only in areas outside the Municipality of Anchorage, as the Municipality receives separate HOME funds and has separate strategies for its use. Inquiries about the HOME program in Anchorage should be directed to: Department of Health and Human Services, Municipality of Anchorage, 825 L Street, Anchorage, AK 99501.

If your group is interested in developing affordable housing for occupancy by lower-income persons/families, and would like to determine if your organization would be eligible to qualify as a CHDO, please complete the application.

Community Housing Development Organization (CHDO)

Eligibility Criteria

To qualify as a CHDO, an organization must be a private, 501(c)(3) or (4) non-profit organization that:



Is organized under the laws of the State of Alaska;



Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;



Is not controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO *may* be sponsored or created by a for-profit entity only if:

- ◆ The primary purpose of the for-profit entity is not the development or management of housing, such as a builder, developer, or real estate management firm;
- ◆ The for-profit entity does 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
- ◆ The CHDO is free to contract for goods and services from vendors of its own choosing;



Does not include a public body. An organization that is State or locally chartered may qualify as CHDO; 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. No more than one-third of any CHDO's board members may be "public officials" (including elected or appointed government officials at any level, or employees of the State of Alaska, including AHFC employees). Board members who are "public officials" may not appoint the remaining two-thirds of the board members;

Eligibility Criteria Continued



Has standards of financial accountability that conform to 24 CFR 84.21, “Standards for Financial Management Systems;”



Has 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;



By-laws provide for a minimum of at least one-third of its governing board membership are residents of low-income neighborhoods, other low-income residents, or elected representatives of low-income neighborhood organizations:



Maintains accountability to low-income community residents, by:

- ◆ Maintaining at least one-third of the governing board’s membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations; and
- ◆ 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;



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. Use of consultants to demonstrate capacity can only be used during the first year of operation as a CHDO; and



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 at least 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 requirements by demonstrating that its parent organization has at least a year of serving the community.

Required Documentation

To establish eligibility for the State of Alaska's HOME CHDO funds set-aside, an organization must provide AHFC copies of the following material, together with the CHDO application:

- ✓ Evidence of 501(c)(3) or (4) status (IRS letter);
- ✓ Articles of Incorporation or Charter (copy of original and any amendments);
- ✓ By-Laws (copy of original and any amendments);
- ✓ Names and resumes of all board members and key staff;
- ✓ A resume of the organization, including a detailed analysis of housing development activities which the non-profit has previously participated in. The resume and/or other documentation provided must demonstrate the applicant's capacity for carrying out the activities proposed to be assisted with HOME funds. Additionally, the resume or other evidence provided must demonstrate the organization's history of serving the community within which the HOME assisted housing will be located.
- ✓ Certification from each board member stating whether or not they serve as a "public official" in any of the following capacities:
 - ◆ An elected official of the State of Alaska and/or AHFC- council members, commissioners, state legislators, members of a school board, etc.
 - ◆ Appointed public officials of the State of Alaska and/or AHFC- members of a planning or zoning commission, or any other regulatory and/or advisory commissions that are appointed by a Participating Jurisdiction official.
 - ◆ Public employees- all employees of public agencies or departments of the State of Alaska (including AHFC).
 - ◆ A person appointed by a public official - any individual who is not necessarily a public official but who has been appointed by a public official (as described above) to serve on the CHDO board.

Required Documentation Continued

- ✓ Certification signed by the non-profit's executive director and governing board chairman that identifies which board members serve to meet the lower-income representation requirement and how each member qualifies.
- ✓ Certification from each member counted as being low-income (as opposed to living in a low income area or elected representative of a low income neighborhood organization) for purposes of meeting the 1/3 low income representation requirement stating that the income of his or her household is less than 80% of the area's median income, as defined by HUD and adjusted for family size. This certification may be combined with the public official certification if convenient.
- ✓ Copy of any Board Resolutions or other documents that formally adopt a process for low-income program beneficiaries to provide input to the non-profits decision making process regarding CHDO activities.
- ✓ Notarized statement by the president or chief financial officer of the organization, or a certification from a Certified Public Accountant, which certifies that the organization has standards of financial accountability conforming to 24 CFR 84.21, "Standards for Financial Management Systems."
- ✓ Statement describing the organization's primary interests in promoting affordable housing. (Type of HOME projects it is likely to pursue in the future.)
- ✓ Map describing the service area for the non-profit's potential CHDO activities.
- ✓ Additional information as may be requested by AHFC.

Application Review and Eligibility Determination

Upon receipt of these items, AHFC will evaluate the organization's eligibility for designation as a CHDO. Qualifying organizations will receive a certificate of designation. Organizations failing to qualify will receive a letter, explaining the reasons for denial of the CHDO designation. Organizations may re-apply for CHDO designation if they are able to correct the deficiencies noted in the denial letter.

Questions? Please contact:

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