MISSISSIPPI HOME CORPORATION



Community Housing Development Organization (CHDO) Certification

Program Guidelines & Application

2026

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I. CHDO QUALIFYING CRITERIA

A CHDO is a Community Housing Development Organization. CHDOs are a specific type of community-based nonprofit organization defined by 24 CFR 92.2 of the HOME Final Rule. Certified CHDO Organizations eligible to receive funding through the HOME CHDO program for rental activities or homeownership are nonprofit organizations with demonstrated development experience and capacity to create, rehabilitate, or preserve affordable housing.

II. LEGAL STATUS

To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, capacity and experience outlined within this application. To qualify as a CHDO, a nonprofit organization must be:

1. **Organized Under State/Local Law.** A CHDO must show evidence to MHC either in its charter or articles of incorporation, that it is organized under state or local law.
2. **Non-Profit Status.** A tax exemption ruling from the Internal Revenue Service as evidenced by a 501(c) (3) or (c) (4) Certificate from the IRS.
    a. The private nonprofit organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1));
3. **Purpose of Organization.** The CHDO's primary purpose must be the provision of decent housing that is affordable to low-income households. This must be evidenced by a statement in the CHDO's charter, articles of incorporation, by-laws, or resolutions.
4. **No individual benefit.** No part of CHDO's net earnings may benefit any member, founder, contributor, or individual.
5. **Control.** CHDO is not controlled, nor receives directions from individuals or entities seeking profit from the CHDO, as evidenced by the CHDO's by-laws or a Memorandum of Understanding.
6. **Clearly defined service area:** The CHDO must have a clearly defined geographic service area, which can be described and documented. CHDOs may serve individual neighborhoods or large areas. However, while CHDOs may include the entire community in their service area (such as a city, town, village, county, or multi-county area), they may not include the entire state.
7. **Registered in SAM.gov:** The CHDO must have registered in the System of Award Management (SAM) and received a 12-character alphanumeric Unique Entity Identifier (UEI). All organizations doing business with the federal government and who will receive federal funds, or a sub-award must have both a UEI number AND an active registration on www.sam.gov. The applicant will need to provide a copy of the applicant's SAM page showing the UEI number to demonstrate its eligibility to apply for federal funds in the application. This page must show a valid/active status along with the current expiration date. Inactive or expired registrations are not acceptable.

III. ORGANIZATIONAL STRUCTURE

Board Composition Requirements for CHDO Certification

There are three specific requirements related to the CHDO's board, which must be evidenced in the CHDO's by-laws, charter, or articles of incorporation. The CHDO board must be composed as follows:

1. **Low Income Representation.** At least one-third must be representatives of the low-income community within their service area. A CHDO must maintain accountability to low-income residents by having at least one-third of its governing board's membership for residents of low-income neighborhoods or communities, or through designees of low-income neighborhood/community organizations in which they serve. To qualify for this section, the Low-**income representative must certify.**

    a. **Low-income residents or residents of low-income neighborhoods:** Residents that reside in areas where 51% or more of the residents are low-income. Residents of these low-income areas do not have to be low-income themselves.

    b. **Low-income residents of the community.**

    c. **Designees of low-income neighborhood/community organizations** that address the housing or supportive service needs of low-income residents or residents of low-income neighborhoods, including homeless providers, Fair Housing Initiatives. Other examples of program providers are Legal Aid, disability rights organizations, and victim service providers.

2. **Public Official/Government Employee:** No more than one-third of the governing board may consist of representatives of the public sector (public officials or employees).

    a. **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.).

    b. **A government employee is anyone that 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 (e.g. a county sheriff deputy, a sanitation department worker, a secretary in the city parks department, etc.). A governmental employee also includes anyone appointed by a governmental entity to a position for which they are compensated for services.

    c. **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).

    d. **Appointed by a State Official**. Any individual who is not necessarily a public official, but who has been appointed by a state official (as described above) to serve on the CHDO board.

        (1) Members of the board appointed by public officials cannot select other members of the board.

(2) Public officials and/or appointees who themselves are either low-income community residents or residents of a low-income neighborhood count against the no more than one-third limit of public sector representatives. However, they do not count toward the one-third minimum requirement of community representatives.

(a) Example: ACME Helping Hands, Inc. wants to qualify as a CHDO. The organization fulfills every other requirement and is now at the point of reviewing its board composition for compliance with CHDO requirements. ACME currently has 12 board members of which six reside in low-income neighborhoods within their service area of ACME county. Included in the six are: an alderwoman, a member of the school board, a neighborhood resident appointed by the mayor to serve on the city's planning and zoning commission. The remaining six members are neither low-income nor public officials/appointees. The current ACME board does not exceed the one-third maximum limit on public-sector representatives, since only three out of the 12 members are public officials/appointees. However, the three public officials/appointees, even though they live in a low-income neighborhood, cannot count toward the minimum one-third community representative requirement for low-income. ACME's board does not currently meet the board composition threshold requirement.

3. **Unrestricted:** The remaining Board Structure 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.

IV. SPONSORSHIP/INDEPENDENCE REQUIREMENTS

Creation or Sponsorship by a For-Profit Entity

A community housing development organization may be sponsored or created by a for-profit entity, but:

1. The created non-profit (CHDO) must retain complete independence from the for-profit entity.
2. The for-profit entity may not be an entity whose primary purpose is the development or management of housing (ex: builder, developer, or real estate management firm, etc.) as evidenced in the for-profit organizations by-laws.
3. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members.
4. The CHDO must be free to contract for goods and services from vendors of its own choosing.
5. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.
6. The nonprofit entity would also be prohibited from using the office space of the for-profit entity.

Creation or Sponsorship by a Government Entity

An organization that is created by a governmental entity may qualify as a community housing development organization; however,

1. 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.
2. No governmental entity may have the right to appoint more than one-third of the organization's board members.
    a. The board members appointed by a governmental entity and the board members that are officials or employees of the participating jurisdiction or governmental entity that created the organization may not appoint any of the remaining two-thirds of the board members.
3. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization.
4. The CHDO must be free to contract for goods and services from vendors of its choosing

Sponsorship by a Religious Organization

If sponsored by a religious organization, the CHDO is a separate secular entity from the religious organization, with membership available to all people, regardless of religion or membership criteria, as evidenced by its by-laws, charter, or articles of incorporation.

V. CAPACITY AND EXPERIENCE

Capacity

The necessary experience and capacity will vary, depending on the type of project the CHDO is undertaking and the role in which the CHDO will serve.

1. **Capacity to Carry out Activities:** CHDOs must have demonstrated capacity for carrying out housing projects assisted with Federal funds such as HOME funds, Low-Income Housing Tax Credits (26 U.S.C.42), Federal Home Loan Bank Affordable Housing Program (12 U.S.C. 1430) funds, or local and State affordable housing funds.
2. **Staff:** The CHDO must have paid employees with housing development experience who will work directly on the HOME-assisted project. Employees must have experience relevant to the role they will undertake.
    a. Evidenced by resumes and/or statements that describe the experience of key staff that have successfully completed projects similar to those to be assisted with HOME funds.
    b. A paid employee could be a permanent employee subject to a W-2 or could be a contracted employee subject to an employment contract (1099).
    c. The employees can be full or part-time, provided they have sufficient time available to fulfill their role of overseeing the project.
    d. Employees must be paid by the CHDO.
3. **Supplementing Board Members:** Where the paid employees of the organization do not demonstrate capacity to develop a HOME-assisted project alone, the experience of paid employees may be supplemented by board members or officers of the organization that are volunteers.
    a. If a nonprofit organization is demonstrating capacity by using a volunteer board member's or officer's experience, the volunteer may not be compensated by or have their services donated by another organization. Provide certification statement.
    b. Board members must have professional skills directly relevant to housing development.
        (1) Provide resume outlining professional skills relevant to housing development. Examples of professional skills: real estate, legal, architectural, planning, construction, finance, and management experience.
        (2) Evidence of training received in the past two years
4. **Consultants:** Organizations that are qualifying as a CHDO for the first time may contract with a consultant and be counted if the consultant is training the paid CHDO staff to be able to perform the function in future projects. There should be a plan in place for the consultant to train key staff.
5. **CHDO Capacity cannot be**:
    a. Municipal, county, or state employees
    b. Officers or employees of a for-profit sponsoring entity
    c. Employees of another non-profit organization
    d. Consultants (paid or volunteer) are not planning to train the CHDO's key staff.
    e. Volunteer labor, or services donated by another organization to demonstrate capacity.

Experience

To determine if a CHDO has the expertise and experience to carry out the proposed project in the organization's track record will be reviewed. The applicant must provide documentation such as staff resumes, references, and financial statements demonstrating their capacity and years of experience in developing multi-family and single-family housing. Documentation of past projects, including but not limited to data on beneficiaries, architectural drawings, building inspection certification will be required.

1. Demonstrated experience and capacity to conduct an eligible HOME activity:
    a. Own, construct, rehabilitate, and or manage and operate an affordable single and multifamily housing development.
    b. Serve extremely low-income households, and special needs populations, such as homeless families and people with disabilities.
    c. Demonstrate ability and financial capacity to undertake, comply, and manage eligible activities.
    d. Demonstrate its familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HOME funds to ensure compliance with all applicable program requirements and regulations.
2. **Example:** If a CHDO proposes to acquire standard rental housing and manages it as affordable housing, staff will need to have property management experience and or experience in managing HOME assisted housing or other affordable housing.

Training

1. CHDO staff must submit evidence of training received within the past two years.
2. The following training will be required by key members at the submission of a CHDO funding application: *CHDO Opportunities in HOME* found on the HUD Exchange at https://www.hudexchange.info/trainings/courses/chdo-opportunities-in-home-introduction/

VI. FINANCIAL MANAGEMENT REQUIREMENTS

Financial Accountability.

Organizations will be required to submit a statement that confirms the CHDO will comply with standards that conform to 2 CFR 200.302 and 2 CFR 200.303. This statement must be on the CHDO's letterhead. **(Example attached page 36).**

1. **2 CFR 200.302 Financial Management**. Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450.

   The financial management system of each non-Federal entity must provide for the following (see also §§ 200.334, 200.335, 200.336, and 200.337):

   a. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

   b. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. If a federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports based on an analysis of the documentation on hand. Similarly, a pass- through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports based on an analysis of the documentation on hand.

   c. Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

   d. Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303.

   e. Comparison of expenditures with budget amounts for each Federal award.

   f. Written procedures to implement the requirements of § 200.305.

   g. Written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the Federal award.

2. **2 CFR 200.303 Internal Controls**. Non-Federal entity must:
    a. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
    b. Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
    c. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
    d. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
    e. Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass- through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.
3. **Conformance to Accountability Standards.** The CHDO must conform to the financial **accountability** standards of 2 CFR 200.302, "Standards for Financial Management Systems", as evidenced a by notarized statement by the board president or Chief Financial Officer (CFO) of the CHDO, or a certification from a Certified Public Accountant (CPA), or a HUD approved audit summary.
4. **No Individual Benefit.** No part of a CHDO's net earnings (profits) may benefit any members, founders, contributors, or individuals. This requirement must also be evidenced in the CHDO's charter or articles of incorporation.
5. **Audit.** Audit information will be reviewed. Provide the last three years of audited financial statements. If less than three years, provide interim financial statements including cash flow statements and general ledgers.
6. **Budgeting.** The CHDO must conduct an annual budgeting of its operations and all activities and programs. It should track and report the budget versus actual income and expenses. The CHDO must demonstrate sufficient capacity to track and manage federal funds using Generally Accepted Accounting Principles (GAAP) and use of annual budgeting.
7. **Reporting.** Financial reporting should be regular, current, and sufficient for the board to forecast and monitor the financial status of the corporation.
8. **Cash Flow Management**. The CHDO should know its current cash position and maintain control over its expenditures.
9. **Internal Controls.** The CHDO should have adequate internal controls to ensure separation of duties and safeguarding of corporate assets. There should be sufficient oversight of all financial activities. Employees that oversee the expenditure of funds should be bonded.
10. **Conflict of Interest.** The CHDO should have a conflict-of-interest policy governing board members, employees, and development activities, particularly in procurement of contract

services and the award of housing units foroccupancy.

11. **Insurance.** The CHDO should maintain adequate insurance, including liability, fidelity, bond workers compensation, property hazard and project. Regarding bonding provisions **(surety bond)**, the CHDO shall obtain a minimum bonding of $75,000 to protect the interest of the CHDO and any entity which shall award funds unto the CHDO. If funded, the CHDO is required to increase the surety bond to the amount equal to the HOME funds granted for each principal.
12. **Financial Stability.** The current balance sheet and budget should indicate a sufficient, diversified, and stable funding base to support essential operations.
13. **Portfolio Financial Condition.** If the CHDO has a portfolio of properties, they should be in stable physical and financial condition.
14. **Liquidity.** Whether the CHDO has liquid assets available to cover current expenses shall be considered, as well as whether the CHDO has funds available for predevelopment expenses or equity investments required fordevelopment.

VII. RELATIONSHIP/SERVICE TO THE COMMUNITY REQUIREMENTS

The HOME Program establishes requirements for the organizational structure of a CHDO to ensure that the governing body or the CHDO is **controlled by the community it serves.** These requirements are designed to ensure that the CHDO is capable of decisions and actions that address the community's needs without undue influence from external agendas.

1. **History of Serving the Community in a Similar Capacity.** The CHDO must have a history of serving the community in which the HOME project will be located. The CHDO must have one year of experience serving the low-income community.
   a. Service to the community is not limited to the housing activities specified for CHDO funding. It can be a service to the community, such as job training, tax preparation, food pantries, housing counseling, Head Start, or other service or advocacy programs that work directly with low-income residents of a CHDO's service area. Documentation must be provided outlining the community service history.
2. **Low Income Input.** The CHDO must provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development, and management of affordable housing. The process must be described ***in writing*** and must be documented in the CHDO's by-laws, resolutions, or a written statement of operating procedures approved by the governing body.
   a. Each project undertaken by the CHDO should allow potential program beneficiaries to be involved and provide input on the entire project from project concept and site selection to property management. One way to accomplish this requirement is to develop a project advisory committee for each project or community where a HOME assisted project will be developed. Proof of input from the potential low-income program beneficiaries in all aspects of the project will be required for HOME project funding.
   b. Board meeting minutes should document the input gathered from the community to show that the board considered the input while making decisions related to CHDO projects.
3. **Needs**. Current plans should be well grounded in an understanding of current housing conditions, housing needs and the need for supportive services. The CHDO should have an analysis of the local housing market and the housing needs of low-income households.
4. **Community Relations.** The CHDO should have a good reputation and a positive relationship with the community it services.
5. **Local Government Relations.** The CHDO should have a positive relationship with the local government(s) of the community(s) that it serves. The CDHO must be separate from and not under the control of a government entity, in keeping with the statutory requirement that a CHDO maintain accountability to the low-income community it serves through its governing board make-up and otherwise.

VIII. CHDO SET-ASIDE ROLES

CHDO set-aside funds may be used by CHDOs for those HOME activities where the CHDO acts as the developer or owner of the housing. To qualify for the set-aside funds, the CHDO must have effective project control (decision making authority). There are two roles CHDOs can serve when utilizing HOME set-aside funds:

1. **CHDO as an Owner:** the CHDO is to be the sole and exclusive owner of the housing during development and the period of affordability.
   a. Ownership must be fee simple or via a long-term ground lease (99-year minimum)
   b. Permitted to acquire property that is in standard condition and meets property standards in 24 CFR 92.251.
   c. Cannot be an owner in partnership with another entity.
   d. Required to oversee all aspects of the development process.
   e. Can be a rental project owner without also having to be the developer.
   f. May hire an experienced project manager to oversee all aspects of the development. At a minimum the project manager will:
      i. Obtain zoning and other local approvals
      ii. Secure non-HOME financing
      iii. Manage the selection of a general contractor/builder and
      iv. Oversee work progress including cost reasonableness
   g. If the project requires development, the CHDO may hire and oversee a developer that rehabilitates or constructs the housing.
   h. The CHDO may contract for property management services.

2. **CHDO as a Developer (Rental):** The CHDO must be the owner and developer of the project receiving set-aside funds. The developer is responsible for the development of the project.
   a. Must be the sole owner of the property either in fee simple or via ground lease during the development and the period of affordability.
   b. CHDO is in sole charge of all aspects of the development process, including
      i. Obtaining zoning and other approvals
      ii. Obtaining other non-HOME financing needed for the project
      iii. Selecting architects, engineers, general contractors, and other members of the development team
      iv. Overseeing progress of work and determining cost reasonableness.
   c. Cannot develop HOME-assisted units owned by another non-profit or for-profit entity

3. **CHDO as a Developer (Homeownership Housing):**
   a. CHDO must be the owner in fee simple absolute title and the developer of the new housing to be constructed for homeownership.

b. CHDOs must arrange financing of the project and be in sole charge of construction.

c. CHDO must transfer the title of the property and HOME obligations to eligible homebuyers within a specified timeframe of project completion.

d. CHDOs 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.

4. **CHDO as a Sponsor (Affiliate Owner or Affiliate Developer**): Under this role, the CHDO 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.

   a. One of the following types of CHDO affiliate will own or develop the project

      i. A wholly owned subsidiary of the CHDO

      ii. Limited Partnership (LP) of which the CHDO or its wholly owned subsidiary is the sole general partner.

         1. Partnership agreement can only allow removal of CHDO or its subsidiary for cause and must provide for replacement by another CHDO

      iii. Limited Liability Company (LLC), of which the CHDO or its wholly owned subsidiary is the sole managing member.

         1. Operating agreement can only allow removal of CHDO or its subsidiary for cause and must provide for replacement by another CHDO

   b. **Affiliate Owned**

      i. Must solely own the property in fee simple (or via long term ground lease)

      ii. Must solely own the property for the required affordability period

      iii. CHDO will EITHER

         1. Acquire standard housing (i.e. must meet property standards in §92.251) that will be rented to income eligible tenants, **OR**

         2. Hire a project manager/developer to oversee development of new or rehabilitated housing. The project manager will:

            a. Obtain zoning and other local approvals;
            b. Secure non-HOME financing;
            c. Manage the selection of a general contractor/builder, and
            d. Oversee work progress including cost reasonableness

   c. **Affiliate Developer**

      i. Affiliate must solely own the property in fee simple (or via long term ground lease) during the development period

      ii. Affiliate must solely own the property for the required affordability period

      iii. Affiliate must be in sole charge of the development process, including

         1. Obtaining zoning and other approvals
         2. Obtaining other non-HOME financing needed for the project

3. Selecting architects, engineers, general contractors, and other members of the development team
4. Overseeing progress of work and determining cost reasonableness

d. **Tax Credits** When a CHDO is involved in a Low-Income Housing Tax Credit (LIHTC) project, it serves as a sponsor.

i. The CHDO is a member of an ownership organization rather than the sole owner, as required for the owner or developer role.

ii. All LIHTC projects must utilize the sponsor role, in which the CHDO maintains control over the ownership entity to be eligible to receive HOME funding.

iii. It is permissible under the "sponsor CHDO affiliate" role to develop a project with set-aside funds when the actual ownership is through an entity that also has investor participation such as low-income Housing Tax Credit projects.

1. 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 a limited liability company in which a CHDO or a wholly owned subsidiary of the CHDO is the sole managing member.

iv. **Example 1**: A CHDO has been asked to partner with a for-profit developer to develop a rental project under the LIHTC nonprofit set-aside where the for- profit and the CHDO will jointly own the general partner entity. Is this project eligible for the CHDO set-aside?

1. No, the project is not eligible for CHDO set-aside funding. To qualify as a CHDO sponsored project, the CHDO or its wholly owned subsidiary must be the sole general partner of a limited partnership. In this scenario, the CHDO does not wholly and exclusively own the general partner entity.

v. **Example 2**: ACME Helping Hands is a qualified CHDO. They have undertaken several rental housing projects, typically in the role of developer. Two years ago, they decided to undertake a Low-Income Housing Tax Credit (LIHTC) project. They created a limited partnership with the equity investor. ACME was named as the sole general partner. The partnership agreement clearly spelled out ACME's role and decision-making authority.

1. Prior to making a funding commitment, our PJ reviewed this agreement to ensure that we were solely responsible for the project. The PJ also confirmed that our agreement clearly stated that if we were removed as the general partner, the limited partnership would be required to replace ACME Helping Hands (CHDO) with another eligible CHDO.

2. **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.

a. Nonprofit receiving property upon completion must
i. Be identified by the CHDO prior to commitment
ii. Not be created by a governmental entity; and

iii. Assume ownership and all HOME obligations, including any loan repayment requirements, at a specified time following completion of the development

b. CHDO must own the property in fee simple (or via long term ground lease) during the development period

c. CHDO must be in sole charge of the development process, including
   i. Obtaining zoning and other approvals;
   ii. Obtaining other non-HOME financing needed for the project;
   iii. Selecting architects, engineers, general contractors, and other members of the development team; and
   iv. Overseeing progress of work and determining cost reasonableness.

d. If identified nonprofit does not assume ownership as planned, CHDO must maintain ownership for the affordability period

e. **Example:** ACME Helping Hands enters into a legally binding agreement with Elder Care, an existing nonprofit organization experienced in providing enhanced housing services for the elderly. The CHDO agrees to purchase and rehabilitate a vacant 50-unit property and convey the property to Elder Care upon completion of the construction phase.
   i. Elder Care will assume responsibility for the long-term management of the project, and for the fulfillment of all obligations and requirements associated with the use of the HOME funds.

IX. DEVELOPMENT CAPACITY REQUIREMENTS

1. **Capacity to Carry Out Activities.** The CHDO must have demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by resumes and/or statements that describe the experience of key staff that have successfully completed projects similar to those to be assisted with HOME funds.
2. **Portfolio.** The CHDO's portfolio of projects and properties should evidence competent management and oversight.
3. **Previous Performance.** The CHDO should have exhibited competence with any previous CHDO activities.
4. **Management Capacity.** The CHDO's management should have the capacity and ability to manage additional development activities.
5. **Procedures.** There should be policies and procedures in place to govern development activities.
6. **Project management.** The CHDO should have procedures for monitoring the progress of a project and the capacity to monitor project-level cash flow and schedules.
7. **Personnel.** There should be staff that is assigned responsibilities for housing development and personnel policies and job descriptions should be clear.
8. **Staff Skills.** The strength of staff in the following areas shall be considered:
    a. Legal/financial aspects of housing development
    b. Management of real estate development
    c. Oversight of design & construction management
    d. Marketing, intake
    e. Property management (if applicable)
9. **Training**. Staff should be encouraged to obtain additional training and develop skills.
10. **Member involvement**. The CHDO's membership should be active and in support of the CHDO's housing activities.
11. **Use of consultants**. To what extent does the CHDO has access to and makes use of qualified development consultants shall be considered, as well as how these consultants interact with staff.
    a. CHDOs may not use a qualified consultant to demonstrate capacity except during an organization's first year as a CHDO. In this case, a consultant may be used to train the CHDO's staff. In addition, a CHDO may never use volunteer labor, or services donated by another organization to demonstrate capacity.
12. **Funding access**. The CHDO should have the ability to raise funds for the capital requirements of a project.

X. OPERATING EXPENSES PROGRAM

1. **General Operating Assistance:** Up to five percent of MHC's HOME allocation may be used to provide general operating assistance to CHDOs that are receiving set-aside funds for an activity (or activities) or are under a written agreement to receive set- aside funds within 24 months of the date of the agreement. Operating expenses are not an eligible cost for CHDO set-aside funds.
2. **Limitations:** Assistance for operating expenses in each fiscal year may not exceed $50,000, or 50% of the CHDO's total annual operating expenses for that year, whichever is greater.
3. **Funding:** To apply for CHDO Operating Expenses, nonprofits must be a certified CHDO and submit an application along with supportive documentation to MHC for consideration. Funding applications for the CHDO Operating Expenses grant can be found at https://www.mshomecorp.com/federal-programs/home/chdo/

XI. CHDO FUNDING SET-ASIDE

MHC's HOME CHDO funds will be used to provide financing and gap financing for eligible projects located in Mississippi. The program targets housing in eligible areas that are affordable to people who are at or below the applicable income limits. In exchange for low- cost permanent financing, property owners will agree to income, rent, and other restrictions for a period of affordability of at least 5 to 20 years depending on funding source and level. Projects are monitored for compliance during the period of affordability. Project developers, owners, and sponsors must coordinate funders' requirements when there are multiple funding sources.

To apply for CHDO Funding Set-Aside, nonprofits must be a certified CHDO and submit an application along with supportive documentation to MHC for consideration. Funding applications for the CHDO Operating Expenses grant can be found at https://www.mshomecorp.com/federal-programs/home/chdo/

XII. THE CONSOLIDATED PLAN

Activities conducted by CHDOs must be consistent with the state's Consolidated Plan. The Consolidated Plan identifies housing and community development needs in the state's jurisdiction and provides long-term strategy for addressing those needs. The Consolidated Plan indicates the level of resources which are allocated to each program. Each year the state must develop an Action Plan, which spells out which activities it will carry out and how much money will be spent in each area. The Consolidated Planning process is an opportunity for CHDOs to provide input to the state on how funds are allocated.

XIII. CODE OF FEDERAL REGULATIONS

Code of Federal Regulations

Additional information on the CHDO program can be found at 24 C.F.R. § 92.300 Set-side For Community Housing Development Organizations (CHDOs).

XIV. EFFECTIVE PERIOD OF CHDO CERTIFICATION

1. To maintain current CHDO Certification status, the CHDO must submit a complete CHDO Certification package for funding through MHC, and the CHDO must be awarded funds.
2. Certification is effective for a **twelve (12) month** period from approval.

XV. HOW TO APPLY FOR CHDO CERTIFICATION

1. Complete a CHDO Project Proposal form and the CHDO Certification Package (Application).
2. Submit one (1) original of the Proposal and Certification application. The application should be bound and delivered to:

   Julie Brooks
   Mississippi Home Corporation
   735 Riverside Drive
   Jackson, Mississippi 39202

3. If additional information is requested, the applicant has 30 days to respond. If the requested information is not received within 30 days, the CHDO Certification application will be pending until such information has been submitted.

NOTE: Fax and email copies are not acceptable:

XVI. REQUIRED DOCUMENTATION

Provide the following information. Separate each item in the application with a TAB and identify the tab in a table of contents.

1. **Application Documents**
   - **a.** CHDO Applicant Information Form
   - **b.** CHDO Certification Application Form
   - **c.** CHDO Authorized Signature and CHDO Role Form
   - **d.** CHDO Eligibility Survey
   - e. Provide Certification *of Signatures and Address* form for required key staff members.
2. **Entity Documentation**
   - a. Copy of the CHDO's Charter (if applicable)
   - b. Copy of the CHDO's Mission Statement and/or Purpose
   - c. Copy of CHDO's By-Laws with any necessary amendments
   - d. Copy of the CHDO's Articles of Incorporation
   - e. Copy of the CDHO's 501 (c) (3) or (c) (4) ruling as provided by the IRS.
3. **Board Documentation**
   - a. Board Resolution applying for CHDO Status (board minutes)
   - b. Statement describing the board members selection process.
   - c. *Certification of Board Status Chart*: Provide a list of all board members including his/her name, physical address, and occupation. Identify the representation area for each board member (low-income, public official, or unrestricted).
   - d. Complete the applicable *Board Member Certification for CHDO Status* form for each board member (Public Official Certification, Low-Income Representation, or Unrestricted Representation).
4. **Financial Documentation**
   - a. Copy of the CHDO's Annual Operating Budget
   - b. Copy of the CHDO's most recent Audit Report or Financial Statements (two years)
     - (i) **Financial Statements:** Financial statements are allowed for organizations expending less than $750,000 in Federal awards in a fiscal year. Organization's most recent financial statements must be compiled, reviewed, or audited by an independent CPA.
   - c. Copy of the CHDO's written financial policy showing the CHDO's financial management system conforms to the financial accountability standards of 2 CFR 200.302 and 2 CFR 200.303.
   - d. *Conformity Statement*: Written statement that confirms the CHDO will comply with standards that conform to 2 CFR 200.302 and 2 CFR 200.303. Must be on company letterhead.
   - e. Surety Bond: Copy of the CHDO's liability insurance.
5. **Capacity Documentation**
   - a. Complete the CHDO Staff Roster chart. Employees (or board members) listed will count towards the CHDO's capacity requirement.

b. The following is required for all employees (or board members) counting towards the CHDO's capacity requirement:
   (i) Resume: Resumes must reflect skills relevant to the role they will undertake.
   (ii) For each paid employee, provide a copy of their W-2 and or 1099 with contract.
   (iii) Provide a list of training and/or technical assistance received within the last two years.

c. Board Members supplementing paid employees must provide a written statement that they are not receiving any financial benefit and are volunteering their time towards the capacity requirement. Must be on company letterhead.

d. Describe the current capacity of the CHDO. The definition of capacity includes both human and financial resources.

6. Experience Documentation

a. An *Experience Certification* form must be completed for each key staff member.

b. Provide separate statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds.

c. Written summary of applicable affordable project development experience: Documentation of past projects, including but not limited to data on beneficiaries, architectural drawings, building inspection certification

d. If funded in the past, provide HOME eligible projects begun or completed.

7. Community Requirements

a. Letter of support from the planning or development agency providing housing related services to the largest municipality in the designated service area.
   (i) If no such organization exists, then a letter from the mayor or highest elected official (e.g., president of the board of supervisors) of the local government that comprises the majority of the proposed service area.

b. Provide a description of the CHDO's relationship with local government, business in the proposed service area, and other non-profit organizations. Describe how these relationships, or partnerships, will help the CHDO meet its housing goals.

c. Low Income Input: Describe, in detail, the formal process that allows low-income residents and program beneficiaries to advise the CHDO on decisions concerning the site, development and management of affordable housing.

d. Describe the needs the organization will serve in the targeted service area as a CHDO. (Provide data, maps, and other information as necessary)

e. A detailed statement that documents the specific services the CHDO has rendered in the proposed service area. Must demonstrate that it has at least **one year** of experience serving the community that will benefit from the HOME funds.

8. Project Documentation

a. Map and narrative description of the proposed service area.

b. Statement describing the nature of the housing project(s) the CHDO plans to develop. This statement should include a description of the predevelopment activities undertaken, potential sources of financing, and any other information that will describe the CHDO in pursuing the project.

Mississippi Home Corporation
Home Investment Partnerships (HOME) Program Community Housing Development Organization (CHDO)
CHDO Applicant Information

ORGANIZATION NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

WEBSITE: _____

ORGANIZATION CONTACT: _____

TITLE: _____

EMAIL: _____

PHONE: _____

FAX: _____

UNIQUE ENTITY ID: _____

FEDERAL TAX ID (EIN): _____

APPLICATION DATE: _____

SUBMITTED BY: _____

Mississippi Home Corporation

CHDO CERTIFICATION APPLICATION

Organization Name		Tax ID Number
Mailing Address		
Contact Name/Title	Contact's Daytime Phone Number	
Board President Name	Board President's Daytime Phone Number	Organizations Fax Number

PLEASE DESCRIBE THE CHDO-ELIGIBLE ACTIVITIES YOUR ORGANIZATION PLANS TO UNDERTAKE AS A CHDO

_____

_____

_____

_____

LIST EACH GEOGRAPHIC AREA TO BE CONSIDERED FOR CHDO CERTIFICATION	
Locality	Locality
1.	4.
2.	5.
3.	6.

I certify that the submission of this application has been approved by a ⅔ vote of the Board of Directors. (Please attach a copy of the Board's minutes authorizing submission).

_____ _____

Board President Signature Date

CHDO AUTHORIZED SIGNATURE AND CHDO ROLE

CHDO's Authorized Representative:

I certify the information provided in this CHDO Certification Application, and all its attachments are true and correct to the best of my knowledge. The authorized representative is the highest executive position within the organization.

Signature: _____ Date: _____

Print Name: _____ Title: _____

CHDO's Board of Directors Chair or Highest Officer:

I certify the information provided in this CHDO Certification Application, and all its attachments are true and correct to the best of my knowledge.

Signature: _____ Date: _____

Print Name: _____ Title: _____

Based on the Code of Federal Regulations (CFR) at 24 CFR Section 92.300 your organization expects to pursue the following CHDO roles (select the role that applies to your project):

- O Rental Owner [24 CFR Section 92.300(a)(2)]
- O Rental Developer [24 CFR Section 92.300(a)(3)]
- O Homeownership Developer [24 CFR Section 92.300(a)(6)]
- O Rental Sponsor Affiliate [24 CFR Section 92.300(a)(4)]
    - o Affiliate Owner
    - o Affiliate Developer
- O Rental Sponsor Turnkey [24 CFR Section 92.300(a)(5)]

CHDO ELIGIBILITY SURVEY

DATE: _____

ORGANIZATION NAME: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

OFFICE HOURS: _____

OVERVIEW: To be eligible to submit project proposals for HOME funds under the Community Housing Development Organization (CHDO) Category, a non-profit organization must qualify as a Community Housing Development Organization. This survey is designed to identify non-profit organizations that want to become CHDOs and to assist them in achieving this goal.

If your organization is interested in applying to Mississippi Home Corporation as a Community Housing Development Organization (CHDO), please check the appropriate answer that applies to your organization as of the date the survey is completed.

1. Is your CHDO chartered as a private, non-profit corporation in accordance with state and local laws?

   YES [] NO []

2. Does your CHDO have among its purposes, in its articles of incorporation, resolutions, and by-laws, activities related to the provision of decent housing that is affordable to low and moderate-income persons?

   YES [] NO []

3. Does any part of your CHDO's net earnings (profits) personally benefit any member, founder, contributor, or individual?

   YES [] NO []

4. Is your CHDO tax-exempt under 501(c) (3) or (c) (4) of the Internal Revenue Code of 1986? **(If your organization has applied for their 501(c) (3) or (c) (4) ruling, and has not received the final ruling, the CHDO does not meet this requirement).**

   YES [] NO []

Date your organization received its tax-exempt status: _____

5. Is at least two-thirds of your governing board comprised of individuals that are acting in a private capacity? (i.e., he/she is not legally bound to act on behalf of a public body and is not being paid by a public body while performing functions in connection with the non- profit organization).

   YES [] NO []

6. Does a public body have the authority to appoint more than one-third of the members of the governing board?

   YES [] NO []

   a. Is more than one-third of the CHDO's board comprised of public officials?

      YES [] NO []

7. Is your CHDO either controlled by, or under the direction of, individuals or entities seeking to derive profit or gain from the CHDO?

   YES [] NO []

   a. If yes, Is the entity's primary purpose the development or management of housing, real estate management, construction, or development?

      YES [] NO []

   b. Does this entity appoint more than one-third of the CHDO's board?

      YES [] NO []

   c. Do those board members appointed by this entity appoint any of the remaining board members?

      YES [] NO []

   d. Is the CHDO free to contract with any vendor for goods and

      services? YES [] NO []

8. Does your CHDO's financial accountability conform to the standards found at 2 CFR 200.302, "Financial Management" and 2 CFR 200.303 "Internal Controls"?

   YES [] NO []

9. Are your CHDO's activities limited to a geographically defined target area?

   YES [] NO []

10. Is at least one-third of the CHDO's board comprised of low-income residents from the target/service area, or community or elected representatives of low-income neighborhood organizations?

    YES [] NO []

a. If the CHDO works within a multi-county area, are there representatives from each county?

YES [] NO []

11. Does the CHDO provide a formal process for low-income program beneficiaries to advise the CHDO in its decisions regarding the design, site, development, and management of affordable housing?

YES [] NO []

12. Does the CHDO have the demonstrated capacity (to carry out HOME assisted activities? CHDOs must have experienced key staff who have successfully completed similar projects to those proposed and a plan to train appropriate staff members of the CHDO)

YES [] NO []

13. Has the CHDO or its parent served the target area/community that would receive HOME assistance for at least two years?

YES [] NO []

14. Does your board have a committee structure or other means of overseeing planning and development activities?

YES [] NO []

I certify that the information provided within this survey is true and correct.

_____ _____

Signature of Authorized Representative Date

_____

Name of Organization

EXPERIENCE CERTIFICATION

Please attach signed copies for **each key staff member** whose experience should be considered for meeting the Experience/Capacity requirement. Attach one copy for each project. Resumes and W-2's should also be attached.

Staff or Consultant Name

Mailing Address

Phone Number

Email

Project Name

Project Location

Project Type: (Rental/Homeownership)

# of Units

Population Served

Date of Occupancy

Sources of Funds

Description of Staff/Consultant Role in Project

Project References:

Name	Address	Phone
Name	Address	Phone

I certify that the information provided is accurate and give my consent to contact references listed.

Signature

Date

Board Member Certification for CHDO Status

Public Official Certification

Each board member representing the interest of Public Official in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files and send in a copy to MHC. These certifications will be reviewed during monitoring visits by the State.

Board Member Name: _____

I certify that I am currently a member in good standing of the governing board for _____ (name of applicant CHDO) and that I represent the interests of Public Official in the applicant's target community.

Public Official Certification

For the purposes of 24 CFR Part 92 (HOME Investment Partnerships Program) a "public official" is defined as any person serving in any of the following capacities: *(Check all that apply)*

☐ An elected official – council member, alderman, commissioner, state legislator, school board representative, etc.

☐ An appointed public official – members of a planning or zoning commission, or any other regulatory and/or advisory commission appointed by the Mayor, Council or other official.

☐ An employee of the public official.

☐ A person appointed by a public official to serve on the board – any individual who is not necessarily a public official, but who was appointed by a public official (as described above).

*By signing and dating this statement, I hereby certify that **I DO** serve in one of the "public official" capacities stated above*.

_____ _____

Board Member's Signature **Date**

_____

Board Member's Printed Name

Board Member Certification for CHDO Status

Low-Income Representation

Each board member representing the interest of low-income families in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files and send in a copy to MHC. These certifications will be reviewed during monitoring visits by the State.

Board Member Name: _____

I certify that I am currently a member in good standing of the governing board for (name of applicant CHDO)_____ and that I represent the interests of low-income families in the applicant's target community.

Low-Income Representation Certification

For the purposes of 24 CFR Part 92 (HOME Investment Partnerships Program) a person who does not serve as a "public official" in any elected or appointed capacity, and who meets any of the following characteristics is recognized as representing the low-income community. *(Check all that apply)*

☐ I live in a low-income area – where 51% or more of the households in my U.S. Census tract have incomes at or below 80% of the median household income, as defined by HUD. My address is: _____

☐ I am an elected representative of the following low-income area neighborhood organization. _____

☐ My household has an income at or below 80% of the median household income for the area in which I live, according to HUD.

By signing and dating this statement, I hereby certify that **I DO** meet the low-income representation characteristic checked above.

_____ _____

Board Member's Signature **Date**

_____

Board Member's Printed Name

Board Member Certification for CHDO Status
Unrestricted Balance Official Certification

Each board member representing the interest of Unrestricted Balance in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files and send in a copy to MHC. These certifications will be reviewed during monitoring visits by the State.

Board Member Name: _____

I certify that I am currently a member in good standing of the governing board for _____ (name of applicant CHDO) and that I represent the interests of Unrestricted Balance Official in the applicant's target community.

Unrestricted Balance Board Certification
For the purposes of 24 CFR Part 92 (HOME Investment Partnerships Program) a "unrestricted balance official" is defined as any person serving in any of the following capacities: *(Check all that apply)*

- ☐ Representative of a For-profit organization.
- ☐ Representative of a Human and social service provider.
- ☐ Representative of a Non-profit organization.
- ☐ Representative of a Private organization.
- ☐ Representative of Religious organization.
- ☐ Representative of Other_____.

*By signing and dating this statement, I hereby certify that **I DO** serve in one of the "Unrestricted Balance official" capacities stated above*.

_____ _____

Board Member's Signature **Date**

_____

Board Member's Printed Name

Certification of Signatures and Address

The Board of Directors of _____ met on the _____ day of the month of _____, 202_ and authorized below named individuals to sign contracts, amendments, disbursement requests and other documents requiring such signatures as a part of the CHDO Certification Program.

_____	_____
Name & Title (Printed)	Signature
_____	_____
Name & Title (Printed)	Signature
_____	_____
Name & Title (Printed)	Signature

In addition, the following individuals have been authorized to serve as the primary and secondary contacts for the organization for matters relating to the CHDO Certification Program.

Primary Contact	**Secondary Contact**
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Daytime Phone Number	Daytime Phone Number
_____	_____
Email	Email

The address to which all correspondence and payments to the CHDO shall be sent is listed below:

_____

_____

_____

_____

Changes to authorized signatures, contact persons or address shall be made in writing to Mississippi Home Corporation.

_____	_____
Signature of President	Date
_____	_____
Signature of Secretary	Date

SAMPLE OF CONFORMITY STATEMENT

Mississippi Home Corporation
Attn.: Julie Brooks
735 Riverside Drive
Jackson, Mississippi 39202

This letter is to state the (Name of CHDO applying for Status) will comply with the federal regulation standards that conform to the financial accountability standards of 2 CFR 200.302 and 2 CFR 200.303 according to the Department of Housing and Urban Development.

_____ _____
Signature (Signed by Executive Director/President) Date

_____ _____
Notary Commission Expires

(SEAL)

Certification of Board Status

Applicants must complete the following *Certification of Board Status* and submit it along with their application for State CHDO certification. Please list each board member by name, then place a check indicating the representation that member brings to the Board. Please list all current or approved board members. Do not list prospective board members who have not been approved to join the board. **Minimum: CHDO's must have a minimum of six (6) members**. Do not provide a post office box as an address.

Board Member	Residential Address	Number of Years on Board	Low-Income	Public Official	Unrestricted Balance	Occupation and Place of Employment (if retired, please specify areas of expertise)

I certify that the above listing of current participating board members is accurate.

Board President Signature:_____ Date: _____

CHDO Staff Roster

Employees listed will count towards the CHDO's capacity requirement. For each employee provide a copy of their W-2, W-4 and or 1099. For each contract employee, provide a copy of the contract between the CHDO and the employee. Provide a resume for each employee and participating board member(s)(if applicable). Resumes should also include housing development experience (if applicable) and any training received within the past 2 years.

Organization Name: _____

Employee Name	Title	FT/ PT/ Volunteer	Hrs. Per Week	W-2, W4, 1099 Employee	Housing Development Experience?	Project Role

I certify that the above information is true and correct at the time of application.

_____ _____

Signature (Signed by Executive Director/President) Date