



Community Housing Development Organization (CHDO)

2025 Application Workshop
July 30, 2025

MHC History

- Mississippi Home Corporation (MHC) is the State's Housing Finance Authority
- Created by the Mississippi Home Corporation Act of 1989 to address housing needs for low- and moderate-income residents
- Mission: "To enhance Mississippi's long-term economic viability by financing safe, decent, affordable housing and helping working families build wealth."
- Administers the HOME and HTF programs

HOME Background

- Funds are awarded to experienced partner local nonprofits, for-profit organizations, developers, and local units of government to fund the construction or rehabilitation of multifamily and single-family affordable housing
- HOME is required to assist households at or below 80% of the area median income (AMI)

HOME Goals



Consolidated Planning



Expand and strengthen partnerships among all levels of government and the private sector in the development of affordable housing



Technical assistance activities and a set aside for qualified nonprofit community-based housing groups and to build the capacity of these partners

HOME Regulations



HOME is regulated by 24 CFR Part 92



Found at www.ecfr.gov



Other resources at
www.hudexchange.info

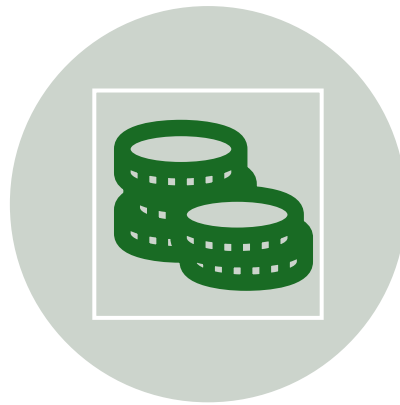
Policies & Procedures Manual

- 2025 HOME CHDO Application Guide: administration of HOME CHDO activities
- Provide guidance, instructional materials, relevant information, requirements, and other data necessary for the submission of successful & competitive applications
- Found on MHC's website at www.mshomecorp.com

CHDO 2025 Application Workshop



CHDO SET-ASIDE
FUNDING



CHDO OPERATING
EXPENSES



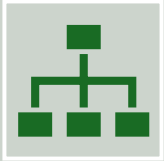
CHDO CERTIFICATION

CHDO Set-Aside Funding

CHDO Set-Aside

- 15% of the State's HOME program is allocated as a set-aside for the CHDO program.
- Annual set-aside of funds for projects owned, developed, or sponsored by CHDOs
- Non-profit organizations must be certified through the State to receive CHDO set-aside funding.
- Organizations eligible to receive CHDO Set-aside funding through the Home Investment Partnerships Program (HOME) are non-profits with demonstrated development and capacity experience with creating, rehabilitating, and/or preserving affordable housing.

CHDO Set-Aside



HOME-CHDO Program 2025 Allocation: \$1,365,103.00



Total CHDO Program Funds Available: \$2,783,514.00



Total CHDO Operating Funds Available: \$455,000.00

Participating Jurisdictions

To be eligible for the CHDO Set-Aside funding, non-profit organizations must be Certified through their Participating Jurisdiction.

- Gulf Coast: Gulf Coast Consortium
- Hattiesburg: City of Hattiesburg
- Jackson: City of Jackson
- Statewide: Mississippi Home Corporation

Summary of Changes

Overview of key updates and modifications

Area	Previous	New/Updated
HOME/HTF Maximum Award Amount	Based on final sources, subsidy layering analysis	\$750,000
CHDO Set-aside Maximum Award Amount	Based on final sources, subsidy layering analysis	\$1,500,000
Eligible Projects	HOME only, HTF only, HOME/HTF, 4% and 9% LIHTC	HOME only, HTF only, HOME/HTF and 4% LIHTC
Maximum Construction Cost (MCC) Limits	Waivers were required to exceed the established limits	No waivers granted; projects exceeding the limit by up to 10% points will have points deducted.
HUD's Implementation of Build America Buy America (BABA)	Pre-2024 Grant Awards are not subject to this requirement	Applies to 2024 and further awards

Eligible Activities



Construction, acquisition (cannot be a standalone activity), and or rehabilitation of rental housing development



Construction of single-family homeownership housing

CHDO Income Limits

Rental

- Benefiting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area.
- In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median family income

Homeownership

- Households purchasing a HOME-assisted unit cannot exceed 80% of AMI for the county as adjusted by family household size.

Eligible Project Costs



Acquisition



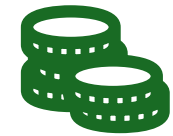
Development
hard costs



On-site
improvements



Demolition



Project-related
soft costs

Ineligible Projects



Projects where construction is already started.



Projects that have been awarded 9% LIHTC

Ineligible Project Costs

Off-site infrastructure costs not related to utility hookups

Ongoing operating and maintenance funding

Rental assistance (project or tenant-based)

Delinquent taxes or fees

Equipment purchases

Ineligible Project Costs

Refinancing (payoff of bridge financing is allowable if costs are eligible)

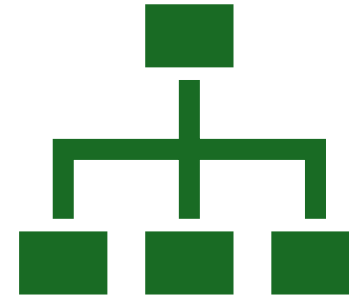
A project already assisted with HOME funds during the affordability period

Capitalization of operating or replacement reserves

Unit Set-Aside Requirements



HOME units = 20% of total units



Special needs units = 10% of HOME
set-aside units

Application Selection Criteria

Two-step process:

- Completeness Review- All required forms and attachments
 - Incomplete or missing supportive documentation
 - Failure to respond to document requests
- Threshold Review- Meets all threshold requirements to be eligible for application scoring

Threshold Factors

1. Eligible Applicant: Certified CHDO
2. Eligible Project Type/Activity
3. Merits: Addressing State's Priority Housing Needs
4. Evidence of Affirmatively Furthering Fair Housing
5. Implementation of Supportive Services
6. Applicants Experience
7. Certification of HOME

Threshold:

- CHDO Certification Status Received
 - Must continue to meet the definition of a CHDO
- Low-income persons have had the opportunity to advise the CHDO in its decision regarding the design, site, development, and management of the affordable housing undertaking.

1. Eligible Applicant

- Must be a Certified CHDO
- Must have prior affordable housing experience
- Organizational documentation
- Must submit proof of active SAM registration

Determine CHDO Role



Owner



Developer



Sponsor

CHDO as an Owner

- Sole and exclusive owner of the housing during the development and period of affordability
 - Cannot be an owner in partnership with another entity.
 - Ownership must be fee simple or via a long-term ground lease
- Required to oversee all aspects of the development process
- Can hire a project manager to oversee the development
- Can be a rental project owner without having to be the developer
- May contract for property management services

CHDO as a Developer - Rental

- To be a developer the CHDO **must own and develop** the project receiving set-aside funds
- Must be the sole owner of the property either in a fee simple or via a ground lease during the development and period of affordability
- If the CHDO owns and develops, they must be in sole charge of all aspects of the development process.
- The CHDO cannot develop HOME assisted units owned by another nonprofit or for-profit entity.

CHDO as a Developer – Homeownership

- Must be the owner (in fee simple absolute title) and the developer of new housing to be constructed
- Must arrange financing of the project and be in sole charge of the construction.
- Must transfer title of the property and HOME obligations to eligible homebuyers within a specified timeframe of project completion.
- May provide downpayment assistance to a buyer of a property that it developed with CHDO set-aside funds.
 - If providing downpayment assistance, no more than 10% of the total amount of HOME development funds may be used to provide downpayment assistance.

CHDO as a Sponsor: Affiliate

- A CHDO itself does not directly own and develop the property but rather does so through an eligible affiliate of the CHDO that will act as either the owner or developer of the rental housing
- There are 3 types of CHDO affiliate sponsorships.
 - A wholly owned subsidiary of the CHDO, which may be a for-profit or non-profit organization.
 - Limited Partnership (LP) of which the CHDO or its wholly owned subsidiary is the sole general partner.
 - Limited Liability Company (LLC) of which the CHDO or its wholly owned subsidiary is the sole managing member.

CHDO as a Sponsor: Affiliate

- When a CHDO is involved in a Low-Income Housing Tax Credit (LIHTC) project, it serves as a sponsor.
 - Is a member of an ownership organization rather than the sole owner,
 - Maintains control over the ownership entity to be eligible to receive HOME funding
 - May develop a project with set-aside funds when the actual ownership is through an entity that also has investor participation (ex: LIHTC project)
 - A rental project can be owned by a limited partnership in which a CHDO, or a wholly owned subsidiary of the CHDO is the sole general partner or by an LLC in which a CHDO or a wholly owned subsidiary of the CHDO is the sole managing member.

CHDO as a Sponsor: Turnkey

- Turnkey is when one CHDO develops rental housing with the intent to convey the property to another pre-identified nonprofit organization at the predetermined time after completion of construction or rehabilitation to operate the housing for the period of affordability.
- Must be the sole owner in a fee simple absolute or have a long-term ground lease during development and in charge of all aspects of the development process
- The private nonprofit assumes all obligations for compliance with HOME and other project requirements (including repayment of the loans) at a specified time after project completion for the period of affordability

2. Eligible Project/Activity



New construction or acquisition of newly constructed rental housing



Substantial rehabilitation of rental housing



Submit Certification of Consistency with Consolidated Plan (HUD Form 2991) to David Hancock at David.Hancock@mshc.com

2. Eligible Project/Activity



New construction or acquisition of newly constructed rental housing



New construction of single-family housing for homeownership



Substantial rehabilitation of rental housing



Submit Certification of Consistency with Consolidated Plan Form 2991) to David Hancock at David.Hancock@mshc.com

2. Eligible Project/Activity



Local Zoning & Development Conditions



Site Control



URA & Real Property Acquisition



Development Size Requirements

3. Merits: Addressing State's Priority Housing Needs (at least one)

Declaration of Restrictive Covenants Statement

1. Percentage of the units that are assigned for extremely low-income households (below 30% AMI).
2. Percentage of the units that are assigned for housing small households (single or 1-4 persons).

4. Evidence of Affirmatively Furthering Fair Housing

- HUD form, AND
- Include elements from the application guide, not limited to:
 - Marketing materials
 - Community partners
 - Market study or demographics
 - Public availability

Fair Housing & Equal Opportunity (FHEO) Posters & Displays

U. S. Department of Housing and Urban Development



We Do Business in Accordance With the Federal Fair Housing Law

(The Fair Housing Amendments Act of 1988)

It is illegal to Discriminate Against Any Person Because of Race, Color, Religion, Sex, Handicap, Familial Status, or National Origin

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)
www.hud.gov/fairhousing

U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, D.C. 20410

Previous editions are obsolete

Form HUD-928.1 (6/2011)

U. S. Department of Housing and Urban Development
Departamento de la Vivienda y el Desarrollo Urbano de los EE.UU.



**EQUAL HOUSING
OPPORTUNITY
IGUALDAD DE OPORTUNIDADES
EN LA VIVIENDA**

Nuestras prácticas de negocios cumplen la ley federal de equidad en la vivienda

(Enmienda a la ley de Equidad en la vivienda de 1988)

Es ilegal discriminar contra ninguna persona a causa de su raza, color, religión, sexo, discapacidad, situación familiar u origen nacional

- En la venta o el alquiler de viviendas o lotes residenciales
- En la provisión de servicios de corredores de bienes raíces
- En la publicidad relacionada con la venta o el alquiler de viviendas
- En la tasación de viviendas
- En la financiación de la vivienda
- Las tácticas de intimidación (Blockbusting) también son ilegales

Cualquier persona que crea que ha sido discriminada puede presentar una reclamación de discriminación en la vivienda:
1-800-669-9777 (Línea gratuita)
1-800-927-9275 (TTY)
www.hud.gov/fairhousing

U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, D.C. 20410

Las ediciones anteriores son obsoletas
Previous editions are obsolete

Formulario HUD-928.1 (6/2011) - Spanish
Form HUD-928.1 (6/2011)



MISSISSIPPI HOME CORPORATION

5. Implementation of Supportive Services

Minimum of 2 services from 2 unrelated areas

TWO certification forms

Samples of service areas

- Personal development
- Child development
- Counseling programs
- Community awareness events/activities

Letter of Commitment from Approved Service Provider Required

6. Applicant Experience

- Developing affordable single or multifamily housing
- Serving low-income, special needs, and/or homeless populations
- Managing capital
 - Financial
 - Human
 - Social
- Proficient with local, state, and federal regulations & compliance requirements
- Must submit certificates from the Building HOME online training

7. Certification of HOME Requirements

On letterhead

Signed by the
owner or
authorized signer

Applicant's Responsibility



Rental housing needs of low to very-low-income households.



Be located within priority areas defined by the State's Consolidated Plan and/or low- and high-opportunity areas.



Documented need for housing affordable to lower-income households in the market area served by the project.

Waiver Request

CHDOs may submit a waiver request for the market study requirement.

- To be considered for a market study waiver, waivers must be sent on company letterhead with supporting documentation.
- Supportive documentation must support the number of units identified in the application and show that the market will absorb the proposed activities.
 - Submit the rent roll history for the past five (5) years
 - Description of how the applicant will meet the special needs requirement.

Readiness To Proceed

- Must demonstrate the ability to commit HOME dollars and undertake funded activities on time
- Funds must be committed within 180 days and expended within the regulatory agreement's performance period
- Work must start immediately after the date of the regulatory agreement between the recipient and MHC
- Projects that fail to indicate in the application the ability to adhere to this requirement will NOT be funded

Form of Assistance



Final award will be determined by performing a subsidy layering review



Funds serve as gap financing between committed sources and the total development cost



Awards are loans with 15-year terms and amortization with payments limited to 20% of cash flow; 1.75% interest rate

Subsidy Layering Analysis



Evaluates the qualifications of the developer, including experience and financial capacity



Verifies the firm written financial commitments for the project



Meets statutory maximum per unit subsidy as determined by HUD

Maximum Per Unit Subsidy Limits

- Request cannot exceed the maximum per-unit subsidy limits
- Sources/uses of funds:
 - Must submit a sources/uses of funds statement for the project with supportive documentation
 - Reflect the project development budget and list all proposed sources and uses of funds
- Maximum Subsidy Limits: www.mshomecorp.com/federal-programs

Forms & Exhibits



Documents are located online at:



www.mshomecorp.com/federal-programs/

Key Application Checklist Recap

- Applicant must be a Certified CHDO
- The applicant must have site control as evidenced by a signed purchase agreement or vesting title to the property for rental projects.
- The project must serve eligible households.
- The project and cost must be eligible.
- The project must meet the minimum period of affordability.
- The project must meet layering review criteria and not be deemed to be over-subsidized.
- The project must meet MHC's timeliness requirements.
- The project must meet all relevant federal requirements.

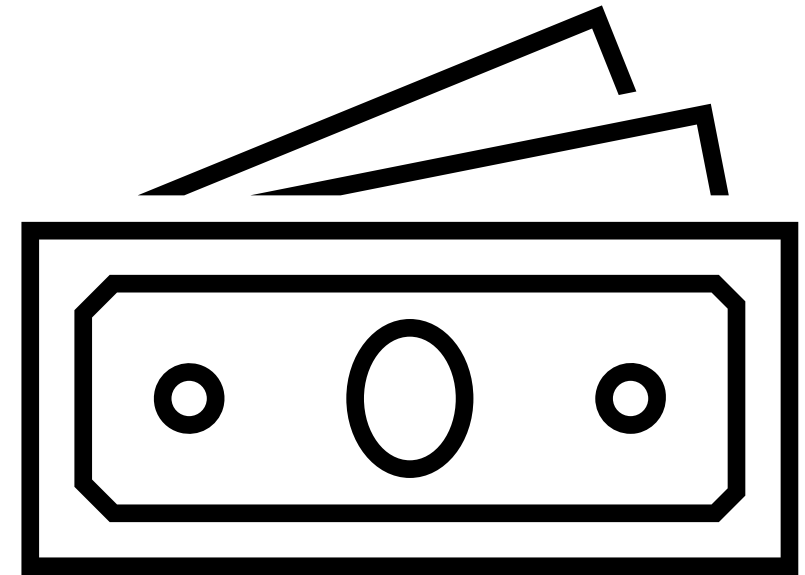
Maximum Award

- Maximum award per eligible applicant will be determined by performing a subsidy layering review and underwriting analysis
- MHC will review applicant's sources and uses, development costs, debt service coverage and operating revenues
- Funds will be disbursed once a written agreement is signed between the applicant and MHC and eligible costs is presented as a reimbursement expense
- Funding for HOME CHDO activities are setup as a grant or loan structured as payable from cash flow after deducting operating expenses, debt service from the operating revenue

CHDO Operating Expenses

CHDO Operating Expenses: Objective

- The principal objectives of the grant program are to:
 - Provide limited financial support
 - Promote the capacity of MHC-certified CHDOs that either currently have a project underway funded with HOME CHDO set-aside funds or
 - Anticipate receiving a funding commitment for a project with HOME CHDO set-aside funds.



CHDO Operating Expenses

- HOME funds may be available to provide general operating assistance to CHDOs receiving set-aside funds
- Funds are on an as needed basis taking into consideration of the following 6 areas:
 - Need for operating expenses
 - Feasibility of the proposed HOME assisted CHDO set-aside project
 - Capacity to complete the HOME project in a timely manner
 - Experience and qualifications of the paid employees
 - Timeliness and accuracy of the past draw submission
 - Utilization rate of previous operating expense awards

CHDO Operating Expenses: Eligible Uses

- Operating expenses are defined as reasonable and necessary costs for the operation of a CHDO.
- Grant program funds may be used for the reimbursement of:
 - Salaries and wages
 - Fringe benefits (limited to 7.65% of gross salary/wages)
 - Employee training
 - Travel

CHDO Operating Expenses: Ineligible Uses

Project-specific costs associated with a HOME CHDO set-aside funded project are not eligible for operating assistance.

Examples of project-specific costs that are not eligible are:

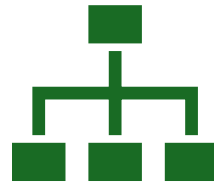
- Initial feasibility studies, engineering studies/reports, and consultant fees
- Costs of preliminary financial applications, site control, and title clearance costs
- Legal fees related to a specific project, and option fees
- May not be awarded as compensation for the development of a HOME project in lieu of a developer's fee

CHDO Certification Status

CHDO Qualifying Criteria



Legal Status



Organizational
Structure



Capacity and
Experience

Legal Status

- **Organized under State/Local Law** : Evidenced in either Charter or Articles of Incorporation
- **Non-Profit Status**: 501 (c) (3) or (c) 4 – certificate from the IRS
- **No Individual Benefit**: No part of a CHDO's net earnings may benefit any member, founder, contributor, or individual.
- **Purpose of the Organization**: Must be the provision of safe, decent affordable housing to low-income households.
- **Clearly Defined Geographic Service Area**: Statewide not allowed.
- **Registered in SAM.gov** – Must be registered prior to funding.

Organizational Structure

Organizational Structure

Board composition must be comprised as follows:

- **At least $1/3^{\text{rd}}$** must represent the low-income community
- **No more than $1/3^{\text{rd}}$** must be public officials or employees
- The remaining board balance is **unrestricted** (ex: for-profit).

Low-Income Representation

There are three ways to meet this requirement:

- **Residents of a low-income neighborhood in the community**
 - Low-income neighborhoods are defined as neighborhoods where 51% or more of the residents are low-income.
- **Low-income residents of the community**
 - Low-income resident of low-income neighborhood (household income is below 80% of AMI)
- **Elected representative of low-income neighborhood organizations**
 - Organization is composed of residents of a low-income neighborhood.

Public Sector Limitations:

- Public officials include any individual who is an elected or appointed member of any governmental entity (e.g. a city council member, a member of the local zoning board, a member of a local public housing authority board, etc.).
- A government employee is anyone who is employed by a governmental entity on a full or part time basis even if that individual's job function is not related to housing, HUD programs, or other federal funding
 - Examples: a county sheriff deputy, a sanitation department worker, a secretary in the city parks department, etc.
- A governmental appointee is anyone who has been appointed to the board of directors by a governmental entity even if that person is not otherwise a public official or governmental employee (e.g. a member appointed to the board by the local mayor).

Unrestricted Balance

- The remaining balance is unrestricted and comprised of those willing to contribute and share their professional expertise.
- May include:
 - Human and social service providers
 - Lenders
 - Realtors
 - Individuals with access to philanthropic resources

Sponsorship/Independence Requirements



CHDO's are not to be controlled, nor receive directions from individuals or entities seeking to profit from the CHDO.



Must be evidenced by the CHDO's by-laws, or Memorandum of Understanding.

Creation or Sponsorship by a For-Profit

- The for-profit's primary purpose may not be the development or management of housing (evidenced in their by-laws.)
- CHDO's must retain complete independence.
 - Must be free to contract goods and services from any vendor
- For-profit may not appoint more than 1/3rd of the CHDO's board.
 - The members may not appoint the remaining 2/3rds of the board members
- For-profit officers/employees are prohibited as serving as officers or employees of the CHDO.
 - Use of for-profit office space is prohibited

Creation or Sponsorship by a Government Entity

- No more than one-third of the board members of the organization may be officials or employees of the participating jurisdiction or governmental entity that created the community housing development organization.
- No governmental entity may have the right to appoint more than one-third of the organization's board members.
- The officers or employees of a governmental entity may not be officers or employees of a community housing development organization.
- The CHDO must be free to contract for goods and services from vendors of its choosing

Sponsorship by a Religious Organization

- The CHDO must be a separate secular entity from the religious organization
- Membership available to all persons regardless of religion or membership criteria
- Must be evidenced by its by-laws, charter or articles of incorporation

Capacity and Experience

Capacity and Experience

- CHDO staff must have relevant experience to undertake the proposed project.
- Paid staff with expertise and experience to carry out the proposed project
- Organization's track record with past projects.
 - Documentation of past projects will be required
- Example: If the CHDO plans to acquire and manage rental housing, staff will need to have property management experience and or managing HOME assisted housing or other affordable housing.

Capacity

- CHDOs must demonstrate the capacity of their key staff to carry out the HOME-assisted activities they are planning.
 - Paid staff with experience relevant to the role they will undertake
 - Employees can be full or part-time (W-2, W-4 or 1099)
 - Employees must be paid by the CHDO
 - Contracted employees are subjected to an employment contract

Capacity & Experience: Board Members

Where the paid employees of the organization do not demonstrate capacity or experience to develop a HOME-assisted project alone. A CHDO may demonstrate capacity by:

- Supplemented by utilizing board members or officers of the organization
- Board members must have professional skills directly relevant to the housing development
- Must be volunteer and may not be compensated by or have their services donated by another organization.
- Must be documented on staff roster (resumes required, certification letter)

CHDO Capacity

CHDOs capacity cannot be:

- Municipal, county or state employees
- Officers or employees of a for-profit sponsoring entity
- Employees of another non-profit organization
- Consultants (paid or volunteer) not planning to train the CHDO's key staff.
 - First time CHDO's may contract with a consultant and be counted if they are training the paid CHDO staff to be able to perform the function in future projects.

Development Capacity

- Portfolio – previous projects and properties
- Previous Performance
- Management Capacity – ability to manage
- Policies and Procedures in place to govern a project
- Project Management
- Personnel and Skills
- Training – 2 years
- Member Involvement
- Use of Consultants – Year 1
- Funding Access – ability to raise funds for the capital of the project

Financial Accountability

CHDO's
standards must
comply with:

2 CFR 200.302
(Financial
Management)

2 CFR 200.303
(Internal
Controls)

Financial Management

- Conformance to Accountability Standards (CFRs)
- No Individual Benefit
- Audit- 3 years or financial statements
- Budgeting – annual budget of program, activities and operations
- Financial reporting
- Cash Flow Management
- Internal Controls
- Conflict of Interest Policy
- Insurance – Minimum surety bond of \$75,000
- Financial Stability: sufficient funding to support operations
- Portfolio Financial Condition: stable
- Liquidity: assets available to cover current expenses

Community Requirements

- **History of serving the community** in a similar capacity (One year)
- **Low-Income Input:** Must have a formal process for low-income program beneficiaries to advise the CHDO on design, location, development and management of affordable housing.
- **Clearly defined service area:** Cannot be state-wide
- **Needs:** understanding of current housing conditions.
- **Community Relations:** positive relationship with the community it serves.
- **Local Government Relations:** positive relationship with the local government of the community it serves.

To Apply For CHDO Status

- CHDO Certification package can be found at:
<https://www.mshomecorp.com/federal-programs/home/CHDO/>
under “Need to Qualify for CHDO Status”.
- Submit one (1) original of the Proposal and certification application to
Julie Brooks
Mississippi Home Corporation
735 Riverside Drive
Jackson, Mississippi 39202

Contact Information

Julie Brooks

Federal Grant Program Coordinator

Mississippi Home Corporation

735 Riverside Drive

Jackson, MS 39202

(601)718-4621

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Contact Information

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