

City of Muncie, Indiana
Community Development Department



COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION (CHDO) PROGRAM MANUAL

Request for Qualifications (RFQ)



**OVERVIEW OF THE
REQUEST FOR QUALIFICATION PROCESS**

The City of Muncie, Indiana receives HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) to assist the housing for low-income persons within the city limits of Muncie. This year the City seeks to maximize the benefits of these funds by expanding its efforts to seek, certify and capacitate eligible non-profit entities interested in becoming certified as community housing development organizations (CHDO). In 2011, Muncie will offer a comprehensive CHDO Development Program, which includes technical assistance for CHDO certification, pre-development application & development application assistance for CHDO-eligible projects, and CHDO operating assistance. This package will include board development, as needed.

Muncie intends to make the following technical assistance awards via this process:

Level of Assistance	Technical Assistance	Financial Assistance	Anticipated Awards
Comprehensive CHDO Technical Assistance Package	<ul style="list-style-type: none"> • CHDO Assessment Report • CHDO Board Development (as needed) • CHDO Strategic Plan • Project Development 	<ul style="list-style-type: none"> • CHDO Operating Assistance* • CHDO Predevelopment Assistance** • CHDO Developer Fee (must complete a CHDO-eligible project) • CHDO Project Assistance 	One (1) per year thru 2013
CHDO Certification Technical Assistance	<ul style="list-style-type: none"> • Up to 20 hours of technical assistance for CHDO Certification 	<ul style="list-style-type: none"> • CHDO Operating Assistance* 	Two (2) thru 2013
CHDO Quarterly Workshops	<ul style="list-style-type: none"> • One-hour quarterly meetings featuring various training & technical assistance topics related to CHDO projects 	None	All Applicants & Awardees

*Only for certified CHDOs who commit to undertaking at least one CHDO-eligible project within 18 months of accepting operating funds. Must participate in City-sponsored CHDO technical assistance services.

**Only for certified CHDOs who commit to submitting a CHDO-eligible project application for funding within 120 days. Must participate in City-sponsored CHDO technical assistance services.

ELIGIBLE APPLICANTS - Applicants may be non-profit developers and organizations wishing to sponsor or develop affordable housing in Muncie and meeting the criteria established under the HOME rule (24 CFR Part 92) for Community Housing Development Organizations (CHDO). This is a certification process for new applicants and a re-certification for previous CHDO's.

APPLICATION DEADLINE - Applications are due no later than Friday, February 11, 2011 at 4 PM and must be date stamped by our office for official time. Proposals are to be submitted at:

**City of Muncie
Community Development Department**

City of Muncie
Attn: Kay Piner
300 North High Street
Muncie, IN 47305

MANDATORY PRE-APPLICATION Workshop – Executive directors and/or board members for agencies who plan to submit an application are **required** to attend a pre-application workshop on Friday, January 21, 2011 from 9AM until 12noon at Maring Hunt Library.

Estimated Funding Timeline

January 10, 2011	CHDO Program Announced & CHDO Certification Application Packets Available
January 21, 2011	Mandatory Pre-Application Workshop/Technical Assistance Available
February 11, 2011, 4:00 pm	Deadline for Submission of Applications
February 11-28, 2011	Review of Applications
March 1-15, 2011	Schedule & Hold Interviews
April 1, 2011	Technical Assistance Awards Announced
June, 2011	2011 CHDO Funding Applications Due

Applications submitted by fax or email will NOT be accepted.

Chapter 1. HOME Program Purpose

1.1 The City of Muncie, Indiana Community Development Department (CDD) is responsible for administering the HOME Investment Partnerships Program (HOME) which is a federal program created under the National Affordable Housing Act of 1990 (NAHA). Currently CDD receives approximately \$670,000 annually from the US Department of Housing and Urban Development (HUD). CDD administers its HOME-funded programs via its HOME Program Policies & Procedures Manual, which sets forth the following production goals in Muncie's 2010-2014 HUD-approved Consolidated Plan:

Objective	FY 2010 one-year goal	Five-year goal
Improve access to affordable owner housing	24 housing units	120 housing units
Improve access to the quality of owner housing	70 housing units	350 housing units
Increase the supply of affordable rental housing	12 housing units	60 housing units

Section 1.2 of the Muncie HOME Program Policies & Procedures Manual discusses its plan to invest in the recruitment of community housing development organizations (CHDO) and to build the capacity of non-profit organizations to become CHDOs. In 2010 the City of Muncie engaged the services of the High Performance Government Network (HPGN) to develop and manage its CHDO Program, which includes recruitment, assessment, and development of nonprofits that are interested in partnering with the City in order to meet the above-stated goals. More about Muncie's CHDO Program can be found at Chapter 4 of the Muncie HOME Program Policies & Procedures Manual.

The primary purposes of HOME are to promote partnerships and to expand the supply of decent, safe and affordable housing for low-income families. To this end, it was legislated that a minimum of fifteen percent (15%) of these federal funds must be set-aside for use by specific types of nonprofit housing organizations known as Community Housing Development Organizations (CHDOs). CHDO set-aside requirements are set forth at 24 CFR Part 92.2 and 24 CFR Part 92.300. Although many nonprofit organizations share common characteristics with CHDOs, not all nonprofits qualify as CHDOs under the HOME program requirements.

A CHDO's use of set-aside funds is restricted to eligible HOME activities in which the CHDO acts in the capacity of either a developer, sponsor, or owner of HOME-assisted housing. These activities are limited to homeownership and rental. Only nonprofit organizations that have been certified by CDD as CHDOs can receive HOME funds from its fifteen percent (15%) set-aside and subsequently can become eligible to receive some amount of operating expenses.

1.2 If an organization is interested in developing affordable housing for occupancy by lower-income persons/families, and is interested in determining if they qualify as a CHDO, please contact:

Kay Piner at kpiner@cityofmuncie.com

Chapter 2. Definitions

2.1 **Annual Income** means the gross amount of income of all adult household members that is anticipated to be received in the upcoming twelve (12) month period. This definition contains "income inclusions" - types of income that can be counted and "income exclusions" - types of income not considered.

2.2 **Annual Production Plan** - a document that describes the actions and goals that a CHDO will undertake during the year to work towards the long-term goals established in the Comprehensive Community Development Plan. Specifically, the annual production plan establishes the agency's performance goals for the year, describes strategies the agency will use to meet these goals, and identifies performance measures to measure or assess the relevant service levels, outcomes, or outputs that are to be achieved and to compare actual program results with the established production goals.

2.3 **(CHDO) Applicant** means any 501(c)(3) or (4) interested in applying for HOME program funds.

2.4 **Application** means the completed forms, schedules, attachments, and any additional documentation requested in the **CHDO** application for designation package.

2.5 **Application Deadline** is open to nonprofits year round unless associated with the re-certification period for existing designated CHDOs. **NOTE: Those non-profit entities seeking to receive comprehensive CHDO technical assistance must attend the January 21, 2011 pre-application session and meet the February 11, 2011 4:00 pm application deadline.**

2.6 **Application Package** means the forms, attachments and instructions thereto, obtained from CDD, which shall be completed and submitted to CDD in order to apply for a CHDO designation.

2.7 **Audit** means complete and current financial statements that have been audited by a Certified Public Accountant (CPA) licensed by the Indiana Accountancy Board. Current means not more than twelve (12) months from the date that the audit was performed.

2.8. **Capacity** - sum of organization's experience in relationship to tasks to be undertaken; credible and ethical management practices; perceived ability to deliver within the system.

2.9 **CHDO Operating Expenses** means reasonable and necessary costs for the operation of the CHDO. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials and supplies. A CHDO may not receive operating expenses in an amount that provides more than 50% or \$50,000, whichever is greater, of the CHDO's total operating expenses in that fiscal year. Operating expenses are awarded only to those CHDOs that receive a HOME project award for rental or homeownership during HOME's competitive cycle or during the Low-Income Housing Tax Credit (LIHTC)/HOME combined cycle.

2.10 **CHDO Service Area** - Areas not necessarily limited to a single neighborhood, but may include several neighborhoods but generally not the entire city.

2.11 CHDO Strategic Plan - a wide-ranging document that examines housing-related challenges in a CHDO's designated service area, sets out all housing objectives and establishes clear priorities or action. A strategic plan is supported by a detailed production plan that explains how a CHDO will deliver on its commitments. Typically, a strategic plan covers a five- or ten-year period.

2.12 CHDO Technical Assistance Provider - a group or individual that has experience in housing development (single or multi-family) utilizing government funding. In addition, the group or individual has working knowledge of operating a non-profit entity in the development of business and housing strategies, administrative and financial management, board and community involvement, funding application preparation, etc. **NOTE:** Technical assistance providers are to be used to provide and build CHDO capacity. This does not include providing ongoing services such as grant writing and/or development services.

2.13 Citizen Participation Records – document that memorializes and provides objective evidence of activities performed, events occurred, results achieved, or statements made. Records are created and/or received by an organization in routine transaction of its business or in pursuance of its legal obligations. Examples are flyers, pictures, agendas, or minutes of meetings designed to obtain input from low-income persons; or agendas and/or minutes of board meetings documenting low-income input information gathered at a previous time was shared; or any other reasonable means.

2.14 Community Housing Development Organizations (CHDOs) means private non-profit organizations that are organized pursuant to the definition in the HUD Regulations found in 24 CFR Part 92.2.

2.15 Contact Person means a person with decision-making authority for the applicant, with whom CDD will correspond concerning the application.

2.16 Low-Income - A family whose annual (gross) income does not exceed 80% of the area median income for the area (adjusted for family size).

2.17 Low-Income Neighborhoods - neighborhoods where 51% or more of the residents earn at or below 80% of area median income.

2.18 Low-Income Neighborhood Organizations - an organization composed primarily of residents of a low-income neighborhood. The primary purpose of the organization must be to serve the interest of the neighborhood residents. Block groups, town watch organizations, civic association, neighborhood church groups and NeighborWorks® organizations can be examples of low-income neighborhood organizations.

2.19 Parent or Sponsoring Organization - other nonprofits, charities, religious organizations, local or state government, public agencies or for-profit corporations.

2.20 Technical Assistance Plan - must address, at the very least, all of the following: areas of training; scope of work; CHDO staff to be trained; costs; timeline with specific objectives to be reached by specific dates; completion date.

Chapter 3. Eligible CHDO Roles

3.1 Only those projects in which the CHDO acts as the **developer**, **sponsor** and/or **owner** of the affordable housing will be eligible to receive funds from the CHDO set-aside. Working definitions for the terms "developer," "owner," and "sponsor" have been developed by HUD as follows:

3.1.1 **Developer** - A CHDO is a developer when, regardless of ownership, it has the contractual obligation to acquire, finance, rehabilitate and, in the case of rental housing, may maintain/manage the project for the period of affordability.

3.1.2 **Owner** - The CHDO is an "owner" when it holds a valid legal title to or has a long-term (99-year minimum) leasehold interest in a property. The CHDO may be owner with one or more individuals, corporations, partnerships or other legal entities. While the CHDO may just be the owner with another entity acting as a developer, it can also be the sole owner and developer of its own project.

3.1.3 **Sponsor** - A CHDO is a sponsor when it assists a second non-profit organization to own/acquire, develop and manage a rental project. The CHDO sponsor receives the initial commitment of CHDO set-aside with the requirement that it designates up-front the second non-profit organization that will assume the grant/loan obligations at a specified time in the development process. The CHDO must initially own or acquire the property.

The second non-profit organization may have been created or simply selected by a CHDO, but it must be financially and legally separate from the sponsor. The CHDO sponsor must have and provide sufficient resources to the second non-profit organization to ensure the development and long-term operation of the project.

3.1.4 The **developer** and **sponsor** roles are the only two roles that a CHDO may play using CHDO set-aside funds for an eligible homebuyer program. The **developer** and **sponsor** roles are similar in many ways:

1. In both capacities, the CHDO carries out the principal project development activities such as acquisition, financing, rehabilitation, management, and putting together a capable development team to bring a project from conception to completion.
2. However, the developer need not own the property, but under contract, is solely responsible for carrying out project related activities.
3. As sponsor, the CHDO initially owns the property and the responsibility for complying with HOME related requirements on a long-term basis shifts from the CHDO to the second non-profit entity at some specified juncture in the development process (for instance, at the initiation or at the completion of the rehabilitation phase in a project).

Chapter 4. Eligible CHDO Activities

4.1 **Rental** - Acquisition, New Construction, and Rehabilitation.

4.2 **Homeownership** - Acquisition, New Construction, Rehabilitation, Down Payment and Closing Costs.

Chapter 5. Ineligible CHDO Activities

5.1 Owner-Occupied rehabilitation;

5.2 Operating subsidies;

5.3 Nonfederal matching contributions required under any other federal program; and

5.4 Assistance to a project previously assisted with HOME funds during the period of affordability (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds).

Chapter 6. CHDO Designation Application

6.1 Before preparing an application for CHDO designation, review the enclosed information and qualifying criteria that CDD will use to evaluate each CHDO designation application. CHDO applications for designation are accepted throughout the year. **NOTE: Those non-profit entities seeking to receive comprehensive CHDO technical assistance must attend the January 21, 2011 pre-application session and meet the February 11, 2011 4:00 pm application deadline.**

6.2 Applications may be obtained by writing or faxing a request to:

City of Muncie Community Development Department
ATTN: HOME CHDO Application Package Request
300 North High Street
Muncie, IN 46703
Fax: (765) 747-4898

Applications are also available on CDD's web page at: www.cityofmuncie.com

Chapter 7. Application Review Process

7.1 Upon receipt of an application, CDD will follow HUD regulations to evaluate each organization's eligibility for designation as a CHDO.

7.1.1 Qualifying organizations will receive a letter of designation.

7.1.2 Organizations failing to qualify will receive a letter explaining the reasons for denial. Those organizations who fail to qualify may be offered the opportunity to receive technical assistance services to assist with meeting certification criteria.

7.1.3 All organizations will be encouraged to participate in quarterly CHDO meetings hosted by the City of Muncie.

7.2 Denied organizations may re-apply for CHDO designation once all deficiencies noted in the denial letter are corrected.

7.3 CDD will maintain a list of city-designated CHDOs. *Annually, city-designated CHDOs will be asked to recertify their status* by providing updated information on the organization and its projects. This helps to ensure that all organizations still meet the criteria for CHDO status after certification.

7.4 If a city-designated CHDO fails to recertify for three (3) years in a row, that CHDO will be removed from CDD's list of CHDO's and will be classified as a nonprofit only. In order to regain CHDO status, the former CHDO will have to reapply for designation.

Chapter 8. Qualifying Criteria

8.1.1 An organization must have received a *tax-exempt ruling from the Internal Revenue Service (IRS) under Section 501(c)* of the Internal Revenue Code of 1986 before being designated by CDD as a CHDO. The 501(c) designations permissible under HOME are:

1. 501(c)(3) status - a charitable, nonprofit corporation;
2. 501(c)(4) status - a community or civic organization; or
3. Section 905 status - a subordinate organization of a 501(c) organization.

Documentation for Application - Applicants are required to provide either a **final designation letter** from the IRS behind **TAB 1**.

8.1.2 An organization must be *organized under State and local laws*.

Documentation for Application - Behind **TAB 2**, applicants must place a copy of their:

1. Charter; or
2. Certificate of Incorporation from the S.C. Secretary of State's Office.

**The organization must maintain a status of *Good Standing* with the Indiana Secretary of State's Office as long as the organization remains a CHDO. To that end, CDD will require documentation evidencing a *Good Standing* status at CHDO designation recertification.

8.1.3 *Provision of decent housing that is affordable to low and moderate-income persons* must be among the purposes of a potential CHDO. This commitment must be evidenced by a statement in the organization's:

1. Charter;
2. Articles of Incorporation;
3. By-Laws, or;
4. A Resolution approved by the Board of Directors.

Documentation for Application - A copy of the commitment to provide decent affordable housing must be placed behind **TAB 3**.

8.1.4 *No part of a CHDO's net earnings (profits) may benefit any members, founders, contributors or individuals*. A "no benefit" provision, stating the following – 'No person may seek to derive profit or financial gain from the organization's participation in CDD programs, including any member of a nonprofit's staff, family member, board of directors, or any related person seeking any direct or indirect benefit' - must be evidenced in the:

1. Charter;
2. Articles of Incorporation;
3. By-Laws, or;
4. A Resolution approved by the Board of Directors.

Documentation for Application - A copy of the "no benefit" provision must be placed behind **TAB 4**.

8.1.5 CHDOs *must have a clearly defined geographic service area*. A CHDO's service area ideally should be a single neighborhood or perhaps two contiguous areas within the city of Muncie. Below are guidelines potential CHDOs can use to help in defining their own service area:

1. CHDOs do not need to represent a single neighborhood;
2. A CHDO may include in its service area a neighborhood or neighborhoods
3. Nonprofits serving special populations must also define the geographic boundaries of their service areas in order to qualify as CHDOs.

Documentation for Application – Behind **TAB 5**, place a copy of the document indicating the applicant’s service area. This can be evidenced in the:

1. Charter;
2. Articles of Incorporation;
3. By-Laws, or;
4. An approved Resolution by the Board of Directors.

NOTE: When utilizing a copy of an organization’s Charter, Articles, or By-Laws as a part of a CHDO designation application, the applicant must **clearly identify** (highlighting the section or providing section number) the section in which the specific commitment, provision, or language exists.

8.2 Organizational Structure

8.2.1 Structure of the Board of Directors - CHDOs were created to respond to a particular community’s needs. Therefore, the *structure of a CHDO’s board of directors* is viewed as the main indicator of *community control over the CHDO*. A CHDO Board must be composed as follows:

1. **At Least** one-third (1/3) must be *representatives of the low income community*.

There are three ways to meet this requirement:

- a. Residents of low-income neighborhoods in the community. Residents of low income neighborhoods do not have to be low-income themselves. Low-income neighborhoods must be verified and identified as such through census tracts, CDBG targets areas, one or several neighborhoods, or other appropriate means.
- b. Low-income residents of the community. Low-income residents do not have to live in a low-income neighborhood but the board member must certify that their annual gross income (adjusted for family size) is at or less than 80% of the area’s county median income. As of May 14, 2010, the income guidelines for Muncie, Indiana are as follows:

	Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Median Income: \$53,300	30% AMI (extremely low)	\$11,650	\$13,300	\$14,950	\$16,600	\$17,950	\$19,300	\$20,600	\$21,950
	50% AMI (very low)	\$19,400	\$22,150	\$24,900	\$27,650	\$29,900	\$32,100	\$34,300	\$36,500
	80% AMI (low)	\$31,000	\$35,400	\$39,850	\$44,250	\$47,800	\$51,350	\$54,900	\$58,450

- c. Elected representatives of low-income neighborhood organizations. The governing body of a low-income neighborhood organization may elect a representative to serve on a CHDO board. Verification of a low-income neighborhood organization’s election procedure, term, and minutes of the meeting in which the vote took place are required.

2. **No more than** one-third (1/3) *may be public officials or employees of the PJ*. A member of the governing board of a potential CHDO would be considered to be a representative of the public sector if he/she is a(n):

- a. Elected Officials - council members, commissioners, state legislators, members of the school board, mayor and so forth;
- b. Appointed public officials - members of a planning or zoning commission, or of any other regulatory and/or advisory boards, or commissions;
- c. Public Employees - all employees of public agencies (including the schools) or departments of government (e.g. a clerk in the water and sewer department, a public facility janitor or a secretary in the tax assessment office); or
- d. Public Official's Appointee - any individual who is not necessarily a public official, but who has been appointed by a public office (as described above) to serve on the CHDO board. Members of the board appointed by public officials cannot select other members of the board.

FAQ: What if a public official is also low-income? Public officials and/or appointees who themselves are either low-income community residents or residents of a low-income neighborhood cannot represent the low-income community on a CHDO board. HUD regulations are specific in this area. If an individual meets any of the public-sector definitions above, that individual will be counted towards the one-third maximum limit of public-sector representatives.

3. The *balance is unrestricted*, and may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise that do not also meet the "public official" definition as explained above.

Documentation for Application - Applicants must complete the "Board Directors Listing" ([Attachment A](#)). In addition, each board member is required to complete "Board of Directors Representation," ([Attachment B](#)). These attachments will be used to determine if the organization's board structure meets HUD's regulatory requirements for board structure.

All A and B Attachments as well as all "verification documentation" are to be placed behind **TAB 6**.

**These documents will also be required at CHDO designation recertification.

8.2.2 Low-Income Citizen Participation - Potential CHDOs must create a formal process for low-income, program beneficiaries to advise the CHDO on all of its decisions regarding the design, location of sites, development and management of affordable housing projects. The process must be described ***in writing***, and must be included in the organizations by-laws or a board resolution.

1. Potential CHDOs should establish a system for community involvement in parts of their service areas where housing will be developed;
2. Such systems might include:
 - a. Special Committees of neighbors neighbors/neighborhoods of a proposed development site;
 - b. Advisory Councils;
 - c. Open Town Meetings; or
 - d. Ad Hoc Committees.
3. This formal process must be in place prior to the submission of a CHDO application for designation.
4. The process must be described ***in writing***, and must be included in the organization's:

- a. By-Laws, or;
- b. An approved Resolution by the Board of Directors.

5. Approved CHDOs must maintain records showing their formal process has been followed.

Documentation for Application - A copy of the formal "low-income community input" process must be provided behind **TAB 7**.

**Copies of citizen participation records will be required at CHDO designation recertification.

NOTE: Input from the low-income community **is not met** solely by having low-income community representatives on the board of directors.

8.3 Experience and Capacity

8.3.1 Experience - A potential CHDO must demonstrate that it has at least one year's experience serving the community where it intends to develop HOME-assisted housing. The year of experience does not have to be directly related to housing. If a newly created organization has no experience but has a parent or sponsoring organization that does have the experience, the newly created organization may be able to meet the one year's experience requirement through the parent or sponsoring organization.

Documentation for Application - Experience documentation must be submitted behind **TAB 8** and can include:

1. Newspaper Clippings;
2. Annual Reports;
3. Other Funding Approvals for the particular community; or
4. Other Appropriate Confirmation.

NOTE: CDD prefers that an organization wishing to become a CHDO have some kind of affordable housing experience before submitting an application for designation. In order to assist fledgling CHDOs to garner the capacity needed in order to apply to be a CHDO, the City of Muncie has contracted with High Performance Government Network to assist with CHDO development. For more information on how to access these services please contact HPG Network via Kay Piner at kpiner@cityofmuncie.com.

8.3.2 Financial Capacity - At a minimum, a potential CHDO must have financial accountability standards that conform to the requirements of 24 CFR 84.21, "Standards for Financial Management Systems".

Documentation for Application - The financial certification provided as [Attachment C](#) must be completed and submitted behind **TAB 9** as well as a copy of the organization's last audit.

**An executed financial certification will also be required at CHDO designation recertification. An estimated CHDO operating budget will be required as well. [Attachment D](#) will be used for recertification.

8.3.2 Staff Capacity - An organization wishing to become a CHDO **must** demonstrate the capacity of its key staff to carry out the HOME-assisted activities it will eventually pursue. Because the purpose of this capacity requirement is to build staff expertise, *CHDOs must have their own professional staff*. This can be accomplished by having:

1. *Experienced key staff*, which may include capable volunteers, that have successfully completed projects similar to those proposed by the applicant.

a. Key staff **cannot be** municipal, county or state employees.

b. There are significant differences in the type of experience and capacity that is required to carry out the CHDO eligible HOME activities. Therefore, experience in having completed similar projects draws a distinction between development/management of rental housing and development/sale of housing for a homeownership program.

2. Key staff with limited or no experience that will use *CHDO technical assistance providers* (paid or volunteer) for the planning and development activities, *as long as there is a training plan in place for the consultant to train the key staff*.

a. Please note, CDD expects key staff to eventually operate the CHDO without the assistance of a CHDO technical assistance provider. CHDOs unable to operate on their own or unable to sustain staff capacity may risk recertification eligibility.

b. Skills necessary to sustain capacity include:

i. Management of the organization on a daily basis - time management; fiscal management; conflict management; team management; communication; and commitment.

ii. Defining the project - identify market, assemble/manage development team; test feasibility; and negotiate effectively.

iii. Undertake project - build and maintain relationships; attend to detail; manage the development team; adapt and manage crises; and negotiate effectively.

iv. Complete or manage project to completion – deliver on time, on budget and on quality; recognize and fix mistakes made; and evaluate outcomes objectively.

Documentation for Application - The documentation behind **TAB 10** should include:

a. Resumes; and

b. Descriptions of similar completed or ongoing projects of key staff, volunteers or consultants.

c. If a consultant will be used, the technical assistance must also be submitted.

NOTE: The 2011-2013 Muncie CHDO Program will offer CHDO Technical Assistance Services to entities that are eligible to be designated as a CHDO and commit to implementing at least one CHDO project within a two-years.

Chapter 9. HOME CHDO Competitive Application Process

9.1 Refer to the application packages for Rental and Homeownership that are updated and released on an annual bases for specific funding requirements. The HOME CHDO applications are available on the City of Muncie's website at www.cityofmuncie.com. The application process is a competitive process in which applicants are ranked for scoring purposes. Funds are awarded based on threshold, minimum score and funds availability. Application packages provide information on HOME's general purpose, definitions, guidelines, application, exhibits and tabs.

CHDO APPLICATION FOR DESIGNATION

Explain why your organization is applying to become a City-Designated CHDO (Please keep in mind, this designation is exclusively for those entities interested in applying for Muncie HOME funds. This question is limited to 500 characters):

NOTE: CHDO Operating Funds are available to those CHDOs that have been awarded a Muncie HOME Award during an annual HOME competition for a specific Rental or Homeownership project.

Organization Name:		Telephone:	
Address:		Fax:	
City, State & ZIP:		Contact:	
Federal Tax ID:		Email:	
Date Organization was Incorporated:		CHDO Service Area Boundaries:	

Please include this checklist as your CHDO application cover with all required documentation.

TAB	Initial Certification Check-off	Required Information		Recertification Check-off
1	<input type="checkbox"/>	IRS Status	N/A	
2	<input type="checkbox"/>	Organized under State & Local Laws	Status of Good Standing	<input type="checkbox"/>
3	<input type="checkbox"/>	Purpose of Organization – Provision of Affordable Housing	N/A	
4	<input type="checkbox"/>	No Benefit Provision	N/A	
5	<input type="checkbox"/>	Defined Service Area	N/A	
6	<input type="checkbox"/>	Structure of the Board of Directors – Attachments A & B; Verification Documentation	Structure of the Board of Directors – Attachments A & B; Verification Documentation	<input type="checkbox"/>
7	<input type="checkbox"/>	Formal Low-Income Community Input Process	Evidence of Low-income Community Input	<input type="checkbox"/>
8		Experience	N/A	
9	<input type="checkbox"/>	Financial Capacity – Attachment C	Financial Capacity – Attachments C & D	<input type="checkbox"/>
10	<input type="checkbox"/>	Staff Capacity	Operating with or without CHDO Technical Assistance Provider?	<input type="checkbox"/>
11	<input type="checkbox"/>	CHDO Strategic Plan	Annual Production Plan	<input type="checkbox"/>
12	<input type="checkbox"/>	Organizational Capacity	Completed Board Self-Assessment	<input type="checkbox"/>

ATTACHMENT A

Board of Directors Listing

Number of Board Members required by organization's by-laws: _____

	Full Name	Board Term
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		

ATTACHMENT C

Standards for Financial Management Systems

Organization: _____ Date: _____

Financial Representative Name: _____

As the Financial Representative for Enter Organization's Legal Name, I swear that the following statements are true and are within my personal knowledge of certification:

1. I am the President AND/OR Chief Financial Officer of the organization and am authorized to make this certification on behalf of the organization.

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

Signature of Financial Representative Date

Signature of Board Chairperson Date

Enter Full Legal Name of Financial Rep

ATTACHMENT D

Total Estimated CHDO Operating Budget FY _____

<i>Expense</i>	Funding Sources	Description/Use	Subtotal	Total Amount
Salaries/Wages Name & Title <small>(indicate hourly rate if applicable)</small>				
Salaries/Wages Name & Title <small>(indicate hourly rate if applicable)</small>				
Salaries/Wages Name & Title <small>(indicate hourly rate if applicable)</small>				
*Employee Benefits <small>(Type of Benefit/Employee)</small>				
*Employee Benefits <small>(Type of Benefit/Employee)</small>				
*Education/Training <small>(Specify)</small>				
*Travel				
Rent				
Utilities				
Telephone				
*Taxes (not for employees)				
*Insurance (not for employees)				
*Equipment (specify type and amount for each item)				
*Materials				
*Office Supplies				
*Other (Specify) _____				
TOTAL EXPENSES				

*Provide description and itemized cost.

NOTE: *The Operating Expense Budget is not a request form but a budget for the entire operation of your organization.*

ATTACHMENT E

COMBINED CHDO BOARD ASSESSMENT/SELF-ASSESSMENT

<i>"Muncie CD is responsible for ensuring that any entity receiving program funding understands the requirements of the funding program demonstrates the capacity to carry out the program/project for which it is funded, and continuously maintains compliance with the requirements." Muncie HOME Program Manual 1.14</i>				
Applicant:		App Date:		
Prepared By:		Date Prepared:		
1	Organizational Status & Mission	Adequate	Deficiency	Notes
	Certificate of Good Standing: Can it deliver a certificate of good standing or other documents from the State?	<input type="checkbox"/>	<input type="checkbox"/>	
	Service Area: Does it have a documented service area consistent with its CHDO Activities?	<input type="checkbox"/>	<input type="checkbox"/>	
	Strategic Plan: Has it produced a strategic plan that specifies an action plan for housing development?	<input type="checkbox"/>	<input type="checkbox"/>	
	Shared Commitment: Do board and staff exhibit shared commitment to its housing development mission?	<input type="checkbox"/>	<input type="checkbox"/>	
2	Board Composition	Adequate	Deficiency	Notes
	Board Stability: Has there been stability/continuity of board members over the last several years?	<input type="checkbox"/>	<input type="checkbox"/>	
	Development Oversight: Does the board have a committee or other means of overseeing planning and development?	<input type="checkbox"/>	<input type="checkbox"/>	
	Board Skills: Do board members have professional skills directly relevant to housing development (e.g., real estate, legal, architecture, finance, management)?	<input type="checkbox"/>	<input type="checkbox"/>	
	Decision-making: Has the board demonstrated the ability to make timely decisions?	<input type="checkbox"/>	<input type="checkbox"/>	
	Board-staff relations: Is there a good relationship between board and staff? Do they have shared goals?	<input type="checkbox"/>	<input type="checkbox"/>	

	Other board issues:	<input type="checkbox"/>	<input type="checkbox"/>	
3	Sponsorship/Independence	Adequate	Deficiency	Notes
	Identity of Interest: Are there any identity of interest issues between CHDO and the contractor/vendors, consultants, and professionals it uses for its CHDO projects?	<input type="checkbox"/>	<input type="checkbox"/>	
4	Relationship/Service to the Community	Adequate	Deficiency	Notes
	Needs: Are current plans well grounded in an understanding of current housing conditions, housing needs, and need for supportive services? Has it done any analyses of the local housing market and the housing needs of low-income households?	<input type="checkbox"/>	<input type="checkbox"/>	
	Relations: How strong are the current reputation of the corporation and the relationship with the community?	<input type="checkbox"/>	<input type="checkbox"/>	
	NIMBY: 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?	<input type="checkbox"/>	<input type="checkbox"/>	
	Local government relations: How strong is the CHDO's relationship w/the local government? How strongly does local government support its housing activities?	<input type="checkbox"/>	<input type="checkbox"/>	
	Other Community Issues:	<input type="checkbox"/>	<input type="checkbox"/>	
5	Financial Management & Capacity	Adequate	Deficiency	Notes
	Audit: Does the CHDO have an annual audit? Is the most recent audit current?	<input type="checkbox"/>	<input type="checkbox"/>	
	Audit findings: Were there management or compliance findings in the last two years? Are findings resolved?	<input type="checkbox"/>	<input type="checkbox"/>	

	Budgeting: Does it do annual budgeting of its operations and all activities or programs? Does it track and report budget v. actual income and expenses?	<input type="checkbox"/>	<input type="checkbox"/>	
	Reporting: is financial reporting regular, current & sufficient for the board to forecast and monitor the financial status of the corporation?	<input type="checkbox"/>	<input type="checkbox"/>	
	Cash flow management: Does it know its current cash position and maintain controls over expenditures? How regularly does it experience cash flow problems?	<input type="checkbox"/>	<input type="checkbox"/>	
	Internal controls: Does it have adequate internal controls to ensure separation of duties & safeguarding of corporate assets? Is there sufficient oversight of all financial activities?	<input type="checkbox"/>	<input type="checkbox"/>	
	Procurement/Conflict of Interest: Does the organization have a conflict of interest policy governing employees and development activities, particularly in procurement of contract services and the award of housing units for occupancy?	<input type="checkbox"/>	<input type="checkbox"/>	
	Insurance: Does it maintain adequate insurance - liability, fidelity bond, workers comp, property hazard & project?	<input type="checkbox"/>	<input type="checkbox"/>	
	Financial stability: Does the current balance sheet and budget indicate sufficient funds to support essential operations? To what extent does the organization have a diversified & stable funding base for operations? What revenue sources are predictable year-to-year? Does the CHDO have an established fundraising program for both capital & operational needs?	<input type="checkbox"/>	<input type="checkbox"/>	
	Portfolio financial condition: If it has a portfolio of properties, are they in stable physical and financial condition or are they a drain on corporate resources? Does it collect adequate management fees from the properties?	<input type="checkbox"/>	<input type="checkbox"/>	
	Liquidity: Does the organization have liquid assets available to cover current expenses? Does it have funds available for predevelopment expenses or equity investments required for development?	<input type="checkbox"/>	<input type="checkbox"/>	

6	Development Capacity	Adequate	Deficiency	Notes
	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?	<input type="checkbox"/>	<input type="checkbox"/>	
	Portfolio: Does its portfolio of projects/properties evidence competent management and oversight? Do the properties appear to have adequate funding?	<input type="checkbox"/>	<input type="checkbox"/>	
	Previous Performance: Has it done the CHDO activities previously? Did it perform competently?	<input type="checkbox"/>	<input type="checkbox"/>	
	Management Capacity: Does the current management have the ability to manage additional development activities? Does the organization have the capabilities to analyze alternative housing projects?	<input type="checkbox"/>	<input type="checkbox"/>	
	Procedures: Are the corporate lines of authority for development activities clear? Are policies & procedures in place governing development activities?	<input type="checkbox"/>	<input type="checkbox"/>	
	Project Management: Does the organization have procedures for monitoring the progress of a project? Does it have the capacity to monitor project-level cash flow and schedule?	<input type="checkbox"/>	<input type="checkbox"/>	
	Personnel: Does it have staff that are assigned responsibilities for housing development? Are personnel policies & job descriptions clear?	<input type="checkbox"/>	<input type="checkbox"/>	
	Staff Skills: 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)	<input type="checkbox"/>	<input type="checkbox"/>	
	Training: Are staff encouraged to obtain training and develop new skills? What is their potential for learning skills that they currently do not have?	<input type="checkbox"/>	<input type="checkbox"/>	

	Member Involvement: Is the membership active & in support of the housing activities?	<input type="checkbox"/>	<input type="checkbox"/>	
	Use of Consultants: To what extent does the CHDO have access to and make use of qualified development consultants? How well do consultants interact with staff? Is the consulting focus on training staff?	<input type="checkbox"/>	<input type="checkbox"/>	
	Funding Access: Does the organization have funds available as equity in housing development projects? Does the organization have the ability to raise funds for the capital requirements of a project? How strong are relationships with funders of housing? With lenders?	<input type="checkbox"/>	<input type="checkbox"/>	
	Opportunity Costs: 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?	<input type="checkbox"/>	<input type="checkbox"/>	
	Other Capacity Issues:	<input type="checkbox"/>	<input type="checkbox"/>	
7	Conclusions	Adequate	Deficiency	Notes
	Has the organization met all CHDO regulatory thresholds? If not, these must be corrected prior to CHDO certification.	<input type="checkbox"/>	<input type="checkbox"/>	
	Have capacity deficiencies been identified that should be addressed prior to awarding CHDO funds to this organization or as a condition of the commitment? If not, proceed with CHDO certification & funding	<input type="checkbox"/>	<input type="checkbox"/>	
	Can the capacity deficiencies be addressed by TA from the City of Muncie? If so, attach TPA.	<input type="checkbox"/>	<input type="checkbox"/>	