



2011 Lake County CHDO Certification Application

HOME Investment Partnership Program



Lake County Consortium

PY2011 Instructions

At least 15% of the Lake County Consortium's HOME allocation must be set aside for specific activities to be undertaken by a special type of nonprofit called a **Community Housing Development Organization (CHDO)**. A CHDO is defined as a private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves.

One of the goals of the Lake County Consortium HOME/CDBG Housing fund is to strengthen the capacity of CHDO's to successfully develop affordable housing projects throughout Lake County. Before committing any CHDO funding to an organization (for either project-specific activities or operating expenses), the Lake County Consortium is required to ensure that prospective CHDO's meet the CHDO qualifying criteria outlined in the HOME Rule at 24 CFR 92.2. This packet must be completed in order to apply for CHDO status in Lake County.

If the Lake County Consortium certifies your organization as a Community Housing Development Organization, your organization will be eligible to **apply** for PY2011 Lake County Consortium HOME CHDO funds. **CHDO Certification is not a guarantee that your organization will receive funding.** However, your organization will be eligible to apply for CHDO Reserve funds (15% set-aside of the Lake County Consortium HOME allocation) and/or CHDO Operating funds (up to 5% of the Lake County Consortium HOME allocation). CHDO certifications are valid for one year. Please note that participating jurisdictions, public bodies or instrumentalities of public bodies (i.e public housing authorities) cannot be designated as a CHDO.

Before You Begin

This packet contains information necessary to apply for Program Year 2011 CHDO Certification from the Lake County Consortium. Before completing this certification packet, you should become familiar with the Lake County HOME/CDBG Housing Fund Program Guidelines and appropriate federal regulations. Please contact Lake County Community Development Division staff at (847) 377-2150 if you have any questions regarding this certification process.

Submission Requirements

The CHDO Certification packet, including all required submissions, must be submitted by 4 P.M. on October 1, 2010 to the office of the Lake County Community Development Division. Applications should be dropped off at the Lake County Administration Building, 18 North County – 9th Floor, Waukegan, IL 60085.

Organizations that do not submit a complete CHDO Certification packet by the due date will not be considered for CHDO Certification in PY2011 and will not be eligible to apply for PY2011 CHDO Reserve or CHDO Operating funds.

Each CHDO is required to submit the original and one copy of the CHDO Certification Packet. All materials must be three-hole punched and should not be bound. An electronic version must also be submitted to communitydevelopment@lakecountyil.gov.

Please do not submit additional information that has not been requested as all applications will be sanitized of these elements to ensure fair review.

CHDO-Eligible Activities

CHDO-eligible activities are divided into two major categories: Projects and Operating expenses.

1. Projects

A project is site-specific and typically involves the acquisition, rehabilitation and/or new construction of housing. Projects are further subdivided between rental projects and homeownership projects.

2. Operating Expenses

CHDO's are eligible to receive funding for operating expenses, which assist the CHDO in developing new affordable housing projects or to administer existing projects. A CHDO may not receive HOME funding for any fiscal year in an amount that provides more than 50% of its operating budget or \$50,000, whichever is greater.

This packet only serves to certify CHDO's; it is not to apply for funding under the Lake County HOME/CDBG Housing Fund.

The Lake County Consortium reserves the right to request additional information regarding any application submitted for CHDO Certification and/or funding under the Lake County Consortium HOME/CDBG Housing Fund.

Part A - Applicant Contact Information

Applicant Name:

Sponsor/Developer
Address:

City:	State:	ZIP
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Executive Director
Name:

Contact Name (if not
same as above)

Phone:

Email:

DUNS #:

PART B - CHDO CERTIFICATION REQUIREMENTS

*Organizations that have previously been certified by the Lake County Consortium as an eligible CHDO **must resubmit all documents establishing their eligibility each year.** Organizations not previously certified as a CHDO by the Lake County Consortium must contact the Lake County Community Development Division at 847.377.2150 for detailed instructions.*

Evidence of the following must be submitted each year to qualify as a CHDO:

1. Applicant is organized under state or local laws, as evidenced by its Charter or Articles of Incorporation;
2. Applicant must have received a tax-exempt ruling from the IRS under Section 501(C) of the Internal Revenue Code of 1986, as evidenced by a written ruling from the IRS;
3. Applicant must have a clearly defined geographical service area, as evidence by its Charter, Bylaws, or Articles of Incorporation. A geographical service area may be defined as a neighborhood or neighborhoods, city, or county.
4. Applicant has among its purposes the provision of decent, safe, and sanitary housing that is affordable to low- and moderate- income persons, as evidenced by a statement in the organization's Charter, Articles of Incorporation, By-Laws, or a Resolution of the CHDO's board of directors;
5. Applicant conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by a notarized statement by the president, or chief financial officer of the organization, a certification from a Certified Public Accountant or a HUD approved audit summary;

6. Applicant has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, or contract(s) with consultant firms or individuals who have housing experience similar to project to be assisted with HOME funds, to train appropriate key staff of the organization;
7. Applicant or its parent organization has at least one year of experience in serving the community where housing will be assisted as evidenced by a written statement signed by the president of the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided) such as, developing new housing, rehabilitating existing housing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities;
8. Applicant maintains **at least** one-third of its governing board's membership as residents of low-income neighborhoods, low-income community residents, or elected representatives of low-income neighborhood organizations such as block clubs or neighborhood watches as evidenced by the organization's By-Laws, Charter, or Articles of Incorporation. **A list of board members must be provided indicating which are low-income representatives and how they qualify to meet the eligibility.** Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole State) provided that the governing board contains low-income residents from each of the multi-county areas;
9. Applicant provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by the organization's By-Laws, Resolutions, or written statement of operating procedures approved by the governing body;
10. A **maximum** of one-third of the applicant's governing board membership may consist of representatives of the public sector, as evidenced by the organization's By-Laws, Charter, or Articles of Incorporation. The public sector is defined as elected officials, appointed public officials, public employees, and appointees of public officials. Public sector representatives may not, in turn, appoint other members of the board of directors. **A list of board members must be provided indicating which are from the public sector;**
11. If the applicant is sponsored or created by a for-profit entity, the for-profit entity's primary purpose may not include the development or management of housing. The CHDO may not be controlled by, nor under the direction of, the for-profit entity or individuals seeking profit from the organization and the CHDO must be free to contract goods and services from vendor(s) of its own choosing as evidenced by the CHDO's By-Laws, Charter, or Articles of Incorporation; and
12. If the applicant is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining board members, as evidenced by the CHDO's By-Laws, Charter, or Articles of Incorporation.
13. The applicant must provide proof of Central Contractor Registration with your application submittal.