

# 2013-2014 CHDO SOLICITATION

---



Community Housing Development Organization



Web [www.richmond.ci.ca.us](http://www.richmond.ci.ca.us) | telephone: 510.307.8140

City of Richmond  
Housing and Community Development

The City of Richmond is an Equal Opportunity Services Provider. Services are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry.

# CHDO RFQ / SOLICITATION

FOR 2013-2014

## INTRODUCTION

A Community Housing Development Organization (CHDO) is a special type of non-profit housing designation under the HOME Investment Partnership Program created by The Cranston-Gonzalez 1990 National Affordable Housing Act (NAHA). Among the purposes of NAHA, as amended, are to promote partnerships between States, units of general local government and non-profit organizations, and to expand a non-profit organizations' capacity to develop and manage decent and affordable housing. The City of Richmond's annual HOME allocations contain, at a minimum, a fifteen percent set aside for CHDOs.

The City of Richmond Housing and Community Development develops guidelines for city-certified CHDO status. Attaining that status indicates that your organization has the capacity to develop, manage and/or sponsor a HOME assisted or HOME-eligible housing development. A HOME-eligible development is one which uses funds that have the same requirements and restrictions as HOME funds. In a Low Income Housing Tax Credit development, if you partner with another housing developer, or are the sole developer, you may be eligible for an allocation of HOME dollars to assist with your development costs. As a CHDO, you also might be eligible for a capacity-building operating grant.

**Every year, the City seeks new eligible organizations that may want to become CHDO's so that they may partner with the City on HOME funded projects. This solicitation invites eligible organizations to submit applications to become Richmond CHDO's.**

## GUIDELINES FOR CHDO CERTIFICATION STATUS FOR 2013-2014

The following sets out the conditions that must be met to qualify as a state-certified CHDO for the period of July 1, 2013 through June 30, 2014.

For the purpose of these guidelines, the term "governing documents" refers to your organization's Articles of Incorporation, or Certificate of Amended Articles of Incorporation (if your current status is different than that which is reflected in your original Articles); By Laws; Code of Regulations, or Charter. These documents must all reflect the most current status of your organization, including its legal name and service areas, and any changes to these documents must have been approved by your Board and registered with the state of California, if that is required.

Aspirational documents, such as Mission Statements, Organization Visions and Strategic Plans, even if Board approved, are not considered governing documents.

If a particular document is required, it will be noted in these guidelines and in the certification application. Otherwise, you may provide any of the documents defined as governing documents to meet the following conditions.

### **If your nonprofit organization...**

...is organized under State or local laws, as evidenced by that information contained in your organization's Articles of Incorporation, as amended.

...affirms that no part of its net earnings benefit any member, founder, contributor, or individual, as evidenced by that statement in your organization's governing documents.

...has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by a 501(c)(3) Certificate from the IRS.

...affirms that among its purposes is the provision of decent housing that is affordable to low and moderate-income people, as evidenced by that statement in your organization's governing documents.

...conforms to the financial accountability standards detailed in 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 or a certification from a Certified Public Accountant or a HUD approved audit summary.

...has the financial capacity to maintain itself as a viable organization. This will be evidenced by the statement from your audited financials for the calendar year 2012 that shows no findings by the auditor, and your organization's board approved budget for 2013 and actuals, certified by your fiscal officer, for the first quarter of 2013. If you had any findings in your 2012 audit, you will be asked for explanations and how you addressed the issues raised. If your 2012 audit is not available at time of application, you may submit the relevant part from your 2011 audit, and then submit your 2012 audit findings when it becomes available. The city will also commission and review your credit report as part of the evaluation of financial viability.

...has staff members that have the capacity to carry out affordable housing development, including developments assisted with HOME funds or those which are HOME-eligible. This will be evidenced by, among other characteristics, employing **paid** staff members who individually, or in combination with other **paid** staff members, can demonstrate ALL of these five qualifications:

- Knowledge of and experience with real estate development functions including acquisition, finance, appraisal, market analysis, negotiation, public and private financing, planning and zoning regulations and environmental review requirements.
- Ability to understand and explain financial transactions associated with LIHTC development and other affordable multi-family rental and homeownership development.
- Knowledge of the HOME regulations.
- Familiarity with all of the other affordable rental and homeownership programs administered by the City.
- Ability to establish and maintain effective working relationships with area residents, property owners, business partners and the general public.

...has a clearly defined geographic service area as evidenced by its being specifically described in your organization's governing documents. *For urban areas, the service area(s) is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, the service area(s) is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).*

...has a history of serving the service area(s) where HOME assisted or HOME-eligible housing will be located, as evidenced by a statement that documents at least one year of experience in serving each of the service areas claimed in your governing documents. For newly created organizations formed by local churches, service or community organizations, a statement is required that documents that the parent organization has at least one year of experience in serving your (new) organization's service areas. Completion of the SERVING YOUR SERVICE AREA section in the certification application is also required.

...has a strategic plan, approved by the Board, which *specifically* addresses housing development in any or all of your service areas. The plan will be evaluated for goals that are specific, attainable, measurable, realistic and timely. Submission of these documents, with the housing development sections highlighted, is required.

...maintains at least one-third of its governing board's membership for residents of low income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidenced in the organization's governing documents. Completion of the CHDO BOARD MEMBER section in the certification application is also required.

...provides a formal process for low-income, potential and current program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted or HOME-eligible affordable housing developments, as evidenced by the plan's inclusion in the governing documents. Completion of the SERVING YOUR SERVICE AREA section in the application materials is also required. ***Current CHDOs renewing their CHDO status are also required to document the actual outcomes of their process.***

...may be chartered by the state of California or other public entity, however, the public entity may not appoint more than one-third of the membership of the organization's governing body and the board members appointed by the public entity may not, in turn, appoint the remaining two-thirds of the board members and no more than one-third of the governing board members are elected or appointed public officials, as evidenced by the By-Laws or Charter or Articles of Incorporation.

...may be sponsored by a religious organization, but the resulting CHDO must be a separate secular entity from the religious organization. Membership on the CHDO Board must be made available to all persons, regardless of religion or membership in the sponsoring religious organization.

...may be 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 two-thirds of the board members, as evidenced by the CHDO's governing documents. The CHDO must not be controlled, nor receive directions from individuals or entities seeking profit from the organization, as evidenced by the CHDO's governing documents or a Memorandum of Understanding between the CHDO and the for-profit entity.

...may be sponsored or created by a for-profit entity, however the for-profit entity's primary purpose does not include the development or management of housing, as evidenced by the for-profit organization's governing documents.

...may be sponsored or created by a non-profit or for-profit entity, however, it is free to contract for goods and services from vendors of its own choosing, as evidenced in your organization's governing documents.

**Then, we invite you to become a CHDO for the City of Richmond!!!**

## THE APPLICATION PROCESS

The City of Richmond is soliciting CHDO application from interested parties that will be effective December 15, 2013. The Certification will be renewable for a period of 12 months from July 1, 2014 through June 30, 2015. Interested parties must take the following steps.

- Register for Bids Online by going to [www.ci.richmond.ca.us/bids](http://www.ci.richmond.ca.us/bids)
- For Bids Online information go to <http://www.planetbids.com/UsersGuides/PlanetBids%20BidsOnline%20Users%20Guide.pdf>
- Register Under the Category of 99820
- Download all of the required documents and information from the City's website <http://www.ci.richmond.ca.us/index.aspx?nid=98>
- Refer to the guidelines frequently while completing the application.
- Some of the responses require the same document to substantiate multiple conditions. You only need to submit each document once, but you must highlight all of the relevant parts.
- You must also make sure that the document is readable. Do not send illegible documents.
- You are obliged to submit all of the required documents, along with this application, even if you submitted them in previous years.
- Do not send information that is not requested.
- When your application complete and includes all the necessary attachments, please submit two (2) binders. One (1) binder should contain all the original documents and the second binder should contain all the copies of the original documents.
- The City may contact any or all CHDOs for clarification or to request additional information that may be used to inform the decision of the reviewers.
- Substantially incomplete applications will not be considered for certification. You will be notified in writing and be invited to resubmit materials in the next program year.
- If you are using an older version of WORD, you may not be able to check the check boxes. In that case, type in the word "YES" to the right of the checkbox. Consider updating your software.

Mail the two (2) binders (one (1) binder with the original documents and one (1) binder with copy of the original documents) to the following person and address:

Harnoor Chatha  
Housing and Community Development  
City of Richmond  
440 Civic Center Plaza  
2<sup>nd</sup> Floor  
Richmond CA 94804

**The application and the required binders must be  
postmarked by  
December 2, 2013**

You will receive an email acknowledging the City's  
receipt of your application

Determination of CHDO status will be announced on  
or before December 15, 2013